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## Tech-savvy life insurers have an edge

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### Ruth Liew and David Ramli

Life insurance providers have been warned they face a heightened risk of losing business unless they improve their technology systems.

The warning comes on the back of the 2011 Planner Risk Report produced by Investment Trends, which surveyed 729 financial planners.

The professionals play a major role in selling plans from the lucrative life insurance industry to their clients, and then receive commissions.

Investment Trends senior analyst Recep Peker said 34 per cent of planners had changed insurance providers, with many saying they were unhappy with the IT platforms they were forced to work with.

“Where they want the most work done around IT is in integration . . . to increase efficiency,” he said. “If I’m a financial planner, when I write insurance I want the application forms to be pre-populated with the client’s details.”

Mr Peker said every delay meant it took longer to provide customers with services and increased dissatisfaction.

“At the moment there’s a lot of pressure on business costs and planners are trying to keep down the price of advice to clients without increasing fees,” he said. “Because IT contributes so much to satisfaction . . . if something happens to service and support they’ll leave.

“So insurance providers can use IT systems as a way to distinguish themselves from [rivals].”

WealthSure financial adviser Michelle Kelly agrees that technology is now a key consideration when advisers seek to do business with insurers.

Planners are turning to technology to do business faster in a rapidly changing financial planning environment as they rush to meet requirements of the federal government’s Future of Financial Advice reforms.

“For instance, teleunderwriting is important, it’s time-consuming otherwise to write business on paper,” she said. “To be able to quote online is very important [and] the back-end infrastructure is critical.”

She also said continuing support for back-end systems was also a critical factor for getting business from planners.

“It’s the follow-through, the administration help that is very crucial to me. Tracking the progress of [applications and claims],” Ms Kelly said.

AMP financial planner Andrew Heaven agreed that technology which increased the speed of service had become a big selling point of insurers.

“In the past they’d have differentiated on benefits but now they’re trying to differentiate through other methods – like underwriting and technology,” he said, adding that the next step of the insurer-adviser technology dialogue could include things like social media and application services.

“That would help provide a conduit between advisers and their clients,” he said.

Securitor financial adviser Anne Graham agreed and said the ability to do work from devices like tablets and smartphones was increasingly important.

“The insurers we use have very good interactive websites, which we can go on and get quotes, and some of them iPhone and iPad apps,” she said. “To have that portability is important – a lot of advisers will see clients out of the office.”

Ms Graham added that the integration of planning and risk software, online decision support tools and investment platforms would be a welcome upgrade for the advice industry.



Investment Trends senior analyst Recep Peker says 34 per cent of planners have switched insurers. **Photo: Tamara Voninski**

“Ideally, if you can get something like a wrap platform and have everything under one umbrella, that’d be a dream,” she said.

The Australian Financial Review

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