



# Asteron Lifeguard

**Asteron commemorates its 175 years in the insurance business by giving its products a serious make-over and more audaciously, by making 'insurance claims' the heart of its customer service strategy, writes MICHELLE BALTAZAR.**

It has been a busy 12 months for Asteron, the oldest and longest serving life insurance provider in the country. It didn't just make one, two or three enhancements to its Asteron Lifeguard product, it worked on 12.

And these enhancements are not mere tweaking at the edges. They are fundamental improvements directed at what the consumer wants from an insurance cover – without the insurance legalese, medical examination and paperwork burden.

"Historically, what we see is that a lot of product development has been driven by research ratings. And that doesn't always mean that a client gets a benefit or that it gives true value to them. So we started with customer's needs first, rather than just scoring research points," said David Wright, executive manager in product and customer.

And to make sure that financial planners who recommend Asteron Lifeguard to their clients won't be disappointed, the firm has taken the extraordinary step of making 'insurance claims' a key performance benchmark to their product.

For example, while an industry standard has been for a claim to be paid within 30 days, Asteron has, in some cases, provided the pay-out the day after they received the claim application.

"Asteron is bringing claim right at the front, that's the big change," said Neil Borthwick, executive manager, claims.

"In the past, claims is kind of a footnote in a lot of the marketing. Now we fully recognised that it is the most important thing that we do: paying claims," he added.

### More cover, less hassle

Among other things, Asteron revamped Lifeguard three ways.

First, the group decided to improve benefits for existing policy holders.

For example, it removed the \$2 million cap on the amount paid for terminal illness under Life Cover.

And addressing the trend of workers living longer and staying in the workforce for longer, qualified professionals who signed up to the "Income Advantage" cover product get an automatic continuation of cover to age 70 (previously up to age 65).

Secondly, Asteron has changed its risk assessment process so that clients get more cover but with less paperwork required.

Policy holders can now get higher income repayments when they become unemployed, higher non-medical limits across all products and increased financial limits across all products.

Thirdly, financial advisers can give their clients more value for money through packaging discounts. For example, they can package insurance so that clients can get discounts if they apply for several policies. The firm will also offer large sum insured discounts across multiple of the same policies.

Following market research, Wright said they identified the medical profession as a market segment that financial advisers can better service using Asteron Lifeguard. This means cover is available for newly qualified dentists, pharmacists and optometrists, and a special offer for newly qualified barristers and doctors.



NEIL BORTHWICK



DAVID WRIGHT

"Sometimes when you first find employment, it can be very hard to get income protection insurance ... so we looked at the customer need and give them a benefit level based on what we expect is their future earnings then endorsing a policy schedule where no financial information is needed," explained Wright.

"So what we're trying to do is provide some certainty and tailor some solutions to specific customer needs. But we deliberately chose this segment, which in this tough economic climate, will continue to grow," he added.

### Keeping their promise

On top of all the product improvements, Borthwick said it is their claims process that really separates Asteron from the rest of their peers.

"We imagined a situation where we thought, how good would it be if someone posts a claim form one day and the next day someone calls and says 'Where do you want your money?', so this is where our idea for our First Response Unit came," said Borthwick.

FRU has been up and running for seven months and has been running successfully. To date, Asteron is paying 30 per cent of all income protection claims the day the form comes in.

With the other 70 per cent, which may be claims that are more complicated, Asteron ensures that the adviser or the customer gets a call that same day of application to walk them through the process.

"There's the public perception that you may have to look at the fine print but Asteron has a very proud tradition of paying claims and part of that is putting claims at the front of the process," said Borthwick.

Proof to the pudding is Asteron's performance. In the latest Plan for Life insurance survey, the firm ranked number one across all categories that the research firm measured.

"We've always been top two or three but this is the first time that we swept the board in every category," said Borthwick.

### Lifeguard in stormy waters

Asteron has certainly come a long way since it issued its first life insurance policy back in 1833. But that kind of staying power in the business doesn't come without major innovations and customer support to back it up.

"There's no point having a good product without a service offer. We take pride in the way we handle the underwriting, the claims assessment and the whole applications process," said Borthwick.

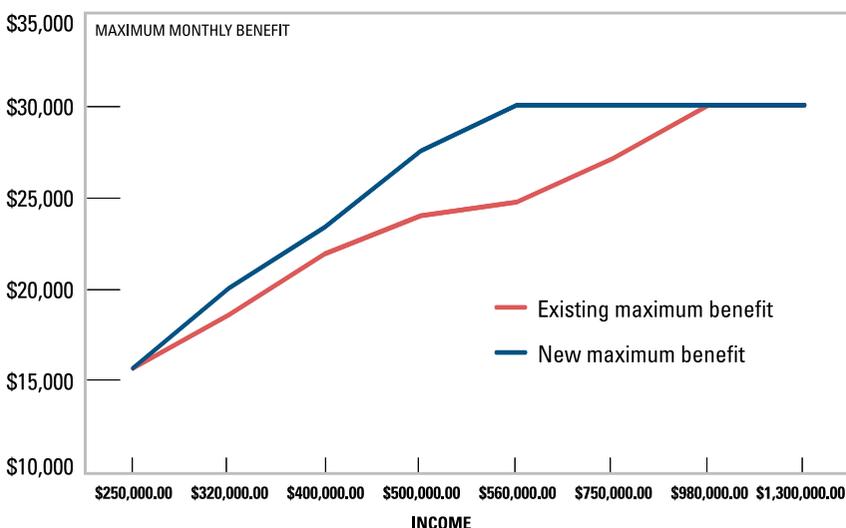
As part of that strategy, Asteron employed 70 staff to work for two years on its new online application Lifeguard EQ, that gives advisers the ability to make on-the-spot decisions.

Meanwhile, to help those who are catering for the medical profession, there are new client support tools for dentists, pharmacists and optometrists, and similar tools available for doctors and barristers.

In a nutshell, it has never been more important to get the best insurance cover as the uncertain economic climate continue to threaten people's job security and ability to support their lifestyles.

True to its name, Asteron Lifeguard looks to be the product that could rescue financial advisers and their clients through life's stormy waters. ■

Figure 1. Increased Income Protection replacement ratio



Source: Asteron