

Intelligent Protection – a very brief history, Protection Review July 2006

After reading this article some of you are bound to think “well he would say that wouldn't he” which is a view you are perfectly entitled to hold, however I have another view which goes something like this “don't knock it until you have tried it” and so if after reading this article you think you would like to know what Intelligent Protection¹ and Express Underwriting² could do for your business, then please feel free to contact me. All of which might come across as a blatant advertisement but, if like me, you really do want to close the Protection Gap, as opposed to just talking about it, then you will come to realise that that is only going to happen if we all do more business together.

A colleague of mine often quotes a friend of his who once observed that ‘mortgage brokers slip a little life cover into the pockets of their customers as they walk them through the housing transaction’. If we could just change that to ‘mortgage advisers properly protect their customers whilst they help them navigate their way through the home buying process’, then maybe, just maybe we will reduce the protection gap to something a little more manageable than £2.46 trillion.

Closing the gap has become a bit of a crusade of mine, it is something that I am truly passionate about, not for any other reason than by doing so my firm can find commercial success, whilst also helping our business partners fulfil their aspirations and improve the lot of all of our customers, it is an ambition, which when realised, will result in genuine benefits for all.

Intelligent Protection is a software system and, as with all very good software, it makes often complicated things much easier to deal with. Intelligent Protection makes the process of providing comprehensive, properly prioritised, expert protection advice easier and quicker for advisers to give in a way that is easily digestible by clients. The system doesn't work by itself and it needs much more than just an operator, it has been designed to be used by an adviser because, when creating a bespoke protection solution tailored to an individual's every need, you just can't do it without advice. That makes me sound like a big fan of advice, which in some ways I am, but unlike some others I don't believe in advice for advice sake and I don't believe in forcing it upon people. I believe in good advice when it is needed or wanted, advice has to be something that the customer is receptive to and truly values beyond a few pence a month.

As I set about designing the systems look and feel it was always in my mind that when using the software, even for the very first time, the first few steps had to be as easy and as obvious as possible. And because we were trying to engage both the adviser and the customer it had to avoid using industry jargon, at least until it was absolutely necessary, which meant expressing the benefits provided by the insurances used in plain English rather than using three letter acronyms. Next I needed the system to do something no other life insurance system in the UK had ever done before, manage a series of quotations on the basis of the hierarchy of needs selected by the adviser with their customer, on a comparative basis and it had to include all the main multi-benefit products from the main UK insurance providers. It was here that I have to say my already very accomplished IT team excelled once again, building that aspect of the system in a little over 3 weeks.

Within a few weeks of completing what others have found to be “too difficult” they also built, to each insurers product specification, all of the validation necessary to ensure that no customer could ever be accidentally quoted for a cover, or level of benefit, that their circumstance, income or employment would not allow them to have. It then took a further 2 weeks to ensure that every input and alteration to such inputs were recorded by the system ensuring that later on these would be used to produce the appropriate individually tailored suitability text simply by the adviser clicking a button. Clearly a lot of testing followed but the overall build feat should not be underestimated and it shows just what you can accomplish with the right people and the right motivation if you focus on what is really important.

And that in a nutshell is Intelligent Protection the software, it takes away the boring bits of; establishing needs, locating providers, calculating insurance limits, sourcing premiums and remembering to write every step down for re-use later, leaving advisers to demonstrate their product, provider and market knowledge.

So against a backdrop of falling CI and IPB sales and with little or no FIB being sold by the majority of advisers what has the system actually achieved so far?

- Sales of FIB where none had taken place previously, a higher take up of CI benefits than on other sales and increasing numbers of Income Protection Benefit sales all of which has added up to a constant flow of proposals including 4 or more benefits for each client.
- A host of positive press comment on the system from every quarter, including technology specialists and protection commentators and specialist advisers alike.

- Over 1000 advisers registering for training on the system, all without a single advert being placed.
- To date every user reporting significant (30% - 80%) increases in the cover sold, the value of each sale and therefore commission.

In addition, together with the quite obvious benefits offered by Express Underwriting and with a number of very positive comments made by some of our business partners about their experiences using our system and our services, Intelligent Protection helped us to win Money Marketing's first Distribution Innovation Award.

No doubt about it we are making progress towards closing the gap and it is my fervent hope that Intelligent Protection continues on its current flight path and that others copy or harness the success it is having. This industry of ours likes to talk about problems, but talk is cheap, action is not but it is action that we need.

Finally I have to say that the system could not have been developed into what it is today without the support of key people within my own business and from Liverpool Victoria, Bright Grey, Scottish Provident and Scottish Equitable and the pilot group of users who's feedback was invaluable, particularly the team from Skipton Building Society.

¹Intelligent Protection is a unique software application developed by Direct Life & Pension Services Ltd which is designed for advisers to use in consultation with their customers to arrive at an ideal and comprehensive protection recommendation which can then be tailored to individual circumstances and budgets. Once done the system then delivers model suitability text, including a comprehensive statement of demands & needs, based on all the inputs used in developing the clients protection package.

²Express Underwriting is the tele underwriting/tele data-capture service developed by Direct Life & Pension Services Ltd during 2003 and is now the preferred application process for all Direct Life's business partners and now accounts for circa 4,500 customers applications each month.