

You don't have to be a rocket scientist to sell protection... just a neuroscientist!

Mark Graves, CEO of Auxilium and passionate protection advocate, considers how understanding the way the brain works should make the protection sale second nature.

What percentage of UK homeowners have a mortgage? What percentage of those mortgage holders have life insurance? How about critical illness cover? What about income protection? Would it surprise you if I said around 11.1 million households have a mortgage but only 40-60% have life insurance and less than 30% have critical illness cover?

No, it probably won't. We know what percentage of mortgage holders have cover in place to protect that mortgage because every few months or so, insurance providers come out with their latest consumer research telling us. UK mortgage holders are under protected. People aren't buying protection and it doesn't matter which version of these figures we see, or which provider sends them out, the numbers hardly vary at all.

Whose problem is it?

Well, does it feel like providers are continually announcing the latest research but then sliding the problem over the table for advisers to solve? It's almost as if the providers think by telling advisers the size of the opportunity (or problem) each year, then that's good enough. Of course, it isn't really like that. Providers put massive amounts of time and effort into leading research and they present it beautifully, in clear, simple and engaging formats, with graphs and charts and statistics.

It's about the brain

The neocortex is the logical part of the brain, the part stimulated by the rational, the analytical; so advisers respond to statistics. However, we continue to struggle to understand why protection sales never seem to match our expectations, especially in connection with a house move. We expect that the logical, rational demonstration of that protection need is going to be enough to close the sale. But it isn't. Part of the problem is we're looking for logic, when, in fact, we need to engage a different part of our brain. We need the limbic brain, the part where our emotions are generated. If we're not engaging on an emotional level with our customers we just can't connect consistently with them at the right level. When you consider that most people decide whether a house is the one for them in the first 30 seconds, is it any wonder that trying to respond to that emotional decision with logic won't hit the mark?

An example

I took a rescue puppy, after being 'closed' by the Blue Cross centre manager. The logical part of my brain realised that pet insurance was a good idea - even though it was the emotional part that chose a pup with razor sharp teeth that had already drawn blood - and I took the provider recommended by Blue Cross. I even chose the lifetime guaranteed cover. Rosie is now three and has already had two operations to replace knee joints. The total cost of operations is over £6,000. So what? Well let's go back to the stats. Providers often tell us how many people choose to buy pet insurance than life insurance. It's a fact. And it's because on an emotional level we are making a decision for the dog. That dog is trusting us to look after it, we buy insurance because we want to repay that trust by giving it the best care we can.

Trust

Customers need someone they trust to make the decisions for them. It's not about price, or even the provider, it's not about the 'what', it's the 'why'. No one really wants to buy life insurance; customers don't jump out of bed in the morning itching to ring their adviser and get some critical illness cover. But they do wake up full of the hopes and dreams and fears of the day - the limbic brain fires out all of the emotional baggage before the neo-cortex steps in. So the adviser has to step in and offer to protect the hopes and dreams before they get into the statistics. What they're selling is protection insurance, why they're selling it is to give peace of mind to that customer and their family.

It's too easy for advisers to add on some cheap reducing term assurance at the end of the mortgage sale and call it 'job done'. When advisers come to realise selling protection has nothing to do with the 'right time in the sales process' or the price, or the provider, but everything to do with connecting with their client's change will start to happen. Building that bond of trust will lead to a change in relationship, from being the 'go to' person for a mortgage to becoming a lifetime financial adviser.

When advisers make the jump then a fully protected mortgage will be the standard fall-back position for every one of their customers.

This article first appeared in Mortgage Finance Gazette May 2019

<https://www.mortgagefinancegazette.com/market-commentary/-dont-rocket-scientist-sell-protection-just-neuroscientist-02-05-2019/>