

SMART Comparitor's Pierian Spring eNewsletter
Building Blocks – February 2009



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Greetings

May we take this opportunity to wish you and your families, all the very best wishes and a Healthy, Happy and Prosperous New Year.

If you enjoyed our articles over the past few years, then get ready to have some more enjoyment, and also hopefully gain some knowledge.

Please feel free to pass this enewsletter onto your colleagues that you believe may also enjoy them, or better still, ask them to visit our website and enroll themselves – saves you having to pass them on.

If there are any topics that you would like to see covered, please feel free to drop us an email (newsletters@smartcomparitor.com.au) and we will attempt to not only help you, but broadcast this information in order to maybe help others with the same issue/s.

Anyway, our story for our first issue of 2009 goes along the lines of:

Once upon a time, before FSR was introduced to make your job transparent, and when Insurance companies were help responsible for your actions, Policy Design was very simple – you had your top of the Range Policy and you also had your Basic – SIMPLE that is it.

In April 2002, one Insurance company decided to capture the market and introduced an income protection policy that consisted of building blocks which meant that you could select what benefits you thought were important and your client's premium would increase with the more blocks (benefits) that were included.

Well needless to say this concept was a complete flop and in March 2003 that company withdrew that product from the market due to the lack of interest from you folks.

With history having the habit of repeating itself, late last year, another company had decided to introduce a Trauma Policy, were you could select the full policy, or all the conditions excluding Cancer and associated conditions, or all the conditions excluding Coronary and associated conditions.

Now this will take an extra intelligent adviser with a finely tuned CRYSTAL BALL to be able to predict whether or not they should sell the cheaper contract or the one with ALL the conditions – Which one will you sell?

If you think that your client is “price sensitive” and you opt for the slightly cheaper contract, then remember that under the new regime of FSR, the insurance company will not support you, and I don’t believe that your dealer will either – You and only You will be left on your own, sorry You and Your PI Policy.

And we know that Courts have the tendency of not believing sales people, but believe Mr. A. Citizen, or their grieving widow/widower.

How does the Story end? Only time will tell

Until the next issue – Good Researching