

Peter Chadborn
CBK (Colchester)

Separating the Advice process and the Application process

Financial or Medical Specialist?

At what stage in the sales process does the advice end and the underwriting begin?

- Client understand policy details
- Client understand medical questions
- Client recall medical history

Financial or Medical Specialist?

At what stage in the sales process does the advice end and the underwriting begin?

- Client understand policy details
- Client understand medical questions
- Client recall medical history

= Time

Why are they not given time? Sales Pressure?

Financial or Medical Specialist?

At what stage in the sales process does the advice end and the underwriting begin?

- Should I ask the medical questions?
- Should I complete the application form?

The Actuarial Profession
making financial sense of the future

Financial or Medical Specialist?

At what stage in the sales process does the advice end and the underwriting begin?

- Should I ask the medical questions?
- Client should read for accurate understanding
- Should I complete the application form?
- My handwriting should not be on the document

The Actuarial Profession
making financial sense of the future

Non-Paid Claims

How much non-disclosure is due to a poor sales process?

How often is consumers misunderstanding of definitions due to a poor sales process?

The Actuarial Profession
making financial sense of the future

Conclusion

Separate the Advice & Application process:

- Client has been educated re importance of full disclosure
- Client has had time to recall medical history, check dates & result and answer questions accurately
- Client better understands the contract which they have entered into
- Unsuccessful claimant cannot allege info disclosed but not recorded
- TCF

The Actuarial Profession
making financial sense of the future

Benefits to Adviser Firm

Effective advice process

- Clients had cooling-off period in advance
- Proving we are advising not selling

Evidencing TCF

High Persistency

The Actuarial Profession
making financial sense of the future

Persistency

Key

CFI: Cancelled From Inception
Lapse: come off the books with in measure period
On Risk: remain on the books for the measure period
Protection business only
Ave. all business includes all product areas (ex mortgages)

	12 months			24 months		
	CFI	Lapse	On Risk	CFI	Lapse	On Risk
Adviser 1	0.00%	0.00%	100.00%	0.00%	0.00%	100.00%
ave. all business	0.00%	0.99%	99.01%	0.00%	0.61%	99.40%
Adviser 2	0.00%	0.00%	100.00%	0.00%	2.94%	97.01%
ave. all business	0.00%	0.00%	100.00%	0.00%	1.16%	98.82%
Adviser 3	0.00%	0.00%	100.00%	3.70%	0.00%	96.30%
ave. all business	0.00%	0.00%	100.00%	2.27%	0.00%	97.73%
CBK Colchester ave. (Profit)	0.00%	0.00%	100.00%	0.34%	0.34%	99.32%

The Actuarial Profession
making financial sense of the future

Issues

Data Capture forms that do not mirror the on-line questions

When additional medical information is required

Wet Signatures

The Actuarial Profession
making financial sense of the future

Any Questions?

The Actuarial Profession
making financial sense of the future
