



# Life Insurance Company of the Year 2006

The inaugural Life Insurance Company of the Year Product and Service Quality Awards 2006, supported by Plan For Life and the Association of Financial Advisers, were held in Sydney last month. ALEX DUNNIN and CHRIS NICHOLLS were there.

Insurance ranks almost as important as investment performance in building and protecting the wealth and wellbeing of Australians. But how do you decide the best life insurance product or which company provides the best service quality, which is crucial to delivering the right product to advisers and their clients?

Rather than focus on which companies and products are the biggest, the cheapest, have the most market share or which win the premiums race, maybe you should ask the people who actually support the products at the coalface, who handle the client feedback and who deal with the aftermath?

Well that is what Plan For Life decided to do when it partnered with the Association of Financial Advisers (AFA) to discover Australia's top life insurance company for term/TPD, trauma, income protection and overall service quality.

## Research process

To make it happen, the awards and the research methodology underpinning them consisted of two parts. First, Plan For Life developed a range of criteria against which 16 life insurance companies were ranked for the product awards using a transparent assessment methodology.

Second, in the area of service quality, Plan For Life and the AFA jointly developed benchmarks that were used by 150 planners from 60 adviser groups affiliated with the AFA to rank companies on each of the criteria. The finalists and winners were those achieving the highest combined scores across both the quantitative product analysis and qualitative

service quality survey.

Importantly, this means a significant component of the service quality ranking was determined by feedback from a large cross-section of planners across the country who were given the opportunity to contribute their views.

"The combination of qualitative and quantitative research has proven to be robust and has allowed us to include input from across the sector," said Simon Solomon, managing director for Plan For Life.

Echoing the uniqueness in the research process, AFA chief executive officer, Richard Klipin said, "Our Association works closely with its members and we were delighted to be involved with an award structure that used input directly from our members.

"The whole insurance industry will benefit by the announcement of these awards as product and service levels are under scrutiny by advisers wanting the best for their clients," he said.

Emphasising why advisers were central to the research, Klipin said, "Advisers are vital intermediaries to build relationships of trust and it's why advisers are integral to choosing the award winners. But it's also all about the consumer as no matter what changes, we must build trust and transparency."

## The Platinum winner

Presented in front of hundreds of planners and insurance industry leaders, the Platinum Award for Life Insurance Company of the Year 2006 went to AXA Australia.

The award capped off a successful afternoon for AXA Australia, which also took out the Trauma Product of the Year

Award, was named a finalist in the Term/TPD Product of the Year and Income Protection Product of the Year categories and as well as being a finalist in the Service Quality category.

Michael Rogers, AXA's general manager financial protection, was satisfied with the awards since they recognised the huge effort AXA had put into product development and in creating a quality individual insurance offer.

"In August 2006 we launched our new individual offer, its purpose [being] to introduce some exciting new product developments, better client communications and more streamlined underwriting processes," said Rogers. "Importantly, we listened to the feedback from both advisers and clients about how to make a better insurance package.

"A good example was our well-priced comprehensive cancer option for trauma insurance, which was definitely a factor in us taking out the Trauma Product of the Year 2006."

Innovations like application status reports, alternative offer forums and emphasis on field underwriters also helped. Rogers said to keep the momentum going AXA would continue using technology while also harnessing the expert feedback they try to work with.

Rogers said winning awards across their service spectrum was the most positive aspect. But he is adamant that since insurance is now a very dynamic part of the market they will have to keep the development momentum moving.



**Product winners and finalists**

ING Australia received strong recognition for its product innovation, winning the Term/TPD Product Of The Year while also a finalist in the Income Protection Product of the Year.

Helen Troup, head of life and risk at ING, said, "It's very exciting that a new set of awards has come out that have got some guts to them. They're probably one of the most comprehensively judged awards on the market.

"We're very proud of [our product] OneCare and what it's done – it really has taken the market by storm. It's nice that it's getting the recognition."

Troup said the insurance market is right now going through an amazing transformation and this is pushing product providers harder than ever. "It's the most dynamic I've ever seen the industry," she said.

MLC was awarded the Income Protection Product of the Year and TOWER was a finalist in the Term/TPD Product of the Year.

Greg Einfeld, general manager of insurance at MLC, said, "We have what's

called a one policy theory here at MLC – whenever we introduce a new product, we ensure the benefits introduced flow down to existing policies at a later stage, so existing policy holders will also benefit from the new policy eventually."

"Premium rates have to be set so they are sustainable into the future. When people buy insurance, they're buying a long-term product, so they need to have confidence it will be sustainable. It all comes down to benefits, price and sustainability."

Jim Minto, chief executive officer of TOWER Australia, echoed this same enthusiasm. "We are delighted to be runner-up in the Term Life/TPD category. Winning is important as it keeps reinforcing the need to be competitive and keeps us looking at the needs of the market," he said.

"Term life/TPD products are quite a cornerstone of our business ... and we see it as a critical space to be in."

Zurich was crowned winner of the Service Quality Award and was a finalist in the Trauma Product Of The Year.

Aviva also had a successful awards ceremony being announced as a finalist

in both the Trauma Product Of The Year and in the Service Quality Award.

Klipin said the AFA was encouraged by the fact that the winners and finalists came from such a diverse range of products and companies.

**Why the awards matter**

Insurance awards matter, said Rogers, because insurance is such an important, albeit unsung, wealth management product. "Right now we know that Australia faces a dramatic level of underinsurance ... and the need for [improved] insurance is widespread."

The ageing population will see changes to their morbidity [types of illnesses] especially in the increased incidence of cancers, which health authorities expect could impact one-third of males and one-quarter of females. Rogers said this would mean a much more important role for products like trauma insurance.

"The challenge facing our industry is to offer genuine insurance solutions that evolve and respond to both immediate and future needs."



**Award dedication: AXA's Derek Hogg**

AXA has dedicated its awards, particularly the Platinum Award, to Derek Hogg, their head of financial protection who drove the product development that led to their award wins. Hogg passed away in late 2006 before the awards were announced.

"Derek had a mantra. Complete, competitive and compelling," said Adrian Emery, general manager of sales and marketing. "Above all he believed advisers needed sufficient tools to be able to use the insurance products as well.

"Anyone who knew him also knew he was passionate about finding the best insurance for the right circumstances."

Emery said Hogg helped AXA set up the systems and processes that were integral in building the insurance products that helped them win the Platinum Award.



**PLATINUM AWARD**

**Life Insurance Company of the Year**  
AXA Australia

**PRODUCT OF THE YEAR AWARDS**

**Term/TPD**

**Winner**  
ING Australia

**Finalists**  
AXA Australia  
TOWER Australia

**Trauma**

**Winner**  
AXA Australia

**Finalists**  
Zurich  
Aviva

**Income protection**

**Winner**  
MLC

**Finalists**  
ING Australia  
AXA Australia

**SERVICE QUALITY AWARD**

**Winner**  
Zurich

**Finalists**  
AXA Australia  
Aviva



From the top, left to right

- > Dennis Bateman, AFA and Andrew McKee, Zurich.
- > Maina Gordon and MS Research Australian executive director, Jeremy Wright.
- > Dennis Bateman, AFA; Adrian Emery, AXA Australia and Peter Sobels, Plan For Life.

Centre

- > Turnout for the awards was exceptional.
- > Adrian Emery, AXA; Greg Einfeld, MLC; Scott Moffitt, ING; Andrew McKee, Zurich

Bottom

- > Adrian Emery, AXA Australia; Stephen Dingjan, Plan for Life; Dennis Bateman, AFA and Jim Minto TOWER Corporate Superannuation Fund.
- > Dennis Bateman, AF; Scott Moffitt, ING and Stephen Dingjan, Plan for Life.