

## Accolades in the race to reforms

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The race is on for technology providers to revamp their services for financial planners as the start date for the government's Future of Financial Advice (FoFA) reforms draws near.

From client management software to investment platforms, technology firms are pouring time and resources into developing products and services that meet financial planners' increasingly complex demands.

But improving platforms is a balancing act for many technology firms.

Platform providers are conscious that the FoFA reforms are not yet concrete, prompting some players to be flexible and innovative in the way they improve their products today.

In this year's *Asset Innovation Awards*, MLC Wrap was judged to be the best investment platform for financial planners to administer self-managed superannuation funds. The finalists in this category were Macquarie Wrap and netwealth.

Researcher Investment Trends, which judged the platform and technology section of the awards, says MLC Wrap's "end-to-end" in-house SMSF solution for investment and fund compliance helped it to win.

Bruce Hawkins, general manager of MLC Wrap, says improving the wrap's reporting facilities was a focus for the firm this year.

"Advisers now have real-time information, real-time access to transact," he says. "It's about improving front-end tools."

The wrap, which was launched in January 2011, integrates do-it-yourself super services with separately managed account functions into a full-service platform.

MLC concentrated on expanding its investment choice for advisers, widening adviser service fee options, and improving its tax-management capabilities.

While having a solid investment platform is critical to serving DIY investors' needs, another important tool to grow a planning business is client management software.

Investment Trends has judged Iress Market Technology's Xplan to be the best planning software solution for client management in 2011. Coin and Asgard's AdviserNETgain were runners-up.

Xplan's online registration and management of client events were key functions that helped set the product apart from the crowd, Investment Trends says. Andrew Walsh, managing director at Iress, says a major improvement to the Xplan product included client opt-in information for advisers to track.

"There are alerts for advisers when opt-in renewals are due, making sure the client has opted in," Walsh says. "We think the client management system is the right place for it to be done, because it sits independently of the platform and product provider."

Iress also allows advisers to now integrate their websites to the Xplan system to help collect client information.

"It allows clients [planners] to have their website interact with Xplan in real time – so if the adviser is prospecting for clients online and they direct clients to the website, they can use it to collect that data and store the information in Xplan," Walsh says.

In the most improved platform category, AXA North was named the winner due to expanded investment services and flexible planner remuneration structures. Finalists were Asgard AdviserNET eWrap and netwealth.

The addition of direct equities and margin lending services to AXA North were cited as significant product improvements in Investment Trends' assessment. Portfolio management tools were also improved and online super-to-pension transition management services for advisers were added.

On the payment side of planners' business, AXA introduced the ability for advisers to charge clients on a fee-for-service basis. The improvements were made to position North as a platform that provides innovative capital guarantee products along with "wrap-style" investment options, says Steve Burgess, general manager, platforms at AXA Australia.

"We always see an increase in applications at the end of the financial year, but we saw a ramp up that went on into July and August," Burgess says.

He points out that it is "really too early" to know how the FoFA changes will impact the way technology providers render their services to planners but he says platform providers need to be ready to quickly implement changes or updates to their systems when the legislation comes through or risk getting left behind.

"We'll continue to improve the performance of our platform, the response times on the web, and overall services," he says.

"We know full well that the expectations will be, as a major platform, to provide support for advisers in terms of administering whatever changes come through," he says.

#### Insurance awards

Death is a tricky subject which most Australians prefer not to discuss. But that's not stopping insurers from devising new ways to encourage people to take up life insurance policies and address underinsurance.

From reducing premiums to fine-tuning products that give expanded cover, this year's *Asset* Innovation Awards winners in the insurance categories concentrated on giving extra cover to clients while providing more support for planners.

AIA Australia's Life Cover Plan was named by judge Rice Warner Actuaries as the winner of the term life and total permanent disablement insurance category. Zurich's Death Cover and Asteron's Life Cover were finalists.

AIA scored highly for the introduction of its "WeCare" Benefit, says Thierry Bareau, head of research at Rice Warner.

The service, which includes legal and tax assistance, counselling and grief support, goes beyond simple insurance benefits to the policyholders and their immediate family.

"If they're making a claim, they're already going through a difficult time," Damien Wu, chief distribution and marketing officer at AIA Australia, says. "It's about trying to deliver more value for people."

In addition to legal and counselling help, AIA Australia provides home assistance and funeral assistance for policy holders.

Rice Warner judged AIA's Life Cover Plan to be "competitively priced". The premium waivers, multi-plan discounts and level premiums help with the cost.

In the income protection category, BT's Income Protection Plus product was considered to be the most innovative, while AIA's Income Protection Plan Plus and CommInsure's Income Care were runners-up.

Rice Warner scored BT's product highly thanks to the 10 per cent premium discount on the BT Wrap Platform, its electronic and telephone claims system, and flexibility to use the product inside and outside of super.

"Compared with the other fully featured products on the market, BT's Income Protection Plus is competitively priced across the spectrum of occupations, from professional to heavy manual, and across a wide range of ages," Bareau says.

The end result is wider choice at a more affordable premium for clients, he says.

Scott Moffitt, senior product manager for life insurance at BT Financial Group, says the product's flexibility was key to ensuring advisers were not boxed in when recommending the product to clients.

"An adviser can use our products ... without having to consider the funding vehicles," he says.

BT developed e-claims and Teleclaims systems to enable claims to be processed more quickly than would be possible using traditional paper-based methods.

"It's a service where claims, when they come through to us, can be paid over the phone without a full claim form or signature," Moffitt says.

Product innovation is key to winning adviser and clients' business, and BT intends to attract advisers by broadening the coverage of its income protection product over the next few years, Moffitt says. "We'd like to open it up to more occupations, continue to modify our features and definitions."

In the trauma category, Macquarie Active's Death Cover & Health Events product clinched the top gong, while Commlnsure Total Care Plan – Trauma Plus Cover and AMP's Trauma Cover Optimum were finalists.

Breaking the mould of traditional trauma cover, Macquarie launched a product in June last year that paid claims based on the severity and stages of clients' medical condition.

Rice Warner identified the "tiered" nature of its benefits as the product's forte. "Some benefits are not as generous as traditional products, however in other instances Active will pay a benefit where no other insurer would," Bateau says.

Some of the conditions covered by Macquarie Active typically not covered by traditional products include severe epilepsy, all chronic neurological conditions and acute renal failure.

"The Active product is a blend of trauma and TPD [cover]," says Sally Phillips, head of underwriting and claims for Macquarie Life.

How much benefit is paid is critical to the product's offering with benefits graded according to severity, she says.

Macquarie will pay a smaller amount to clients suffering early stages of a condition, compared with later stages when conditions are more severe.

This ensures clients are still able to receive benefits if their condition worsens, instead of a one-off lump sum that might not be staggered to meet ongoing medical costs.

"We're trying to match what the patient is experiencing in front of the doctor and matching it with financial need," Phillips says.

Around 30 per cent of Macquarie's insurance business comes from planners recommending the Active product.

## INCOME PROTECTION

Winner

**BT Financial Group** – Income Protection Plus

Finalist

**AIA Australia** – Income Protection Plan Plus

Finalist

**Commlnsure** – Income Care

## TERM LIFE/TPD

Winner

**AIA Australia** – Life Cover Plan

Finalist

**Asteron** – Life Cover

Finalist

**Zurich** – Death Cover

TRAUMA

Winner

**Macquarie Active** – Death Cover & Health Events

Finalist

**AMP** – Trauma Cover Optimum

Finalist

**CommInsure** – Total Care Plan –Trauma Plus Cover

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BEST INVESTMENT PLATFORM FOR FINANCIAL PLANNERS ADMINISTERING SMSFs

Winner

**MLC** – MLC Wrap

Finalist

**Macquarie** – Macquarie Wrap

Finalist

**netwealth Investments** – netwealth

BEST PLANNING SOFTWARE SOLUTION  
FOR CLIENT MANAGEMENT

Winner

**Iress Market Technology** – Xplan

Finalist

**Asgard** – AdviserNETgain

Finalist

**Coin** – Coin

MOST IMPROVED PLATFORM

Winner

**AXA** – AXA North

Finalist

**Asgard** – AdviserNET eWrap

Finalist

**netwealth Investments** – netwealth

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