Planners fussier in picking insurers

PUBLISHED: 10 Nov 2011 PRINT EDITION: 10 Nov 2011

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More than one in three financial planners have ditched at least one insurer from their risk business over the past 12 months, research shows.

About 34 per cent of more than 700 advisers have stopped using at least one of their insurers during the past year, the *Investment Trends 2011 Planner Risk Report* found.

Poor support, mediocre service and lacklustre underwriting facilities are some of the key reasons propelling advisers to severe their relationships.

“The thing that tips them [advisers] over is poor support,” said Investment Trends analyst Recep Peker.

Switching activity is also heating up in the planning sector, with nearly one in four planners open to using new insurance providers in the future, the research said.

Queensland-based Guardian Advice planner Susan Paterson ended business relationships with one insurer, and is scaling back business with another, this year.

A big focus among planners today is client retention as opposed to writing new business, and this has prompted some to rationalise their insurer line-up, she said.

“Over the last 12 months, there’s been an immense swing, a lot of time is now spent trying to retain business, more so than controlling the new business side,” she said.

Matrix Planning Solutions’ executive director of adviser services and development, Allison Dummett, said two key elements prized by planners were solid relationships with underwriters and a smooth claims process.

Take either one away, and it could be easy for insurers to lose advisers’ business, she said.

“If a claim is knocked back, some advisers may rethink whether they would use the same insurer down the track,” she said.

The Australian Financial Review

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