

# Compliance and *Riskfirst*



why it improves compliance record keeping

Information for advisers



## With the increasing use of electronic policy application and submission tools in the life insurance industry, this guide explains the challenge of managing the increasing compliance responsibilities of advising and recommending life insurance products in the ever changing technological age.

The unique position of Aviva's Riskfirst online platform is no exception. Riskfirst is the only tool available in the Australian life insurance industry marketplace to combine a market leading product suite, fully functional underwriting capability and the ability to lodge applications on behalf of clients without the insurer requiring a signature from the client to be sent to them.

It is this last feature (signature-free) that provides the ability to offer immediate cover to your clients with its many associated benefits. It is this feature alone that has moved the electronic application process truly into the 21st century and made it truly paperless.

### Improving compliance record-keeping

As part of the development of Riskfirst Aviva spent a considerable amount of time working with its internal legal and compliance area to ensure that it had ticked all the boxes and that Riskfirst not only complied with the law but continued to maintain the current roles and responsibilities that exist in the business of advising and recommending life insurance products.

### A life insurance contract and the law

While many of the contracts that we enter into each day are formalised through writing, there are actually very few instances where a written document and a signature are actually required for a valid contract to exist (a common example of this would be contracts for the sale of land must be in writing). In simple fact, there is no requirement at law for a signature to enter into a life insurance contract. This is the way that insurance companies have traditionally operated due to the complex nature of the transaction and the need for complex medical disclosure.

Technology has developed now to a point where the process can be built into an online system which will improve the way we do business and, most of all, the amount of time it takes.

Riskfirst does not alter or move any of the existing compliance responsibilities. It actually makes compliance easier.

It does this in a number of ways.

### More detailed medical information from the client

- 1) It makes the collection of medical information from your clients easier through the use of reflexive questioning. You no longer have to make judgement calls about what information should be provided to the insurer. Where possible, the platform provides common information to guide you and your client through the process such as

#### Skin tumours and disorders of the skin

Have you sought medical advice or treatment from a doctor or other health professional for

- melanoma, squamous cell carcinoma (SCC), Bowen's Disease, solar keratosis, basal cell carcinoma (BCC)
- mole, naevi, lipoma, cyst
- rash, eczema, psoriasis, dermatitis or
- other skin condition or lump?

**Do not include sebaceous cyst or acne**

and

#### Bowel, colon or general gastro intestinal

Have you sought medical advice or treatment from a doctor or other health professional for

- any bowel, colon, or general gastro intestinal condition
- haemorrhoids
- liver or gall bladder condition including hepatitis?

**Do not include constipation, stomach upset, diarrhoea or 'gastro' where these were short isolated episodes from which you have made a full recovery**

This information will assist you and the client to determine what is relevant to the underwriting process and assist in providing accurate disclosure.

The reflexive questioning also drills down into the client's medical conditions to assist the client to provide the correct information to the insurer. For example, if your client discloses a skin tumour history, Riskfirst will drill down to isolate the type of tumour, how many the client had, how it was treated and whether that treatment was successful. You no longer need to be familiar with the medical condition and can rely on the reflexive questioning to gather the information.

### More detailed questioning and disclosure

- 2) Despite detailed questioning, Riskfirst also provides a general disclosure field for clients to alert us to any relevant medical history that has not been adequately catered for earlier in the process.

#### Other medical conditions

Have you sought medical advice or treatment from a doctor or other health professional for any illness or injury not previously mentioned in this application OR

Do you contemplate seeking any medical advice investigation or treatment (including surgery) for any current health problem?

#### Do not include

Colds, flu or minor viral illness that were short isolated occurrences

Childhood illnesses such as chicken pox, measles or mumps or tonsillitis or tonsillectomy or appendicitis or appendisectomy

**unless you have not made a complete recovery**

If a client answers yes to the question, a free text questionnaire will appear for this disclosure to be given.

### A clearer exclusion process for the client

- 3) Riskfirst will also alert you and your client to any alteration to terms that will be applied to the client's contract upfront which will assist you to have this discussion early in the process. The wording of any exclusion is provided when an offer is made. This will lessen the uncertainty for you and your client.

### The option to sign the document if needed

- 4) Once the medical disclosure has been provided by your client, Riskfirst gives you the option of generating a disclosure declaration document which contains a neat summary of all the questions asked and the answers given and space for your client(s) to sign this for you to keep with your records.

### The declaration process is maintained

- 5) Riskfirst contains all the same declarations for the client as the current paper application form including having been provided with and read a copy of the relevant PDS, that the client has complied with the duty of disclosure and that the client accepts the relevant direct debit service agreement terms and conditions. In fact, Riskfirst requires every identity (owner and life insured) to complete their own tailored declarations. The only difference is that the declarations are made by the client ticking a number of boxes rather than signing.

### A complete report is available for greater compliance records

- 6) Once the process is completed a special report is provided to you which includes all the information that was entered as part of the application process including the full wording of every declaration agreed to by your client(s), all questions asked and answers given and the underwriting outcome. This document remains always available in Riskfirst and can also be downloaded by you and saved in your internal client management databases. This will ensure that you always have details of the disclosure available to you and it cannot be altered after it is submitted to us.

### A full copy of medical disclosure is emailed to clients allowing them to correct anything that's missing

- 7) Once the application is complete and submitted, a document is immediately emailed (where email is selected as the document delivery method) to the life insured repeating all disclosure questions asked and answers given. This document is also emailed directly to you and can be provided by you to the clients where they have selected post as the preferred document delivery method. We recommend you do this to ensure that your clients receive a full copy of their medical disclosure immediately upon completion of the application process and can contact you and/or the insurer early should they have missed anything.

The requirement for complete disclosure by the life insured exists in the paper application process and in the online application process. The duty of disclosure is exactly the same and lies with the insured. *Riskfirst* makes the giving of that disclosure by the client easier and more intuitive. It makes the disclosure obvious and confirms the duty to all parties during the process. Copies of all the information entered and relied upon by the insurer are immediately available to you and the client and are always available for you to access at a later time.

*Riskfirst* has been designed with you, the adviser, in mind. It was designed to enable you to complete it with your client present and includes the tools you need to provide the information Aviva needs. It was also designed to provide you with the maximum amount of support and protection possible as you take clients through the on-line application and underwriting process.

*Riskfirst* does not increase or alter your duties and obligations during the application process. It makes honouring those obligations easier.

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