

Cover now, underwrite later



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Applying for a Business Menu Plan or Relevant Life Plan can sometimes take longer than applying for personal protection. For example, there may be some cases we'll need to request additional medical evidence, such as a GP report or medical examination before we can complete our assessment of a client's application.

If your client **doesn't want to wait** to get their cover started, they can now apply for our **Underwrite Later** option. With this, we may be able to start their plan after only an initial assessment of their application. It provides valuable cover while we wait for the additional medical evidence or information we need to fully assess the application.

In most cases, when we receive all the additional medical evidence or information, this will **confirm the terms** we started the cover on.

What else do I need to know?

This option is available for **Life cover** of up to £3.5million each person on our Business Menu and Relevant Life Plans. If your clients' Business Menu application also includes other covers such as Critical Illness or Key Person Income Protection, we'll automatically split the other covers onto another plan so that we can start the Life Cover straight away.

If we don't receive all the medical evidence or additional information we need to complete our assessment of the application within **6 months** of the date the cover started, we will unfortunately have to cancel the plan. But we'll keep you updated on our progress.



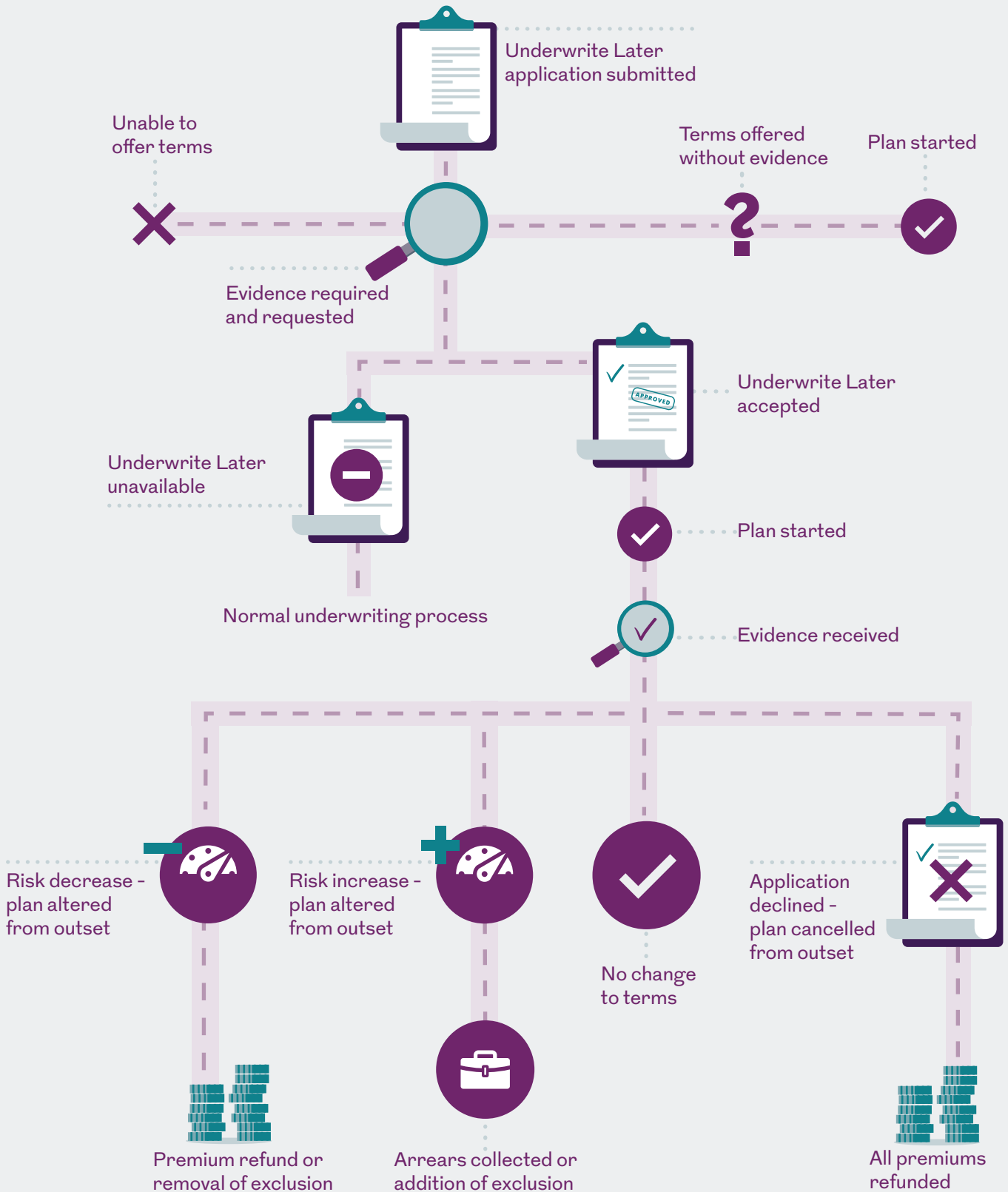
Underwrite Later option awarded the 'I Mark' from Protection Review.

Our Underwrite Later option has been awarded the 'I Mark' from Protection Review. They felt that Underwrite Later was sufficiently innovative to warrant this accolade – they don't award the 'I Mark' for simple improvements such as adding more conditions to an existing product.

What makes this accolade more exciting is that Underwrite Later is just the third innovation to have received the coveted 'I Mark' in the award's two-year history.

The Road to a decision

We've created a step-by-step flow diagram showing the **journey your client's application will follow once submitted.**

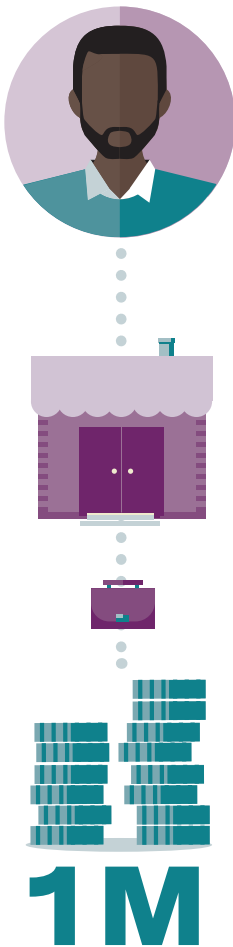


Making the right decision

We expect that for about 80% of Underwrite Later applications, we will start the plan on the right terms and not have to make any alterations to the cover once all the evidence is received.*

To make the right decisions for your client, we need all the right information. If this is provided up front, any evidence we then receive should just re-enforce our initial underwriting

Here's an example:



John is a **50 year old small business owner** and wants to take out a **£1m loan** to expand the business. But the lender won't release the funds until he has a suitable loan protection policy in place to pay the loan off if the worst happens. Based on John's age and the sum assured we need a **GP report and a paramed** which would normally take weeks to get back and he needs his loan in place **urgently**.

John knows that Royal London offer Underwrite Later so he applies for this on his online application. Our underwriter assesses the application initially and based on the information supplied on his application, Underwrite Later is **accepted**. John has a high BMI of 38 so his premium is rated +50%, but he's happy with this loading and the **plan starts the day after it was submitted**.

We receive his GP report after three weeks but due to **COVID-19 restrictions** John needs to wait three months before he is able to have a paramed. Once we receive his medical results, we can see that the information he gave us on the **application was accurate** and there was nothing that John failed to tell us so we are happy with the underwriting decision originally made. John then receives written confirmation that we have completed underwriting and his **cover remains unchanged**.

*This is based on analysis of 2020 underwriting decisions.

The key benefits of Underwrite Later

Here are some of the benefits of our Underwrite Later option:



Immediate decision

Currently 49% of business protection applications receive an immediate decision. With Underwrite Later, **this could increase to 93%.**



Face to face medicals

Underwrite Later **relieves uncertainty over the availability of face to face medicals.** The plan will start straight away and clients can then go for their medical any time in the following six months.



Client stays engaged

The risk of the client losing interest during a lengthy underwriting process and deciding not to proceed is greatly reduced.



Fully covered

Clients who start their cover with Underwrite Later are fully covered with **no additional exclusions as standard.**



Enough time to underwrite

We **allow up to six months for underwriting** and estimate that 97% of applications will complete underwriting during this time.



Commission flexibility

Advisers can choose to start the plan on a non-indemnity basis to reduce the risk of a claw back in the event our final underwriting decision means that we reduce the premium or even cancel the plan. Once we have completed underwriting, you can then change your commission back to an indemnity basis and receive the rest of your initial commission as a lump sum.

To find out more about how Underwrite Later can provide valuable protection for your clients, visit adviser.royallondon.com/underwritelater or speak to your usual Royal London contact.



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