

## Iress targets mortgage providers

Darin Tyson-Chan

Planning software provider Iress will now be able to offer its users access to mortgage analytics after its acquisition of TransActive Systems for \$1.9 million.

The deal was completed to better service its existing customers and the evolution of dealer group activities into the mortgage arena, Iress general manager of wealth management Andrew Walsh said.

"We've been noticing more and more our clients wanting to provide advice on mortgages and many are no longer referring it out to external mortgage brokers," Walsh said.

"Like with all parts of functionality we want to make sure we continue to be relevant and adapt as our client base grows and morphs."

The software provider believes the acquisition gives it a distinct competitive advantage over its opponents in the market. "If we can deliver efficiency to the dealer group across the different arms of advice then that sets us apart from our competitors," Walsh said.

The new capability will be provided on top of the firm's existing applications covering portfolio management, customer relations management, risk research and investment modelling. It intends to make the mortgage functionality available to users of VisiPlan and Xplan by the end of September.

This process will be completed by way of a systems upgrade and users will have to pay an additional fee for the mortgage module.

The consideration for the purchase was settled as a cash deal.

Walsh did not rule out further acquisitions. "There are a number of opportunities around we continue to look at ... We think the scale at which we operate now provides certain opportunities that ensure our investment into the platform will be of benefit to the end users." □

## Economic uncertainty spooks Australians

Victoria Papandrea

A mix of economic factors are making Australians feel financially vulnerable, new research from the FPA has revealed.

Should a recession hit an already fragile Australian economy, two-thirds of Australians were worried their jobs could be at risk, according to the research.

"The fear of recession is widespread with levels of unease similar across all demographics regardless of age, location or income and is present both among workers and non-workers," FPA chief executive Jo-Anne Bloch said.

"This research unearthed growing fears about job security and shows that people are beginning to feel their lifestyle and financial stability could now be under great threat."

Conducted in the first quarter of 2008, the FPA research found 91 per cent of Australians were most concerned by the rising price of consumer essentials such as groceries and petrol.

Also topping the list of concerns, 75 per cent cited rising interest rates, while 52 per cent said they were worried about the uncertainty in property prices.

Of those with a mortgage, 88 per cent were concerned about the impact of rising interest rates on their personal financial security.

The research findings also revealed 47 per cent of Australians were concerned about share market volatility.

"Market volatility is spooking younger investors whereas older

ones, who are more likely to have a financial planning relationship and longer-term plans, though worried are less likely to change tack when markets fall," Bloch said.

"Three in 10 Australians currently use the services of a financial planner and are in a better position to make informed decisions in a challenging environment."

The research found 77 per cent of Australians who used financial planners were more likely to sit tight and ride out share market volatility.

The "FPA Financial Planning in Volatile Economic Environment Report" was conducted by Galaxy Research.

The national poll surveyed more than 1100 people aged 16 or over. □

## Life, IP insurance set to surge

Victoria Papandrea

There is a tremendous opportunity for risk product providers to grow annual premiums this year, according to the latest report on trends in life insurance advice among financial planners.

With increasing financial market volatility and spiralling living costs, demand for all forms of insurance, particularly life and income protection, should increase, an annual study by Investment Trends revealed.

"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.

A growing number of financial planners are providing advice on life insurance and income

protection, but for many it still accounts for only a very small proportion of their total business.

The survey findings revealed 84 per cent of planners were providing 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 would look to shift risk transactions away from direct interaction with product providers and towards platforms and software providers, according to the research.

Of the planners writing more than \$100,000 in annual premiums, 27 per cent would prefer to conduct life insurance transactions through their planning software in three years' time, compared to 21 per cent directly with the risk product provider.

"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.

The "Investment Trends Planner Risk and Risk Technology Report" surveyed over 1600 advisers in November 2007. □