



Legal & General enhances IP proposition with the launch of two new products

Legal & General has launched two new income protection (IP) products as part of an enhanced and expanded IP proposition that will help advisers reach a wider range of clients with more benefits and more choice.

The two new products are:

Low Start Income Protection

Low Start Income Protection shares many of the same features as Legal & General's Income Protection Benefit product.

Premiums start lower than traditional IP, helping to address initial affordability. They increase annually, with no change in cover during the term.

Low Start Income Protection gives advisers and clients more choice as it is designed for those who would be unable to immediately afford to take out the income protection they need.

Executive Income Protection

Executive Income Protection is designed to provide cover for small business owners and individual employees on higher salaries.

It allows small and medium-sized enterprises (SMEs) to pay a monthly benefit to an employee if they are unable to work due to illness or injury. Employers can insure an individual employee's earnings (up to 80%), dividends and P11D benefits, and additional cover can be arranged for other costs such as pension and National Insurance contributions.¹

Executive Income Protection can be an affordable and flexible option for SMEs, allowing them to provide benefits and support to valuable employees – a useful tool in the recruitment and retention of top talent.

These two products join Legal & General's existing IP products: Income Protection Benefit and Rental Income Protection Benefit, and form part of a comprehensive IP proposition which provides a greater range of benefits and choice. A variety of benefits are automatically included in all IP plans, such as access to Nurse Support Services*, which offers advice and support from trained nurses across six key areas, and Rehabilitation Support Service, which provides access to a specialist team who will build a structured return to work programme.

The new proposition launches at a time when Legal & General has seen its market share in sales of IP double over the last few years and addresses the urgent national focus on health and personal finance that has been brought about by the Covid-19 pandemic. The growing awareness and demand this is creating also means customers increasingly require tailored financial services products that meet their specific needs.

Craig Brown, Director, Intermediary Insurance at Legal & General, said: "With just one in 10 people protecting their income**, it's clear there is an income protection gap in the UK which could widen as people cut back on spending due to the economic impact of Covid-19. However, the pandemic has also led to growing awareness of the crucial need for people and businesses to protect their income in case of illness or injury.

"The launch of Executive Income Protection and Low Start Income Protection enhances our IP offering and gives advisers an even better opportunity to help their clients understand the importance of financial resilience. Our new proposition makes IP more accessible and provides greater choice for people to get cover that meets their individual needs."

Alan Richardson, Head of Business Protection and Group at LifeSearch, said: “Covid-19 will have affected the profits of many companies and it is these retained profits that many business owners would have been using as their rainy day fund. The depletion of these funds leaves business owners at risk, so having a sick pay insurance policy in place is more important than ever. Arranging an income protection policy through one’s business not only covers an important employee’s sick pay should they be signed off work, it also addresses the often forgotten need to continue to pay into their company-based pension.

“Unfortunately understanding of the executive income protection product outside specialist teams is poor due to complex underwriting processes from insurers, lack of experience among advisers and, in a large part, because of a lack of options.

“Legal & General’s Executive Income Protection will revolutionise the market and give advisers the confidence that it’s here to stay, easy to quote and is competitively priced. The fact advisers will now be able to add Executive Income Protection to their recommended programme at minimal cost will hopefully mean more families get protected in a way that’s best for them.”

Adam Kaplan, Senior Protection Adviser at Pendragon Protect, said: “These two new products from Legal & General are very welcome as they increase the options we can offer our clients at a time when people are really waking up to the importance of income protection.

“Having a third insurer enter the executive income protection market is a game changer and I’m hugely excited at the opportunity this presents. Additionally, Low Start Income Protection will improve access to income protection and encourage more people to get covered who otherwise wouldn’t have been able to afford it. Legal & General’s new suite of income protection products has come at the right time for the protection industry and will help advisers provide more people with the cover they need.”

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*Nurse Support Services is provided by RedArc Assured Limited

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Notes to editors

¹ Additional Cover is available at an additional cost when taking out cover and it can cover Employer Pension Contributions and / or NI contributions.

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About Legal & General Group

Established in 1836, Legal & General is one of the UK’s leading financial services groups and a major global investor. With almost £1.2 trillion in total assets under management at 31 December 2019, we are the UK’s largest investment manager for corporate pension schemes and a UK market leader in pensions de-risking, life insurance, workplace pensions and retirement income.

Further information

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