



## Open Letter from Founder – Industry Update

**Date:** 8 August 2023

**To:** Advisers, Licensees, Insurers and Reinsurers

Thank you for the streams of support and interest that the advice community and wider industry has shown in LifeBid to date.

LifeBid was founded off the back of immense frustration, caused by how complex and expensive it has become for consumers to access good quality life insurance advice and cover, and how hard, unprofitable and risky it has become for advisers, licensees and insurers to help everyday Australians.

Over the last 12 months we have been continuing LifeBid's incredible journey, aligning all industry stakeholders, advocating for life insurance advice and continuing the development and delivery of LifeBid as we all navigate the evolving regulatory environment, including the QAR recommendations.

Life insurance advice drives great consumer outcomes and makes life as easy as possible for consumers to set up, maintain and claim on their cover. However, a confluence of technology inadequacies and regulatory complexities are making risk advice unviable for advisers to provide and unaffordable for consumers to access.

We get asked often: "What does the name LifeBid stand for?" **LifeBid** stands for **Life Insurance Best Interest Duty**.

In this update we would like to share more information about:

- 1. The LifeBid industry project and working group.**
- 2. How the LifeBid platform is aiming to help you and your clients.**
- 3. What's been achieved so far.**
- 4. What's next for the LifeBid platform and project.**

### LifeBid Industry Project and Working Group:

- LifeBid has been built on the assumption that change will not stop, and the industry will continually need to work and innovate together, to stay ahead of the curve.
- As much as LifeBid is a technology solution to fix life insurance advice, it is also an important industry project with a first of its kind working group made up of innovative and industry leading insurer partners and foundation advice partners, who are aligned with LifeBid's purpose to fix life insurance advice, and who jumped at the opportunity to help LifeBid deliver on our vision and mission:
  - **Vision:**
    - One platform that connects all industry stakeholders, enabling advice providers and insurers to seamlessly engage, educate, advise and manage their clients' life insurance needs.



- One platform delivered in an end-to-end life insurance advice utility and technology solution.
- One platform that is owned by all stakeholders in the life insurance value chain, all of whom will benefit from participation and involvement in this project.
- **Mission:**
  - **Reduce the cost to provide life insurance advice by up to 90%**, to ensure high quality life insurance advice and cover is affordable and accessible for all Australians.
  - **Deliver 10x more adviser and insurer capacity to help more Australians protect their incomes, families and businesses**, to bring back growth, jobs, new entrants and ensure the industry has a solid and sustainable foundation for the future.
  - **Simplify renewals and reviews down to a few clicks**, to reconfirm the value, need and affordability of cover, including effortless management of changing client needs.
  - **Highly automate compliance and below-the-line tasks**, to remove complexity and cost for consumers, advice providers and insurers; whilst also ensuring life insurance advice and distribution is compliantly scalable and meets the highest quality standards.
- Our industry and working group approach is important, because no single insurer, licensee, adviser, regulator or the Government can fix life insurance on their own. The industry needs to do this together.
- It is important to acknowledge and thank our working group partners and board of advice, who are forward thinking early adopters and leading the industry's support of risk advice and LifeBid's vision, mission and innovation:
  - **Platinum Insurer Partners:** TAL, Zurich/OnePath and MLC Life Insurance
  - **Gold Insurer Partners:** Integrity Life, PPS Mutual and NEOS Life
  - **Foundation Advice Partners:** Austbrokers Life, Australian Unity, Centrepoint Alliance, Fortnum and Synchron
  - **Advocacy Partners:** FAAA and Insurtech Australia
  - **Board of Advice:** Katherine Hayes, Vanessa Dobson, Rita Yates, Kieran Forde, Gavin Teichner, John de Zwart, Michael Downey, Zalman Ratzemore, Russell Hannah, Ben Donald, Matt Brown, Paul Cullen, Neil Younger and Don Trapnell
- Over the next few months, we will be announcing more on our working group partners and how they are collaborating with LifeBid to support advisers and ensure life insurance advice survives and thrives into the future (including announcement of a new foundation advice partner joining our working group).



- LifeBid is being developed for all industry stakeholders to access, utilise and benefit from, and our philosophies advocate that:
  - Consumers should be able to access high quality risk advice and services on any device, without the barriers of large upfront and ongoing advice costs in addition to their premiums.
  - Advisers should be able to wake up each day and provide the risk advice their clients and communities need at a sustainable and profitable price point, without unnecessary complexity and fear of non-compliance.
  - Australia's 1,500+ licensees should not need to have so many different interpretations of what compliant risk advice and ongoing service looks like, and they should not need to worry about developing, implementing and maintaining complex and expensive risk advice frameworks and methodologies – Licensees need to be freed up from this burden, so they can focus on attracting new entrants and growing the number of advisers providing risk advice in their networks.
  - The life insurance sector's ability to help Australians protect their livelihoods should not be hamstrung by inadequate technology that is not fit for purpose and regulatory settings that can cause uncertainty and increased compliance risks.
  - Pure robo-advice is not effective and is prone to high dropout rates when the consumer needs to make a complex decision or commitment on their own. The most effective model is where risk advice is adviser-led and technology-driven; where the technology does the below-the-line work that adds little perceived value to the client and the adviser is able to focus on client facing, value added engagement, which helps the client understand the benefits of the advice and the outcomes it will help them achieve, whilst also making implementation, maintenance, reviews and claims as streamlined and as simple as possible.
  - Fixing risk advice is not just a Government problem or an ASIC problem. We understand that as a group of industry stakeholders and leaders, we need to innovate and work together, to deliver an industry solution to current and any future risk advice issues.
  - All industries and professions can have some bad eggs; however it is important to acknowledge and advocate that the vast majority of risk advice providers do the right thing and provide advice that is in their clients' best interests. The main issue is that the current risk advice framework has made it too difficult for advisers to help the average client, stay compliant and cover costs all at the same time. All they need to address this issue is a fair and efficient platform on which to operate and help their clients.
  - With the right technology, advice standards, regulatory guardrails and real time monitoring, the government, regulators and industry stakeholders can work together to ensure Australia sets the standard and delivers a world class, efficient life insurance sector that supports our communities, grows consumer confidence, increases financial literacy and ultimately reduces financial hardship and reliance on government benefits and welfare.



- The financial services sector is at the heart of our economy, where risk advice is the foundation of financial advice and is most often the entry point to consumers starting their advice and financial planning journeys.
- It is important that consumers continue to have the choice between utilising commissions, fees for service or a combination of both, when funding their life insurance advice, ongoing service and claims handling needs.
- Risk advice specialist education and training pathways will help ensure qualification options are appropriate for existing risk advisers and attractive for new entrants to want to start their career in risk advice.
- We all need to be working together on other complementary ideas and initiatives to help increase the life insurance sector's capacity and capability to help more Australians and grow the ~\$17b p.a. of community and economic benefits the life insurance sector provides.

### How is LifeBid aiming to help you, your advice business and your clients?

- **At a High Level:** LifeBid will open up access to affordable and high-quality risk advice and make it achievable for the industry to reverse declines, grow sustainably, be compliantly scalable and increase the advice community's capacity and capability to help more Australians protect their incomes, families and businesses.
- **Referral Generation:** Will go from ad-hoc and predominately managed via spreadsheets to referral partners proactively referring via LifeBid.
- **Customer Onboarding and New Advice:** Time and cost to onboard new customers and provide advice will reduce by up to 90%.
- **Renewals, Ongoing Service and Operations:** Managing renewals will go from hours per client, to a few clicks, and a streamlined review and ongoing advice process when a policy alteration needs to be made.
- **Claims:** Will go from unnecessary back and forth via email to being managed within a digital portal.
- **Simplified Tech Stack:** The current tech spaghetti of 10-15+ siloed systems required to provide life insurance advice and ongoing services will be simplified. LifeBid is working to provide a highly efficient end-to-end solution.
- **Cost Savings:** Reduced IT spend and increased productivity.
- **Next Gen Customer Experiences:** Advisers at the coal face will finally be able to provide next gen customer experiences that meet 2023 expectations and beyond.
- LifeBid is also designing and building in **CRM, Client Portal** and **Workflow Management**, with the aim of advisers only needing to use one platform to engage, educate, advise and manage their client's life insurance needs.



- The problems currently serving to make life insurance advice unviable for most are significant, and there are no shortcuts to fix them. The solution needs to come from within the industry and the solution needs to have the support of all stakeholders including advisers, licensees, insurers and reinsurers.

#### What's been achieved so far and what is next for LifeBid?

- **Industry Alignment:** LifeBid is a first of its kind and is an unapologetically ambitious project. Our confidence to successfully deliver on our vision and mission stems from our deep industry risk advice experience. Our goal is to have insurers, licensees and advisers engaged in the process at all levels from initial advocacy to user interface and experience, flowing through into systems connectivity to drive the end-to-end experience and ensure the risk advice process is as frictionless as possible.
- **Industry Ownership Model:** We are here for the right reasons. We want the industry to be owners, beneficiaries and the driving force behind LifeBid, which we can all use to reduce costs and no longer be hamstrung by inadequate tech that is not fit for purpose. Life insurance needs an advice and technology champion, and we are aiming to be that champion. Together we can lead real change, real connectivity and deliver some Aussie innovation of which we can all be proud of.
- **New Business Journey:**
  - We have successfully showcased the issues with the current new advice process and how LifeBid is solving those issues.
  - LifeBid has validated with stakeholders our end-to-end new advice journey. This has been well received by our stakeholders, where their feedback has been that expectations have been exceeded and we are delivering an impressive solution.
  - You will be able to educate, scope, fact find, analyse needs, pre-assess, research and issue advice documents ready for implementation, in the one end-to-end process, whilst cutting by up to 90% the 10-15 hours usually required to provide risk advice to the average Australian.
- **Renewals, Reviews and Alterations Journey:**
  - We have successfully identified and showcased the issues associated with the current renewals, reviews and ongoing service processes and have demonstrated how LifeBid is resolving those issues.
  - LifeBid has validated with stakeholders our end-to-end renewals, reviews and ongoing service journey, which has also been very well received.
  - You will be able to view your renewals, dishonours, lapsed and pending lapse cover all in one place and prepare your renewal packs. If your clients need to review or make an alteration of cover you will also be able to issue records of advice and manage the alteration implementation.
- **Insurer and LifeBid Run Focus Groups with Top Advice Businesses:** Everyone who has seen LifeBid wants it yesterday.



- **Advice Advocacy and QAR** – LifeBid provided a comprehensive submission to the QAR, advocating for the benefits of risk advice, the challenges advisers have and the solutions we need, and what needs to be done at an industry level to truly fix life insurance advice.
- **Meetings with Ministers and ASIC:** In meetings with ministers and ASIC, they have been supportive of what LifeBid is trying to achieve for the industry and consumers.
- **Risk Advice CRM and Data Structures:** Designed and tailored to meet the end-to-end needs of life insurance advice and ongoing service.
- **A Risk Advice Solution for All Advisers:** LifeBid will benefit all advisers, including risk specialists and holistic advisers, who both want to be able to help more clients with their wealth protection needs.
- **Strong Waitlist:** ~2,000 advisers have registered interest via our working group partners and directly.

### What's next for the LifeBid platform and project?

In terms of what's next, LifeBid is:

- **Delivery Priorities:** We are prioritising the delivery of our new business capability, then renewals/reviews/alterations, followed by claims.
- **Removal of SOA's** – We anticipated the removal of SOA's and are designing a fit for purpose risk advice document solution that we are working to implement, whilst monitoring the progress of the Government implementing this QAR recommendation.
- **Continuing Insurer Partnerships** – More to be announced.
- **Continuing Adviser and Licensee Partnerships** – More to be announced.
- **Pushing Forward With Our Industry Ownership Model:** You can register your ownership/investment interest on our website: <https://lifebid.com.au/investors/>
- **Prep for Launch:** Development is continuing, and we are aiming to pilot and soft launch with our partners as soon as possible. We are also working on scaling our team in preparation for launch.

On a personal note, many people have asked why I founded LifeBid and what is driving my team and I. I'm 36 years of age, with 30 years to run in the industry and didn't want to spend those next 30 years living a painful existence as an adviser, as many of us have for the last 5-10 years. My team and I are not just working to deliver a solution to solve the issues life insurance advice is experiencing now. We are also working to deliver a solution that positions the industry for long term sustainable, profitable and compliantly scalable success well into the future.

There have been times where it has been tough and uncertain - where the dots haven't connected. But we remind ourselves why we are doing this for the industry and consumers, and it is the driver that keeps us going. Our commitment to advocate for advice, advocate for the industry and to deliver a fair and efficient platform for all to benefit, grow and help more Australians is unwavering and uncompromising.



Thank you for your support and I look forward to keeping you updated on our progress as we work towards launch and beyond.

Kind regards,

Brett Wright  
Director and Board of Advice Chair