

PRESENTER: Business protection can provide huge benefits to companies: safeguarding ownership and profits and ensuring that debts can be paid. But it's not well understood by many business owners. And in this Akademia module, we're going to look at how advisers can engage with corporates and key decision makers. Taking part is Richard Kateley, Head of Intermediary Development at Legal & General, and two advisers specialising in this field: David Turvey, Founder of Avon House, and Lee Thomas, Business Protection Consultant at Portmore Life. Let's look at the learning outcomes for this module. First, understanding the core protection needs of businesses in the UK; second, how to work with third parties such as lawyers and accountants; and, thirdly, how to engage with business owners on business protection. So when the trio came into the Akademia studio, I began by asking Lee Thomas for a bit of background on his business and how he came into the protection market. LEE THOMAS: Portmore Life has been established for about three years now. So we started on the back of a larger commercial insurance broker called Portmore Insurance. So the life business has going three years. It was set up really specifically because the guy that originally set it up spotted there was a gap really in business protection, that no one was really having that conversation as much anymore, saw a bit of a niche, and so we came onboard. The company like I said was taken onboard with Portmore Insurance. I came onboard two years ago, didn't have much of a business protection background then, so it's something that's relatively new to me. PRESENTER: So protection is really what you specialise in. LEE THOMAS: In fact business protection more than anything. We do pick up some personal stuff, occasionally, but most of it is focused around the three main products on business protection. PRESENTER: David Turvey, at Avon House, are you purely a business protection specialist? DAVID TURVEY: Primarily yes. I started 20 plus years ago basically keeping on the, looking at the corporate market. I'd had a business of my own. And having had a business of my own and then coming into life insurance, I realised there was a lot of things that I didn't know about that I should have known when I had a business. So I went straight out to business people and starting telling you should have this, you need this, you need this, have you thought of this? And that's how we've built it up. So over the last 20 years we've just concentrated on looking after the owners of businesses, whether they're partnerships, limited companies or whatever. PRESENTER: And would you go from talking to them about protection, also out into pensions and investment or? DAVID TURVEY: Every time: the doorway is simply to go in and talk to them on the protection aspect. And then look about their investments, their pensions, the planning, inheritance tax, exit strategies, the whole works, we go through everything. PRESENTER: And Richard Kateley, as L&G I mean you must be talking to lots of advisers around the country. What Lee and David describe, is that pretty typical of how? RICHARD KATELEY: It is pretty typical. I mean one of the things we have a problem with I think in our industry is a lot of advisers are quite silonic if you like. They're investment advisers or pension advisors, and very few are actually protection specialists. And these guys being protection specialists and then talking about other things is really great, and I think a lot of clients are missing out. When I first started at L&G, you know, I'd go and see a financial adviser and talk about pensions and investments and endowments and protection. Nowadays, you tend to go and see an adviser about investments or just pensions or just mortgages. And so people aren't talking about the protection. So what these guys are doing is fantastic: going out, talking to clients about protection, especially business protection because a lot of businesses don't really know that they can insure themselves. PRESENTER: Well, David, when it comes to business protection, how worthwhile a market is that to get involved with? DAVID TURVEY: If you want to write bigger premiums and earn bigger commissions it's the place to go because when you're protecting a million pounds' worth of assets, the premiums are going to be far greater. So unless you've got a bunch of high net worth clients, which are usually business owners anyway, it's the only way to go. If you want to expand your business, get better revenues and do a better job and you have more time with each individual client. Because the revenue being greater gives you more time to sit with the client and give

them a lot more of your expertise and time. PRESENTER: Is it tougher to write business protection than it is to write say individual protection? DAVID TURVEY: No, it's exactly the same. All you're doing at the end of the day is supplying a need. You've got to identify the need for the client, and then supply it. And if you present it in the right way, they'll buy off you; you won't sell it. PRESENTER: So what would you say your role is when it comes to helping and working with clients? DAVID TURVEY: Guidance more than anything else. You go into a company, and you look at it. I mean we were at a company the other day, two brothers in business, been together a long time. Didn't realise if one of the brothers dies, how is the other one going to pay out? It's a family issue. You've got more ties in there and issues of that nature. So we gave them the solution of how to get around that problem, and they said down and started filling the forms in. PRESENTER: Lee, for you again could you just give us a sense of why you feel it's a worthwhile market to be in? LEE THOMAS: Predominantly, I guess, because it's pretty much untapped at the moment. There seems to be a huge gap between the need and what people have got in place. The amount of times we'll go to companies that have been very well established for a number of years, have possibly even had conversations about the consequences of not having protection, but having that conversation without even realising such a thing as protection exists. I can think of similar examples where business owners, business worth £5-6-7m, had had the conversation that they could never buy each other out, and they'd really struggle. But had no idea that such a policy as shareholder protection was available. So no one had had the conversation with them. So for us it's very worthwhile, it's the focus of all our business. We don't then have the, I suppose, the upsell of pensions and investments, because that's not our area. We focus purely on protection. But it's certainly worthwhile. If it's a harder journey, it takes a long time I think to make it, maybe, viable and stick, because it's difficult to get into these places. But certainly there's a huge gap there. PRESENTER: What's the advantage of just staying on the protection front, because presumably if you get a good trusted relationship with a business, they might have auto-enrolment, there could be other things, why stay off them? LEE THOMAS: There's certainly a benefit in terms of how we work with our introducers. So, in terms of a lot of our work now comes from professional introduction: accountants, solicitors, banks, HR consultants. They really value that when they send us in there to look at some shareholder protection say for a cross option that they've just done, that we're going to go in and we're going to speak to the client about that and only that. I think that works well for them. And I think they'd be put off if maybe they thought I was going to go in and it was a foot in the door to try and sell all sorts of other things. I've no doubt it's a lost opportunity on the backend maybe of a client I've picked up myself, and I'll often refer them on to an IFA or someone else that's going to do some other work. But for us because we wanted to focus on business protection, and we wanted to do it really well, and we wanted to be seen as that being our specialism and our area of expertise, and the only reason we were going to go in and see someone if you'd introduced them to us, from that part of our business model it works very well. PRESENTER: And, David, in terms of business protection, is it one where you can build your own network, or is it one where you are really reliant on accountants and lawyers? DAVID TURVEY: You can build it yourself, and you've got to put the groundwork in and the effort in there. You've got to hit the phones and hit the phone books and whatever, and get the names of people, and make contact, and get through there, which I did for basically up to about five years ago. We then took the decision to get a guy in who was going to then do some marketing for us, which proved to be very successful to start with. And it started to integrate then into accountants and solicitors and that. But it's hard work. When you get one to click, it's golden. Getting them to click is extremely difficult, and getting through that part is the bit that we really need the assistance from time to time. You know, when I go and see a client, a new client that I've not seen before that we've got on our own basis, quickly you want to know who are your accountants, who are your solicitors, and then talk to them, and then say right, you're looking after this person, we feel they've got certain needs, have you not realised this, and

can we talk you about doing it? And gradually you get one in ten you'll crack, and you'll get them open. Other than that it's hard work. PRESENTER: And in terms of a timescale, how long does it take to get a solicitor to crack? DAVID TURVEY: We had a meeting with one 18 months ago, we've given them business, had nothing back. On the other hand, we meet one on a Monday, and on the Wednesday we had a phone call and she introduced us to a client. It can be very sporadic. There's no guarantee to it. You think, the ones that you tend to think that are going to be really good, tend not to be. And the ones you think that was a waste of time, and then the phone rings and they've got a client for you. So it's very hard to read. PRESENTER: Lee, have you got any tips for people? Because if you are starting to try and build your business, almost via other people, that's quite a lot of trust, and presumably it can take a lot of time until it comes through. LEE THOMAS: I think that's been our biggest challenge. It's almost it's not finding out who these people are. It's not even getting in front of them. Southampton is quite a big patch, but it's also quite a close knit patch. You get quite familiar with people. We've gone into more than maybe 15 different law firms, a dozen different accountancy firms, and certainly like you were saying it can take quite a while before you get that traction with them that the phone starts to ring. And it's certainly not with all of them. And when we go in we'll often do a session with 10-15 lawyers in the room, and we're very much on that crusade of trying to get them to have that protection conversation. And they'll take it onboard, and they'll be very agreeable, and they'll see the risks, and they'll understand what's needed. To get it to the point where the phone rings regularly from any one of them, that's the challenge. It's taken us, like I said we've been at it for nearly two years now, and getting in the door, but getting anyone that really buys it, it takes a long time. You're turning on a lot of dripping taps, rather than anyone that's going to give you a very steady flow. PRESENTER: And when you get that relationship and it works, is it a relationship you then have with the individual say in the law firm, or is it a relationship that very quickly becomes a relationship with the firm altogether, so even when people move on? LEE THOMAS: It tends to be really individual. In fact solicitors move quite regularly, and in somewhere like Southampton you do see people moving around, and they'll take you with them. So it does tend to be with the individual. It'll be the individual that phones you up. It'll be them that's focused on having that conversation with their client. PRESENTER: Richard, is there anything providers can do to help? RICHARD KATELEY: Yes, I mean we get a lot of stories from talking to advisers when they come on a workshop and stuff, and how they do it. And I think one of the things is you have to say to them look this is going to take time, but think about it. Don't run before you can walk, and start with your own business. Most people forget about their own businesses, so start with your own business. Use that as an example, then go to your own client bank, and then work your way through that before you start jumping on and finding new clients. Because let's face it, 95% or just over of companies in the UK are SMEs, so you're either going to have a business owner on your books, or you're going to have somebody that works for a small business. So there are ways of getting into it. There was a lovely story we had from an adviser up in Carlisle who, the way he did it. He went around a load of local solicitors and said look I'm a financial adviser in the area, I'm advising local businesses on shareholder protection, and I need a solicitor to help me do my cross-option agreements. And he negotiated a deal with one of the solicitors that he went to see, and started off quite slowly. He then found that that solicitor was introducing was more back to him than he was referring to him to get the cross-option agreements reviewed. So again it's working in that synergy, trying to get the two working together, that symbiotic relationship that you try and do. I think there is a lot of mistrust sometimes between different organisations, and they want to hold onto their clients. But actually once you've proved yourself accountants and solicitors can be a great source of new business. PRESENTER: But would you advertise in something like, I don't know, Legal Week for example to flag up? RICHARD KATELEY: I don't see why not. I mean we've tried to help. I did a couple of articles last year with Accountancy Age talking why accounts should go and find financial advisers, and go and get advice from them, and how

the two of you could work really well together. So I don't see why you can't. If there's a local society patch that you go and integrate with if you've got the time, so why not? It's a way of getting to talk to these people. As far as I'm concerned accountants, solicitors and advisors make the Holy Trinity that need to work together, especially in business protection. LEE THOMAS: I was going to say, I mean the great thing about it is when you do get a referral from someone, a solicitor for example, that client's not shopping around. They're not going out to half a dozen brokers looking for quotes. The relationship there's instant trust. So your accountant, your solicitor says I've done your cross option, you really need to speak to this guy about getting some shareholder protection in. They come to you ready to be advised and supported, there's no suspicions or anything. It's a much higher conversion rate. We probably convert every single one of those leads, because someone has said you need this, and that's trusted. PRESENTER: Well just going back to the businesses themselves, David, I mean we've touched on this, but when you are talking to a business, is it a case that they're not aware of the risks around business full stop, or they are but they just don't know what to do about them? DAVID TURVEY: In most cases they are aware that there's a risk there, and they know that they're at a liability age, but they don't want to really do anything about it. It's more of a well why, you know you need it but why haven't you got it? I tend to use a lot of vernaculars with them, and say your car's insured. If the car has an accident and gets written off, you're going to get a new one. But you might be driving it, and you're not covered, so don't you think you should look at protecting you? And what is the business? You make the business work, and without you there isn't any business, so you should make sure that you're protected. The building's insured, everything else is insured, even the workforce in some cases is insured, but you're not, and that's what you've got to look at. And you've got to get them to buy into that. PRESENTER: And are there any classic scenarios for perhaps smaller businesses where business protection would really help them out, and they just haven't considered it? I mean you've talked there about people perhaps being injured or killed, but what are some of the other? DAVID TURVEY: In a lot of businesses, you go into a lot of businesses that perhaps have been established 10 or 15 years, and quite often you've got a scenario where somebody in the company has recently died, or they know somebody. I've been in a few times when they've said well look, my first business partner passed away, and it nearly crippled the business and everything else. And then you're easier to get onto that aspect of selling on to them. But in all cases it's more really just trying to look at where they can perceive the risk to be, and then guiding them into that element. I mean they don't like to spend the pennies too easily in corporate land. It's more you've got to make them want to, and this is a business expense. Oh is it? Oh right okay. And that one works. Another good line is corporation tax is a voluntary tax. And they go really? Yeah, you choose to pay tax because you declare a profit. So let's spend some of the profit before, and then reduce your tax bill. Protect yourself that way. We do things of that nature. PRESENTER: Well what about, to those who would say well yes but this is just a discretionary spend, and actually I'd rather have the money for myself? DAVID TURVEY: Well you can always turn it onto the well how would your family survive if anything happens to you? Do you want your wife, who's going to inherit your shares, to be in business with your business partner? Does your business partner want to be in business with your wife? Those aspects quickly solve a problem. And let's make sure that there's a decent figure given at the end of the day for your business, because we can put a policy into trust and it pays out directly. It's via inheritance tax, it's sensible, it's effective. And you know at the end of the day all that hard work that you've put in, there's a cheque on the table if you're not here. PRESENTER: And, Lee, to what extent, how much of your business is re-broking existing business protection that hasn't been up to scratch rather, so people know they've know they've got a need, but maybe they haven't got the right policy? LEE THOMAS: It's not often. We do pick up the odd case. Particularly actually historically I think when the banks used to do this, so we'll pick up things where it's maybe nine/ten years since the banks are doing it, and that was the last time they were reviewed. And often that's a real mess. I mean we've had examples of

keyman insurance on members of staff that are no longer in the business, shareholder protection policies written out in trust to a business owner that's no longer a shareholder, and a new shareholder having no policy on them. Even things where maybe their health has deteriorated and they're no longer insurable, and because it's been nine/ten years since the review, the gap in insurance is massive. But all too often I would say the majority of our business is clients that have not got any protection in place, it's a new conversation for them, even though like I said earlier they may be very well established. PRESENTER: And what's the easiest way to make them understand what some of those risks are? LEE THOMAS: I think the risks are very simple. I mean you break them down into three pillars, so you've got ownership, profit and debt. If there's dual ownership or more, it's a very quick and easy conversation to say well have you thought about what happens. And it's amazing how many times when you'll have that conversation with two or three shareholders in a room and said have you thought about what happens, how quickly they start talking and realise they've not thought about it. And it's not always a simple conversation. Particularly if you've got family members involved. I've had cases with a father and a son being shareholders with a third business partner, and actually the father and son shares are tied up, and this business partner wasn't aware of it. So it does create a conversation that I think they need to have, and have never really thought about. In terms of profit, key person is probably the most vague of the policies in terms of getting someone to really understand how it might work, where that risk lies, what the risk value might be. And then debt is very easy as well, particularly when we're working with accountants. So directors loan account, loan notes, is there a business mortgage, have you put any personal security attached to those loans? And so it's very easy with shareholders to say who do you want to be in business with, and with debt how quickly would you like that cleared, or how much of a millstone would that be around your neck if you had to pay it and you'd lost someone key? Key person is a more colourful conversation. It can take some time to get their heads around that. PRESENTER: Well, David, just picking up on the ownership one, I think we can all see why that is such an important conversation to have. But again on timescale to completion, can that be a real problem? Because if you've got people who have different ideas of what they want from a business, having raised the issue I'm sure some families and businesses can sort it out quite quickly. DAVID TURVEY: If you're sitting around with the key people involved, e.g. the shareholders, and you've got them around the table - we've done as much as gone into a meeting, discussed it, got the laptop out and written the policies - we've done it that way, because we've identified the need. They've bought into it, we've given a premium. They like it, let's fill the application in and do it online, and do it there and then, and get that position protected straight off. I mean if you're lucky it goes live straightaway and walk out the building and they're protected. It's a good day's work when you can do that. But it isn't difficult to get them to snap when you've got the right people there. If ever they say they want to think about it, then they haven't understood you. And clearly as daylight that is. RICHARD KATELEY: I think when we're saying it, it's just trying to make them, the awareness is the big thing that you've got to get across, and it's quite easy. I mean ask most businesses do you have a disaster recovery plan? And they say yeah we know exactly what's going to happen if our offices burn down, or if the building floods or whatever. And you say well is your death a disaster to the business? Yes it is. Is it in your disaster recovery plan? No it isn't. Well why not? Are you more important than the company van, yet you insure the company van, surely you are more important than that, or the computer. You can replace a van or a computer, but you can't replace you. And I think business owners just don't think about it. I mean they don't sit around the board table and discuss what's going to happen when one of them dies. Very much like domestic insurance, we were talking earlier. It's the same thing. We don't like to talk about what's going to happen when we die. We make some assumptions. But a business is a structure, and these assumptions, quite often you'll say well my fellow business owner's going to buy the shares. And then you have to ask well how? Where are they going to find the money, how much are they going to need, have you got

an agreement in place? And they just haven't thought about the nitty gritty. They just make an assumption quite often. And also you were saying earlier about how much, and it's not that expensive, so most businesses can afford it. Life assurance is fairly cheap these days. So we're not talking millions and millions of pounds. PRESENTER: Richard, I know you do a lot of research each year of the market. How important is where a business is in its life cycle for what sort of business protection that is most relevant to it? RICHARD KATELEY: I think it's most important for the adviser going in to talk to the company. So if you've got a young company, you've got two young guns set up a young company, there's very little point going in there and talking about share protection. Because they haven't really built up a value in the business, they're not thinking about retiring. So actually those sort of people you should probably go in and talk about keymanagers, because you've got two key people that are reliant. Middle-aged companies, two to ten years, they've probably got a nice solid base now, and they're now looking at expanding for the future. And therefore debt protection may be the better one. And then an older company, you hear business owners saying a lot, my business is my pension. So actually those people probably you want to go in with share protection. So it's thinking about what product would best suit those people, and probably relevant life plan will meet all of them, which might be the best one to go into, but it's just thinking how old is that company, what might their most desirable or their biggest risk might be at that point. PRESENTER: I'll come on to relevant life plans in a second, but just before I do I'd be keen to keep David first and then Lee your thoughts on how you segment your client base within business protection. DAVID TURVEY: Basically, once you've done the fact finding, you know all the ins and outs of the company, it's fairly easy to start really on keyman. Keyman is your driver, because every business has a key person. I'm the key person in my business, Lee probably in his, and that aspect is important. So you protect the key person. And then of course you can drift into the shares which follow on after that. As I said, a lot of the corporate clients that we've had like the idea that the company's paying the premium; that's important to them. If you say well this is a business expense, the company's paying the premium. You can always go higher on the protection, because then they feel more comfortable. It's coming off the top line; it's not out of their pocket. And that I think is an important factor. So if you're going to protect them well, you've got to go in, you need a high level of protection, the business can pay it, therefore it shouldn't be an issue, and that's the way we go on that. PRESENTER: Lee, a similar story with you? LEE THOMAS: Yes, I mean you can do quite a lot upfront. So Companies House, you can look at companies' accounts, you can maybe see if there's maybe debt in there; you can certainly see on there as well if there's significant shareholders. So you can go in almost quite prepared as to where you think the conversation might go, and going back to the whole conversation about professional introduction, that makes a huge difference because you're being handed on a plate maybe the reason why to begin with. And yes, once you've done your fact find you might tease out some other areas of risk. But when you're being sent in because a solicitor has sent you, or an accountant because they've just levied in a load of finance, then that's your starting point anyway. But you can, and in fact what we've done with most of our accountants and solicitors is given them just two or three very simple questions that they will know the answer to without speaking to their client; that immediately starts to help them channel them through to us in terms of terms of this is where we think the risk is. PRESENTER: And very quickly, once you've gone in and you've dealt with the business and you've sorted out its protection needs, what then happens to the relationship over the years to come? Do you go back and see them every year, do you leave it five years and go and see them again? LEE THOMAS: With a client? PRESENTER: Yes. LEE THOMAS: We'd certainly do annual reviews, and depending on where they are in terms of their journey when you speak to them, so it might be that you're having a conversation with them, and you know that there's something coming up in terms of a new shareholder, a management buyout, that they're looking to grow the business or take on some finance. So you're timing maybe your next intervention in relation to maybe something you know is

about to happen. But at the very least we're speaking to them on an annual basis to make sure that the business hasn't grown rapidly, and that there's need for additional cover, or that there's not a new shareholder or something. So it's a continuous relationship. PRESENTER: We mentioned relevant life plans earlier, David, what's your take on them? What sort of extra tool is that in the box for when you're out and about talking about business protection? DAVID TURVEY: It's a very easy sell to the director or the owner of the business, because you can simply say how much money do you want to leave on death? For a death in service you can go up to 25 times your salary. So it's a big sum we can insure for. And it's going to be the cheapest form of insurance you're ever going to do, because you get the tax relief on it. So if they've got existing life insurances in place, often when you say well what have you got in place here, we can do it here through the business. You own the business, so you know it's going to keep maintaining the premiums, and it's portable. If you do finish with the business you can carry on with the relevant life afterwards. That's the good thing about it, being able to take it portably. Obviously you lose the tax relief if you're paying the premiums yourself, but whilst it's in the business you've got it. So it's a plan that can go with you. So we've had clients where we've put relevant life on them. They've changed to another company and the relevant life has gone with them, and the new employer has taken on the responsibility. So it's a good way of identifying that need and giving you, if you want to leave a million pounds to the wife and children you can do provided the salary's at sufficient ratios to it. It's a super product. It's simple and straightforward and very easy to accommodate. PRESENTER: Lee, do you find it a door opener in conversations? LEE THOMAS: No, not as much. It tends to be actually the end of the conversation. Because we go in and our focus is always around the business protection side of things, depending on the value of the shares and how much there might be there, and how they're protecting the business, any debts they might clear. Actually relevant life is, for us it tends to be something that they pick up at the end of the conversation. It's at the moment your business is only worth a million pounds, you've got half a million each, is that enough? Would you want additional life insurance at least while you're growing that business? So it's not often the door opener. It's not normally the reason we've gone in there. Because effectively it's not business protection, it's just personal protection in a quite tax efficient way. Our focus is always, the first three pillars is our focus as the door opener. PRESENTER: And looking at that business protection market in the round over the last few years, do you think there's a growing awareness of business protection, or is it the same level it's always been, that is the way of protection? LEE THOMAS: I don't know. I mean certainly for our network it's growing, because we're doing a lot of work to grow that. I think potentially it's gone the other way in terms of since the banks really pulled away from the market that probably there is a dip in awareness. Because like I said when we're picking up historical stuff it's often the banks, and it's often years old. So it's quite clear that no one else has taken responsibility for that conversation. And then I think it's Legal & General; in fact their own research talks about it. I can remember there being a part in there about asking businesses who do you think should have had this conversation with you now that you've found out what business protection is? And normally it's whoever gives them their financial adviser, their accountant or their solicitor. But they're not taking responsibility necessarily always to have the protection conversation. So it wouldn't surprise me if actually there's been a bit of a dip since the banks. PRESENTER: Richard, do you mind just giving a quick overview of what the research is? RICHARD KATELEY: Yes, I mean the research looked at, we spoke to 800 business owners across the United Kingdom, and asked them their awareness of business protection and what risks they might be running etc. So it's a good generic look at the marketplace. And within that, and we've done it every two years since 2009. And I was looking through the data the other day, and we talked about relevant life plan just now and awareness. In our most recent research, which came out last year, 30% of the business owners had ever heard of relevant life plan; whereas two years ago 37% had heard of relevant life plan. So actually the awareness is going down in that segment. So I think awareness is still really low. But the

important thing for me that came out of the research was the importance of financial advice: 86% of all the companies that had taken out some form of business protection only did so because of people like these guys that are out there talking to them. There's no self-awareness. They don't wake up thinking oh I must go and insure myself. The banks aren't out there talking about it. So actually the work that financial advisers do is vital in getting out there. And unfortunately solicitors and accountants don't know. I mean you would think an accountant would know about relevant life plan, but they don't. I mean it's the most tax efficient way a business owner can take out life assurance, but the accountants aren't talking to them about it. So again the vital information that these guys can give accountants can really help fill that gap, if you like, because the gap is still there. PRESENTER: It would be interesting as well, David. You were saying you've been in the business for a long time, are you seeing awareness of protection, protection issues; is it on its way up, down, same as it ever was? DAVID TURVEY: We've written a steady flow throughout the years. We've got an impetus on at the moment where we're trying to see more people than before to take another step up on the level of income. And that was a decision made because of my son joining the business. So we wanted to go to another level. But I find that in our situation, I've only ever done corporate business from day one, went out and started seeing people from that point, and I've not found any real difficulties in it. It's flowed through easily. The awareness, when you see people, yeah the banks did put a lot of highlight in, and there's a hell of a lot of mess at the banks you had to go in and clear up. I've cleared up more keyman and share protection policies than I could shake a stick at, because just so many of them are in the wrong way around. The premiums are being paid by the company, not by the individual. They're not P11Ds, and so on and so forth. And you get a right mish mash on that. And that's easy to get on that part, but when we've been going out and see clients of late there's as much awareness as I've felt there's been over the last five or six years. It hasn't really, nobody's phoned me up and said I need keyman. But I've got a lot of accountants now, and solicitors now that are saying we've got a client that's got no keyman, they've got no share protection, and that's coming a bit better. So the hard work that you've been pummelling out is feeding back. But clients on the high street, no, nobody's ever going to phone you up and say that. PRESENTER: Is the appetite for protection, business protection, does it get affected by where the economy is? So, I don't know, it's much tougher to sell in a recession than when everyone's, GDP's through the roof and everyone feels. DAVID TURVEY: We've not really experienced any difficulties over that period. I mean our turnover has maintained a steady growth factor. When things were really difficult out there you just had to look a little bit more for a few more people. There's always somebody out there making a bit of profit somewhere, and target market those particular sectors of the industry so you can keep your revenue going, because at the end of the day we're in business to make a living as well as protect people and everything else. So you've got to keep manoeuvring between the different companies, and types of small businesses and that aspect. But there's always, software's been good for one period, then engineering is back strong again at the moment. So you tend to drift between those areas. PRESENTER: And I wanted to move on to technology and support for advisers. Now, Lee, how big a role does technology play and the internet in your business now? What role could it play in the future? LEE THOMAS: It doesn't play a massive role. Obviously we use the systems required for quoting and product information, but it's not certainly something that we use particularly to generate business leads. I know there's a lot of people who maybe that's their business model, but no for us it's still picking up the phone, going out and meeting people face to face, getting to know introducers, and technology's admin. PRESENTER: I take your point. It's very much a face to face to get the business done. DAVID TURVEY: Oh yes, the clients buy from you. And you've got to have the personality when you go in there, in a sense become their best mate within 10 minutes, and tell them why they really need all these things, and make sure you put your arm round them when they're signing the paperwork to make sure they've appreciated what they've bought, and getting that factor in yeah. Internet, the LinkedIn thing has



something, we're playing with that at the moment, developing a few ideas with that, and seeing if something can come out of that. But, you know, it's a difficult medium to really get going; introductions personally from professionals is really the keyway. RICHARD KATELEY: I think where it does help is at the pre and post bit, so the research beforehand. So you can go into these businesses knowing their accounts, going onto their website and finding out who. I mean most websites people talk about who's key in their business etc. You can download their accounts, you can see what debts they've got, you can see who owns the business. So going onto Companies House or Biz BD, there's a lot of sites out there where you can download companies' accounts and articles of association. So the research is really powerful. And then obviously the applied process is really powerful. So you've got like our online service that you can apply and quote from. We've got our online trust now. So there's lots of technology bits there, but I still agree with these guys that actually there's nothing better than sitting in front of somebody and talking to them. People buy people, and that's what they're buying. PRESENTER: Well, moving on to the admin side of technology then, Lee, when you're looking at product providers what do you want from them in terms of support, particularly on the technology and admin side, what is it that makes you think that's somebody I want to, I want to put their policy with my client? LEE THOMAS: Again technology to some degree, things like the online trusts, can sometimes make things easier if you're trying to get things on quite quickly, and you know that trusts can sometimes just be this thing that drag along in the background. So yes, things like, innovations like that make a bit of difference. The most important for us when we get into quite complex business protection risks is actually a relationship again with a human being. The BDM or whoever it might be will often on quite complex cases have to have a long conversation, a number of conversations around how the client, how we, how the solicitor, how the insurer are going to approach maybe the valuation of that business, or the value that that individual holds to the business, or understanding how that debt's made up. And actually that can often be the determining factor for us when deciding who do work with, with particular policies. Someone that's going to get onboard with us, and help us understand this business, and not just come at how they cover that risk in a very black and white fashion. And that can sometimes be quite challenging in terms of how we might want a business valued, particularly when it's going through a period of transition. So where protection can become quite prominent is when you've got things like an MBO, an acquisition, a sale, they're going through these sorts of deals. And you've got your accountants involved, and you've got all sorts of people, and you're trying to maybe protect something when there's a lot of investment going in, or a lot of things going out. And you need the insurer to understand that alongside you, and that can be a really battle sometimes. So having that understanding really, and that's important. PRESENTER: David, have you found similar cases, once it's gets complicated? DAVID TURVEY: Yes, it's just a matter of the end of the day it's getting everything into, when you're dealing with the insurance companies, you've got the products in hand, you know what you've got in your bag to go out and deliver to the client. And then you're sitting with them. Often they'll drop into certain scenarios, and they fit into that pigeonhole quite comfortably. Premium is a key factor. Premium is a driver without question. And in all death policies we know we're going to get an end result at some stage, it's going to pay out. You know, a lot of clients are a bit concerned: well what is the insurance company doesn't pay out of any of the aspects? So you can cover off all those things. I think the serious illness elements are now becoming far more greatly important to us, and how we implement the serious illness, and how it fits into certain clients and cases. We've got a case on at the moment where I went to see a client quite heavily to lean on him to take out some serious illness insurance. He's the same age as me. I just felt it was the right time to talk to him on this basis. Six months later he's diagnosed with Hodgkinson's lymphoma. We get the pay out from the contract, and he's now, we're able to reinstate some of the cover back in place, and now he's got a secondary diagnosis now. And we've been able to make that situation so much better for him on the basis of what we did, and how we placed it in place. So having the

contract that's adaptable, that can be manipulated has a benefit, as well as just a straightforward life death. So we like to work with those type of aspects, and making it fit into the what if scenarios rather than we've just protected you. PRESENTER: Now, we're almost out of time, so I wanted to get a final thought from each of you. Richard, I'll come to you first, if you're an adviser, you're new to this market or you're looking at it, what would you say is one crucial thing to bear in mind? RICHARD KATELEY: Just to understand that business protection is no different fundamentally to domestic insurance. So if you're selling domestically at the moment, you're talking to clients about protecting their income, you're talking about protecting their debt and the ownership of the house and keeping the family unit together. A business is no different. You're talking to them about protecting their income, i.e. their turnover. You're trying to talk about protecting their debt, and you're trying to talk about the ownership of the business. It's the same policies, it's the same tactic. It's just that business owners have sometimes different triggers. So don't make it too complicated, start really easy. Look at your own business, see how it might affect you, look at your client bank, and then run from there. So it is not that complicated. PRESENTER: David, what would your top tip be? DAVID TURVEY: Basically what's just been said here, you've just got to simply say to them where is the needs in here and fit them in. It's fairly straightforward. PRESENTER: Lee, a final thought from you. LEE THOMAS: To have the conversation, make sure you have the conversation. Encourage others, the solicitors, other professional services to have that conversation, knowing full well that if you don't there's a good chance no one is. And then you've got a client with a big risk that maybe they're not even aware of, or any awareness of how they might do that. And if you're going to do that patience, it takes quite a long time I think, like we were saying earlier to get other professional services to really take onboard the fact that if they don't have the protection conversation with someone maybe no one will, and to start getting referrals. So it's very rewarding, a lot of work and it's going to take some patience. PRESENTER: We have to leave it there. Gentlemen, thank you all very much indeed. In order to consider the viewing of this video as structured learning, you must complete the reflective statement to demonstrate what you've learned and its relevance to you. By the end of this Akademia module, you'll be able to understand and to describe the core protection needs of businesses in the UK, how to work with third parties such as lawyers and accountants, and how to engage with business owners on business protection. Please complete the reflective statement to validate your CPD.