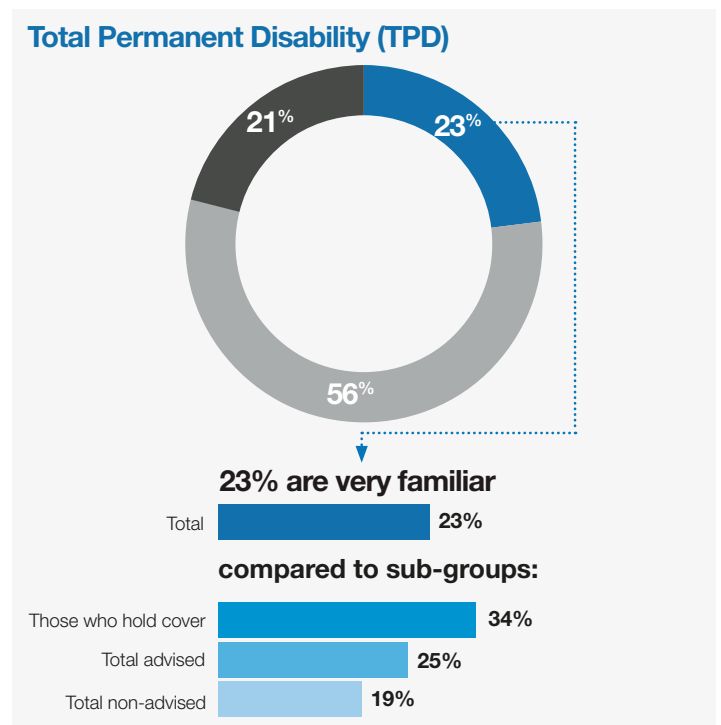
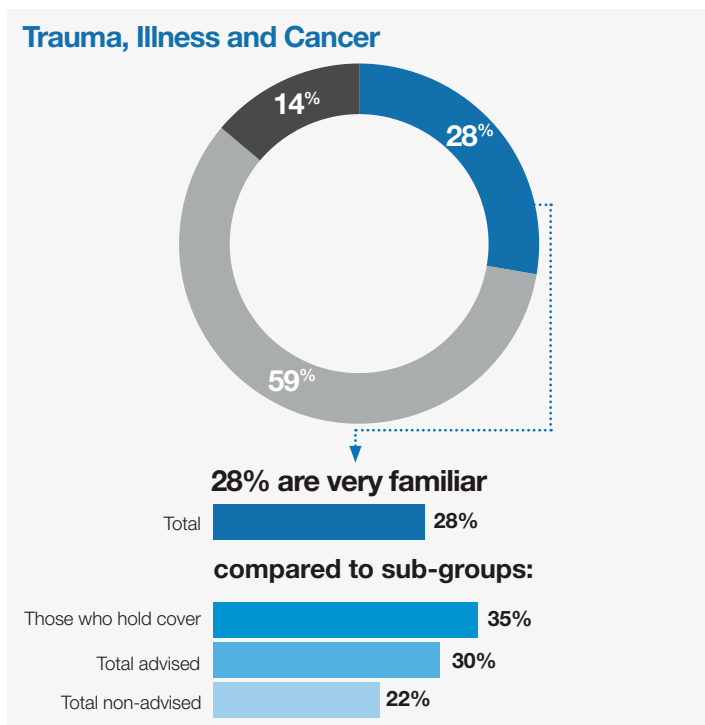
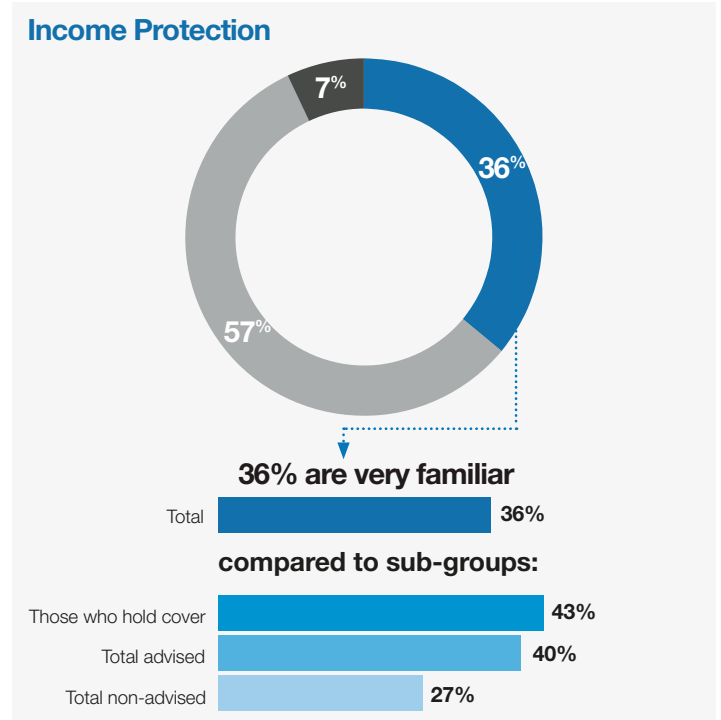
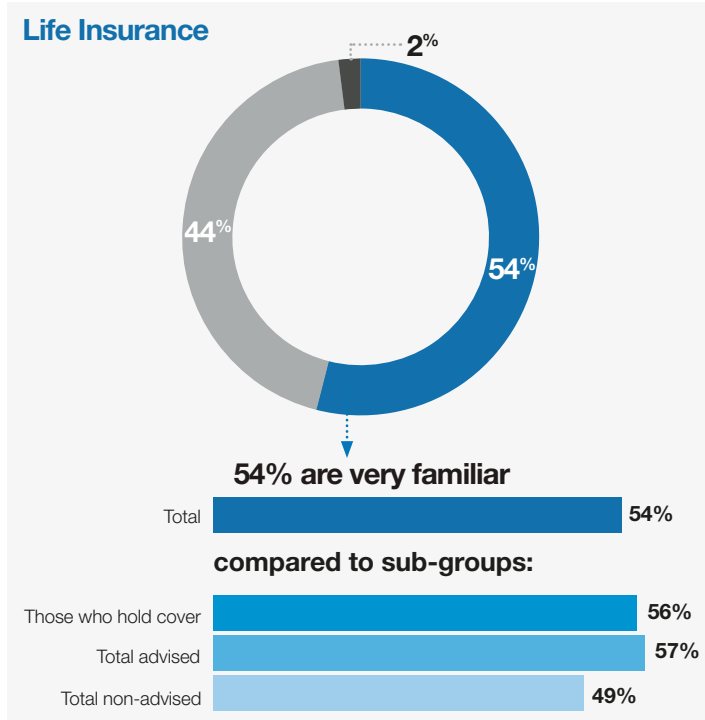


We're proud to share the below insights from the first issue of the Asteron Life Insurance Index 2022 report. We have extended our survey sample from SMEs to include general population life insurance customers. This change will provide life insurance advisers with a broader range of insights.

Lack of familiarity with covers demonstrates need for education

The report data confirms what many in the industry suspect: familiarity levels with life insurance, particularly less common covers, is very low. 54% were very familiar with Life Insurance, and 36% were very familiar with Income Protection, but familiarity with other covers is much lower.

Very familiar Somewhat familiar Not familiar



We can see those who work with an adviser are more informed than non-advised respondents, which illustrates the value that advisers play in helping clients understand their insurance. The data also shows there are opportunities to build awareness of all covers through education by both advisers and the industry as a whole.

Consumer concerns could be reduced with the right cover

Many people who could benefit from different life insurance covers are missing out on the peace of mind these covers offer. Education could help these people get the cover they need to address their concerns.



Income Protection

25%

are concerned about keeping up with living expenses if they were unable to work

BUT do not have Income Protection cover.



Trauma, Illness & Cancer

20%

are concerned about a family history of serious illness

BUT do not have Trauma, Illness & Cancer cover.



Total Permanent Disability

34%

are concerned about having an accident that leads to a physical disability

BUT do not have Total Permanent Disability cover.



There is a definite lack of understanding for covers like IP, TPD and Trauma, even amongst those who have them, which demonstrates a need for advisers to educate people about these important covers. Advisers could look to do this through blogs or articles on their websites and via social media posts.

Collaborative advice builds satisfaction

Adviser usage and satisfaction

Advisers play a key role in providing product education and advice, but how many New Zealand consumers are actually receiving advice? Our data suggests that over **2 in 3** life insurance policyholders receive some form of advice, whether through specialist advisers or advisers in banks or insurance companies.



69% receive advice

Who is receiving advice?

Advice levels vary by demographics: females are more likely to be advised, as are those with children at home and those in their 50s.



Females more likely to be advised (72% vs 66%).



Those with children at home are more likely to be advised (73% vs 69%).

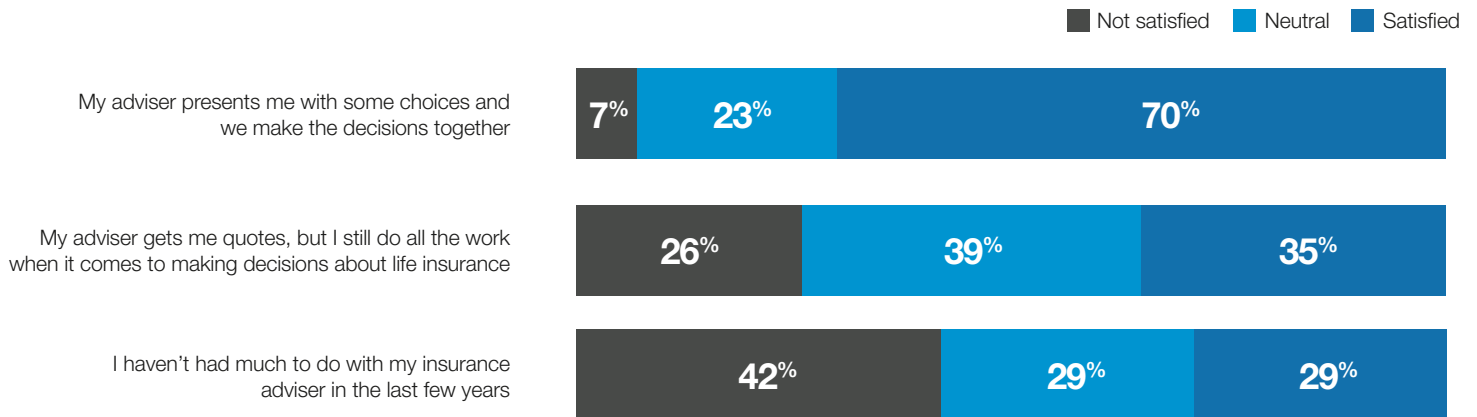


Those in their 50s are most likely to be advised, with those under 39 needing more help.

This suggests that while advice is widespread, there is still room to improve, particularly for younger consumers who are in the process of setting up their insurance. Focused social media posts and online ads could be used to attract this demographic.

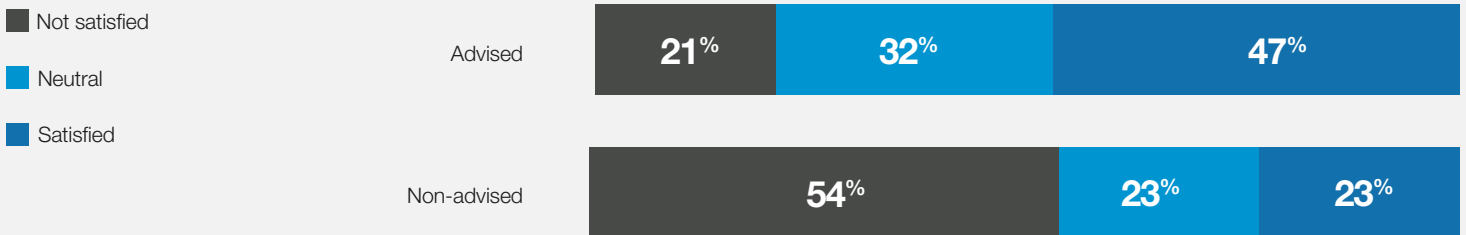
Collaborative relationships build adviser satisfaction

There is a strong correlation between levels of engagement and satisfaction. 70% of those surveyed who have a collaborative relationship with their adviser are satisfied compared to only 29% of those who aren't in contact with their adviser.



Advisers enable satisfying claims experiences

47% of advised respondents were satisfied with their last claim compared to 23% of non-advised. This demonstrates the value and benefits that advisers offer both current and prospective clients.



Advised clients obviously appreciate the help they receive at claims time, so this benefit could be communicated as part of the sales process with prospective clients. We can also see that clients value advisers who take the time to understand their individual needs and then deliver personalised service throughout the decision-making process. To keep satisfaction levels high, advisers could implement a continual cycle of engagement, not just a one-touch approach.

High satisfaction levels are an opportunity to ask for referrals

Word of mouth is one of the most common ways for people to find service businesses and insurance advice is no different.

29%

received a recommendation from someone they know

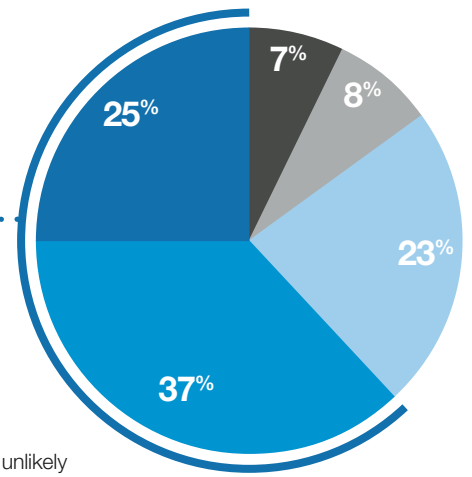
13%

received a suggestion from their accountant/lawyer/other business advisor

Clients are happy to recommend advisers – they just have to ask

2 in 3 adviser clients are happy to recommend their adviser to others. If advisers aren't already utilizing this referral channel, then it's a great time to start and grow their business.

2 in 3 adviser clients



Extremely likely Somewhat likely Not sure Somewhat unlikely Extremely unlikely

Collaboration increases satisfaction as well as the likelihood to refer

41% of those who work collaboratively with their adviser are likely to recommend their adviser, compared to only 17% of those who don't have much to do with their adviser.

41%



My adviser presents me with some choices and we make the decisions together

17%



I haven't had much to do with my insurance adviser in the last few years

15%



My adviser gets me quotes, but I still do all the work when it comes to making decisions about life insurance



Given the willingness of clients to provide recommendations, the simplest referral strategy is asking satisfied clients to provide recommendations to family and friends. Additionally, other business advisors like accountants and lawyers can be valuable referral partners, so finding a connection and developing a reciprocal referral relationship will benefit both parties.

Visit asteronlife.co.nz/sme-index to access the full report for more insights.