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# AFA National Conference 2009

GOLD COAST October 4-6 • RACV Royal Pines Resort

# Welcome to the AFA National Conference 2009

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## GenXt

### Session Stream 3

# Jonathan Davis



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## The Business Insurance Conversation

**“People don’t know you can help them until  
they realise they’ve got a problem”**

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# Business Protection

Let's be clear on what that means!

- Only 2 types of businesses
  - Owners who run the business (Proprietors and Principals)
  - Owners who don't run the business
- Only 3 types of protection needs
  - Debt Protection
  - Revenue Protection
  - Ownership Protection
- Only 2 types of insurance
  - Life Insurance
  - General Insurance

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# Business Protection

Let's be clear on what that means!

- Insurance protects against cash flow problems
  - Debt Protection frees up cashflow
  - Revenue Protection maintains cashflow
  - Ownership Protection keeps control of the cashflow
- *“cashflow is the lifeblood of all business”*
  - Business owners are more likely to be interested in affordable solutions that free up, maintain and keep control of cashflow

NB: Also requires an understanding of ITA and CGT

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# Business Protection

## Who needs it?

- Business Owners / Key Persons
- The business lifecycle
- The business size
- Business owners age/s
- Family ties between owners

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# Why Business Owners are often not aware of the risks?

- Risk takers & Risk Manages
- Personal protection
- Cannot articulate the business risks
- Many owners have different risks
- Have tried but can't get agreement on risk protection  
“make sure you say the right things and don't say the wrong things”

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# What are the risks?

Develop the right knowledge, language and tools

- Helping the client to understand **their** risks!
  - (“insurance is about returning a person to the position they were in prior to claim not a better position”)
- Educate clients, lead them on a journey of self discovery
  - (“Business owners have had pitches put to them for years”)
- Selling an advice solution = success
  - Clients buy your advice not your products (or price)

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# Clear Messages

## Communication is the key

- Start with a concept
  - There are 4 (protection needs) concepts
  - Develop a solution for each need
    - The right amount of money (how much cash is needed)
    - The right person (who needs the cash)
    - For the right event (death, disablement, diagnosis of illness)
- Understand the interrelationship b/w protection needs
  - (including Personal Insurance needs)
- Tools help with comprehension and conversation flow

*“each client is unique so provide a unique solution”*

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# Things to remember

- Business Owners are good measurers of risk
  - Remember this when you are speak with them about insurance
- Never assume ANYTHING
- Be really organised, these guys are time poor
- Quality advice = greater cover / more premium. This is predicated on - Asking really good questions

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# Key Questions

Q: What would you do if your business partner was not here?

Q: *Would you want any of your children continue in the business?*

Q: *Would removing your family for all aspects of the business, including day to day decision making and responsibility for business debts be important to you?*

Q: *Would the loss of ..... affect the business in any of these ways: lower sales, loss of intellectual knowledge, loss of key relationships or a decline in leadership / direction?*

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# Key Questions

*Q: How hard would it be to replace him? What would be the cost?*

*Q: If you had a dollar to spend on life insurance where would you spend it first?*

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# Where to begin?

*“each client is unique so provide a unique solution”*