

Planners turning to writing risk

18 February 2009



New research from [Investment Trends](#) has confirmed that as times have become tougher for financial planning practices, advisers are increasingly turning to the provision of risk advice.

The October 2008 Planner Risk and Risk Technology Report is based on a survey of over 1,300 advisers and found that planners earned an average of 26 per cent of their practice revenue from risk products such as life insurance – a 30 per cent jump over 2007.



The research found that large increases had been recorded by both bank-based advisers and planners who had previously earned only a small proportion of their revenue from risk products.

Commenting on the results, Investment Trends principal, Mark Johnston said that with funds under advice down and inflows stifled, risk was now a more important part of the business mix for advisers.

“The proportion of planners advising on risk is relatively unchanged, at 84 per cent,” he said. “But while income from investment advice is heavily impacted by funds under advice, planners continue to write as much or more life insurance, with most maintaining or increasing premiums written independent of the volatile investment markets.”

Johnston said that while the proportion of revenue derived from risk had risen, there was still considerable scope for further growth with planners advising on risk writing an average of \$68,000 in annualized premiums during 2008, but with 44 per cent of those planners writing less than \$25,000.

“These figures suggest that there is still plenty of room for many advisers to develop the insurance side of their business,” he said.

Tags: [Financial planning](#) | [insurance](#) | [Investment Trends](#) | [life](#) | [Mark Johnston](#) | [research](#) | [risk](#)

Just in:

[Mortgage brokers move into planning space as commissions fall](#) (27 March 2009)

[ASIC wins and Storm Financial faces liquidation](#) (27 March 2009)


[S&P withdraws another rating for a UBS fund](#) (27 March 2009)

[MLC reshuffles wealth management team](#) (27 March 2009)

[Planners questioning dealer group value](#) (27 March 2009)

[Add a comment](#)

Add a new comment

Name *	<input type="text"/>
Email *	<input type="text"/>
Comment *	<input style="width: 150px; height: 40px;" type="text"/>
Security Code *	<div style="display: flex; align-items: center;">  <div style="text-align: right;"> Enter the code shown: <input style="width: 40px; height: 15px;" type="text"/> </div> </div>

Submit

Copyright ©2009 Reed Business Information. All rights reserved. ABN 80 132 719 861
Reproduction in whole or in part in any form or medium without express written permission of Reed Business Information is prohibited.