

[Zurich on top as planners turn to risk ... and demand grows for technology solutions](#)



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The average financial planning firm now generates more than a quarter of its income from writing life insurance business, according to new research. The Investment Trends 2008 *Planner Risk and Technology Report* says the proportion of total income coming from life insurance has leapt by 30 per cent in the space of just one year.

But the increased proportion is due in some cases to a decline in income from other sources. The Investment Trends research says most planners either maintained or increased how much life business they wrote in 2008 compared to 2007.

Mark Johnston, principal of the research firm, says risk is now “a more important part of the business mix for advisers”.

Johnston says the proportion of planners who write life insurance business is steady, at 84 per cent, but the dollar value of premiums written varied widely: on average, planners write about \$68,000 of premiums, yet 44 per cent of planners write less than \$25,000 a year.

Johnston says this suggest there’s considerable scope for significant numbers of planners to increase how much life insurance business they write.

Zurich has come out on top in the survey of financial planners, scoring top marks for overall service and quality of policy definitions, and placing second for the knowledge of the firm’s business development managers, and third for the quality of its telephone support.

Investment Trends says financial planners are satisfied with many of the services they receive from insurance companies, but not all aspects of insurers’ support is uniformly good.

It says that in 2008, most planners dealt directly with life insurers when setting up policies.

“But many planners would prefer to initiate transactions using their investment platform or planning software,” it says.

“This was the case even among risk specialists - 55 per cent of planners who derive more than half of their revenue from risk products say they would like to perform life insurance transactions via their platform or planning software within three years.”

However, the research firm says that planning software and platform functionality will have to improve markedly before this can happen.

Investment Trends says planners would like to see “a range of new functionality and other improvements to better integrate risk products into their existing systems”.

Andrew Knox, an analyst with Investment Trends, says the technology improvements to software and platforms that planners are looking for are not about “taking away market share from life insurers”.

“Planners are saying, ‘We still want to place the business with life insurers’ - because there’s no one else to use - so it’s just the way they want to transact,” Knox says.

“It’s more to do with business efficiency for the planner. We’re seeing this across the board: managed funds, life insurance, direct equities also. If they can do various types of transactions in their platform or planning software, it’s going to make their office more efficient.

“It’s up to the life insurers to look at the dealer groups being used and to decide if this integration [issue] is really important for them right now, or if it’s a longer-term project.”

How the insurers rate

Overall service: 1. Zurich; 2. AXA; 3. AIG

Policy definitions: Zurich; 2. Aviva; 3. ING OneCare

BDM knowledge: CommInsure; 2. Zurich; 3. AIG Life

Telephone support: 1. Macquarie Life; 2. AXA; 3. Zurich

Source: [Investment Trends 2008 Planner Risk and Technology Report](#)

Is there a life insurance “bottleneck” in your business - and how would you like it fixed?

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