

## Analysis: Protection comparison services for advisers

Products like critical illness cover and income protection from different providers seem to undergo almost continual changes - so how can advisers best keep up to speed? Stephanie Spicer looks at what is out there

Comparison and technology services have been around to ostensibly make life easier for advisers for decades - including those that focus on the protection sector. Given the proliferation of consumer comparison sites it is timely to look at what is on offer to the protection adviser and what those advisers using them think.

Comparison services claim to save the adviser time and money and the message has always been that the value of such services is in freeing up the adviser to advise. We have asked advisers the extent to which they do this. But briefly, to try and meet the challenge comparison sites themselves face comparing like with like, here is short run through some of the key propositions in the market.

### CIExpert

CIExpert - as the name suggests - covers critical illness cover (CIC) and fashions itself a 'knowledge base'. It compares current plans against historic plans so advisers can assess whether re-broking is beneficial or dangerous.

A specific, detailed compliant report acts as an audit trail for the advice and highlights the benefits or otherwise of the selected plan. A condition database which provides information on every condition that could be within a CIC policy explaining what it is, the annual incidence, re-insurers claims experience, whether there is an Association of British Insurers model wording and what insurers include it and in what format.

A policy database holds 600 policy documents, key facts brochures, etc allowing subscribers to examine the policy details and options. Claims information shows the claims history of each insurer, how many claims were paid, why there were declinatures, what the claims were paid for, what the average claims was and what the total annual claims payments were.

The cost is dependent upon the usage but, typically, a subscriber will pay £432 per annum or £39.60 per month.

### LifeQuote

LifeQuote's protection platform provides real time information for advisers selling protection. The system compares multi-benefit plans against single benefits and different product options on one screen. It includes automated advice including a fact find, ability to set priorities and then models advice with comparative quotes and a system generated statement of demands and needs.

Comparative tables on product options, features and provider performance are designed to assist in advising and justifying recommendations.

Its Quote+ facility enables additional underwriting features to be considered so results show what ratings will apply, when cases will require further information and underwriting and identifying cases where the purchase can go ahead immediately.

Following application LifeQuote's administrators chase any outstanding information on the adviser's behalf, liaising between provider and client, keeping the adviser informed of progress and leaving them to focus on the advice to client.

Advisers can place business through its agency in return for a commission based fee deducted at source. Commission varies based on a multiple of monthly premium and number of cases put on risk per month. Or advisers can retain their own agency arrangement with providers, with LifeQuote acting as a virtual office for a monthly licence fee, decision in principle licence fee and per case application fee.

### Solution Builder

Solution Builder says it “enables advisers to sell more protection, more easily by comparing simple and complex protection products in a single view, allowing them to quickly identify the right solution based on the client’s budget and needs”.

Covering life, CIC and income protection (IP) offers research, quote and comparison features without the having to run multiple quotes. Advisers can use its Menu Builder to demonstrate how client needs can be met with multi or single benefit products.

It provides advisers with a faster and more efficient way of reviewing a client’s protection needs and how they could be packaged together including both multi-benefit and matrix-based single product comparisons, enabling the up selling and cross selling of products.

Solution Builder costs £12.50 per month on a rolling contract basis with one month notice to quit.

#### **Quality Analyser**

Financial and Technology Research Centre’s (F&TRC) Quality Analyser is designed to look at the qualitative elements of products and complement existing price comparison services like Life Quote, Solution Builder and Webline.

It enables advisers compare the quality and price of the full range of protection products. Advisers can create reports based on individual clients’ personal requirements and generate a range of analysis, from a two page summary to a complete analysis of the areas they have examined including the relevant policy wordings for each of the top five providers in any comparison.

F&TRC also provides product ratings and product fact sheets for life and mortgage protection. It says these “give advisers a very quick way of comparing the strengths of different providers for situations where they do not wish to produce a detailed personalised analysis.”

Quality Adviser is free to advisers.

#### **Webline Protection**

Webline Protection quote and e-apply portal provides access to quotes and information from providers in real time and streamline protection sales in any kind of organisation. Products covered are: level term, whole of life, convertible term, mortgage protection, family income benefit, IP and over-50s cover.

Webline claims to have pioneered solutions including pre-population of application forms to avoid re-keying, for advisers to design and build their own client-facing front-end screens, special deals, commission sacrifice and other administration capabilities. Online application facilities with “many providers” let advisers submit and track business through a single window. The system is linked directly to providers’ own IT systems, so premiums shown are current. Cost is £11 per month per firm.

#### **The like for like argument**

The common criticism of such comparison services is that it is impossible to compare like with like on products and providers.

Les Schroeter, head of individual protection at national intermediary Premier Choice Group says: “The problem with comparison sites is that they try desperately to compare like for like, but providers or producers of products will hardly ever have the exact same as a competitor. Sometimes there are subtle differences, but it is not unusual to find significantly different products being lined up against other on the same comparison platform.”

#### **Time is money**

Then there is the time saving aspect which all such services of course seek to do. The extent to which they do so will only be apparent on use. It is worth talking to advisers using the various sites to get a user view - on this and other promises.

Roy McLoughlin, partner at IFA firm Master Adviser, says LifeQuote is revolutionary in enabling him to get on with the advice job.

“The great thing about LifeQuote is that we can effectively hand over to them much of the work, in order that we can spend more time speaking to customers and concentrating on what we are best at,” he says. “We are able to look at all of the different aspects of protection and can ensure that everything is completely covered. LifeQuote allows us to do multi-quotes easily and quickly, which is extremely important for us. Also, we simply don’t have the capacity to do underwriting as most advisers don’t have recorded lines. LifeQuote has this feature which frees our time up to work on other things.”

Barry Pappin, co-director at Vita Financial, another adviser firm, agrees the right comparison site is essential for his work advising on critical illness.

"We present advice and quotations for CIC to nine out of 10 customers and it is vital we are recommending the correct provider, based on their individual circumstances," he says. "However, it is impossible for any adviser to know what is the best plan without analysing each condition and also the; insurer's definition [stated in the policy documents]; severity required to 'trigger' a claim; and likelihood of each condition occurring [based on statistical evidence of incidence and relevance rates - specific to your gender, age and smoker status]."

To which end he says his company uses CIExpert. He highlights the in-depth analysis to assist advisers in choosing the best policy for the client and the guidance and education to consumers in understanding the value and choice of CIC.

Arguably no system can provide all things for all advisers and at any one time any system is only as good as the information it can gather so who's to know who has the most up to date information at any one time?

Pappin says it is impossible for advisers to be aware of each and every amendment a provider makes to their service/ or products.

"I would like to see a system that all providers use to detail any changes, stating when the change was made, along with illustrating what the information has changed from and what it is now," he says. "Being able to see each providers stance re: waiver of premium, indexation, exclusions, etc, would be very beneficial as it would help ensure that clients are receiving accurate and correct advice at all times."

Darryl-Louise Shirtliff, partner at Grange Park Medical and Financial rates Solution Builder for IP advice.

"I have found that the matrix particularly on IP where I want to compare different deferred periods, saves a great deal of time," she says. "The use of the buttons to increase or decrease the deferred periods, ensured within seconds, I had all of the information I needed to advise my client, without having to go in and out and change lots of criteria in which to get the outcome."

The monthly cost she says is well worth the money, she continues. "It pays for itself and adds significant value," she says.

#### **Looking beyond price**

Apart from time saving the focus on price is another criticism levelled at comparison services. It is undoubtedly a challenge to encourage clients to consider cover as well as cost but comparison site providers are conscious of the charge.

"Price does not always reflect the DNA or quality of products, nor the efficiency or strength of the financial institution providing the product," says Premier Choice's Schroeter, "In fact it is quite the norm for one company to have two or three versions of one product on the same comparison site. As such one needs to look beyond just price and carry out more research into the make-up of the products, and into the companies providing them.

Jane Hodges, chief operating officer at Alexander House Financial Services, uses Quality Analyser and price - whether of products or comparison services themselves are a consideration.

"We think products should be considered on their features and service in equal measure to their cost," she says. "Quality Analyser allows us to assess qualitative factors alongside quantitative so we do better assessments. It also shows us claims stats which we can factor in or use with customers to give them confidence on future claims."

What Hodges values is being able to weigh important factors and comprehensive reporting to support her advice.

"Filtering of serious illnesses also looks really good for customers that have specific health concerns," Hodges says. "Also we like a service that doesn't try to charge huge license fees so all of my advisers can access easily."