

Legal & General announces full roll-out of its Rental Protection Plan

- *Legal & General has rolled out its market first Rental Protection Plan across the market, following a successful pilot*
- *The insurer is the first major insurance provider to develop a protection product specifically for the private rental sector*
- *The full roll-out introduces a new option exclusive to Rental Income Protection Benefit customers allowing them to switch their policy to an Income Protection Benefit Plan (IPB) if they no longer rent as a result of taking out a mortgage*

Legal & General has today announced the full roll-out of its innovative Rental Protection Plan (RPP) for tenants. Earlier this year, the FTSE 100 financial services company became the first UK provider to offer this type of insurance, following a successful pilot with Mortgage Advice Bureau (MAB). The product is now exclusively available to all Legal & General intermediary partners and comes as part of Legal & General's commitment to growing the protection market and addressing the underserved Private Rental Sector.

RPP is designed to pay out a monthly benefit, which could be used to help pay the rent, bills or other financial commitments, in the event of a valid claim. Nearly a quarter of UK households are expected to be in private rental accommodation by 2023 according to Knight Frank*.

The plan offers three choices through a single application: Rental Income Protection Benefit, Rental Life Insurance and Rental Life Insurance with Critical Illness Cover. Intermediaries therefore have the flexibility to select the most suitable protection product to meet their clients needs and budget, depending on their individual circumstances. RPP also includes a suite of additional benefits, such as Legal & General's Rehabilitation Support, available on Rental Income Protection Benefit, and Nurse Support Services**, available on all three offerings. Tenants also have the opportunity in certain circumstances to increase the amount of cover if their rent increases, without answering any new medical questions.***

The full roll-out also includes the launch of a new feature for Rental Income Protection Benefit customers. This gives policyholders who no longer rent a property as a result of taking out a mortgage the option to change their policy to an Income Protection Benefit Plan.

Craig Brown, Director, Legal & General Intermediary, comments:

"The rental sector is growing, but unlike those who have taken their first step on the housing ladder, tenants won't have the natural trigger of a mortgage application to consider the protection that can be so vital should the worst happen.

"At Legal & General, we know that rental payments are every bit as important as mortgage payments in a household's finances. We are proud to be the first provider in the market to launch a dedicated rental protection product exclusively to intermediaries following positive feedback on our pilot. UK rental prices are expected to increase by 15% over the next five years and nearly a quarter of UK households are expected to be in privately rented accommodation by 2023. These are couples, young professionals and families, thousands of whom are vulnerable to the financial implications of a critical illness diagnosis, long-term sickness or death of a loved one. It is therefore vital that financial services companies provide the solutions needed for this underserved market."

Ben Thompson, Deputy CEO, Mortgage Advice Bureau, comments:

“As part of MAB’s growth plans we are deliberately widening our addressable market. Being able to promote protection to tenants with Legal & General this year has helped us make meaningful inroads into our plans in this regard, specifically engaging with tenants who are aspiring to buy their first homes. Strategically this is important for us and Legal & General has been instrumental in helping us to enjoy success in this area. Most importantly, our partner AR firms that have embraced this have helped many tenants to be protected where previously they weren’t.”

Paul Bumford, CEO, Andrews comments:

“We are very much looking forward to working alongside Legal & General with the introduction of the renters income protection product. Renters are often overlooked in the protection market, but their needs are just as important as those who are taking out mortgages. The ongoing debts and worry that people experience should they lose their income is the same whether the person has a mortgage to support or a fixed-term let. Offering renters income protection to safeguard and cushion all those financial worries can only be a positive step forward for all.”

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FURTHER INFORMATION (JOURNALISTS ONLY)

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NOTES TO EDITORS

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*Knight Frank, UK Tenant Survey 2019: <https://content.knightfrank.com/research/707/documents/en/the-uk-tenant-survey-2019-6118.pdf>

** Nurse Support Services is provided by RedArc Assured Ltd

*** Eligibility criteria applies

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