

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



Phone: 02 9701 0025

Mobile: 0411 111 640

Greetings Folks

Before we start our next eNewsletter, we would like to advise you that from now on, all our eNewsletters will be archived in order for you to view them again, if you so wish, as well as our new subscribers being able to view missed issues.

To view the archived newsletters, starting with the last issue, simply open your web browser and in the address bar, type in www.smartcomparator.com.au/enews

This will build up over time, and we plan to keep 2 years of old eNewsletter.

Let's Begin with this issue.

It appears that we have caused some major controversy with our last eNewsletter about the new Trauma products currently available by one Insurance company.

We won't go into the full details, but we had a number of readers respond, one calling us cynical as well as another person stating that we should put a positive spin on these products, etc, etc.

Well let's try and not be cynical as we were perceived plus try and put a positive spin on these products.

As I mentioned in the last eNewsletter, we have no issues with either the company concerned or the products that they introduced.

The company concerned is being innovative and better still is offering cheaper premiums for you, the adviser and your client, for having the ability of selecting the "Cancers" or the "Coronary" conditions, "if" your client fails in the ability to have the full product.

Most companies will offer an exclusion as well as NO premium reduction, so this as far as we are concerned this is great for these new products in that there is a premium reduction for not having all benefits covered.

We have been told that sales have met all expectations so far for the company and that's great as far as they are concerned.

There is a place for these products in all advisers' bag of goods, but, the only issue that we have is how these could be misused and how some of the great rating houses and premium calculation houses will treat them. I will leave that for you folks to work out.

We must remember that insurance companies are product manufacturers with you being the retailer, and this is where it all ends.

If you submit a full application for the top of the range product and the insurance company comes back with "sorry, but your client can have everything excluding the cancers" or "sorry, but your client can have everything excluding the coronary conditions", then that is fine, and due diligence has been covered, and your backside protected.

A large number of the emails mentioned "field underwriting". Our comment to that is "who amongst you are either medically qualified or at least trained to an underwriter level"?

Answer – Not many, if any at all.

How many advisers will look up either a rating program or a premium comparison program, in front of a client, and the client sees these products in front of him/her on the computer screen and decides to buy on price, because no-one in his/her family has ever had bla bla condition, so they may as well save some money because it will never happen to them?

Answer – only time will tell, but we believe a much much larger number than that to the question above.

Worse still, how many of you would have sold the Top of the range product only to find, in time, that your client's may be offered "a better and cheaper" product with the same / different company, by a different adviser?

Better / Cheaper ?

These 2 words do not go together, or certainly not in an ethical advisers vocabulary. Remember, you get what you pay for – nothing else.

Speaking of research, how will you justify the cheaper product should a claim be made for one of the conditions, if you, as the "field underwriter", decided that the client would not qualify for, and therefore chose not to go for the comprehensive policy?

On the other hand, if you submitted the application for the comprehensive policy and the offer from the Company is different from the one you applied for, then there is that bit more of protection for you, as well as the fact that you will need to go back to the client and explain what it is that the company is excluding and have the client sign the offer.

You must remember that the BUCK stops with YOU with FSR.

It does not stop with your research program (read the disclaimers), or your Dealer, just YOU.

This is like one Dealer Group that is pushing to their advisers the virtue of one particular Trauma policy, because the client's children get \$10,000 free cover?

We are not picking on this insurance company, but what about the other more important benefits, Mr. Dealer, the definition of Cancer, Heart Attack, Stroke, etc. how do they stack up against the other products currently on offer from other insurance companies?

Our question to you Mr. Dealer is what's in it for you?

Did you do your own research and found that this benefit stands miles above everything else from all other companies products?

There is even another Dealer Group that requires 3 quotes to be placed in front of a client?

Guess which products are always going to come up cheaper?

This is also known as the Chubby Checker move, otherwise commonly called the TWIST.

Final note is that we have no issues with these products, only how some advisers will flog them, at the disadvantage of the client and the advantage of the adviser's hip pockets.

We have all had clients pinched from us with unethical advisers selling "better and cheaper contracts", and once lost, there is very little that you can do to salvage that client therefore, make sure that your clients understand all the benefits that he/she has before it is too late for them, having danced the TWIST.

So as you can see, we have nothing at all against the insurance company, and we should congratulate them for their innovation, but only time and the courts will tell if you are a good "field underwriter" or not you are, and how much of your hard will dance the "twist".

Good Researching and Better Selling.

Bill Coudounellis