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## Demand for personal insurance surges

### Risk provider's annual premiums to thrive

Victoria Papandrea

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Increasing market volatility and spiralling living costs will see demand for all forms of insurance, particularly life and income protection continue to increase, an annual study by Investment Trends has found.

"The challenge of increasing the contribution of risk advice to a practice's bottom line will be made a little easier as planners may be less focused on investment in 2008 than they were in 2007," Investment Trends principal Mark Johnston said.

While a growing number of financial planners are providing advice on life insurance and income protection, for many it still accounts for only a very small proportion of their total business.

The survey findings revealed 84 per cent of planners provided advice on life insurance and income protection in 2007, compared to 81 per cent in 2006 and 73 per cent in 2005.

Over the next three years, planners will look to shift risk transactions away from direct interaction with product providers and towards platforms and software providers, according to the report.

"This represents a fundamental change in how planners currently transact with life risk product providers and how they interact with platforms and planning software," Johnston said.

"This segment of the wealth management sector looks set for some big changes over the medium to long term."

The study found planners viewed transferring risk data into planning software as the most useful improvement to help them provide advice on life risk.

"For planners writing large amounts of life risk they tended to prefer improvements in the underwriting process and online application process," Johnston said.

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