Financial software

5 Great Reasons to use Synaptic Webline

Webline has a wide range of functionality to make comparing and applying online for products easy for advisers. Here are a few you may not be familiar with.

Multi Benefit

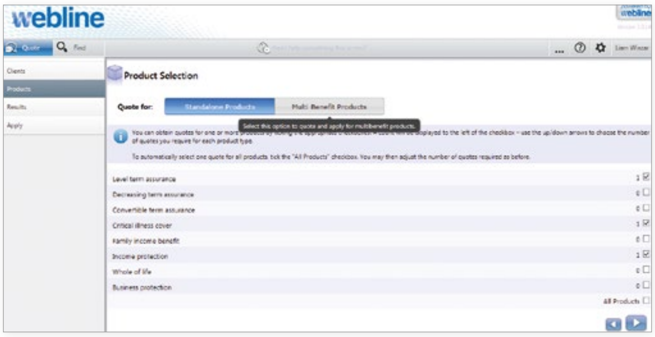
This powerful functionality will allow advisers to discuss with their customers the benefits of being fully protected, covering all their needs within the one plan rather than focusing on the minimum life assurance to cover their mortgage.

Our Multi Benefit service creates opportunities for advisers to display additional value to their clients (with potential lower total premiums), earn additional commission from additional cross sales, and reducing the administrative burden from writing multiple policies.

The following multi-benefit products will be available:

- Bright Grey protection menu product
- Friends Life protection account
- Legal & General multi benefit
- Pru Protect multi benefit

Advisers will be prompted to either produce a comparison for standalone products, or multi benefit products from the outset. When selecting the standalone product comparison journey, Webline will also run a series of multi benefit product comparisons allowing advisers to compare standalone products against the multi benefit product offerings.



Product types available

- Term Assurance
- Level Term (can include Critical Illness)
- Decreasing Term
- Convertible Term
- Critical Illness – Family Income Benefit
- Whole of Life – Income Protection
- Business Protection

Annuity Quick Quote

With Webline's market leading and powerful annuity quoting functionality you can produce up to 80 quotes in a matter of seconds.

Webline's user friendly attitude towards Web based quotation and fulfilment services offers a "Quick Quote" function for annuities, which makes this already time saving solution even faster! However, Webline still offers a detailed (CQRF) Annuity quoting function in addition to this, giving you the best of both worlds.

All that is required is for you to fill out some very basic client details, the total fund/amount and, if required, the Escalation Type, Guaranteed Period and Widows Benefit (if quoting for a joint policy).

Webline then returns up to 80 quotes to compare all of the different options available that meet your annuity quote criteria. Then simply "click" to turn options on or off, clearly displaying to your client how the various features can affect the value of their likely annuity rate.

Provider	Single Life	Joint Life (40%)	Joint Life (40%) Escalating @ 5%	Joint Life (40%) Escalating @ 5% 10 year guarantee
LV=	£18,314	£16,713	£10,722	£10,465
Just Retirement	£18,106	£16,820	£9,890	£9,782
MGM	£17,319	£16,288	£9,310	£9,203
Aviva	£16,973	£15,439	£8,474	£8,334
Canada Life	£15,586	£14,794	£7,979	£7,932
Prudential	£14,812	£13,810	£7,429	£7,388
Legal & General	£14,476	£13,327	£7,046	£7,023
Scottish Widows	£0	£0	£0	£0

Quote Report | New Quote

CAPITA

Income Protection

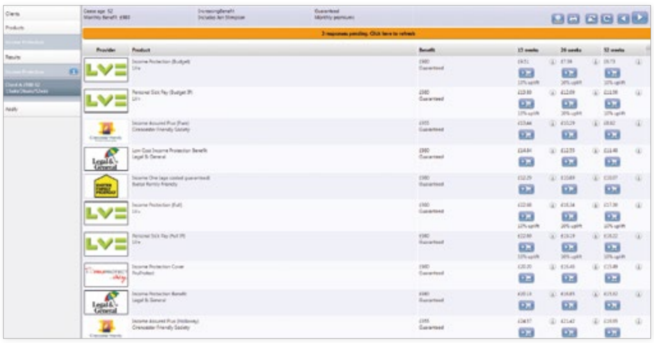
Webline's comprehensive Income Protection quote tool allows advisers to quote and compare 18 products from a panel of 10 providers.

On top of this it provides you with a fully comprehensive matrix of up to 130 quotes, based on our flexible deferment period options. By selecting more than one deferment period option on the quote form, each provider will return quotes for the respective deferment periods (as shown below).

This allows you to give your client the best deal possible based on their personal circumstances and needs.

As with our other quote forms on Webline, applying electronically is also available when using the income protection tool. Click on the premium from your chosen provider and deferment period, and obtain a personalised illustration for your client. You may then apply online (or "retrieve" this quote, and apply later on) – again, using Webline means that much of the client and product data already entered will be reused in the application itself, making life easier for you!

So using Webline means there's everything you need to provide income protection to your client from your PC or tablet!



Applying online

Buying financial products online has never been easier with the help of Synaptic Webline.

Not only does the Synaptic Webline portal allow you to compare hundreds of online products against each other, you can also apply online directly into the chosen providers extranet saving time and effort usually spent re-keying data.

When using the Synaptic Webline portal, any client data that is captured in the service will be passed across into the chosen provider's adviser extranet, pre-populating the application form.

This online application functionality is available to every user who has a Webline account, and will be supported by providers that have online new business capability.

And another reason... it's free !!

Any user who subscribes to one of Capita Financial Software's other services (Synaptic or CCD), will be able to enjoy all of the above benefits for free!

Subscribers to CFSL's other services will be able to access the Synaptic Webline portal within one single sign-on service, making the entire advice process as smooth and seamless as possible.

If you do not currently subscribe to any of our other services, there will be a £11 per month charge per adviser firm. We will not apply any additional charges for multiple users, or charge extra for additional product types – the entire service will be yours for £11 per month.

Webline Registration Guide

1. Browse to www.capitafinancialsoftware.co.uk
2. Select Research Tools from the menu at the top

3. Select Webline Protection or Annuities

Research tools

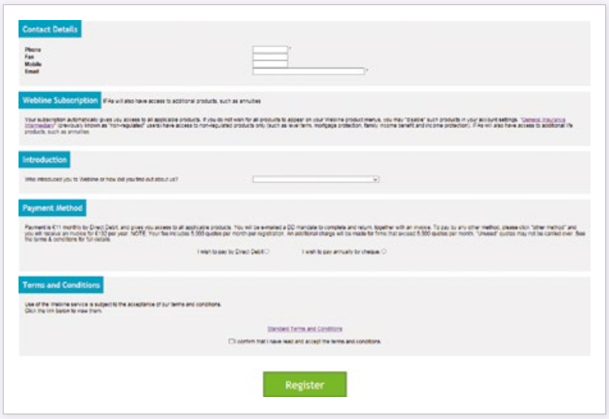
- Synaptic Risk Rating Service
- Synaptic Product & Fund
- Webline Protection
- Webline Annuities
- Synaptic Comparator
- Synaptic Modeller
- Synaptic Illustrator
- Synaptic Portfolio Builder
- Synaptic Messaging Platform

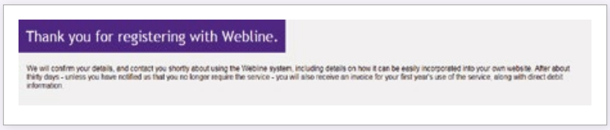
4. Select Register Now on the chosen Synaptic Webline product area

Research tools

- Synaptic Risk Rating Service
- Synaptic Product & Fund
- Webline Protection
  - Register now
  - Webline Log in
  - Webline Account Configuration
- Webline Annuities
- Synaptic Comparator
- Synaptic Modeller
- Synaptic Illustrator
- Synaptic Portfolio Builder
- Synaptic Messaging Platform

5. Complete account registration form. Once complete, select the Register button to receive your online account details.





6. Once you have completed your registration, your Synaptic Webline welcome pack will be sent over via email – this will include your specified logon details.

SYNAPTIC
WEBLINE

ellipse

Nomination of beneficiaries

Contact details:

020 3003 6200
www.ellipse.co.uk

The life cover provided to a huge number of employees is valuable for all and, for many, vital. In a lot of cases, it will be the only life cover those individuals have. In the event of an employee's death, the benefit paid could be the single most important financial asset their families. It is therefore crucial that in the event of a death, the claim and payment of the benefit is handled quickly.

I'm sure nobody would disagree with this but, remarkably, a simple process that can make the difference between families receiving their benefits quickly and having to wait is often overlooked: the nomination by each member of their beneficiaries.

To benefit from their significant tax advantages – no tax on benefit paid, premiums fully deductible for the employer and not treated as a benefit in kind for employees – the majority of group life schemes are registered with HMRC and, as part of HMRC requirements, are set up under discretionary trusts. Consequently, the legal owners of claims payments made by insurers following member deaths are the trustees. The 'discretionary' bit means that it is up to them to decide who should receive any benefits paid.

This might seem a simple duty. If a member has left a spouse and/or children, they would be the natural beneficiaries to choose. In many cases, it is as simple as this, but what if there is neither spouse nor children, or if a member has children by more than one partner? And how will the trustees know what the late member's situation as regards family or dependents is? They may well have little or no knowledge of a late member's family situation.

This is why it is so important for members to nominate their beneficiaries. A simple form, naming their preferred beneficiaries and, where there is more than one, how benefits should be shared amongst them is all that needs to be completed. Then, in the event of a member dying, the trustees at least know the member's wishes and do not have to start their investigations into who should benefit with a blank page.

Perhaps it is the simplicity of nominating beneficiaries itself that belies how important it is. As a group life insurer, I have seen far too many instances where claims payments are paid quickly from my company to the trustees, only for the money to languish in trustee accounts for the lack of information about potential beneficiaries.

John Ritchie
CEO
Ellipse

A simple form, naming their preferred beneficiaries and, where there is more than one, how benefits should be shared amongst them is all that needs to be completed.

If you advise your business clients to encourage their group life scheme members to nominate beneficiaries, well done. But are you advising them to encourage their members to review their nominations from time to time? Again, it's my experience that many companies do a good job of supplying a nomination form to employees as they become eligible to join schemes, but then those forms are held on file with never a look thereafter. This can again cause problems. A young employee may join a scheme and nominate his or her parents as beneficiaries. If they subsequently marry, then maybe have children, it's likely that their idea of who their beneficiaries should be will change – except they will often have forgotten about that simple form they completed some years earlier. Fortunately, the discretion given to trustees means an old nomination can be disregarded but, again, the absence of a recent nomination can cause delays and even lead to disputes between parties who each see themselves as the 'rightful' beneficiaries.

It is because of direct experience of the delays and disputes that my own company, Ellipse, has developed an online facility enabling members of group life schemes we insure to nominate and file their beneficiaries online. If employers ask for the facility to be made available to their employees – which is done by simply ticking a box on their application form – then as part of setting up the scheme we will email each member inviting them to complete their online nomination form. Members can log into their personal account and amend their nominations whenever their circumstances change. To ensure they don't forget the need to keep the form updated, we will email them once a year to check their nomination still accurately reflects their wishes.

Apart from the main purpose of ensuring benefit payments can be distributed as quickly as possible, having an online facility that engages with scheme members once a year also helps remind employees of the benefit their employer is so generously providing for them.

It's true there are no fees or commission to be earned in encouraging members to make nominations, and the Regulator wouldn't see it as the adviser's responsibility where they were missing. Even so, I think as professionals we owe a duty of care to ensure not only that group life cover is set up correctly for the employer but also to make it as simple as possible for vital death benefits to reach the families who need them without unnecessary delay.

End of year report for Income Protection

The concept of Income protection (IP) is remarkably straightforward. It offers protection against the biggest financial risk we're all exposed to – losing our earnings due to an illness or injury. Despite this simple concept, IP has the lowest take-up rate amongst advised protection products (just 91,000 policies were sold last year, versus 450,000 for critical illness[1]).

In summary, IP is a talented pupil, but is all too often absent from class. Below, there are some areas identified for improvement, as well as a few highlights to note.

REPORT SUMMARY

Pupil:

Income protection, aka 'IP

Class:

Protection

Year:

2014

Form teacher:

Justin Harper,
Head of Intermediary Marketing, LV=

End of year grade:

C+
(room for improvement)

1. IP could do better... but is trying

One of the common objections advisers face when recommending IP is the client perception that policies don't pay out. Alarmingly, consumers think less than 50% of claims are paid (no doubt influenced by attention-grabbing headlines), when in fact, the industry norm is now 91%[2]. Providers have been working tirelessly to address this issue, and have taken considerable steps to make sure clients get the money they expect when they need it most.

2. At times IP is top of the class (almost)

These include moving to the A* definition of sickness: 'own occupation'. However, the devil is in the detail, as some providers might only offer it for the first year of claim, or reduce the benefit after a certain period. And some (still) only apply it to certain (less risky) occupations. IP must show more clarity and consistency.

A welcome improvement!

LV= moved to a '100%' own occupation definition earlier this year. This means if a client claims, they'll get the money they expect – with no caveats or half measures. So advisers can be confident they've made the right decision to recommend one of LV= income protection products.

3. IP shows great potential

2014 has seen a number of new products entering the market, giving advisers and clients more flexibility and choice. And the demand for budget (limited payment period) plans is on the increase.

More opportunities...

*In May, LV= launched **Personal Sick Pay**, a new income protection solution for clients in riskier jobs. Currently, as the only mainstream provider to offer this type of cover, it includes a number of industry firsts:*

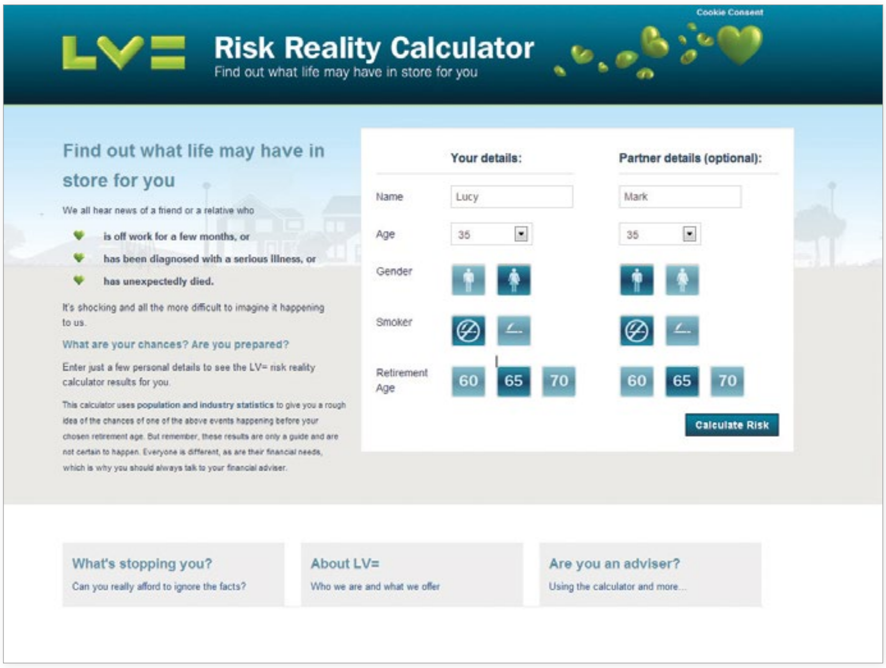
- ***Guaranteed future prices** (the price of specialist income protection policies increase with age, although LV= have the option of guaranteeing the future premiums upfront)*
- ***£1,000 benefit guarantee** with no financial underwriting (at application or claim)*
- ***Part of a menu** (so it can be recommended alongside critical illness).*

4. IP displays steady improvement, but needs to speak up in class

Another obstacle facing IP is the perceived 'it won't happen to me'. It's encouraging to see the emergence of the Seven Families IPTF initiative which aims to raise awareness among

Justin Harper

Head of Intermediary Marketing
LV=



IP has been notably absent from the classroom, although the tide appears to be (slowly) changing.

LV.com/personalsickpay

the general public about financial vulnerability in the event of illness or accident... and on a scale never seen before. Using real people and genuine stories, the campaign will show the real risks people face, and the consequences of not having financial protection.

The Seven Families initiative can help boost awareness of income protection and why it's the must-have insurance for working people. This can only make the recommendation process for advisers easier.

5. IP must show 'workings out'

Making the selling process simple is as important as offering great products. That's why many providers offer tools and sales aids to help advisers position the real need for protection.

One of these is the award-winning LV= Risk Reality Calculator.

A revolutionary tool designed to help advisers make protection personal, and in seconds. Using just four personal details (age, sex, smoker status and retirement date) advisers can calculate the likelihood of their client:

- *Being unable to work for two months or more*
- *Suffering a serious illness*
- *Dying*
- *And, the probability of any of these happening before a chosen retirement age*

The Risk Reality Calculator is proving extremely effective in justifying why income protection is the most important cover for working adults. In fact, it's now used as standard practise by a number of adviser firms, and has been used to transform conversations with more than 23,000 clients this year.

Use it to transform your client conversations at ***www.riskreality.co.uk/gen***

Other tools developed by providers to help tackle client apathy include budget planners and shortfall calculators, and a number also offer training support.

Conclusion and summary

IP has been notably absent from the classroom, although the tide appears to be (slowly) changing.

Not only are the various product and process improvements making it easier for clients to make a successful claim (91% were paid in 2013, up from 86% just two years earlier[2]). Product developments are helping to broaden IP's appeal too, so that advisers can recommend more personalised, tailored cover.

Supporting tools, training and more education for advisers have helped IP's performance to some extent, but more help here can only improve the outlook further.

Looking ahead to 2015 – IP must try harder, but has the potential to make a significant contribution to society.

1. Swiss Re, 2013
2. ABI consumer survey 2012, ABI claims stats 2013

Rainy day savings #12 and #35*

One of the best alternatives to having protection insurance is to have savings. Or is it? Is savings really an alternative to insurance?

Contact details:

www.andycouchman.com
www.protectionreview.co.uk

Follow me on Twitter:
www.twitter.com/andydcouchman

01451 821982

Countless surveys over the years by insurers, reinsurers and others (including us) all show that most people have too little in savings to be able to cope for very long if they can't work because of illness or disability, or if they suffer a serious illness.

We also know that if you are ill, you will often need more not less money. Not always, but often. Research by Scope published earlier this year found people with disabilities pay, on average, £500 a month more in living costs, while more than one in ten pay £1,000+ more each month. A year earlier, Macmillan produced a report showing that people with cancer are £570 a month worse off than before they had the diagnosis. If illness strikes, you need money.

Savings can provide that money but research for The Syndicate we commissioned last year found on average consumers held just £5,500 in savings. That compared to people saying they needed, on average, £3,753 in savings to survive if they couldn't work for three months. Go to any number of industry research reports and you'll find similar findings. I wonder though if we are asking the right question.

Our focus is on how much savings people have, compared to what they would need to spend if illness hits – all of which is important. Is that what savings is really all about though?

Certainly, we talk of 'saving for a rainy day', and we pride ourselves on the fact we have prudently saved when others have spent. Over time, we have probably gone without a few things but now sit back with great peace of mind as our savings eventually build so that they can look after us rather than vice versa.

Except, that's not how I want to spend my savings and I doubt if you do and nor do your clients.

What I really have is 'shiny things savings'. I want to use my savings to spend on a classic sports car, a custom built guitar or a holiday. If I'm feeling more generous I want to use my savings to spend on my wife, daughters or grandson or on the house. Or to give to charity. Even if I never spend my savings on shiny things, I can take comfort from the fact that my family can buy their own shiny things when I'm no longer here.

If, on the other hand, illness or worse comes along, my savings may have to be used to balance out any income loss, pay for extra things I'll need to buy or maybe even pay for

Andy Couchman

Co Chairman
Protection Review

About Andy Couchman

Andy Couchman is one of the leading commentators and consultants on health and protection insurance and mortgages in the UK. Andy is also co-chairman of Protection Review, working with fellow co-chairman Peter Le Beau MBE and CEO Kevin Carr.

We are always happy to chat with organisations who may be able to use our services. Contact us:

- By phone: **01451 821982**
- By fax: **01451 821972**
- By e-mail: **info@andycouchman.com**

Or write to Andy Couchman, Bank House Communications Limited, Bank House, Great Rissington, Cheltenham, Gloucestershire, GL54 2LP.

We think of income protection insurance as simply protecting income. In reality, it does much more than that and it protects savings as well as income too.

specialist treatment. If that does happen, I've not only lost my income, but also my hard earned savings too.

In effect, my shiny things savings has become rainy day savings. Is that what I want? Is it heck!

Of course, my employer may continue paying me (for a bit and probably not what I had been earning before) and the State has a whole raft of benefits I may qualify for assuming I pass the means test. That's actually a bit of a misnomer – I actually have to fail the means test to get many benefits and the thresholds are not particularly generous and nor are they likely to get any better after next year's General Election either, regardless of who's then in power.

No, if you don't want to run the risk of shiny things savings becoming rainy day savings there's really only one course of action to take. And that is looking at what your protection needs are and then deciding how much of that you want to insure today and how. That's likely to mean income protection insurance first for most, followed by critical illness insurance, with probably some inexpensive term insurance thrown in too. Then, just as with your savings, regular reviewing can help you achieve and maintain the right balance for you and then you'll eventually reduce your cover as you approach retirement and you max out your savings.

We think of income protection insurance as simply protecting income. In reality, it does much more than that and it protects savings as well as income too. So perhaps we should start asking clients with savings whether it's really there for a rainy day, or would they rather keep it for shiny things? Me, I'm in the shiny things camp every time.

Andy Couchman is co-chairman of Protection Review. See www.protectionreview.co.uk.

* With apologies to Bob Dylan. Great song, and maybe we could rephrase the words 'everybody must get stoned' (the underwriter in me is not comfortable with that) with 'everybody must get income protection insurance'? OK, perhaps I'll leave the poetry to the great Mr Zimmerman.

Sources:

Priced out: ending the financial penalty of disability by 2020, Scope, April 2014. **www.scope.org.uk**.

Cancer's Hidden Price Tag, Macmillan Cancer Support, April 2013. **www.macmillan.org.uk**.

bright grey
Protection. We make it personal

Cover where it matters, quality where it counts

We know it can be hard to sell a product you can't have fun with. And we know your clients aren't necessarily made of cash – there are lots of things they'd rather spend money on than the 'need to have' things in life like protection. That's why we believe it's important to provide cover where it matters, and quality where it counts. And that's why we've improved our menu to do just that.

Ian Smart
Head of Product Development and Technical Support, Bright Grey

www.brightadviser.co.uk/care

Can you believe that almost 90%[1] of our critical illness claims are for just five conditions? That's what we mean by cover where it matters. Rather than covering more and more illnesses, we believe providers should offer the best cover they can for conditions people are more likely to get.

Those conditions are cancer – which accounts for a staggering 62%[1] of claims alone – heart attack, stroke, multiple sclerosis and children's critical illness.

With this in mind, we reviewed the cover we offer for these five most common reasons for claims and made sure we could match or better the best in the market.

We now offer additional conditions cover for two more early forms of cancer. That means we cover seven early forms of cancer altogether – more than any other critical illness provider. As 83% of cancer patients are hit with an added average cost of £570 a month as a result of their illness[2], the more cancer cover providers can offer, the better.

All our additional conditions pay out 20% of the sum assured (up to a maximum of £15,000) and still leave the main cover untouched.

Our children's cover now includes conditions present from birth. And we've increased our maximum term and age ranges so that you can now recommend us to even more of your clients.

The upshot of these changes? They're going to help us pay even more claims – and that's got to be good news for everyone.

But there's one thing we're pleased to tell you hasn't changed. Our unique support service, Helping Hand, is as good as ever, supporting your clients and their immediate families through some of the hardest times in their lives.

If the worst happens, Helping Hand can offer the family bereavement counselling to help them cope with their loss. If the person covered by the plan – or any of their family – is diagnosed with a serious illness, a Helping Hand personal nurse adviser can put them in touch with support groups, recommend treatments and offer therapies. The support they get will depend entirely on their needs and circumstances.

Helping Hand comes with all our menu and relevant life plans at no extra cost. And that's what we mean by quality where it counts. A product that comes with a service like this can make the world of difference to your clients, because when they're faced with a death or illness in the family, money's not the first thing on their minds.

To find out more, come and see us at **www.brightadviser.co.uk/care**.

Sources:

1. Bright Grey and Scottish Provident critical illness claims paid, 1 January – 31 December 2013. Bright Grey and Scottish Provident are Royal London's UK intermediary protection businesses. We have a shared approach to claims so the statistics we show cover both brands.
2. Cancer's hidden price tag, Macmillan Cancer Support, June 2013.