

## MEDIA RELEASE

# ADVISERS AWARD CLEARVIEW INDUSTRY-LEADING NPS SCORE FOR OUTSTANDING SERVICE

21 November 2019: New and innovative life insurers stand to benefit from the growing number of advisers looking to increase the number of insurers they use in the next 12 months with ClearView in poll position as Australia's leading life insurer for adviser satisfaction and net promoter score (**NPS**).

For the third consecutive year, ClearView topped the tables for adviser satisfaction and is the life insurer that advisers are most likely to recommend to peers, according to the 2019 Investment Trends Planner Risk Report.

The report also found that advisers continue to derive a significant proportion of their practice revenue from life insurance advice (24%), although tough operating conditions and the impact of changes to upfront commission rates under the Life Insurance Framework curbed practice profitability in 2019.

Almost 40% of advisers reported a sharp decline in profitability in the past year, up from 18% in 2018.

Investment Trends' Senior Analyst King Loong Choi said compliance obligations and the associated administration burden posed the biggest challenge for financial advisers trying to grow their risk advice revenue followed by rising premiums and the flow-on effect of the Royal Commission.

Against that backdrop, life insurers across the board managed to boost their adviser satisfaction rating in the past 12 months with 57% of advisers describing their main insurer as "very good" compared to 48% in 2018.

"Each year we measure planner satisfaction with their main life insurer across 31 key areas including product features, underwriting and BDM support, and pleasingly adviser satisfaction is high although there's room for improvement in areas such as helpful communications and support," Mr Choi said.

"In 18 out of 31 categories, ClearView led the satisfaction rankings, resulting in ClearView securing the top spot for overall adviser satisfaction again."

Greg Martin, ClearView General Manager Strategy, said the Investment Trends report highlighted the strength of the group's relationships in the IFA market plus the many opportunities and challenges facing advisers and product manufacturers, particularly the need to ensure sustainable premiums and stable life insurance commission rates.

"It is clear from this report that the biggest threat to advice businesses and consumer access to life insurance advice is further changes to life insurance commission caps, with more than half of all respondents listing additional caps or the end of life insurance commissions as their greatest concern," Mr Martin said.

“This reinforces proprietary research conducted by ClearView earlier this year which indicated that additional changes to life insurance commission rates would have a devastating impact on advisers and their ability to advise many consumers.”

Mr Martin, who authored the paper *Advice culture and remuneration: The shameless truth about life insurance commissions*, cited research in the 2019 Investment Trends Planner Risk Report which suggested that advisers had already shifted their focus to more affluent clients in order to “break-even” when giving personal advice.

The Investment Trends report found the break-even point for personal advice will increase to \$1.030 million of cover per client compared to traditional levels of circa \$600,000 of cover per client.

For any media inquiries or a copy of *Advice culture and remuneration: The shameless truth about life insurance commissions*, please contact:

Leng Ohlsson  
Head of Marketing and Corporate Affairs  
M: 0409 509 516  
E: [leng.ohlsson@clearview.com.au](mailto:leng.ohlsson@clearview.com.au)

#### *About ClearView*

*ClearView Wealth Limited is an ASX-listed diversified financial services company that specialises in life insurance, wealth management and financial advice solutions. The group partners with financial advisers to help more Australians grow and protect their wealth and achieve their financial goals.*

*As at 30 June 2019, the group had \$252.6 million in inforce premium, \$2.76 billion in funds under management and 227 financial advisers. ClearView has been independently rated No. 1 in claims customer satisfaction.*