

webinar



Client cancelling? See the iExtend solution in practice

with Ruth Keaney and Mark Stubbings

Tuesday 26 July | 11:00am-12:00pm



Today's webinar

- One hour of CPD available, the AFA will send details within the next week.
- As a webinar attendee you will remain on 'mute' throughout the session.
- Questions will be answered at the end of the presentation. Please use the Zoom Q&A function (not the chat function).



Access to webinar content

- Today's webinar recording, presentation slides and a CPD assessment quiz will be uploaded to afa.asn.au
- All registrants will receive an email confirming when available
- Get in touch at info@afa.asn.au if you have any questions

Thank you for joining us today

Today's agenda

A recap of the iExtend offer

- Our vision
- Why iExtend
- How it works
- Target market audience

Case studies

1. Fully Co-owned policy
2. Part co-owned policy
3. Keeps policy
4. Not eligible

Real Case Studies - discussion

Collaboration

iExtend collaborates with Australians, their advisers and their insurers, to extend their life insurance in the years when they need it most.

Our collaborative approach is better for policyholders, better for advisers, and better for insurers.

Our Vision

Our purpose and vision is to help Australians retain valuable Life Insurance cover. **We believe that life insurance is about collaboration.**

- **Collaboration with the policy holder**, who bought the policy all those years ago as an act of prudence and kindness.
- **Collaboration with the adviser**, who helped them navigate the tough choices, always looking out for their best interests.
- And **Collaboration with the insurer**, who agreed to always be there – no matter what happens.

Because value is greatest when shared we believe Collaboration is the key to making Life insurance last.

About iExtend

We assist selected policyholders retain their Term Life policies, at a mature age where;

1. A combination of affordability and
2. Health conditions

makes it difficult for them to retain or replace their policy .

Co-owning a Life policy with iExtend eliminates premium payments on the co-owned portion and still provides an eventual claim for beneficiaries.

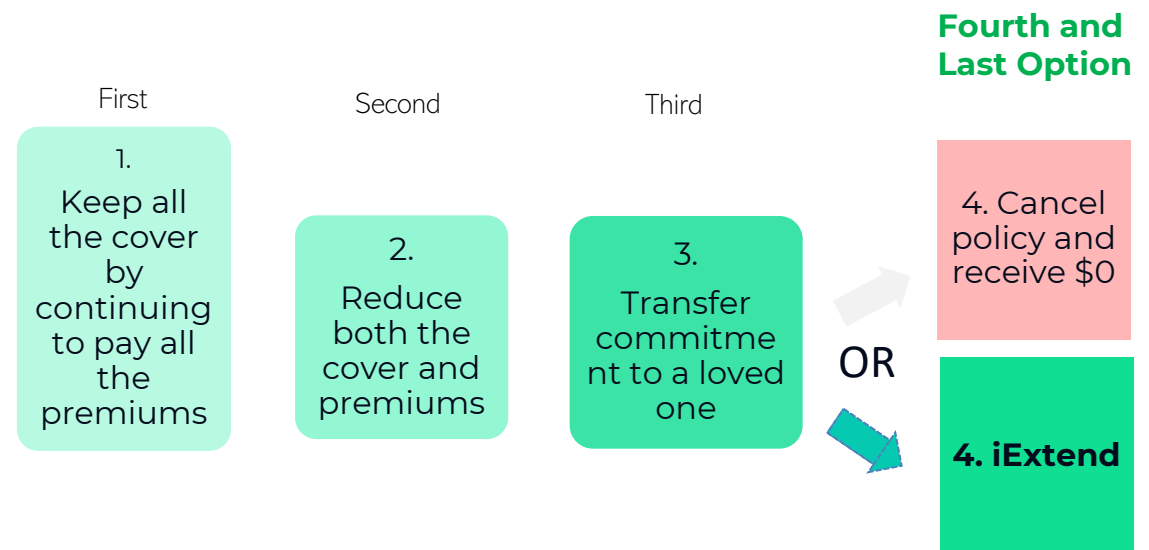
Why iExtend

iExtend provides an option to those who have committed to cancelling some or all of their Life cover and walking away from their policy.

The journey only starts when your client has committed to cancel

At the time of renewal, to date there have only been four options for Life policyholders

Options Available



Process

Your client has the option to retain any portion of the policy (including TPD and Trauma) by paying their share of this portion of the policy.

Based on a sliding scale, Your client will receive a percentage of any claim. (including indexation)

The % share of claims pay-out increases with indexation e.g. 10% year 4, by year 12, 20% of the original sum insured

How it works

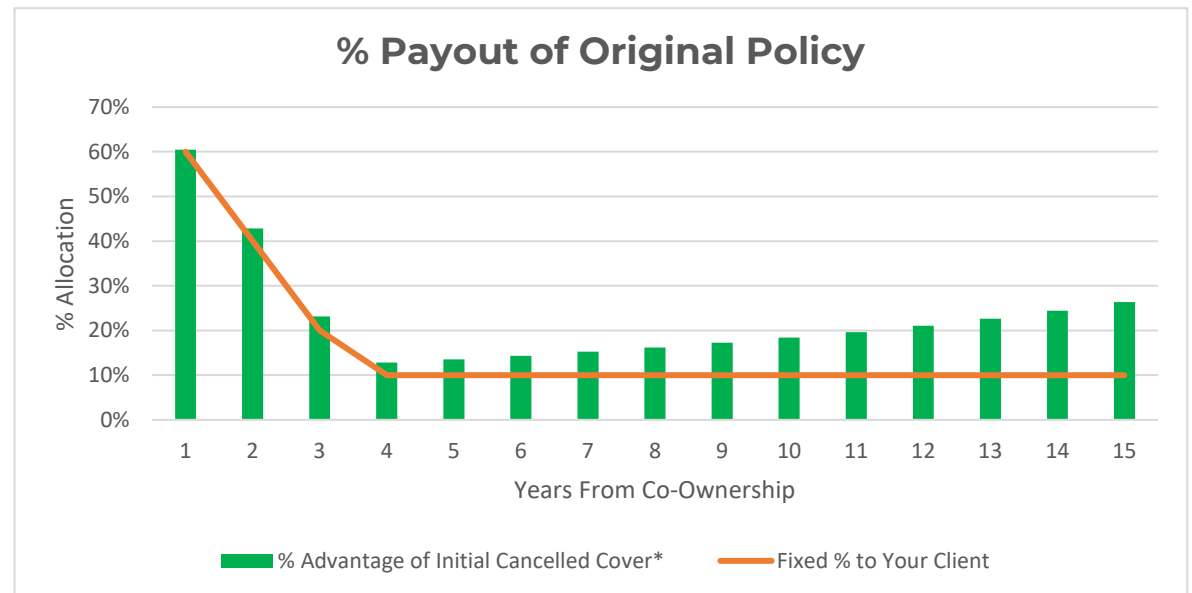
The Co-ownership agreement will only cover Life insurance (excluding TPD and Trauma).

Co-ownership Economics

Your client share of claim in the indexation of the policy.



Implied % Payout on Original Amount



Risk Assessment

iExtend evaluates a range of metrics that include mature age, policy term and change of health (since policy originally taken out)

Determining exact longevity score is difficult but pooling scores helps determine an average

iExtend's Target Market Score between 5s to 8s

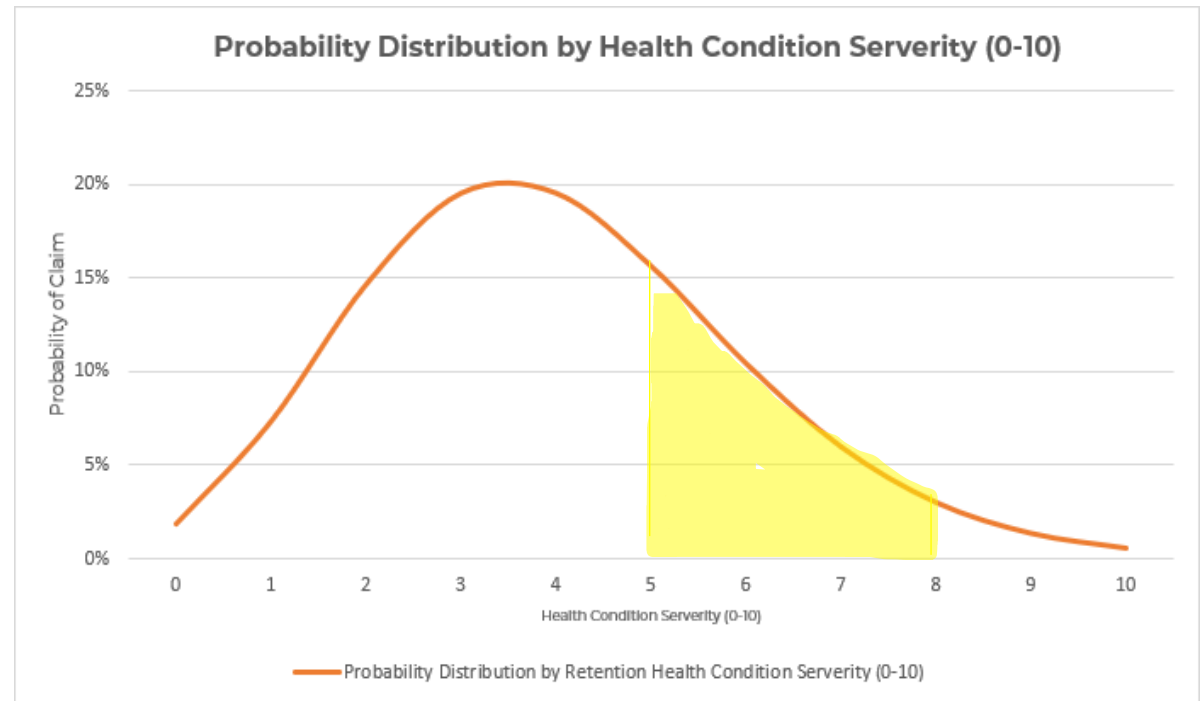
Target market

Scale of Health Conditions - If we classify a scale of 0 to 10 where;

- 0 meaning that someone is extremely healthy, while
- 10 might have less than two years to live on the opposite end.

iExtend helps people that need it most;

- 0s, to 4s will find cover at standard rate or marginally higher rates and don't need iExtend
- 9s, & 10s should have family helping them keep cover.



Qualifying – * Name changed

Client's Circumstance

Michael* is 66; \$1.2 million of Cover

5% indexed, Non-Smoker Standard Rates in 2008

In 2021, retires early to focus on improving his health & wellbeing

Policy unaffordable, committed to cancelling, in arrears by 30 Days

Case study 1 – Full Co-owned policy

Adviser circumstances

Michael sees the value in the his policy, cannot afford to keep any of his cover and decides to cancel. Adviser discusses Co-ownership alternative and goes onto the iExtend portal

- iExtend 'Quick Calc' 3 questions, policy info. to test eligibility (get's real-time email Michael 'May Qualify')
- Downloads the signature free General Telehealth Q., calls Michael for more health information
- iExtend Distribution Manager get real-time alert-calls adviser within an hour, with new information, completes online pre-assessment – 'May Qualify'

How had Michael's health changed in the last 5 years?

- Weight increased from 95 to 122 kgs.
- 2017 developed Sleep Apnoea (cant tolerate CPAP)
- Medication for blood pressure and type 2 diabetes
- Mild stroke in 2021, some impact to his day-to-day mobility

Next steps to finalise

- Michael and Adviser sign DocuSign privacy consent forms
- Michael sends a copy of this hospital records from 2021
- Michael discusses offer with spouse
- Insurer MOT and Policy Ownership, completes in 14 days.

Qualifying – *name changed

Client's Circumstance

Mary* aged 65, \$800,000 Life policy taken out in 2002, nil indexation, stepped

Decided to reduce her cover significantly as she could only afford to retain \$100,000.

The policy is set to lapse within the next 3 to 4 weeks.

Case study 2 – Part co-owned policy

Adviser Circumstances

Her adviser knowing Mary is committed to reducing cover, checks if she can get a better premium by switching Insurer, but due to changed health the insurance can only offer with 200% loading, and making it dearer than her current policy

Time running out, before reducing cover, requests an iExtend complementary pre-assessment.

How had Mary's health changed in last 5 years?

In 2018, Mary experienced Stage 4 Breast cancer required a mastectomy and chemotherapy, she is in remission almost 2 years. She takes medication to control her blood pressure.

Outcome

- Privacy & Medical Consents obtained, iExtend requests 5 year health records
- Meets Co-ownership Criteria 'changed health'
- Retained portion Co-ownership Deed prepared
- Mary is paying her share via direct debit and will review at next policy anniversary

Qualifying * Name Changed

Client's Circumstance

Peter* is 64 years of age, with a current policy sum insured of \$1.3 million Life & TPD rider, on stepped premiums.

In recent years Peter developed diabetes and mild heart disease. He is 1.65 metres tall and weighs 100kgs.

He is still working part-time.

Case study 3 – Keeps policy

Adviser Circumstances

Peter calls adviser of 20 years to cancel policy due to the recent renewal going up by 24%.

- The adviser emails iExtend' s educational video '**How it Works-for Policyholders'**
- Gets Privacy and consent forms for complementary risk pre-assessment

Outcome

Going through the education process over three weeks with his adviser. After review of the Co-ownership deed, discusses with his partner and now has decided to keep his policy, with a positive end note is that should his situation change, Peter would like the adviser to contact iExtend again.

Adviser Feedback to iExtend

The adviser is grateful for this outcome and knows he has done everything. Peter will now let the new rollover go through for his policy and the adviser will speak to him next year at policy anniversary.

Ineligible – *Name Changed

Client's Circumstance

June* has \$625,000 Life and TPD cover, indexed 3%

Policy commenced in 2013
Accepted with 50% loading
She is 63 years of age

She is 5ft 5 inches and 68 kgs

She has committed to cancelling her policy, policy in arrears

Case study 4 – Not eligible

Adviser Circumstances

June does not see the value in her Life and TPD cover and considering retirement, she has decided to cancel all her cover.

Her adviser knows June and helped her with a recent workers comp. claims following a work injury. iExtend Risk Team do a recorded telehealth interview with June.

How has June's health changed in last 5 years?

- Chronic neck and lower back pain follow a work accident in 2019, on anti-inflammatory medication
- Last year following a routine check up, diagnosed with late onset diabetes, takes 1 tablet daily
- Takes cholesterol lowering medication
- Lost 5 kgs in last 2 years

Outcome

- June was not eligible for an iExtend offer
- Telehealth Q – excellent control of blood sugar
- Higher Disablement risk, reasonable health for age
 - iExtend longevity score – 2
- June went ahead and cancelled her cover
- iExtend Risk Team sends email to explain decision, copy sits on adviser file to fulfil his best interest duty

Top six take outs

1. Commitment to Cancel.
2. Creating options for your client.
3. Understanding iExtend's policy & longevity criteria, YRT, Health Circumstances.
4. Premium Cost – Old-More contemporary.
5. 'Extend Website' Real time – self directed Pre-assessment tools.
6. On a Scale of 1 to 5 – Importance of knowing your client's current health circumstances.

Contact information

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What's next?

- Reach out to myself or Ruth post this webinar with any specific questions you have - we're happy to help.
- Register on our website iextend.com.au to access the quick calculator.
- Our next webinar will be on the 6th September so be sure to register.
- We look forward to seeing you in person at the AFA conference.
- We have representatives in all states and will provide you the name of our team closest to you.

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