

LIFE INSURANCE CONVERSATION GUIDE AND OBJECTION HANDLING

For brokers

July 2024



Financial
Wellbeing

Insurance protection

Insurance can be a difficult topic to talk about because it involves thinking about the worst case scenario. But that's exactly why it's so important. As a broker, you don't need to be an expert in insurance, but you do need to raise the topic with your clients – then, with their consent, refer them to AIA Financial Wellbeing who can explain the options, provide a quote and help them apply.

This document provides some questions you can ask to help your clients consider their need for appropriate cover, at different stages of their home loan journey.

Client Journey – Key Stages	Key Questions	Intent
Home Loan Interview	What is most important to you? Could you service a loan and maintain your lifestyle if an unexpected illness or significant injury were to happen? If the unforeseen were to occur and you were unable to provide financially for your family, how would this impact your family?	This would be the first time the broker is bringing up the identified need for protection.
Formal Approval	Now that you're about to take on debt, would your loan and lifestyle be adequately protected if you couldn't earn an income due to an unexpected illness or significant injury?	Customer about to take on debt, questions to reflect this.
Post settlement	Now that you've had time to adjust to making repayments, have you had a chance to consider our previous discussion on protecting your financial wellbeing? OR Now that your debt has settled, is your home and lifestyle adequately protected if you couldn't earn an income due to an unexpected illness or significant injury?	Customer now taken on debt, questions to reflect this.
Re-pricing / Re-finance	Part of our review service is ensuring you continue to have appropriate protection in place. This will allow you to continue to pay your loan, maintain your lifestyle and provide you and your family the peace of mind should an unexpected illness, injury or even death occur. OR If the unforeseen were to occur and you were unable to care for your family, how would this impact your family? OR When was the last time you spoke to someone about protecting your financial wellbeing?	Customer reviewing their loan to re-price or re-finance, usually 12–24 months after purchase. Questions to reflect this.

Positioning AIA Financial Wellbeing:

- We partner with AIA Financial Wellbeing. Through this partnership, we arrange for you to receive a complimentary, no obligation call and life insurance quote with AIA, to make sure you and your family are protected should anything unexpected happen.
- AIA Financial Wellbeing will contact you within 2 business days from today and will be ready to help you discuss your protection needs. You will also receive an email from AIA confirming they have received your details from me.
- <Enter client details into referral webform and capture client consent>
- I will also email you an AIA flyer to give you an overview of who they are and how they can help you.

Addressing objections to life insurance

Often, clients will consider their car, home and contents insurance before they consider their most valuable asset to insure: themselves. Here are some standard objections clients may have and some tips on how to address or overcome those objections:

1. It's too expensive

- Can you afford not to have life insurance? If you were no longer around or no longer able to work due to illness or injury, could your family afford home and car loan repayments, credit card and household bills or the cost of raising children?
- Additional bills for hospital stays, treatments and medications and other medical services can all add up. Not all expenses are covered by Medicare and private health funds.
- Financial worries often add to emotional stress at a time when stability is key.
- Income protection may be tax deductible.

2. I have insurance in my superannuation

There are limitations and things that clients should consider when relying on insurance inside superannuation. These include:

- How much insurance cover and type of cover they have inside superannuation – often super insurance is not enough to cover ongoing long term cost of living.
- Potential limitations, gaps in cover or possible exclusions.
- Paying income protection premiums within superannuation are not generally tax deductible.

3. I don't have dependants/childcare fees/private school fees to pay

While your clients may not have any dependants or education expenses now, that's not to say their circumstances won't change in the future. In the meantime, what other expenses and debt do they have – such as a mortgage - that would be difficult to handle without an income?

The more debt your clients have, the more reason for them to maintain adequate life insurance.

4. I'm young and healthy

The best thing about being young and healthy when applying for insurance cover is that premium rates are generally lower, with potentially fewer price impacts for health issues.

Also, the likelihood of having exclusions or premium loadings applied or being declined is much lower than that of someone older, since younger people tend to have fewer health issues.

You never know what's around the corner, life can throw you a curveball and a bad health condition or injury could lead to unforeseen expenses at the same time as your ability to work and earn an income is impacted.

5. I'll rely on Government Benefits or Workers Compensation

Your clients may believe that they will receive help from the government in the event they are sick or injured for extended periods of time. While the government does provide some financial assistance, it may fall short of your client's usual income - will the amount provided be sufficient to support their needs, mortgage repayments and other living expenses?

Likewise, while Workers Compensation provides some compensation if you are injured at work, it is not available to self-employed people. Unfortunately, the compensation is limited and probably won't be enough to maintain your current lifestyle and medical expenses.

6. Doesn't my private health insurance cover me?

Private health insurance is a worthwhile consideration as it provides your clients with more choices when it comes to medical options, such as being able to choose your doctor or stay in a private hospital, however there may still be out-of-pocket expenses.

Having a life insurance policy in tandem with a private health insurance policy can give your clients more choice, as claims paid from their risk insurance policy may enable them to fund specialists that they may not have been able to otherwise.