

# Legal & General

## Protection IFA Confidence Index

Protection advisers in buoyant mood

Q1 2010

### The key findings from the fifth report are:

- Current protection sales index **up 16 points** to 129; Future sales index **up six points** to 135. (This shows how IFAs rate their current/ forecasted level of protection sales.)
- Current opportunities index **up 24 points** to 126; Future opportunities index **up two points** to 123. (This shows how IFAs rate their current/ forecasted level of opportunities to talk to people about protection.)
- Current conversion index **up one point** to 111; Future conversion index **down one point** to 119. (This shows how IFAs rate their current/ forecasted success at converting opportunities into sales.)

Legal & General's fifth report in a quarterly series looking at IFA confidence levels in the Protection industry shows that advisers have experienced a bounce in confidence. The most significant change is in advisers' views of the opportunities to talk to people about protection, which has become much more positive. In addition, IFAs continue to grow in confidence about current sales.

The index tracks three key elements – current/ future sales, current/ future opportunities to discuss protection with potential clients, and current/ future ease (or difficulty) of converting those opportunities to sales.

### Martin Noone, IFA Sales Director said:

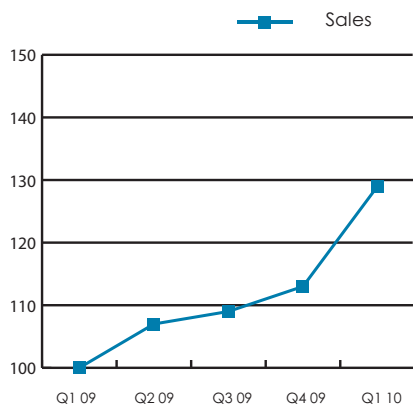


“Protection IFAs are far more positive now than they were at the end of last year. Advisers are clearly telling us that their sales have improved, that there are more opportunities to talk to people about protection and that they expect this trend to continue in the near future. There’s also been a massive jump in the proportion of clients taking out family protection and business protection, as well as notable increases in level term assurance and income protection. Both family and business protection have become much higher profile in the past 12 months or so as families realise how important it is to protect their lifestyle and businesses realise how quickly they could go under if a key person couldn’t perform their role. Advisers have also become more adept at selling these types of protection.

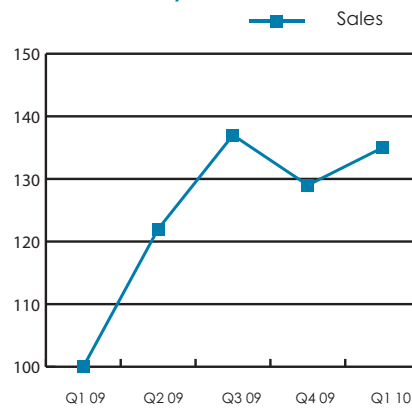
“Advisers that continue to adapt and to learn are the ones that are being successful. It’s the advisers that relied on a buoyant housing market to sell mortgage-related protection that are now finding it very tough indeed. We’re doing all we can to provide a better service to IFAs, to get their clients on risk more quickly, to continuously improve our products and propositions and to be more flexible to better meet clients’ needs.”

## Report findings in detail:

Current sales levels (compared to 'usual'):

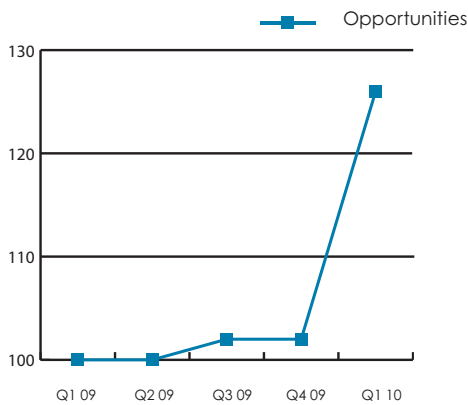


Expected future sales levels (in six months' time):

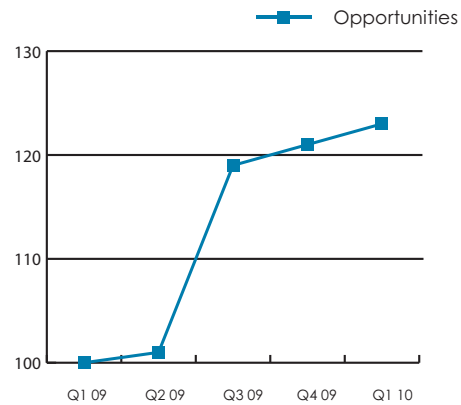


- Views on current sales have improved significantly; expected future sales are up too

Current opportunities to discuss protection with people:

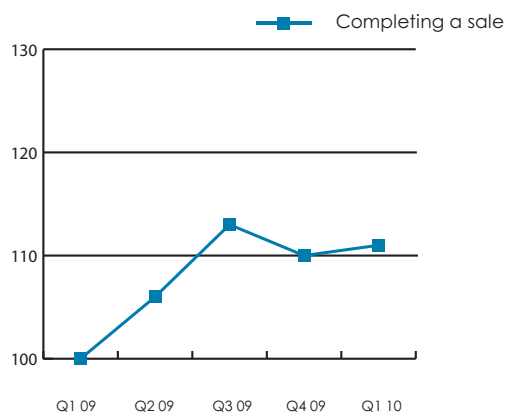


Expected future opportunities to discuss protection with people (in six months' time):

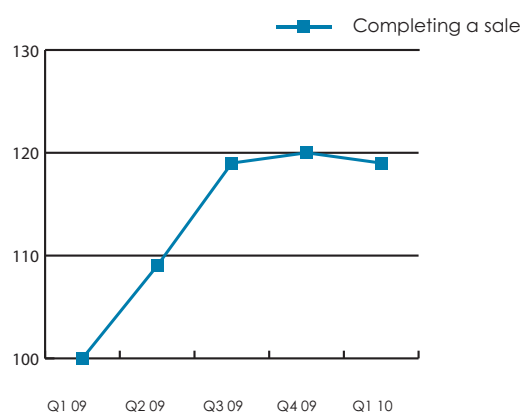


- IFAs are experiencing a big increase in 'people through the door', and this is expected to continue this year

Ease of converting sales opportunities into actual sales:

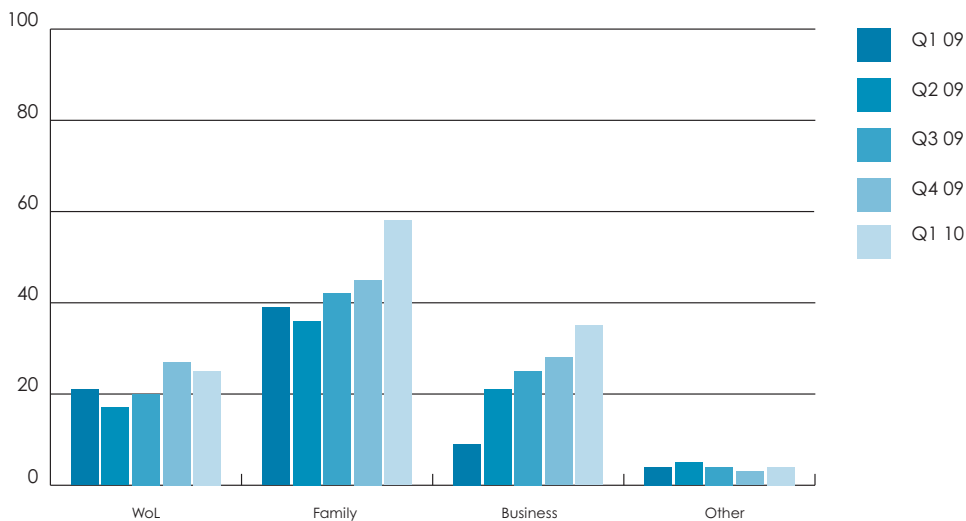
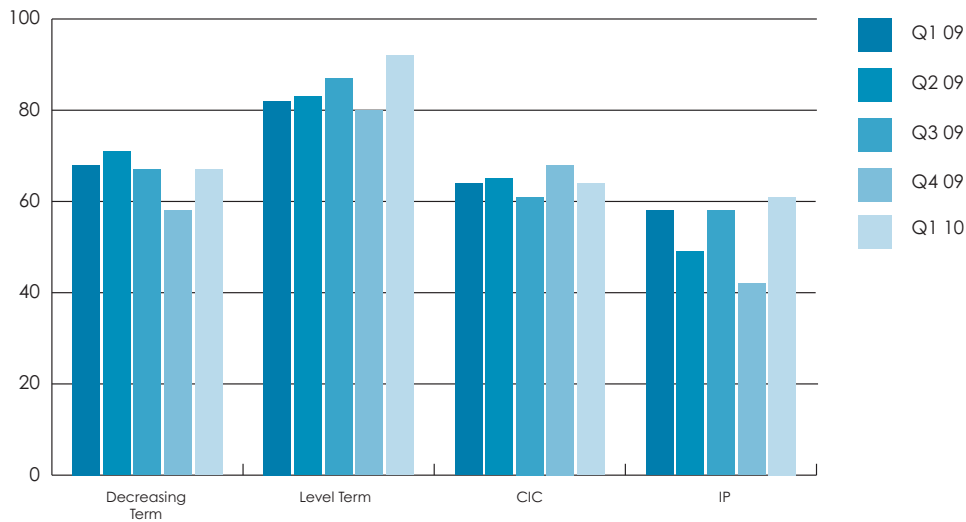


Expected future opportunities to discuss protection with people (in six months' time):



- IFAs are still finding it fairly difficult to convert the opportunities that they have got into sales and future sentiment has dipped slightly – the only negative in this report

## Types of policies purchased:



- A big increase in the number of advisers selling family protection and business protection
- However, fewer clients are buying critical illness cover and Whole of Life

### About the Protection IFA Confidence Index:

As the UK's number one protection provider<sup>1</sup>, Legal & General is well placed to report on trends in the protection industry. The index is published on a quarterly basis to track IFA sentiment over time. For this report, Legal & General questioned 100 IFAs online across England and Scotland through Bdifferent, the brand strategy and research company, in December 2009.

<sup>1</sup>Swiss Re Term & Health Watch Report 2009 based on new individual protection sales in 2008.  
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