

MLC Insurance
Forum 2008

Building your business in today's economic climate



Positioning for Long Term Growth in a Changing World

Bhupinder Anand

Twice voted UK IFA of the year



General Advice Warning

This presentation contains general information and may constitute general advice. Its preparation has not taken into account any person's particular investment objectives, financial situation or individual needs. It should not be relied upon as a substitute for financial or other specialist advice. Before making any investment or insurance decisions on the basis of this presentation, you should consider, with or without advice, the appropriateness of the contents of this presentation in light of your particular investment objectives, financial situation or individual needs. This presentation is for Adviser Use Only and is not for public distribution. Opinions expressed constitute our judgement at the time of issue and are subject to change. The presenter is a representative of MLC Limited.

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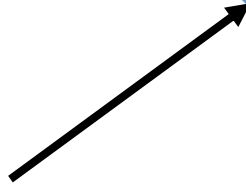
The New Recruit



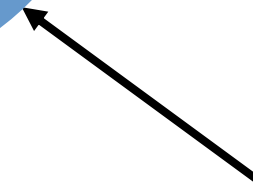
Sales Skills



Products



Relationship



What do People Want?

- Relationship, not Products





How to Sell
Life Assurance
to People
on Aeroplanes

by
Isla Sella Polisee



What Do You Do?



Garbage Collector

or

**Facilitating Executive in the
Waste Management Profession**



The First Meeting is Free



The First Meeting is at my Expense



The Elevator Conversation



Financial Architects



Financial Planning Agenda

- Short
- Medium
- Long



Protection

- Life
- Health
- Income



**People buy with emotion and
justify with logic**

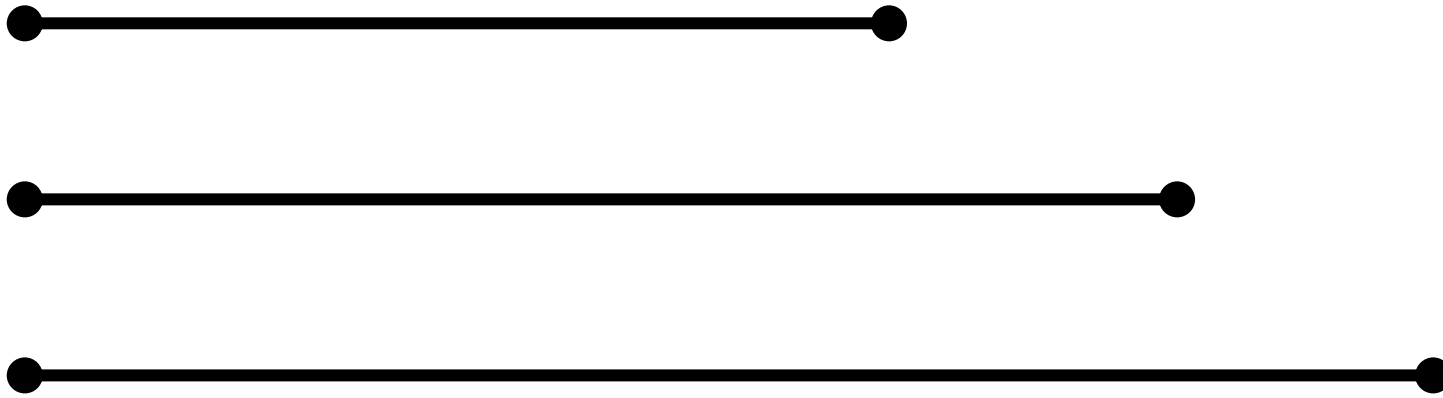


Life Cover

- Financial Consequences?
- How Much Needed?
- How to Provide Protection?



Different Terms



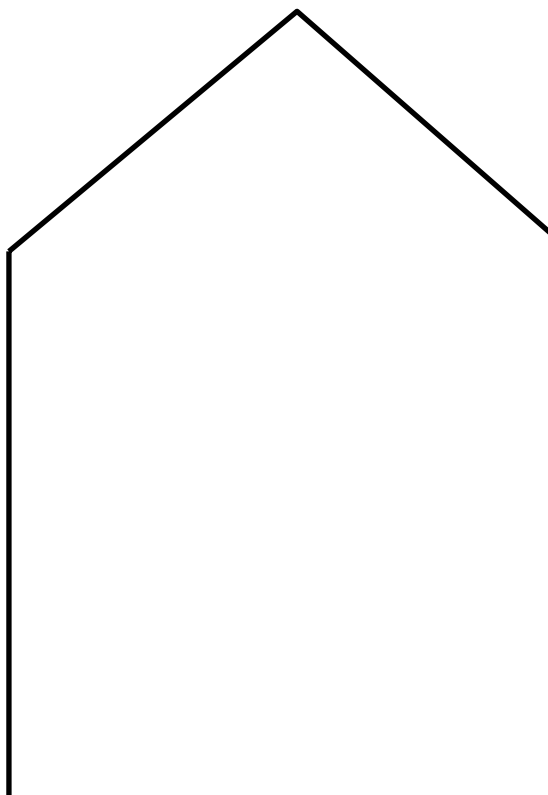
Level Premium
vs
Stepped Premium



Income Protection

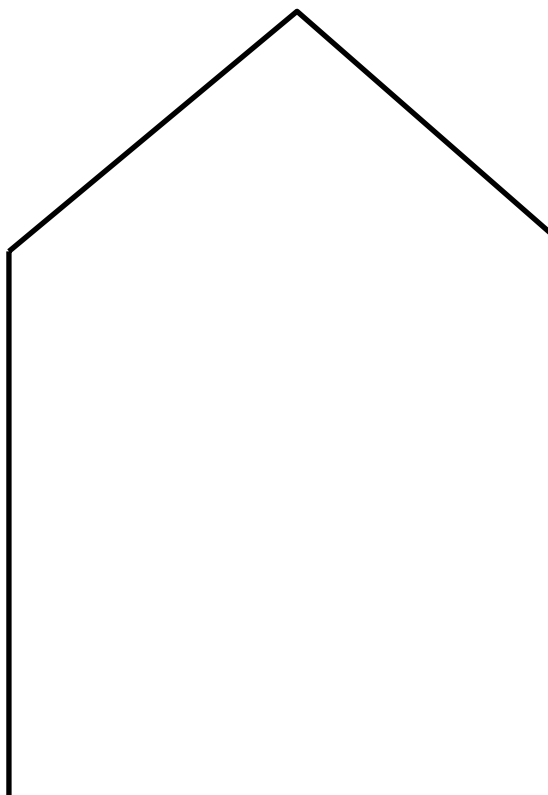
- Financial Consequences?
- How Much Needed?
- How to Provide Protection?





Savings

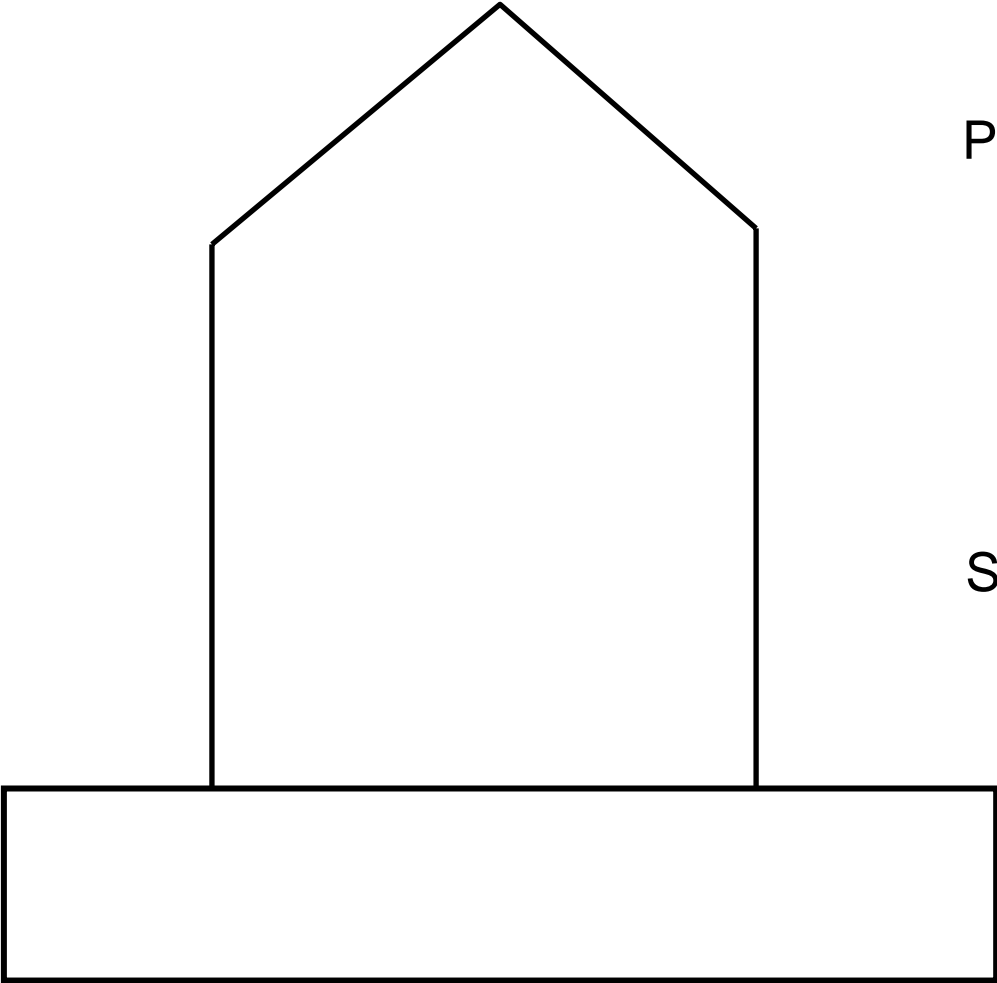




Pension

Savings

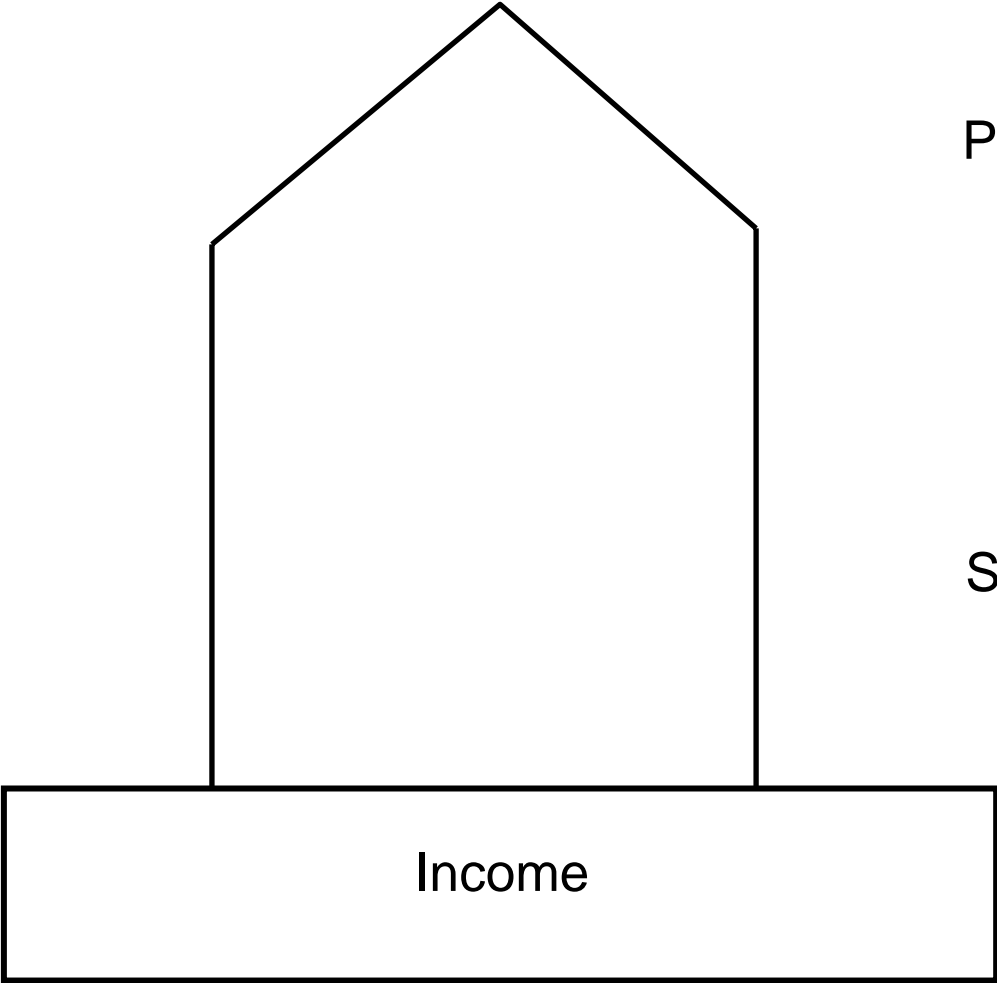




Pension

Savings





Pension

Savings

Income



Critical Illness
vs
Income Protection



Income Protection

- Income
- Deferred Period
- Maturity Age
- Claim is Taxable
- Max Cover of 75%
- Own Occupation
- Ongoing Checks

Critical Illness

- Lump Sum
- Deferred Period
- Maturity Age
- Claim is Tax-free
- No Max Cover
- TPD
- No Ongoing Checks



Essential Tools

- List of Illnesses
- Technical Definitions
- Claims Statistics
- Sample Quotes



Sales Ideas



Reframe the Premium

For example:

Male Aged 40

Sum Assured \$250,000

Annual Premium \$3,000

$250,000 / 3,000 = 83 \text{ years}$



Client would have to live to age 123
before premiums equal sum assured



Increase the Case Value

Quote maximum cover on post-underwriting



Loaded Cases

Accepted on normal terms
for someone in your condition



Self Cancelling Loans

What is preferable?

A loan with interest of 7% p.a.

or

a loan at 7.5%
which is repaid upon death or critical illness



The Policy speaks for Itself!

Dear John

You and I have similar purposes in this world - it's your job to provide food, clothing, shelter, schooling and many other things for your loved ones; you do this while I live in your filing box.

I have faith and trust in you. Out of your earnings will come the cost of my upkeep. At times I may appear to be worthless to you, but someday (and who knows when), you and I may change places.

If you were to die, I will come alive and do your job. I will provide the food, clothing, shelter, schooling, and other things your family will continue to need - just as you are doing now.

Through me, your hands will carry on.

Whenever you feel the price you are paying for my upkeep is a burden, remember that I will do more for you and your family than you can ever do for me.

John, if you do your part, I will do mine.

Yours sincerely

Your Policy

P.S. If you ever need any clarification of my purpose, then please contact your financial adviser, Anand Associates on 020 7486 5486.



Gaining Referrals

Ask the right question!



What Do You Do?

“We deliver money at the time that people need it...”

Kamara Lionel, 2007



Thank You!



Summary

Peter Greenaway

General Manager
MLC Sales



In summary

- Clients are difficult and expensive to acquire, so long term relationship is crucial
- Stepped premium becomes too expensive when the client needs it most
- You will earn much more income from recommending level premium and electing to take level commission



Level & hybrid commission, why they are better for your business

- Male, Non Smoker, Accountant
- Life Cover Plus: \$1 million, TPD Extension: \$500,000, Critical Illness Plus Extension: \$500,000
- Plus versions for PPP & LCS

Policy Duration	Stepped/Upfront	Level/Level
1	\$1,732	\$1,266
4	\$2,545	\$5,063
7	\$3,703	\$8,860
10	\$5,335	\$12,657
17	\$12,459	\$21,517



In summary

- Clients are difficult and expensive to acquire, so long term relationship is crucial
- Stepped premium becomes too expensive when the client needs it most
- You will earn much more income from recommending level premium and electing to take level commission
- A long term view – combination of level premium and commission - significantly increases your business value
- In 2007/2008 calendar year, 30% of all policies issued by MLC were on a level premium basis and either a level or hybrid commission structure
- Fund it through super



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