

The Link

March 2024

The Legal & General magazine
for intermediaries

- **Easing divorce after 50**
Are you ready to help protect your client's retirement if divorce happens? Find out more on [page 3](#).
- **Backing the Bank of Family**
Intergenerational lending is all the rage and you can play an important part. Read more on [page 5](#).
- **Happy birthday, Just Covered**
As our adviser podcast passes its first milestone, we run through some recent highlights on [page 6](#).

For Adviser use only



Welcome to issue 11 of The Link

2024 is shaping up to be a year of opportunity in the advice world. With so much market uncertainty, clients will be looking to cover more bases in terms of protection, General Insurance and mortgage flexibility. And we're here to support you.

In this issue, we dig into the less-explored area of divorce after 50 and how financial advice as well as legal input is essential for protecting your client's retirement and bringing about fairer outcomes. We focus on intergenerational lending

and how you can support the ever-growing Bank of Family. And don't miss our spot on the secrets of protection-selling success.

We've also got adviser interviews and the latest episodes from our Just Covered podcast team. As ever, if you have any comments or suggestions, please do let your Business Development Manager know.

Julie Godley

Director of Intermediary, Legal & General Retail

What's inside

- ➔ Divorce after 50: how to protect your client's retirement
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Divorce after 50: how to protect your client's retirement

Divorce can be especially challenging for older couples. Not only are they dealing with the emotional and legal aspects of ending their marriage; they need to consider the financial complexities of dividing their assets too.

According to our research¹, one in three divorces happen after the age of 50. This means more people retiring as divorcees, and they need to plan accordingly.

¹ Lansons/Legal and General divorce over 50s research - November 2023

Separating assets

For some mortgage-free couples, their home will be their largest and most obvious asset to split during a divorce. But in some cases, one partner may want to stay in the family home. This is where unlocking equity could be beneficial, especially when considering the cost of selling up and buying two new properties.

The next largest asset for couples is pensions. Because they're never in joint names, they can be overlooked as an asset to apportion. According to our research, only 12% of divorcees over 50 took pensions into account.

There are several financial solutions couples can consider, depending on their circumstances and preferences. These are some of the most common.

1. Equity release

Your clients could use a lifetime mortgage to unlock some of the value in their home to avoid having to sell up. The lump sum secured against their property could go to their ex-spouse to buy another property, or be used to cover the costs of divorce or to supplement their lifestyle.

[Read our case study on how a lifetime mortgage can support a later life divorce >](#)

2. Pension sharing

This can help achieve a fair and balanced settlement. One of the parties could transfer a percentage of their pension to their ex-spouse or receive a percentage in their own scheme. Depending on your client's age, they could use their pension settlement to buy a fixed term annuity. This could help to bridge any gaps in income until other sources of income start, such as a state pension or any defined benefit pensions.

Pensions are complex and sensitive to changes in financial markets so your clients should get advice if they're considering this option.

[Read this guide for advice on how to support your clients going through a divorce >](#)

3. Savings and investments

These are usually easier to split than property and pensions, as they can be sold or transferred without much hassle. Your clients could divide them equally, or negotiate a different ratio based on the needs and contributions of each party. It's important your clients are aware of any tax implications before making these decisions.

The value of advice

As an adviser, you can help both parties take a view of their assets before coming to a financial agreement. Thanks to you, clients can compare and evaluate the different options available to them. And you can help them understand the impact these decisions will have on their retirement and financial futures.

Explore our retirement products

Our range of over-50s mortgages and guaranteed income retirement products can help your clients achieve financial independence following divorce. And our sales aids and product specs make it easy for you to offer them.

[Visit our website for more information >](#)

2024: a year of challenges, opportunities and recognition



Mike Pritchard, Commercial Manager DQM, Legal & General

Two-and-a-half years' ago I was asked to write an article for another publication about where I thought our industry would go over the coming year (that was 2022) and some of the headwinds we might face. At the time, Russia had not invaded Ukraine with its ensuing economic impact, election-winner Boris Johnson was prime minister and Covid-19 was still going through its various waves. Well, here we are in 2024. Covid has retreated. International conflicts are numerous (and troublesome). And politics is, to say the least, 'wearisome', with the third prime minister in this fixed-term cycle.

The highs and lows of then and now

At the time, I noted that Covid would have both a positive and negative impact on life insurance. On the positive, more people became aware of the need for cover and customer demand reached an all-time high with many intermediaries reaping the benefit. On the negative, cancellations were felt hard by some intermediaries whose customers saw an evaporation of the risk and need.

Since then, the cost-of-living crisis has not only spun out of Covid and the 2022 conflict, but there's additional strain on world trade due to geopolitical and Middle East instability, all of which has a great effect on supply chains, investments and consumer confidence, interrupting our business and life as usual. Add to this UK economic pressures, the uncertainty of a general election (and what comes after), constant disruption from AI and technology, and the usual competitive market conditions and it's going to be a roller coaster year... but with opportunities!

A focus on consumer duty in 2024

2024 will be the year we focus on consumer duty which will continue to gather prominence and pace and which is where customers should feel the support of their intermediary. FCA guidance puts the onus on the broker knowing their customer and the outcomes they desire. The only way to ensure this is through regular, constructive interaction.

As a simple test, the intermediary can call or message their client and ask them: **"Can you remember what financial services product you bought from me and how it could help you in need?"**

This will prompt a review or develop the engagement. In Distribution Quality Management, we see time and again a lack of follow-up with customers once their policy has started. Sometimes, the only 'reason to call' is to chase a cancelled Direct Debit but it's too late by then. The chances are the customer has been lost. We say, if you've earned the trust and business of the customer, don't ignore them.

A badge of honour at the BQAs

Our 13th **Business Quality Awards** introduces a new consumer duty category. As always, intermediaries who do a stellar job of keeping their customers happy will get recognition and commendation. Effort and satisfaction equals reward, and I cannot think of a better way to do this than by highlighting the great outcomes consistently generated by intermediaries who know their customers and their family are appropriately covered.

The BQAs have a tradition of lifting the bar higher each year as we put the spotlight on more incredible stories of intermediaries and their advisers/staff going above and beyond. Looking back at previous winners, the majority have gone on to become bigger and better businesses. I'd like to think our badge of honour has in some way, aided their progress.

So, the macro-economic and geopolitical environment may be testing, but we are a resilient and indomitable industry that prevails through the challenges put in our way. 2024 will be no different to other years for shocks and surprises, but I do feel we are better equipped to understand how we, as a business and an industry, can take advantage of whatever comes our way. Ensuring that the customer is at the heart of what we do to keep them covered.



A step up the property ladder: why families need your advice

According to our recent **Bank of Family research**, support for first-time buyers has reached record levels.

In 2023, parents, grandparents and other family members helped with 318,400 property purchases. And one in 10 people said they wouldn't have been able to

buy their home at all without this kind of helping hand.

It shows there's a genuine need for the Bank of Family, and that financial gifts are not just a 'nice to have'. They help ensure that much-needed deposit to attract better rates and broaden buying options.

A snapshot of the unsupported

Comprehensive financial advice is crucial. Yet, in our findings, only one in four Bank of Family lenders sought advice before helping a loved one take a step up the property ladder.

Of those who did seek support, the most common source was a professional such as their mortgage broker or financial adviser. This was the case for 12.4% of our sample as a whole.

We also found that almost a quarter used their property wealth to help loved ones. That includes through equity release but also through down-sizing, re-mortgaging or passing on an inheritance early.

Whole-of-family advice is crucial

As their mortgage broker or independent financial adviser, it's crucial that you're ready to support the whole family. Given the rising cost of living and today's mortgage rate pressures, both giver and receiver should understand what their decisions might mean before they take them.

- Talk younger family members through the advantages of Bank of Family gifting, such as how an early inheritance could help them secure better interest rates.
- Explain to older family members the range of products available to help them release the equity in their home, including over 50s lifetime mortgages and retirement interest-only mortgages. Some of which they might not be aware of and which could be relevant when rates are changing frequently.
- Guide everyone through some of the things they should know, such as the fact that financial gifts may be subject to inheritance tax down the line.

Building family relationships

Being able to provide comprehensive professional advice for the whole family will connect you to clients in genuine need – such as the 72% in our survey who didn't get support before making significant financial decisions. It will make you a trusted resource for future financial advice, too. So it's important you're equipped with the information and perspectives you need.

Get started by reading and sharing our **Guide to Gifting** with your clients. It's one of the many assets we've created to nurture your Bank of Family conversations.

How a lifetime mortgage can help

A lifetime mortgage is a loan secured against your client's home. It is a way for your clients to release some of the equity in their home. They can use the money to help family members put together a deposit.

Or they might choose to help them cover other expenses like solicitor costs, moving expenses or furnishing a new property.

Lifetime-mortgage lending or equity release is an important market because of the way it gives people access to the value in their homes without them having to sell up. For many homeowners, their property is their most significant asset. So it's no surprise that many might consider using it to help loved ones up the property ladder.

For more information about the evolution of the Bank of Family **download our latest report here >**

Celebrating a year of the Just Covered podcast

We've had a super response to our Just Covered podcast which was one year old in December 2023. Just Covered gives advisers a voice and helps share the wealth of knowledge you have with your peers and those just starting out in their careers. You can catch up with all the latest episodes on your preferred podcast app and on YouTube. Here's a recap.

Episode 13

The power of storytelling

In this episode, Wayne Griffiths from One Financial Solutions shares how he became an independent financial adviser, discusses the challenges and uncertainties he faced and how joining a network helped him with compliance and support.

This episode also covers:

- why 'being nosy' and storytelling matter
- how to approach certain clients
- intergenerational planning and equity release
- mental health and the importance of checking in.

Episode 14

Christmas special

In our one-year anniversary podcast, hosts Hazel Johnston and Wayne Holcombe, as well as Sam Oakes from Financial Planner Life, reflect on the past 12 months and discuss how the podcast has helped them in their jobs.

You'll also enjoy:

- a year of top tips
- the standout moments of 2023
- what to expect from 2024.

Episode 15

Checking in on colleagues and clients

Hazel and Wayne are joined by Sam Oakes to talk about asking "How are you out of 10?" to gauge someone's well-being.

This episode also looks at:

- why connecting with your peers, your family or talk clubs helps advisers manage solitude
- the importance of taking time for personal well-being and professional growth
- the power of communication in boosting mental fitness.

Episode 16

Goal-based financial planning

Chartered Financial Planner George Laidlaw, from Gilson Gray Financial Management, joins Hazel and Wayne to talk about the importance of chartered status for his career, and about using cashflow modelling to incorporate the topic of protection in client conversations.

This episode also covers:

- connecting with law firms so clients can easily access financial planning and legal advice
- aligning protection with financial goals, rather than viewing protection as a disruptive aspect
- the value of learning from fellow advisers.

Special episode

Divorce after 50: pensions and property

In this special episode of Just Covered, Hazel and Wayne are joined by financial planner and pensions expert Fiona Tait, as well as mortgage broker and later-life-lending adviser Manjit Kaur. Fiona and Manjit give their take on pensions and property in divorce, and how your advice can help secure better outcomes.

You'll also learn about:

- the importance of broadening your professional network
- why no two clients are the same
- the value of advising clients early on in divorce.

[Catch up here >](#)



The adviser interview

Matt Stephens

Matt Stephens, mortgage and protection adviser and business development consultant at The Finance Planning Group, has been advising about mortgages and protection and selling protection and GI for 14 years. He's also a trainer and coach. We asked him about his career and his changing advice role.

1. How did you become an adviser?

I always had an interest in helping others. Knowing I've done something to make someone else's life easier is a hard-to-beat feeling, whether that's saving them money on a mortgage or ensuring with protection policies that people don't run into financial hardship if something happens to their partner.

2. How do you begin protection conversations with clients?

My number one rule is that the client needs to be introduced to the concept of you doing their protection from the very first time you speak together. For me, this starts with a simple "I'm a mortgage and protection adviser." We have two jobs as part of our process – to help the client buy a property and to ensure they can stay in it should anything bad happen. By going into the fact-find with this mentality the client is always more receptive to open protection questions and hard-hitting protection conversations.

3. What would you like to see from providers in 2024?

It would be nice to see providers giving clients more choice with underwriting outcomes as opposed to either just raising the premium or excluding a condition. Why not offer both and give

the choice to the client? This would probably lead to a bigger retention in business for the provider.

4. How do you position value-added services to clients?

The extras that providers add to their products are great but I've personally always found that most clients are 'premium driven', regardless of what's included. Our 'advice' is always based on the cheapest premium for life and IPB whereas for critical-illness cover our preferred provider is based on their product rating. We always have value-added services on the table though and sometimes clients are interested in benefits like having a virtual GP. But, for the majority of people in my experience it always comes down to price.

5. What opportunities do you see for advisers in 2024

With interest rates starting to level now and what looks to be the 'new normal' at our doors the emphasis for clients needs to be on budgeting. It's incredibly difficult to recommend someone take out a £50-a-month policy when their mortgage payments are going up £300 in some cases. One way could be for them to increase the term of the mortgage as an example.

I certainly don't see greater or fewer opportunities in 2024 than there were in 2023, but what I do see is a

much-needed shift emphasising how important protection is for a family with rising mortgage costs. I'll be spending more time on this conversation.

6. Is there a moment that cemented you becoming a protection adviser?

At some point in every adviser's career they're going to run into instances where their clients need to claim on their protection policies. About two years into my career, I had a call from a client who'd been diagnosed with cancer. A wave of dread came over me as I was worried that she hadn't taken out any cover. While chatting to her on the phone I frantically found her file on my computer and was beyond relieved to inform her the critical-illness policy I wrote her the previous year should pay out on the claim. I helped her with the number to call and what to say.

I'm so thankful I had it embedded in me at the start of my career to take more time with the protection chat than the mortgage chat when doing my initial fact find. I don't know whether they would have gone on to do protection elsewhere but I **do** know that the cancer would have come regardless so I'm glad I didn't brush over protection as part of my process. The client was able to pay off her mortgage and I'm happy to say she made a full recovery.

Introducing our new MDM, Dave Butler

Our new Market Development Manager Dave Butler tells us about his passion for protection, his new role as at Legal & General and his goals for 2024.



1. Tell us about your background?

I started at Friends Provident in customer services just after sitting my A-Levels. I moved to the protection product and pricing team at Friends and worked in products and propositions for nearly 10 years. My focus was on high-net worth, business protection and tax and trust. After this, I moved into sales where I had a technical focus and ran some sales teams along the way,

2. What inspires you to work in protection?

I enjoy the technical side of the role and being able to help and support advisers in these markets. When I started back in 1999 it was just a job at the biggest employer in Salisbury where I live. However, speaking to customers and seeing the difference protection has made to their lives has grown my passion. In 2006 my dad died and I saw first-hand how protection made a difference and how putting policies in trust is so important. (He didn't and it delayed payment by about six months while we sorted probate.)

3. What are your first impressions since joining Legal & General?

Since I joined the industry, Legal & General has always been a market leader. Friends in the industry who've worked here all raved about the culture and people. So it's been a fantastic first few months and they were right; the culture and people are incredible here.

4. Tell us about your role and how you see yourself shaping it?

I'm really excited about my role. I've joined a fantastic team where our knowledge and experience really complement each other. With a brief to grow the market and make sure we're getting more than our fair share, I want to make sure I am out working with our business decision makers and protection intermediaries as much as possible. Not only to help them grow their businesses into new areas. But also to understand what their challenges are and what we can do to help get more people protected and more of those with Legal & General.

5. What are your goals for 2024?

If I can help the sales team I support and intermediary protection hit their targets then I'll have done my job. Switching more firms on to protection, Legal & General's proposition and areas such as business protection and high-net-worth sales will help drive this.

6. What's the biggest opportunity for advisers in 2024?

Be open to new ideas! There are so many opportunities to advise on protection, within or linked to their existing client banks. By making small changes to their processes and being open to learning about new products and areas, we can get more customers covered. That's a better outcome for everyone involved.



Unlock your confidence in protection

Lack of confidence undermines success

Fear of failure, gaps in product knowledge and a lack of conviction in their own abilities can mean advisers find themselves in the position of paying lip-service to what protection offers. They may come across as pushing a sale rather than offering something of value, which can degrade trust. They may feel less able to handle objections and more prone to embarrassment if a client notices their discomfort.

This combination can make conversations awkward, putting advisers off trying again. When they attempt another sale, they expect failure and this becomes self-fulfilling.

Soft skills are key

'Seeding' the idea of protection early into conversations means it's there in the background, ready to be discussed in detail should the right opportunity arise.

Clients as well as advisers can find talking about death and illness difficult. By listening to the client's story and being ready to reassure them with information about the benefits of protection, conversations can take place naturally and meaningfully. Advisers who lack life experience and stories to tell can still instigate natural conversations by staying close to their client's story in this way.

Become a confident protection adviser

Successful advisers always have the protection conversation – no matter how difficult or sensitive. With practice, they may even be able to harness these sensitivities to their advantage. Their approach is not to sell at all costs, but to convince clients of the need and be ready to offer a solution without scaremongering.

According to our recent research, successful advisers tend to:

- Present protection as a fundamental element of any holistic advice meeting that underpins other financial planning.
- Integrate the protection conversation throughout the advice journey.
- Feel ok addressing uncomfortable issues head on – it's important enough.
- Work with a client to identify any gaps in their protection and develop solutions.
- Have faith in, and rely on, the process they've developed.
- Have good memory of recent similar conversations to draw on.

Boiled down, this amounts to:

- Belief in the products and a passion for protection.
- Reliance on a tried and tested advice process and sales journey.
- Knowledge of the products, provider variations and optimum configurations.

Ready to find out more secrets of protection success?

We're here to support you on your path to protection success you with tools, resources and insights backed up by top protection-adviser insights.

[Visit the research homepage to download the report and browse our expert toolkits and sales aids. >](#)

Here to help, if you need us

Thank you once again for your continued support.



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