



# The Value of Financial Advisers at Claim Time

July 2022

**TAL**

# Foreword

Message from our General Manager of Retail Distribution, Niall McConville



An effective claims experience is the validation of the promise between life insurers, financial advisers, and clients.

TAL is focused on delivering on that promise. We know the claims experience is at its most effective when insurers, advisers, and clients all understand the process well and can work together to achieve resolution.

Our research surveying financial advisers across the country found that they are playing a greater role than ever before and, in doing so, providing significant value when it comes to supporting clients through the claims journey.

However, the survey also found that for many advisers, navigating the emotion-charged life insurance claims process is a difficult experience and they believe additional support would help them feel better equipped to play that role.

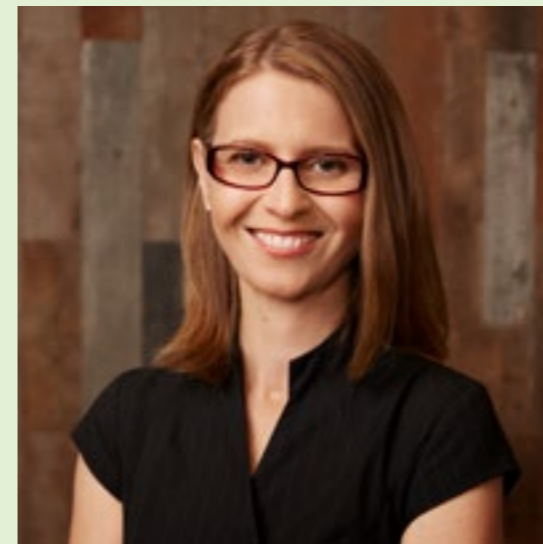
As insurers, we have a responsibility to empower advisers to expertly guide clients through their claim and enhance the value they are able to deliver, while also supporting the emotional wellbeing of advisers themselves.

This research has helped to inform our approach to tailoring the support provided to our adviser partners, both through the TAL Risk Academy as well as through resources that act as practical guides to assist them, ensuring we are playing our support role in a meaningful way.

**Niall McConville**  
TAL General Manager, Retail Distribution



Message from our Chief Claims Officer, Jenny Oliver



The claims experience is at the heart of a customer's journey with a life insurer. That's why TAL has developed a philosophy to ensure the best possible customer journey through a claim.

Our Claims Philosophy is underpinned by five key principles:

- Providing guidance and support every step of the way
- Partnering with our customers and their support network
- Helping our customers reach their best health outcomes
- Delivering fair outcomes for every customer
- Investing in our claims team to better support customers

We strive to ensure our customers and financial adviser partners understand and feel confident in the way we handle claims. We are also continually working to refine our claims process and enhance the claims experience, and the feedback from our customers and financial adviser partners plays an important role in that.

## Advisers play an invaluable role in their clients' claims journey

Insights from TAL's customer research show that claimants who have a financial adviser are more likely to indicate that the claims experience has exceeded their expectations, due to the valuable support they receive from their adviser during the claims process.

The research also found that claimants who have a positive claims experience report feeling less stressed and better able to focus on their health goals, helping them to focus on what matters most during their difficult time while knowing the financial paperwork is being looked after.

With this research demonstrating that feeling financially secure during the claims process is an important part of enabling a client's return to best possible health, financial advisers are in a unique position to make a genuine difference in their clients' lives by supporting them through their claims journey.

By managing the finances and paperwork of a client's claim, advisers can reduce demands placed on the claimant while maintaining an honest and consistent line of communication with their insurer.

Supporting clients through their claim is also a valuable way that advisers can reduce their client's stress, helping them to realise both their financial and physical aspirations. The best claims experience comes when an insurer, adviser, and customer all work together.

***"The claims process is a key component of my personal and advice value proposition for my clients. An insurance company needs to understand the claims component is the end of the value chain of their insurance policy (it's a promise!). The claims process needs to be easy and efficient for everyone and requires a high degree of service and support to meet the expectation of any claimant involved."***

- Alex Kambos,  
Experien

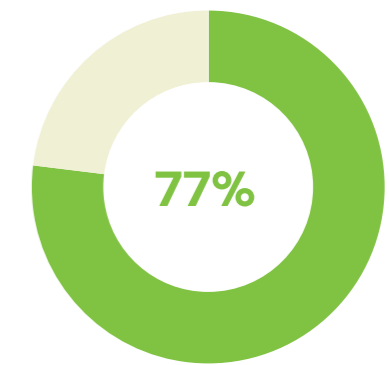
## Claims are a critical component of meaningful client support

TAL also undertook research with financial advisers, aimed at uncovering insights which could help us better understand and address real adviser needs, and help them communicate the value of advice. Of the advisers surveyed, **96% said they have assisted their clients with claims while 77% agreed that helping their clients through claims is a key part of their offering.**

TAL's research amongst advisers found that, while **78% of advisers said they would be comfortable discussing life insurance claims with their clients and the same number (78%) believe they can provide a lot of value to their clients at claim time, 67% would like to be more confident in advising their clients when making life insurance claims.** These figures highlight the importance of education and support for advisers when it comes to guiding clients through life insurance claims.

Additionally, **two thirds (66%) of advisers said they felt they understood the claims process well.** However, the opportunity still exists for life insurers to work together with advisers to increase this number, setting the foundations to successfully navigate the claims process as it continues to evolve, and reinforcing the value of advice for customers.

**77% of advisers agree helping their clients through claims is a key part of their offering**



***"One way to build trust and provide comfort is to educate the client on the claims process and work with the insurer to establish realistic expectations and timeframes."***

***"The more we can create highly intuitive and personalised client experiences during claim time, the more we can generate better outcomes for our clients."***

- Serena West,  
MBS Insurance

# The challenges of providing emotional support

TAL's research shows that, for some advisers, providing support at these difficult and emotional times can fall outside of their core skill set.

**Close to half (43%) of advisers don't always know what to say when dealing with bereaved clients, while 42% are concerned they might upset clients who are making life insurance claims.**

The more worrying implication here is in the impact for the client, with **42% of advisers revealing they sometimes avoid difficult conversations with clients about life insurance claims altogether.**

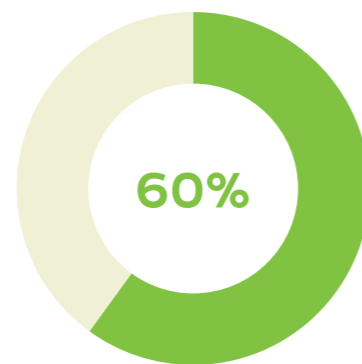
A further **3 in 5 advisers (60%) have felt stressed when working with their clients on a life insurance claim.** This is unsurprising as advisers are balancing the presence of strong emotions from clients, alongside the processes and requirements of life insurers.

***"By using common sense and compassion at all times, the stress of the process would be somewhat alleviated."***

- Christine Davie,  
I.T.S Financial Planning Pty Ltd

The insights we've received through the customer research have shown that advisers who demonstrate empathy, facilitate outstanding communication, and foster more than just transactional relationships, will significantly enhance the quality of their client relationships and the value of their financial advice.

## 60% of advisers felt stressed dealing with client claims



# Supporting advisers through ongoing education

Providing emotional support to clients during their claim can also take a toll on advisers, and there is an opportunity for life insurers to do more when it comes to providing training and real time adviser support.

Empowering advisers with guidance on effective ways to manage the emotional strains of a claim can help to equip them in providing meaningful support to clients through the claims process, actively enhancing trust in the adviser-client relationship.

While **70% of advisers said they knew where to find information on the claims process, 68% said receiving training on how to support their clients going through an emotional time would help them provide the best possible service to clients during the claims process.**

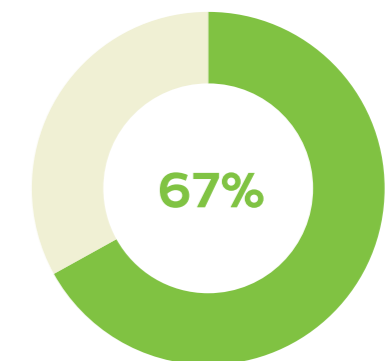
TAL understands the claims experience can take a heavy toll on advisers and we are committed to supporting advisers through education and training.

We also recognise that efficient and easy-to-navigate systems and processes which balance the role of digitisation with the importance of human empathy play an important role in helping to alleviate stress.

Our unique education program, TAL Risk Academy, explores a wide range of concepts to contribute to and enhance advisers' knowledge around claims through a range of technical and soft skills courses.

The claims courses teach advisers what to expect at claim time, the ways advisers can help simplify claim requirements, as well as providing ideas for making the process as smooth as possible for clients.

## 67% of advisers would like to be more confident at advising their clients when making life insurance claims



Click through to [adviser.tal.com.au/risk-academy](https://adviser.tal.com.au/risk-academy)

## Bridging the adviser confidence gap at claim time



76% of advisers told us they feel confident explaining the claims process to a client.



71% of advisers said they feel confident in helping clients to feel comfortable when making a life insurance claim.



44% of advisers said they are not confident in discussing a declined claim with a client.



38% of advisers are not confident dealing with a distraught client.

Insurers invest in making the claims process straightforward for clients by simplifying the requirements where they can. Nonetheless, the claim submission element of the journey can sometimes be physically taxing or logistically challenging when it requires doctor or specialist visits, as well as saddening when it requires a claimant to relive the experience.

The process of claiming can sometimes feel intimidating, time consuming and stressful for the claimant, and this presents an opportunity for advisers to play an important and valued role through regular and transparent engagement that helps set the foundation for an enhanced claims experience.

However, our research shows that not all advisers feel they are equipped to fulfill the support role and there is a gap in confidence and knowledge around claims for many advisers.

Clients often rely on their adviser to be the expert during the claims process which can be daunting, so ensuring advisers feel supported by insurers is paramount to delivering a positive experience for their client and also building the relationship.



## Striving for continuous improvement

With only half (50%) of advisers indicating that they have received training on dealing with client claims, TAL is committed to understanding the lived experiences of advisers so that we can continue to evolve and enhance the ways in which we support them.

Our insights show advisers have the right intention in wanting to play an active role in bolstering clients' understanding of the claims process. If this is done in a meaningful way, with the support of life insurers, it will only help to reinforce the value of advice.

***"If advisers are kept up to date and across the process, then it's easier to make sure the clients have the stress taken out of the experience."***

- SJ Stevens,  
Senior Risk Adviser

## Contact

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The statistical information in this document comes from surveys that were conducted by Edentify Pty Ltd on behalf of the TAL Group in December 2021 with a nationally representative sample of 125 financial adviser respondents in Australia.

Ethnographic research was based on qualitative interviews conducted by Fiftyfive5 on behalf of TAL in April 2019 with eight (8) TAL policyholders (4x Income Protection and 4x Trauma), and four (4) InsuranceLine policyholders (Income Protection only) who had an active claim closed within the last six months.

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