

webinar



**How does a policyholder
qualify for the iExtend offer?**

with Ruth Keane

Tuesday 6 September | 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

Who Qualifies for an iExtend Co-Ownership Offer?

Today's agenda

- Short recap on **iExtend's vision** and offer
 - Our vision
 - Why iExtend
 - How it works
 - Target market
 - 5-Step Qualification Journey
- Flexible **Co-ownership arrangements**
- What conditions qualify and what don't
- **Role of adviser** in establishing qualification
- Case studies
- Top tips
- How to get in touch

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 facilitate the co-ownership of life policies which ultimately allows Australians to retain valuable Life Insurance cover.

We believe that life insurance is about collaboration.

- **Collaboration with the policyholder**, 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.

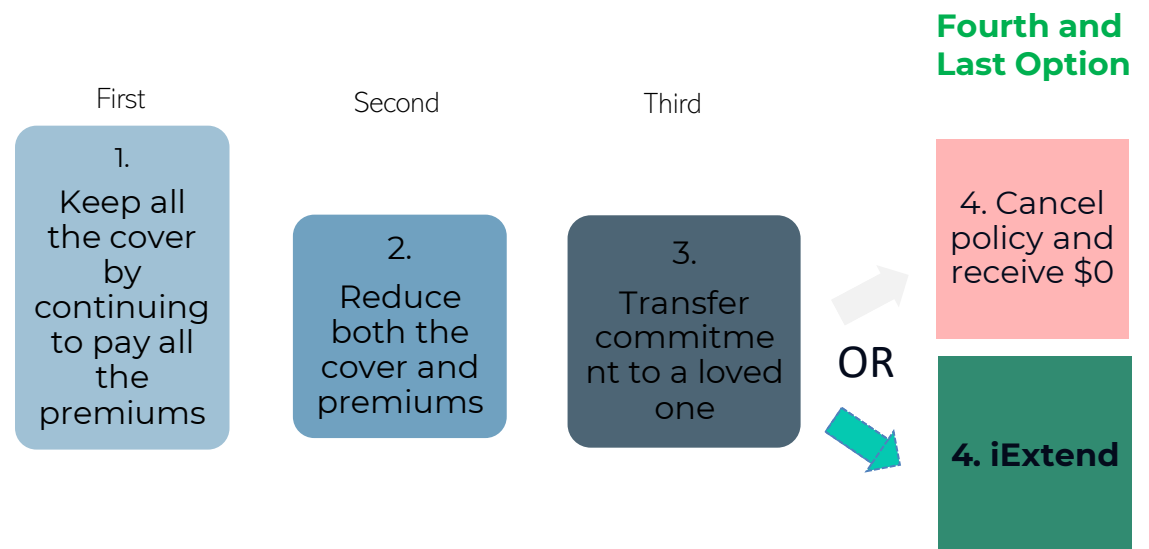
Why iExtend

iExtend provides an option to those who have committed to cancelling some or all of their Life cover and are 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

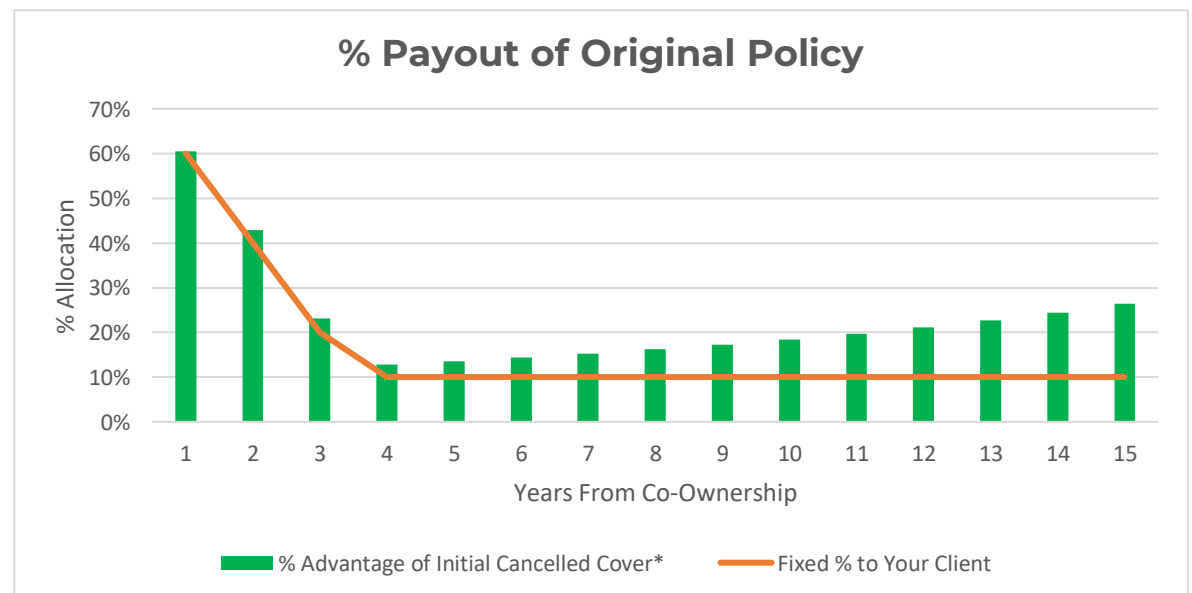
The Co-ownership agreement will only cover Life insurance (excluding TPD and Trauma).

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

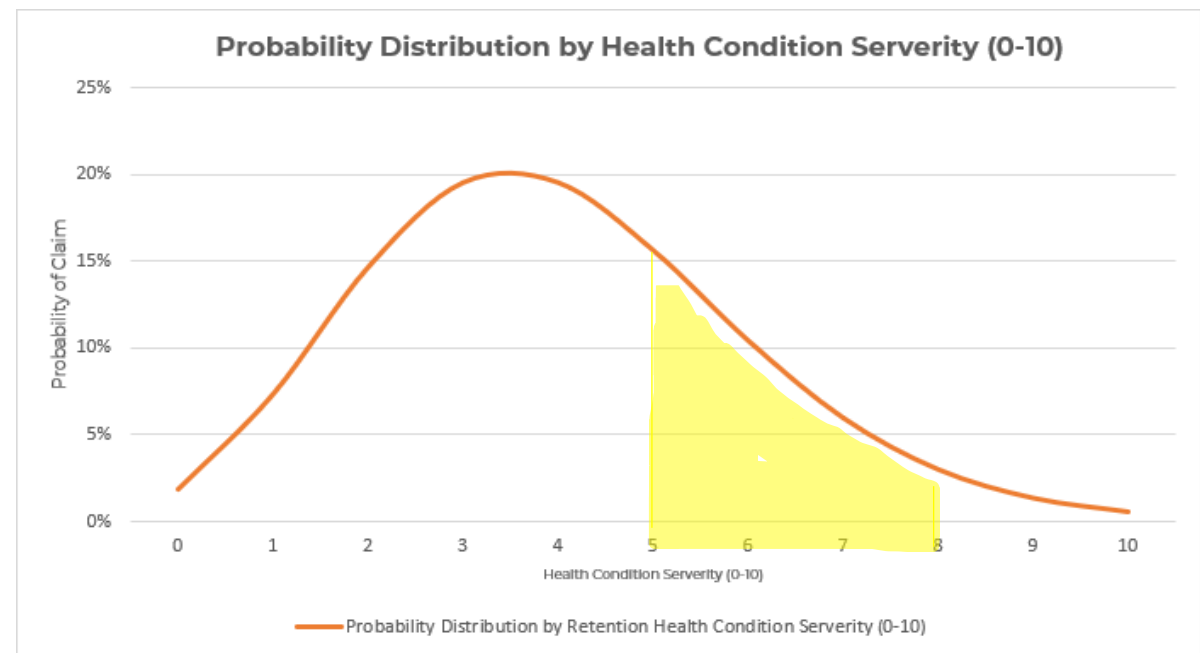
Target Market

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 facilitate the co-ownership of life policies for 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.



Purpose of life insurance changes

When taking out a Life Insurance Policy the purpose for cover needs to be demonstrated.

Cover can be owned on:

- ✓ One's own life.
- ✓ A family member
- ✓ A business partner
- ✓ A key person employee-director (by a business).

Flexible transfer of ownership

Insurance is taken out for a good compelling reason; Life insurance has the ongoing flexibility to adapt to changing circumstances.

For example:

- John is 64-year-old
- John had Key Person Insurance for his business (now sold). John has decided to cancel his insurance cover.
- On reviewing John's circumstances, his adviser suggests another option may be available - iExtend

Re-purposing the Policy

Original justification-keyman insurance is now gone. With changed health conditions, there remains significant value in retaining the Life cover for his beneficiaries.

Cover can be re-assigned personally to John

Inbuilt flexibility in retail life insurance policies

YRT = Yearly Renewable Term to 99

Premiums sharply increase every 5 years after 65.

Guaranteed renewability, Policyholders can unlock the value in their policies

Altering Policy ownership

The policy needs to be owned by an Individual, not a Super Fund

If Policy is in Super, we need to understand the nuances of that fund to determine if it can be transferred to an individual

Different retail super being housed in different structures such as:

- ✓ Individually Owned
- ✓ SMSF
- ✗ Group Super
- ✓ Business/Key Person

Without adjusting the life insurance policy in any way, we can tap into the inbuilt flexibility of the policy.

Key Role of the Adviser

Adviser 'touchpoints' in the qualification process:

- ✓ Adviser Pre-assesses initial eligibility on iExtend Portal
- ✓ Works with your iExtend Distribution Manager in the field to gather more information
- ✓ Works with Ruth & team who provide technical expertise and guidance to qualify policy and fast-track completion

5-Step Qualification Process

24/7 Pre-assessment Tool

iextend.com.au

Onboarding Journey

Digitally enabled, self-service tools, intuitive end-to-end fast fulfilment & personalised support

iExtend Adviser Portal

1. Pre-Assessment Tools
2. Educational Quizzes & Videos



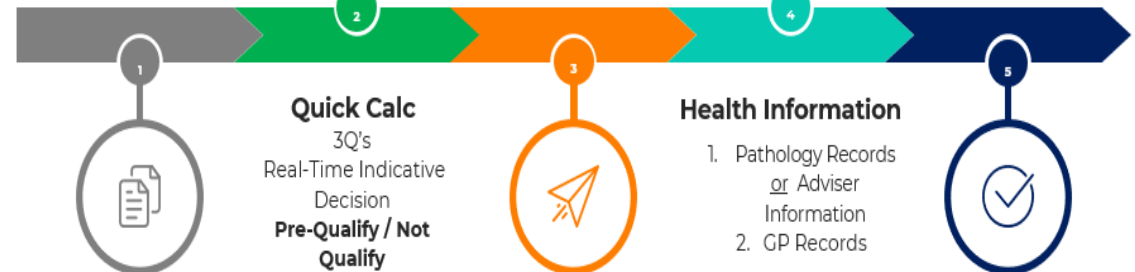
Continue Assessment

1. Privacy Consents
 2. Policy & Health Condition details
- Qualify / Not Qualify**



Qualified

1. iExtend Co-ownership Paperwork
2. Insurer MOT
3. Policy on-onboarded



Qualifying *Name changed

Client Circumstance:

Marie* aged 77, \$1.22 million Life Policy, 3% indexation, stepped.

Policy commenced in 1998
Non-Smoker, Standard Rates

- ✓ In 2004 Marie developed late onset diabetes.
- ✓ In 2019 suffered a Major Stroke that impacts her day-to-day mobility.

Policy to lapse in 6 weeks

Case study 1 – Fully Co-Owned policy

Adviser Circumstances

Marie retired 15 years ago; she's committed to cancelling due to affordability reasons.

Her adviser discusses iExtend co-ownership and logs in to the iExtend Adviser Portal to test her eligibility and proceeds to:

- Answer 'Quick Calc' 3 Questions, receives a real-time email that Marie 'May Qualify'.
- Download the telehealth (Stroke & Diabetic questionnaires).
- Call Marie to continue the pre-assessment with policy information, email confirmation that it 'Pre-Qualifies'.
- iExtend's Distribution Manager gets a Real-Time Alert, discusses the potential claims benefits and outcomes.

Next Steps – Risk Assessment & Finalisation

- Marie and her adviser complete the DocuSign privacy and medical consent forms.
- iExtend requests a copy of GP health records (last 5 years).
- iExtend Risk and Compliance managers arrange a Video-conference with Marie, her spouse and her adviser (possibly vulnerable due to her age and health).
- Policy is finalisation commences, completes within 10 days.

Ineligible * Name Changed

Client Circumstance:

Patrick* is 62 , \$1.1 million Joint Policy for Life & TPD since 2005, Indexed 3%

Policy Terms:

50% health loading due to build (1.77cm, 95 kgs)& Type 2 Diabetes

Current Health (last 5 years)

- ✓ History of Prostate Cancer 5 years ago, Gleason score 2
- ✓ Diabetes – 5.8 (Blood Sugar)
- ✓ Current Weight: 82kgs

Case study 2 – Keeps policy

Adviser Circumstances

- Patrick's family situation has changed, recently divorced, he and his ex-wife has decided to both cancel their joint life policy.
- Patrick has developed chronic health conditions.
- His ex-wife is in good health and proceeds to cancel her insurance.

Risk Assessment

- Patrick's adviser emails a copy of a pathology report and the Diabetes Telehealth Questionnaire.
- Patrick has been successfully treated for his prostate cancer and his diabetes is well controlled.
- iExtend risk team confirms that policyholder does not qualify due to improved health circumstances.

Outcome

- The adviser and policyholder received the benefits of our engagement as well as an objective pre-assessment for adviser which may result in re-broking Patrick's policy.

Qualified – *Name Changed

Client circumstance:

John* is 68-year-old, \$1.7 million Life cover since 2010, indexed 5%, standard rates

Health when underwritten in 2010:

- ✓ Hypertension
- ✓ Cholesterol
- ✓ Overweight BMI 32

Case study 3 – Repurposing Cover

Adviser Circumstances

John has decided to cancel his business insurance policy.

Changed Health Circumstances

While manageable blood pressure and cholesterol in his 50's, moving into mature age, John now has developed chronic health, being:

- Obstructive sleep Apnoea
- Mild heart valve disease
- Body Mass Index has increased to 35.

This changed health has meant he has moved from a longevity score of 2 to 6 and qualifies to apply for a co-ownership offer.

Finalisation

iExtend works with the adviser to transfer the policy into individual ownership, a pre-requisite to finalising the co-ownership arrangement.

Value Creation

The journey only starts when your client has committed to cancel.

iExtend's vision is to help facilitate the co-ownership of life policies which ultimately allows Australians to retain valuable Life Insurance cover

Top five take outs

1. **Commitment to Cancel.**
2. Transfer assigned for **individual ownership**
3. Understanding **who Qualifies**
 - Yearly Renewable Term to 99
 - Individually Owned Policies
 - Chronic Health .
4. Reassessment Opportunity – **Creating Value**
 - Healthy lives may be reassessed
 - Premium Cost (Old vs Contemporary).
5. 'iExtend **Adviser Portal**'
 - iExtend's 5-Step Journey – Digitally Enabled
 - Real-Time – 24/7 Adviser Pre-assessment tools.

Contact information

Do you have a client that has determined to cancel or reduce and may pre-qualify?

Contact Us;

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What's next?

- **Register on our website** iextend.com.au to
 - assigned distribution manager and
 - provide access the pre-assessment tools
- We look forward to seeing you in person at the **AFA conference:**
 - Expo stand
 - Meet the professionals session
 - Gala dinner
 - Meet the team
- We have **representatives in all states** and will provide you the name of our distribution Manager closest to you.