

Life Interrupted:

Post-pandemic claims insights
amplifying the adviser's
role in risk advice

Mr. Adam Crabbe CFP® LRS®

Risk Strategy Specialist

Zurich

FAAA
CONGRESS

2023 ADELAIDE NOVEMBER 20-22

Important information

This document has been prepared by Zurich Australia Limited ABN 92 000 010 195, AFSL 232510. This information is dated November 2023, is derived from sources believed to be accurate as at this date, which may be subject to change. It should not be considered to be a comprehensive statement on any matter and should not be relied on as such. Further, this information includes findings from a social norms study (n~1,000) developed by Zurich and Decision Design.

Neither Zurich Australia Limited ABN 92 000 010 195, AFSL 232510 or any of its related entities, employees or directors (Zurich) give any warranty of reliability or accuracy and to the fullest extent possible under law, accept no responsibility arising in any way including by reason of negligence for errors and omissions.

This information does not take into account your personal objectives, financial situation or needs. You should consider these factors and the appropriateness of the information to you. Consider seeking advice specific to your individual circumstances from an appropriate professional. You should also consider the Product Disclosure Statement (PDS) for the product available at zurich.com.au / onpath.com.au and the Financial Services Guide in deciding whether to acquire or to continue to hold the product. Furthermore, our products have been designed to meet certain objectives, financial situations and needs, which are described in our Target Market Determination available at zurich.com.au/tmd or onpath.com.au/tmd.

This presentation has been prepared specifically for the exclusive use of financial advisers. It is confidential and may only be used for this purpose. No part of it can be copied, reproduced, published, disclosed or disseminated without the prior written consent of Zurich.

01

Examine post pandemic health trends

02

Uncover invaluable information to help bridge consumer knowledge gaps

03

Gain expert insights, tools, resources and support to elevate client satisfaction

04

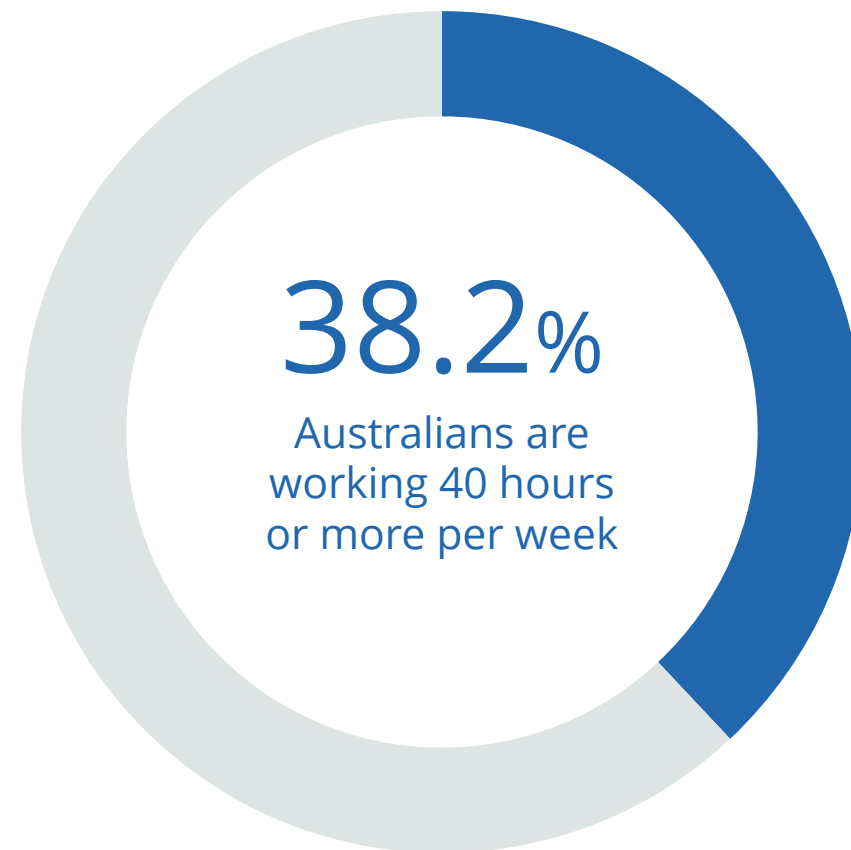
Generate heightened awareness and harness deeper relationships with clients and their families

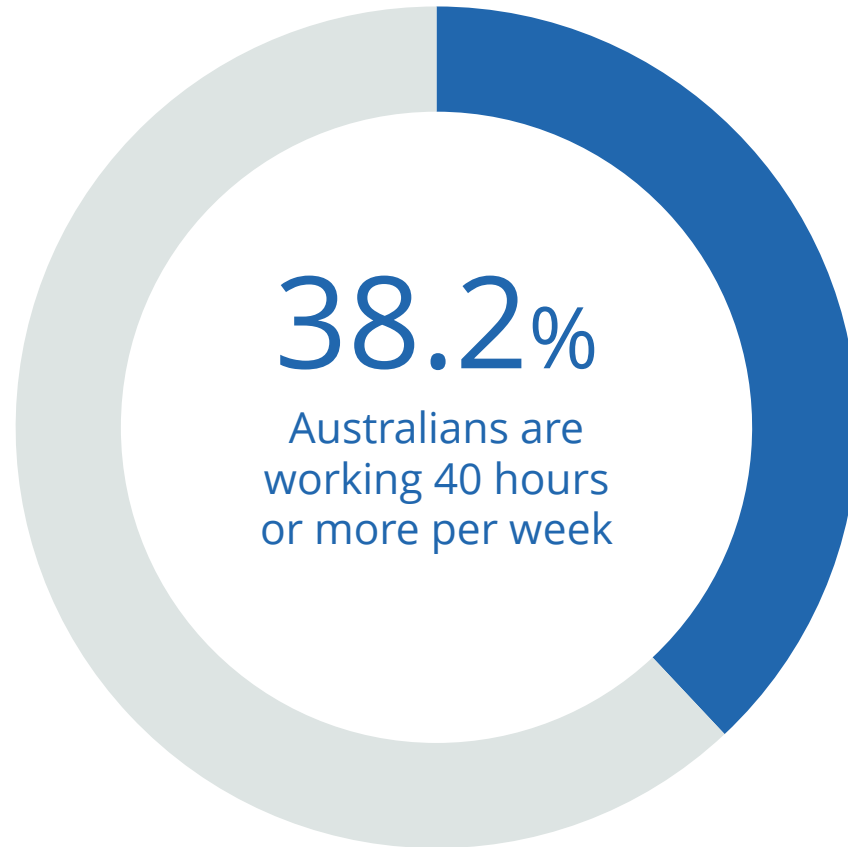
“

I hate it when my head, heart and aspirations are filled to the brim only with career. The rest of me hangs around like a jacket on the back of a doorknob.”

Alan Rickman









“

The day my twin sons were born was the happiest of my life. There is **one thing I regret**: the conference call I was wrapping up with my executive team as I raced through the hospital doors.

When I took that call, I was **unwittingly sending a message** to other dads at my office that they'd be marginalised in their career advancement and perceived as being less committed to their job if they show commitment as a parent.

A few weeks ago, I was on a Zoom call with my team and was surprised to see a senior manager who I knew was supposed to be on his family vacation. Instinctively, I told him, “**I really appreciate your commitment**, but you're not supposed to be working right now. I'll catch up with you when you're back from spending time with your family.” With his kids visible in the background, he got the message and quickly hung up.”

Putting your teams first

“Business doesn’t stop, so neither can I”

1 in 2

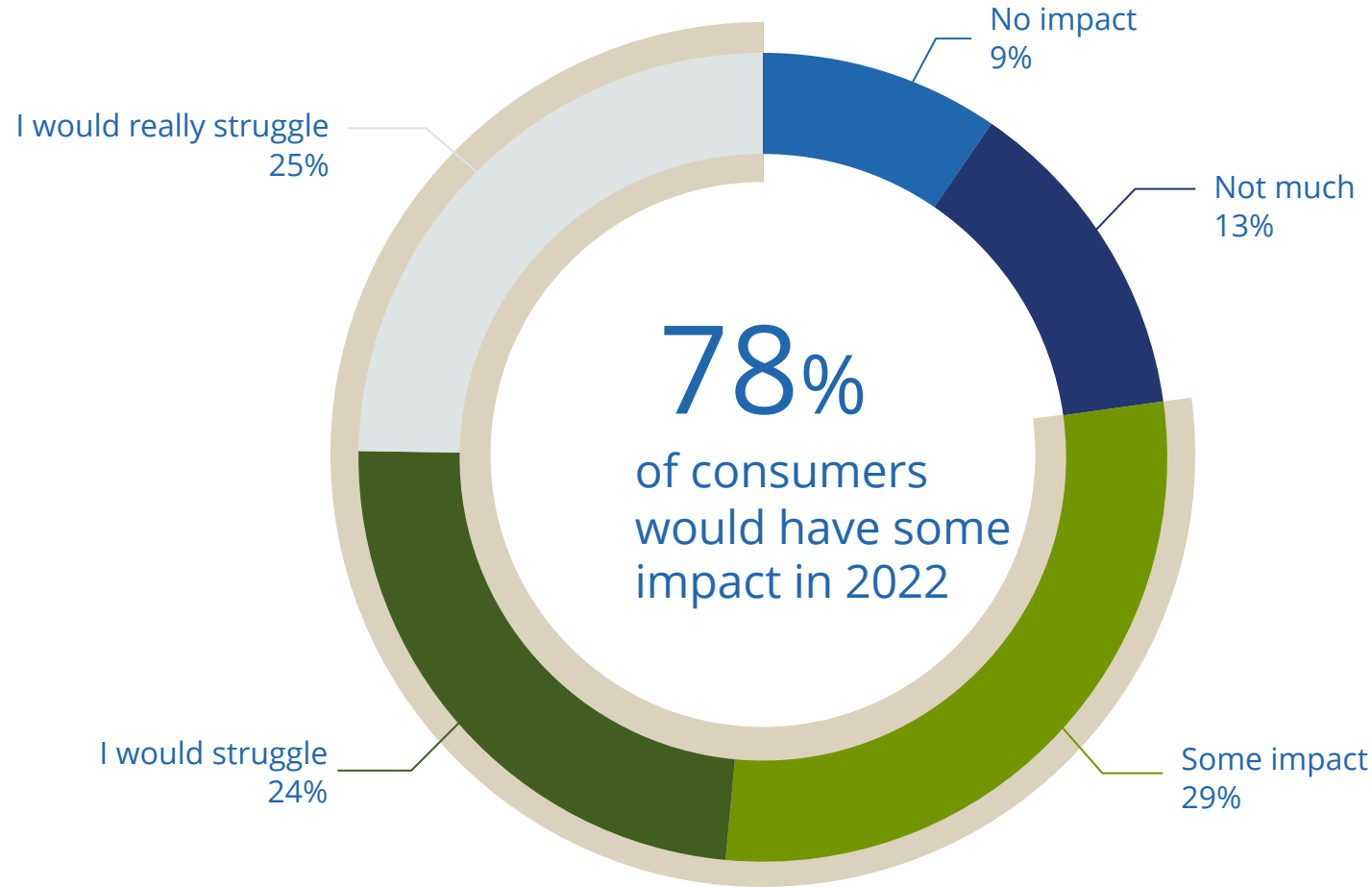
working dads
sometimes hide their
childcare concerns
because they worry
their employer or
colleagues won't
understand

What message are leaders
sending to others in your
business, their partners,
their children?

Working 55 hours or more per week is associated with an estimated **35% higher risk of a stroke** and a **17% higher risk of dying** from ischemic heart disease, compared to working 35-40 hours a week.

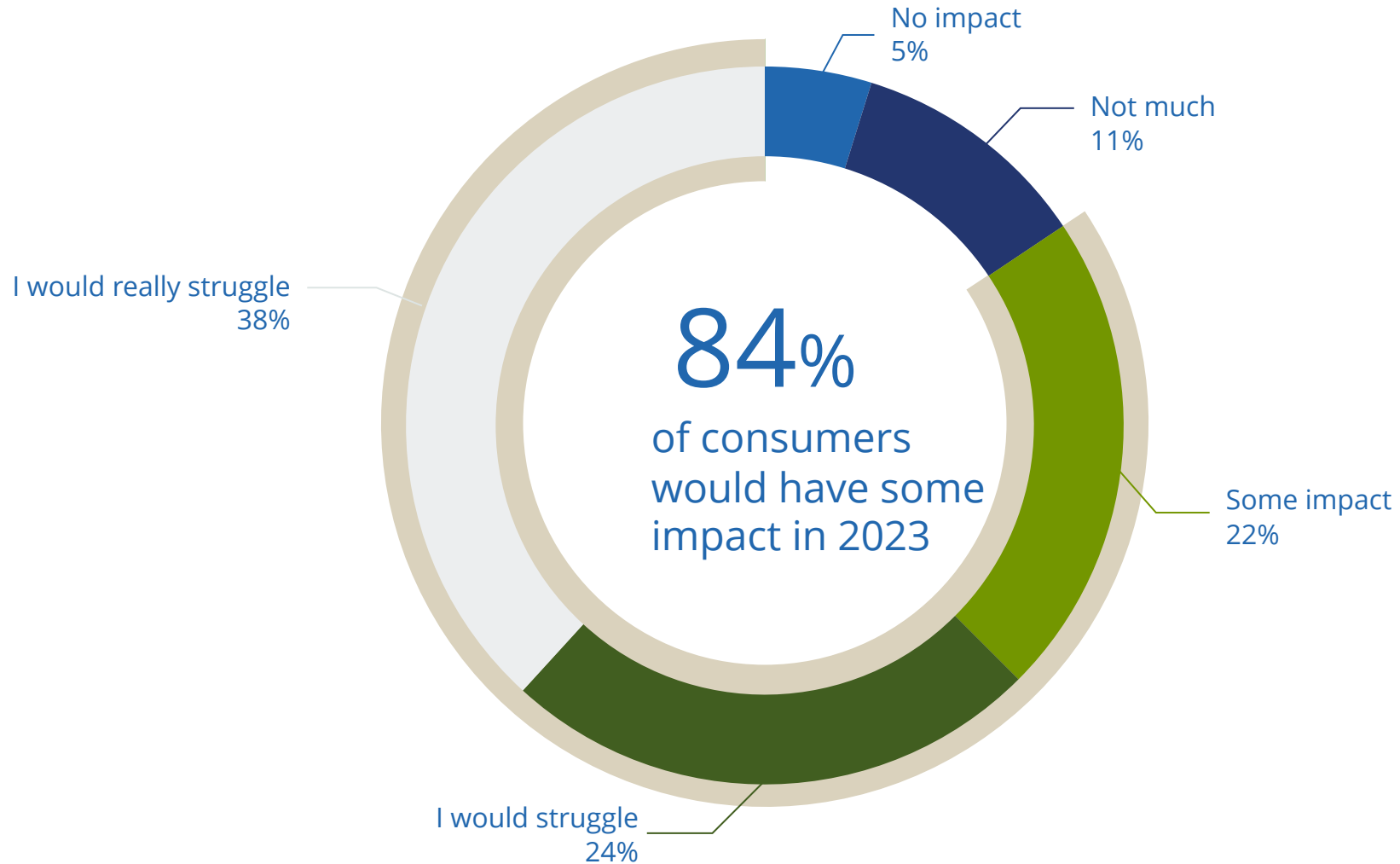
Safety nets are shrinking

What impact would a loss of primary source of income have to your ability to maintain your current lifestyle?



Safety nets are shrinking

What impact would a loss of primary source of income have to your ability to maintain your current lifestyle?



Stressors

Community stressors extend beyond financial



Have recently been concerned with mental ill health



Have recently been concerned with the death of a family member or a close friend



Have recently been concerned with serious illness



Have recently been concerned with the inability to get a job



Have recently been concerned with losing their job

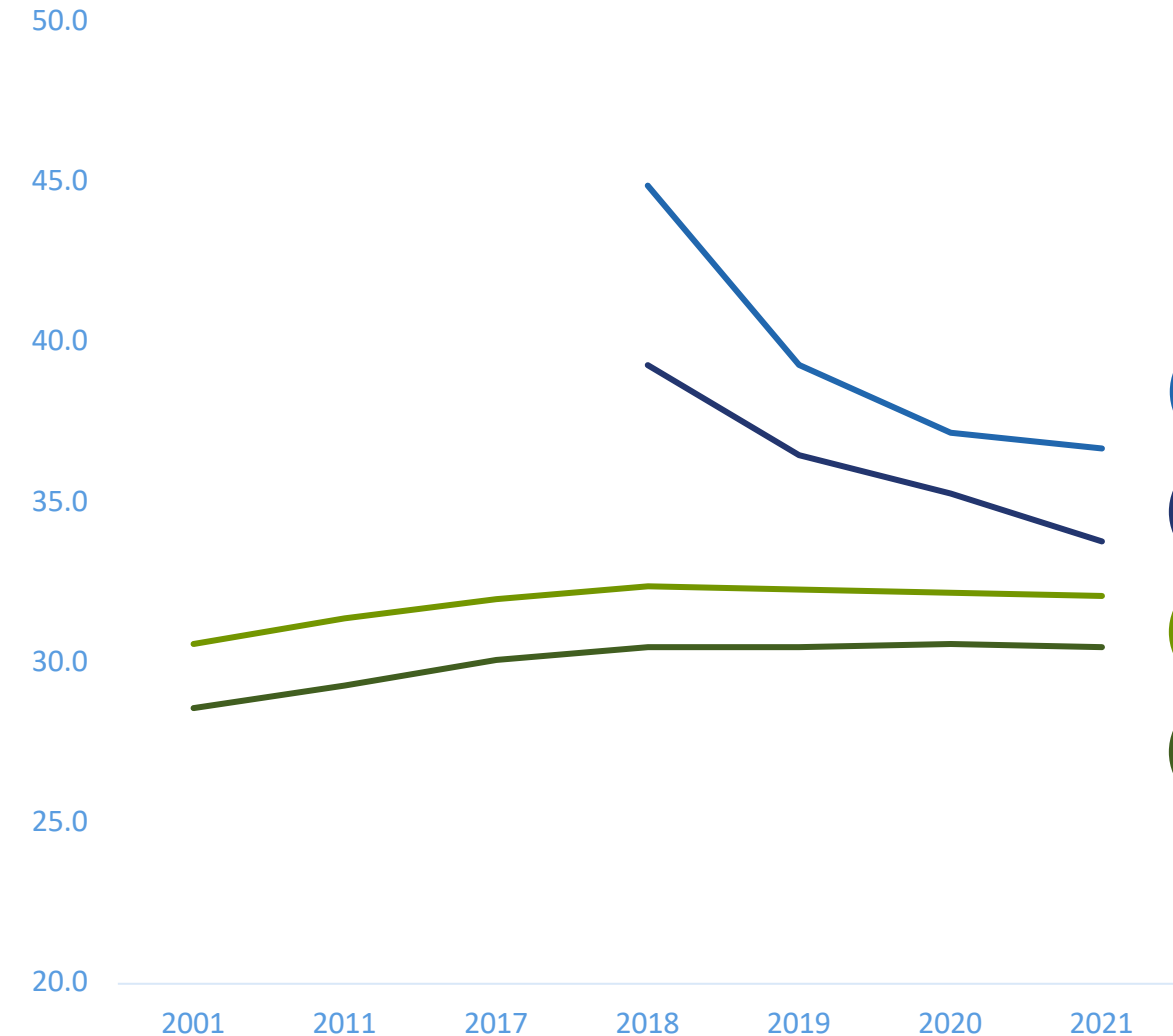
When should you start thinking about life insurance?

9 in 10
say when they start a family



Age at first marriage

75% of marriages in Australia are first marriage



36.7
M(S)

33.8
F(S)

32.1
M

30.5
F



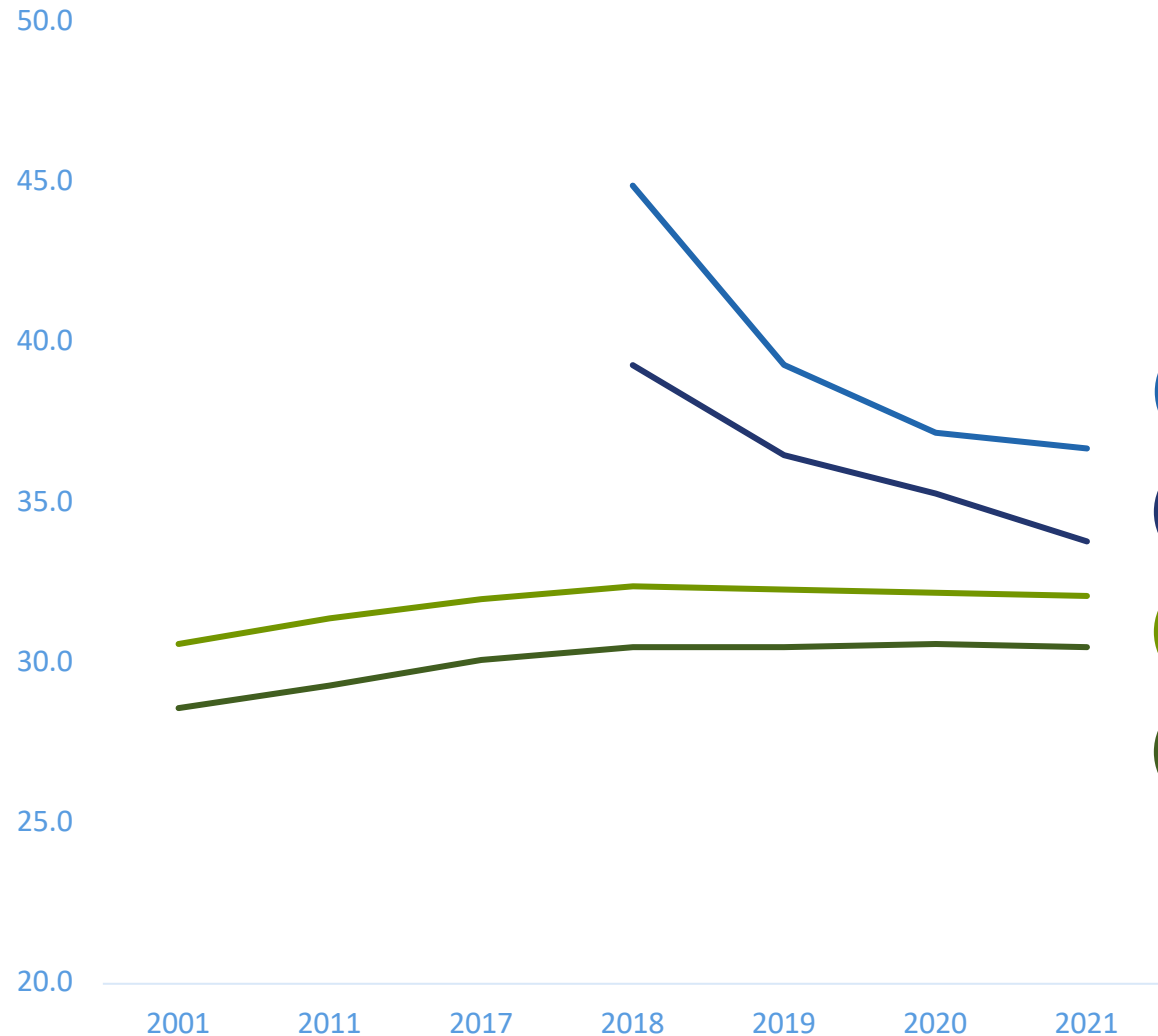
29.7 Average maternal age for first-time mothers



30 to 34 Highest proportion of mothers, by age

Age at first marriage

75% of marriages in Australia are first marriage



36.7
M(S)

33.8
F(S)

32.1
M

30.5
F



208

Adoptions were finalised in Australia, in 2021-22

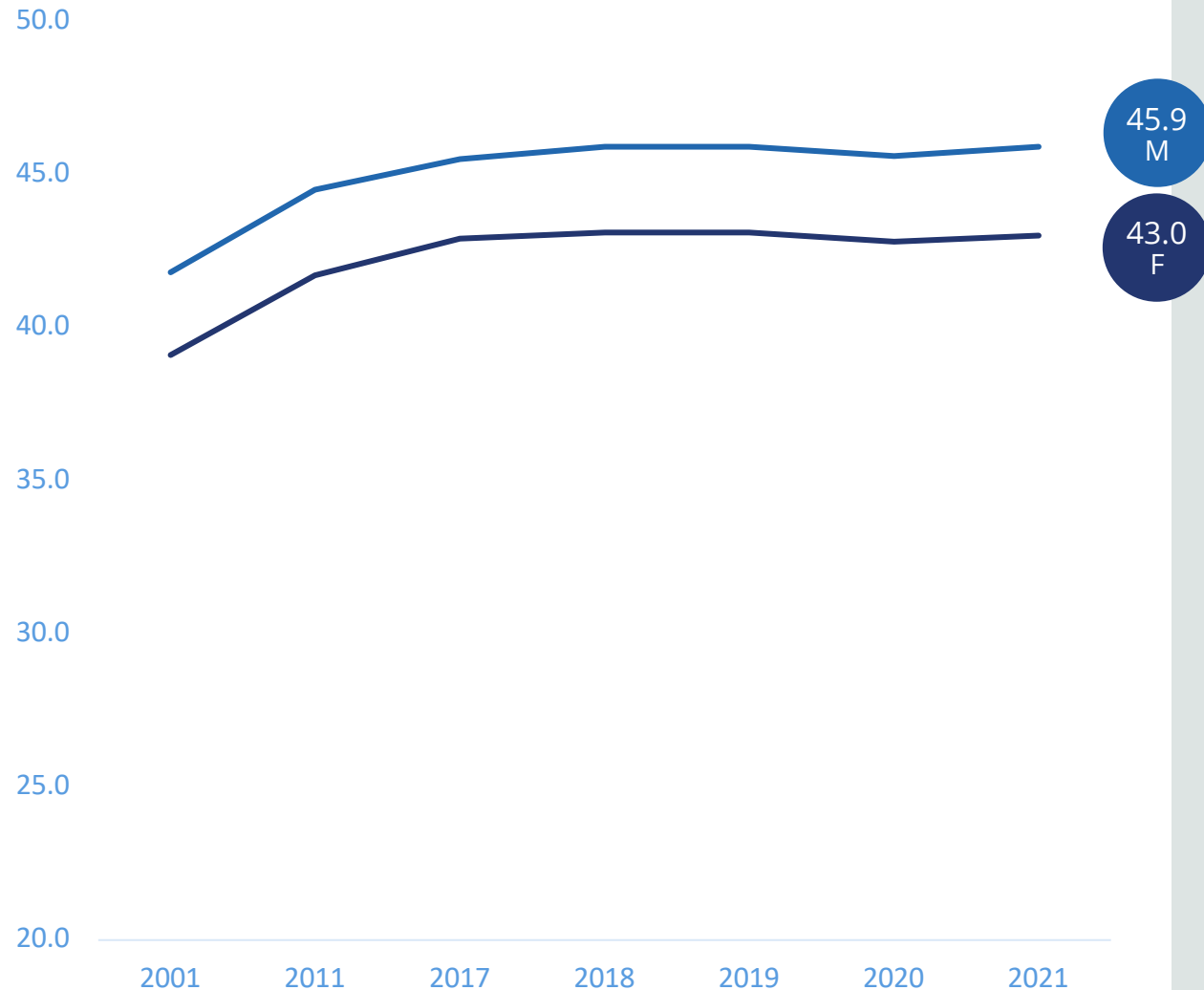


35 to 39

Highest proportion of adoptive parents, by age

Age of divorcees

Almost half of divorces involve children



8.4 Median years duration
marriage to separation



12.2 Median years duration
marriage to divorce

When should you start thinking about life insurance?

8 in 10
say when they
have significant
financial
commitments



Consumer lending

Average loan sizes for owner-occupier dwellings, by state/territory

32%
Increase in mortgage levels since 2019



12%
Increase in average incomes since 2019

Consider this...



Individuals, or their families,
will receive a life insurance benefit
from Zurich **today**

1

Individuals, or their families,
will receive a life insurance benefit
from Zurich **today**

1 in 3
will be due to a
musculoskeletal
injury



1 in 3
will be due to a
musculoskeletal
injury

Injuries are the
3rd highest area of
health spend in
Australia¹

54.7%
injury sufferers
are aged
15-64 years¹

Falls, contact
with objects and
transport-related
injuries over half
of admissions¹



1 in 5
will be due to a
mental health
condition



1 in 5
will be due to a
mental health
condition

Females experienced higher rates than males of Anxiety disorders (21.0% vs 12.4%) and Affective disorders (8.5% vs 6.2%)¹

11%
of the population received Medicare subsidised mental health services in 2021-22¹

Anxiety is the most common type of disorder, followed by Affective disorders, and Substance Use disorders¹

Sources:
Zurich Life claims, 2022
¹AHW, Mental Health in Australia, published July 2022
Anxiety disorders include Post-Traumatic Stress Disorders
Affective disorders include Depressive episodes
Substance Use disorders include Alcohol Dependence

1 in 5
will be due to a
type of cancer





1 in 5
will be due to a
type of cancer

Incidence rate increased from 584 cases¹ in 2000 to an estimated 626 cases per 100,000 people in 2023²

Mortality rate improved from 260 cases¹ in 2000 to an estimated 197 cases per 100,000 people in 2023²

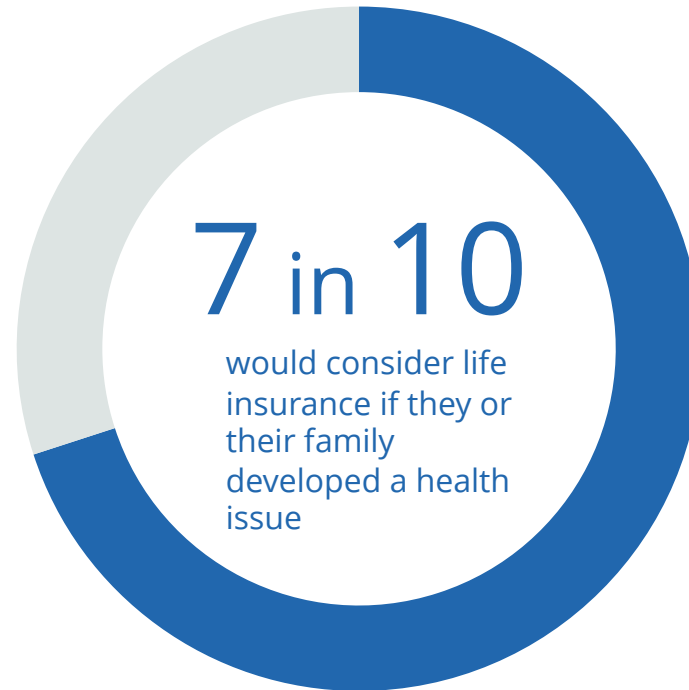
25,500
estimated new cases of prostate cancer diagnosed in 2023²

25,000
estimated new cases of breast cancer diagnosed in 2023²

Sources:
Zurich Life claims, 2022
¹Cases per 100,000
²AIHW, Overview of cancer in Australia 2023

Understanding the consumer mindset

Seeking terms afterwards can otherwise come too late



Are you ready?

What is the client's strategic plan?

What actions are documented as part of the client's move forward position?

Which of these causes you concern?

Some key aspects of recent insurance advice complaints

Recommending a non-income protection policy for someone seeking income protection

Failing to disclose a pre-existing health condition

Client residing overseas

Scoping out group cover when giving insurance advice

Cancelling insurance after a cancer diagnosis

Charging review fees where no review was provided



You don't need to be an expert to identify and provide value-add opportunities in life insurance advice

Proactive health

3 population-based screening programs

age
25

National Cervical Screening Program

Women aged 25 to 74 years of age are invited to have a Cervical Screening Test every 5 years.

An estimated **62%** of the eligible population have participated in the National Cervical Screening Program.

age
40

BreastScreen

Women over 40 can have a free mammogram every 2 years, and those aged 50 to 74 are actively invited to screen.

Participation in BreastScreen Australia is almost **48%** of the target population of women aged 50–74.

age
50

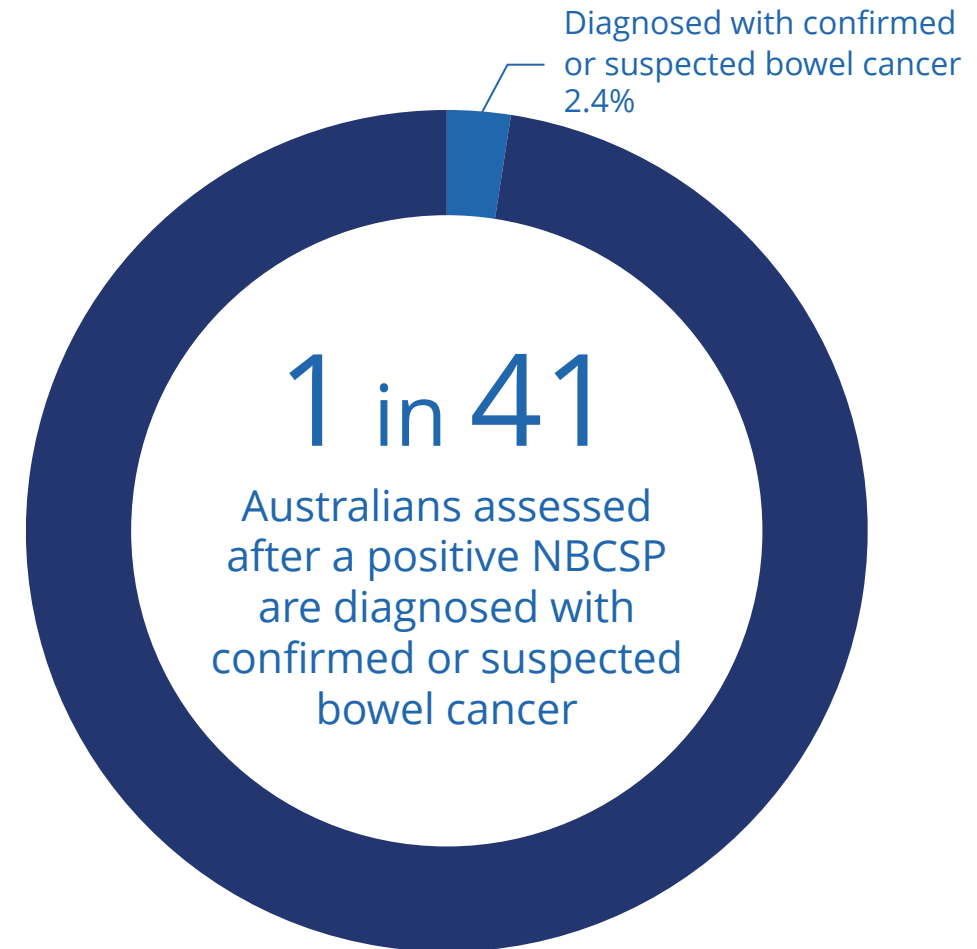
National Bowel Cancer Screening Program

Eligible Australians aged 50 to 74 are mailed a free at home test every 2 years. 846,000 invitations were sent to eligible people in aged 50–74 in March quarter 2023.

363,000 (<**43%**) completed screening kits were returned for analysis.

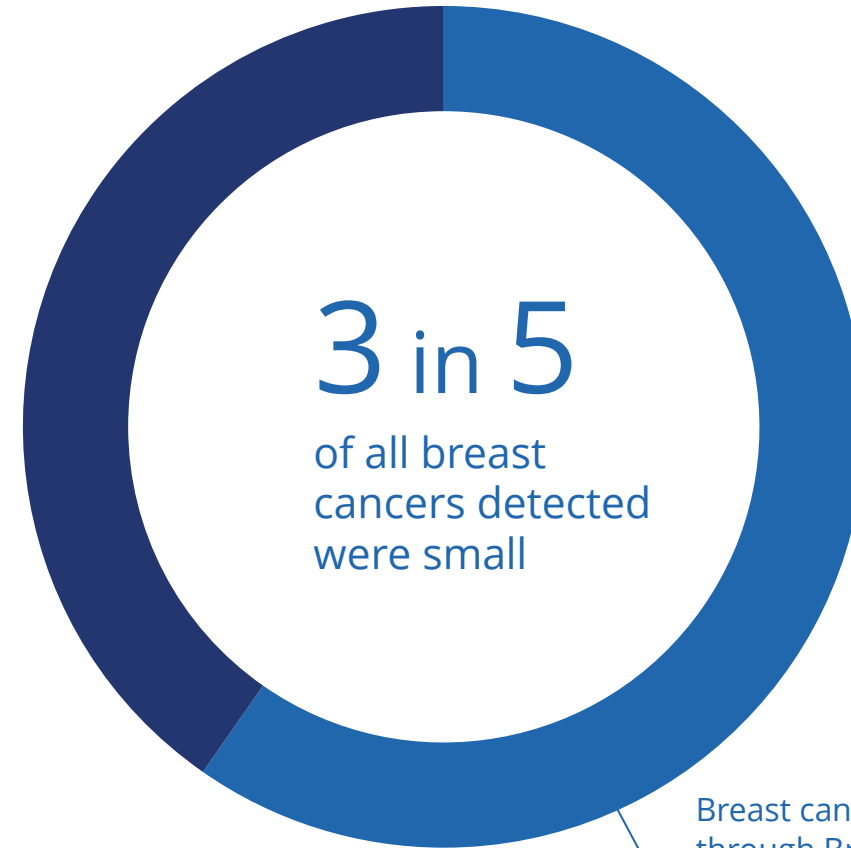
Cancer screening insights

National Bowel Cancer Screening Program



Cancer screening insights

BreastScreen

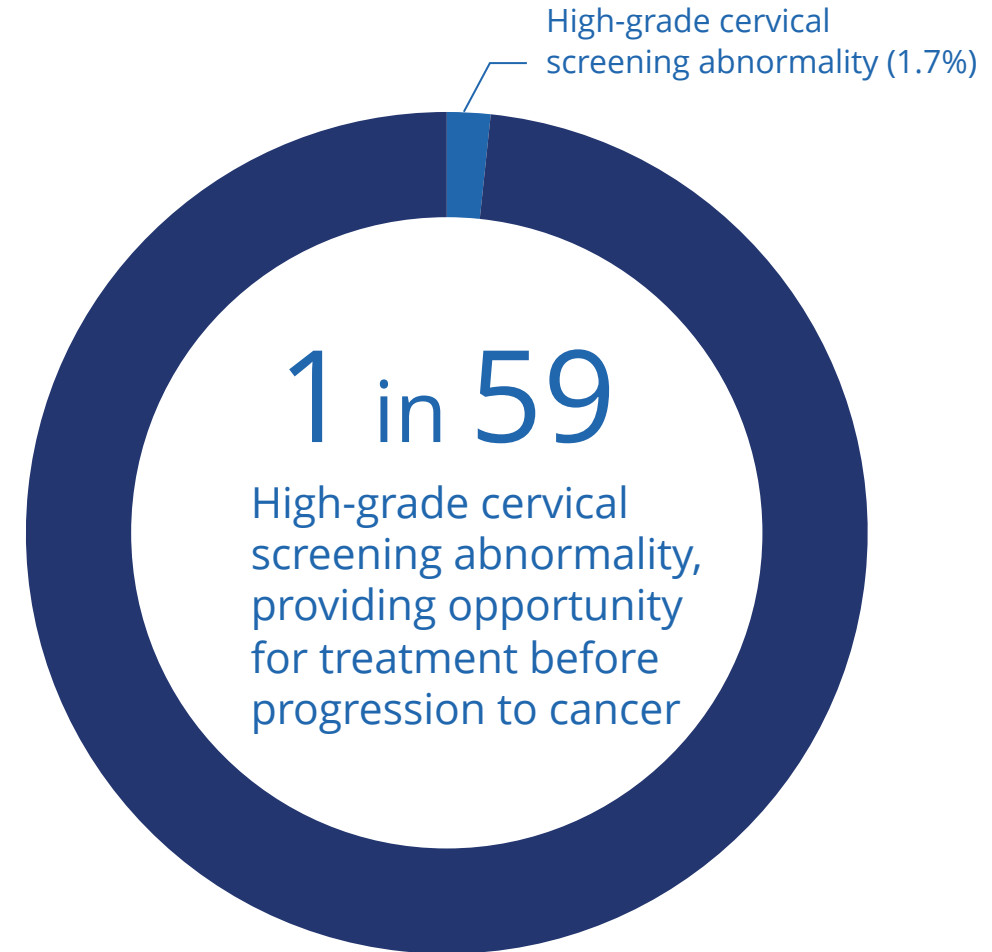


Breast cancers diagnosed through BreastScreen that were <15mm 59.7%

Source: Australian Institute of Health and Welfare
4,978 cases of breast cancer were diagnosed in women aged 50-74 (59.4 per 10,000) screened during 2019-2020
Smaller cancer sizes can be associated with associated with more treatment options and improved survival

Cancer screening insights

National Cervical Screening Program



Why is
screening
participation
so low?

1 in 5

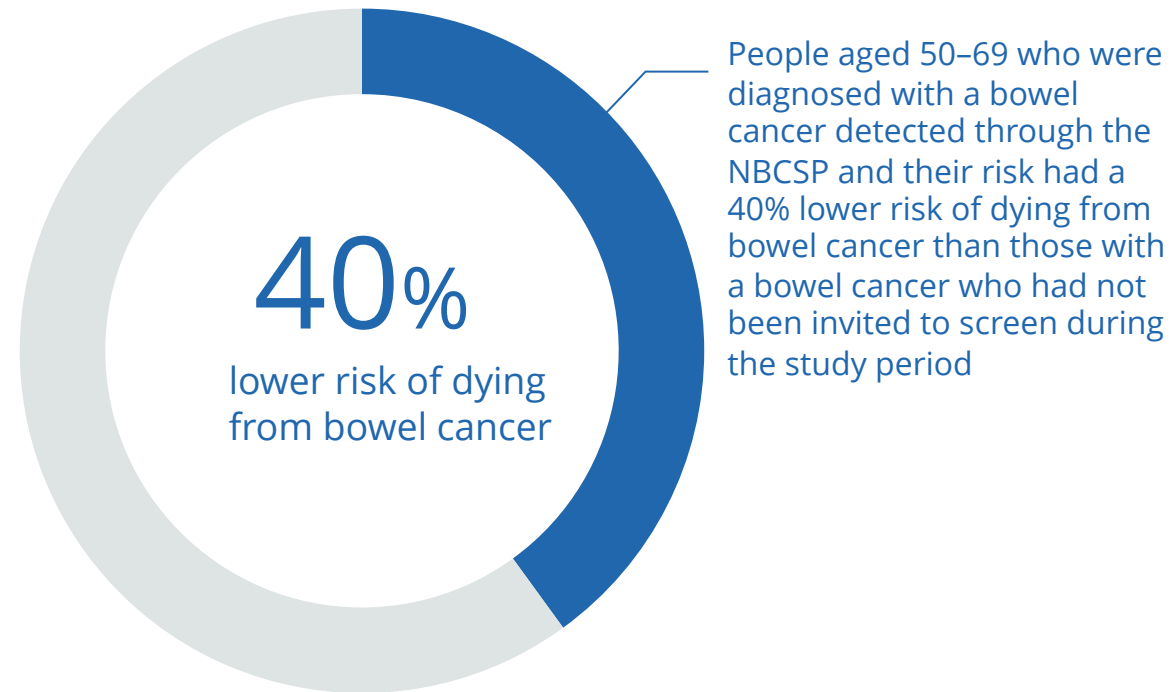
Thought they only needed to
do the test if they had symptoms

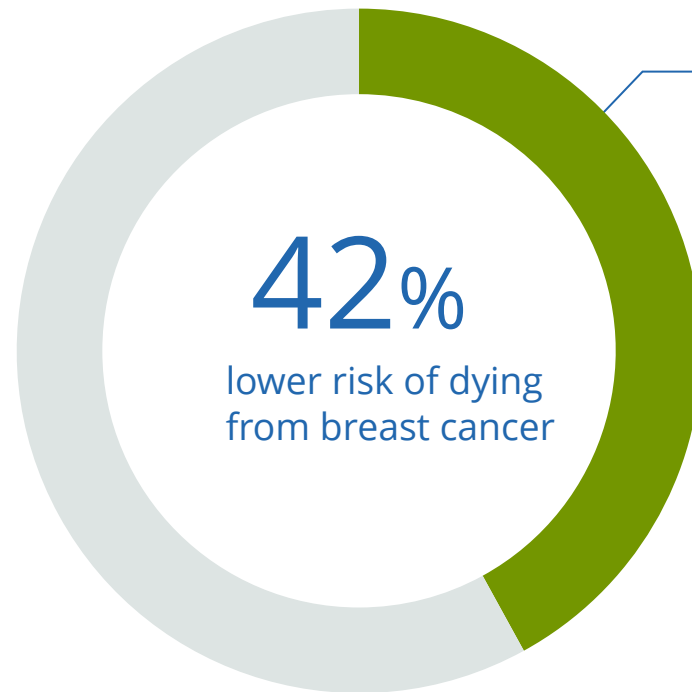
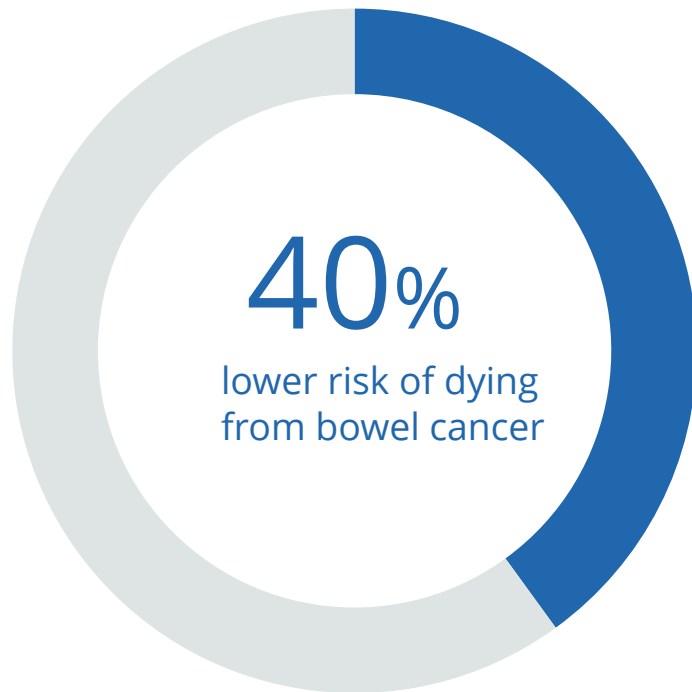
1 in 6

Were too busy

1 in 7

Can't be bothered

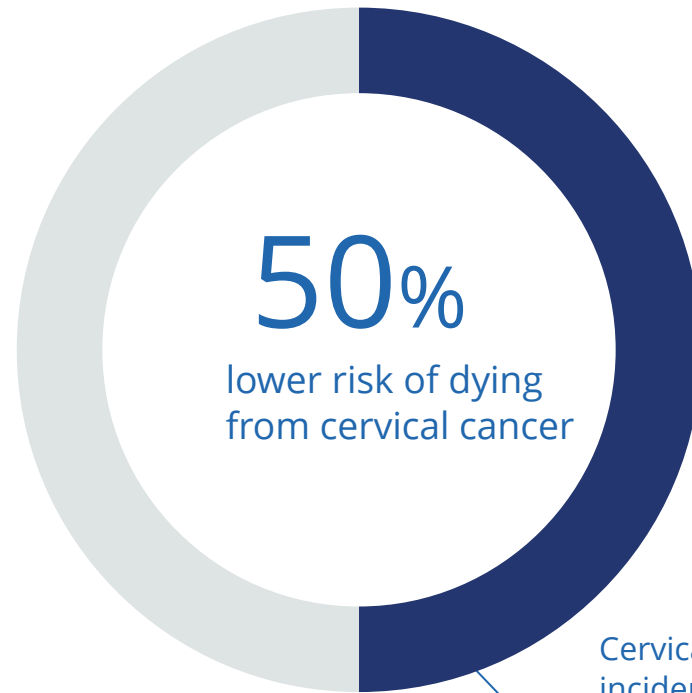
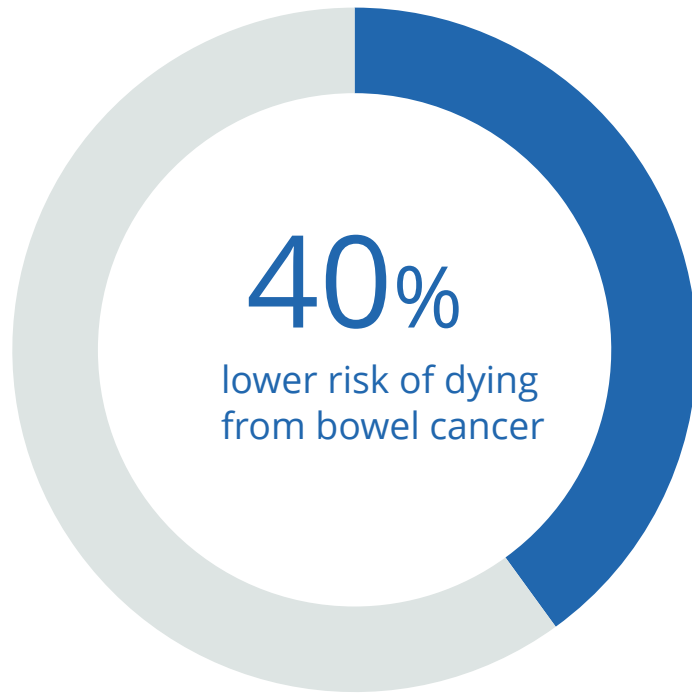




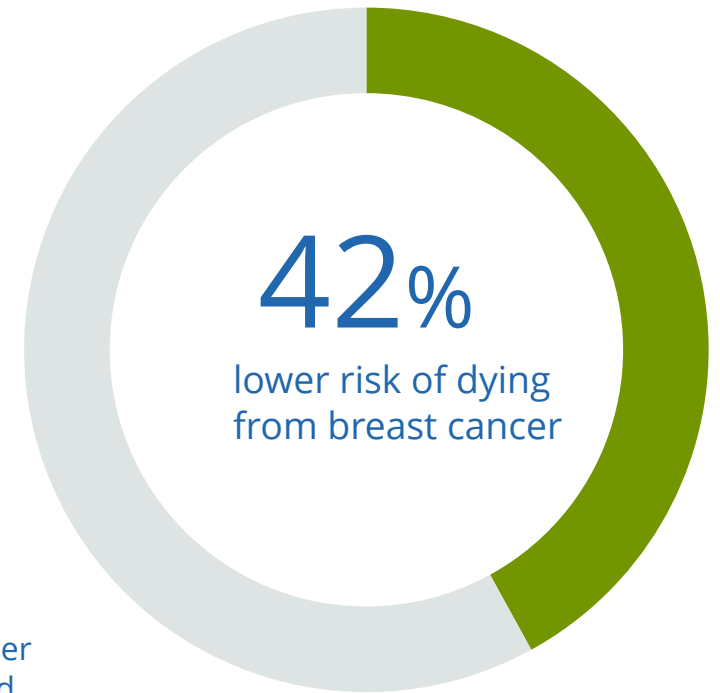
Women aged 50–69 who were diagnosed with a breast cancer through BreastScreen Australia had a 42% lower risk of dying from breast cancer than women with breast cancers who had never been screened

Screening and mortality

Improved mortality rate compared with those unscreened

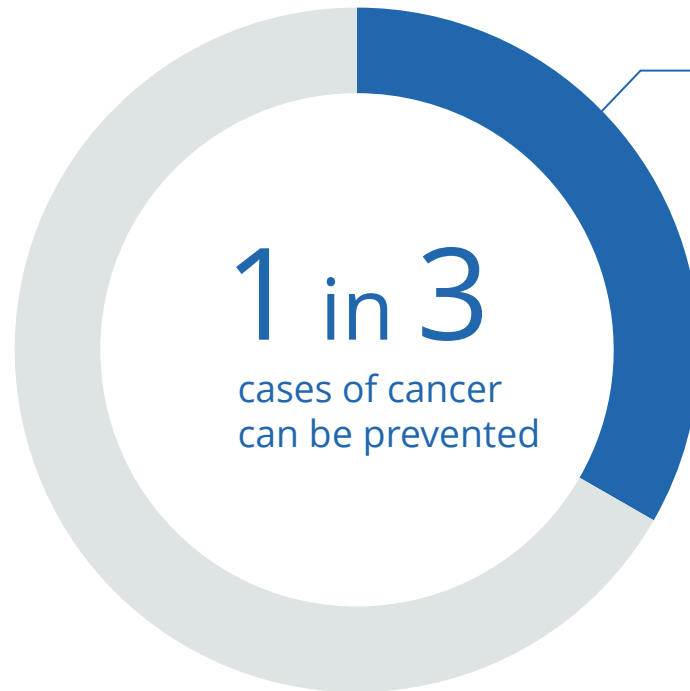


Cervical cancer incidence and mortality rates have halved since it was introduced in 1991.



Reducing cancer risk

For clients interested in exploring their preventable lifestyle risks



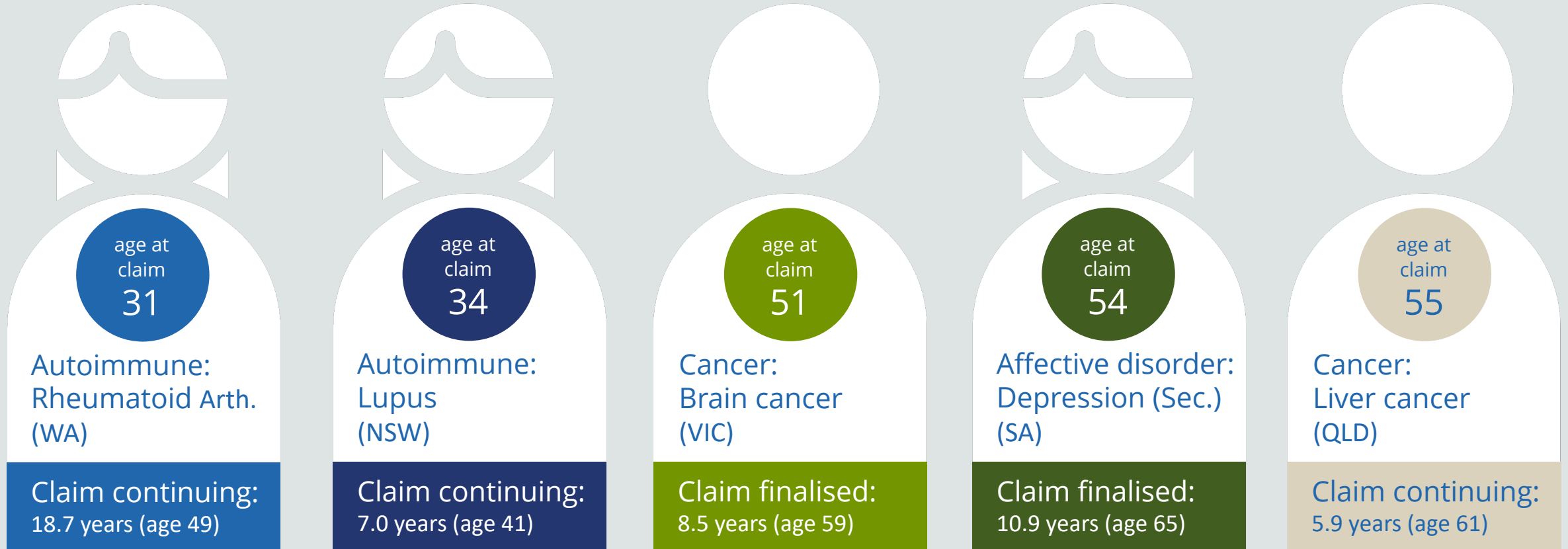
In Australia approximately
44,000 cancer cases each year
are preventable



or search:
'1 in 3 cancer council'

Claim insights

Ongoing benefits – income protection



“

Private Cancer Physicians of Australia (PCPA) and Rare Cancers Australia (RCA) are acutely aware, and deeply concerned, at the **overwhelming and often, unexpected financial costs** that come with the diagnosis of cancer.

Cancer treatment should never come with a question mark over whether the patient can afford it or not.”

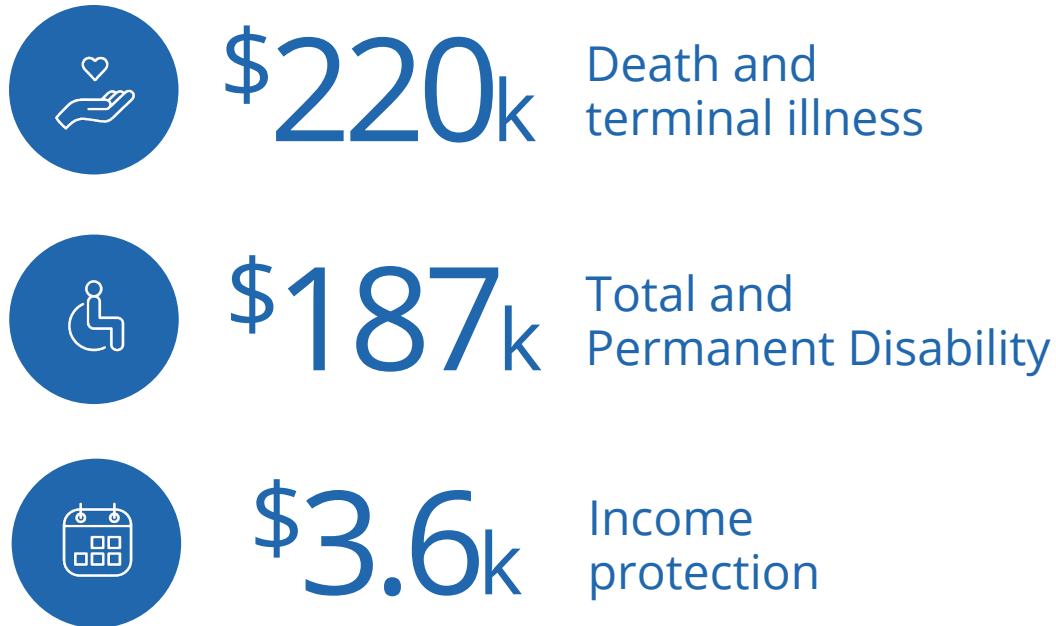
Private Cancer Physicians of Australia (PCPA) and
Rare Cancers Australia (RCA)
Pre-budget Treasury submission 2022-24



Sums insured

Opportunity from group super consumers

Group super,
average sums insured



Individual advised,
average sums insured



The rise of crowdfunding



Crowdfunding is an increasingly popular method of online fundraising, and one which is used by a variety of individuals and organisations.

Individuals can identify a cause or campaign they wish to receive funds or pledges towards, before setting in place a fundraising target they hope to achieve and a time limit for the campaign. The campaign might be a personal one – raising money towards an individual's need or project – or one run to raise funds on behalf of another organisation – like a charity.

Crowdfunding example

Breast cancer



“My oncologist (aka one of the best humans that has ever roamed the planet) feels that **my best option** would be a combination of **chemotherapy and immunotherapy**.

But there is a slight hitch.

The immunotherapy drug I need isn't listed on Pharmaceutical Benefit Scheme for use in Triple Negative Breast Cancer, so it has an **out-of-pocket cost of \$60,000**. If it were on the PBS, I would be looking at a total cost of under \$300.”

Chloe
Sydney
GoFundMe

Triple negative breast cancer is a type of breast cancer that does not have any of the three receptors commonly found on breast cancer cells – the oestrogen, progesterone and HER2 receptors. **Around 15% of early breast cancers are triple negative.**

Breast Cancer Network Australia



\$13.4b

in donations and bequests was made from public support in 2021, an increase of \$700m (+5.3%) from the previous year

Z Zurich Foundation

A charitable foundation creating brighter futures for vulnerable people

Zurich Australia and the Z Zurich Foundation offer support through local programs:



Source and distribute essential food and grocery items to around 2,400 charities around Australia



Youth wellbeing and engagement through early intervention mentoring programs



Beyond Empathy uses arts to influence change and enrich the lives of individuals and communities facing recurring hardship



Mental health training at community AFL clubs across Australia



Mental health support through conversation and connection for men through informal gatherings across the country

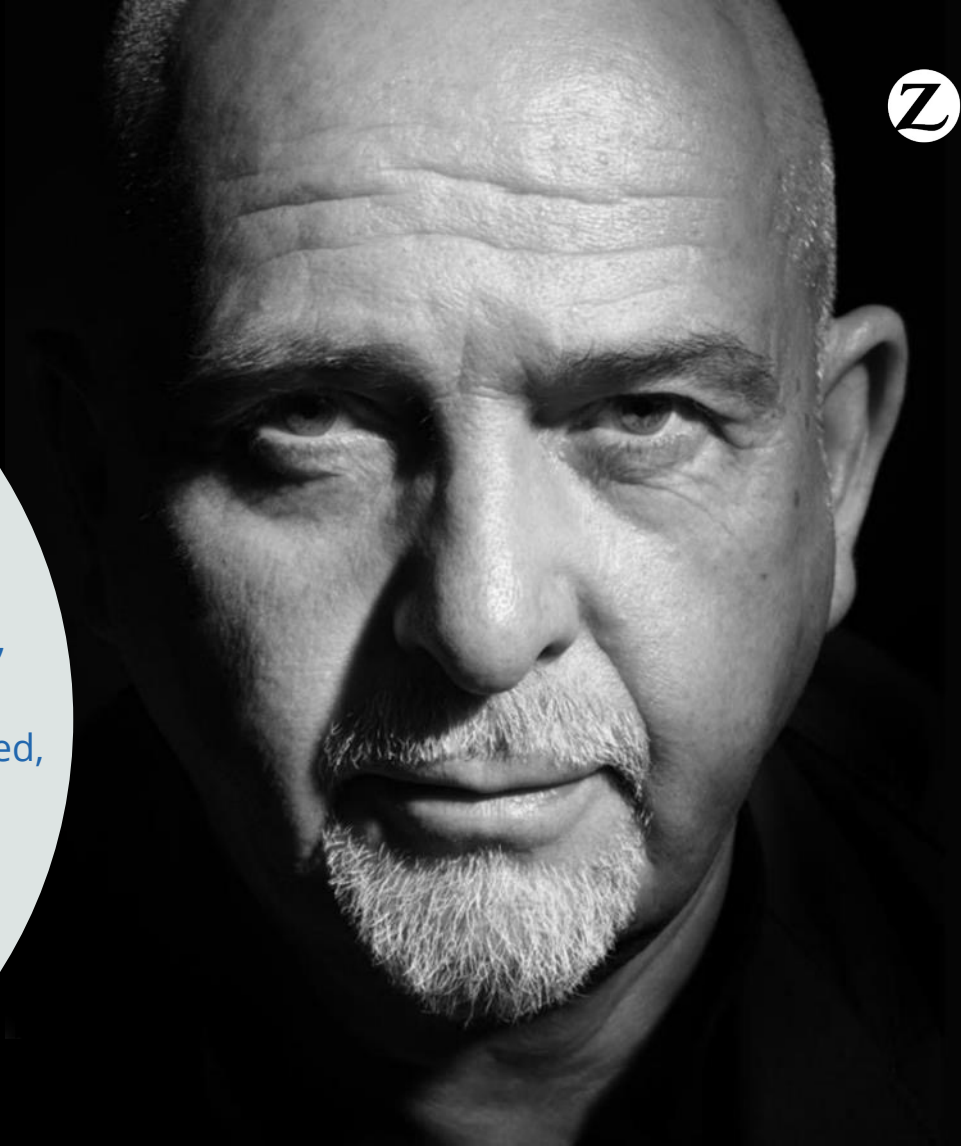
“

Whatever mess you found yourself within,
regardless how you got there.

When the edifice has slipped away and died,
left you standing there defenceless.

Love can heal”

Peter Gabriel



Psychology of giving

A neural link between generosity and happiness?

Participants were asked to commit to spending money over 4 weeks: one-half on other people (experimental group), the other half on themselves (control group)

Experimental group



Committed to spending money on other people



Striatal activity increased, directly linking commitment-induced generosity with greater happiness

Control group



Committed to spending money on themselves

Compassion and ethical considerations

Live to give

Improved health

Compassion is considered a moral virtue with originality, love, openness, honesty, integrity, kindness, and tolerance.

Compassion-based care in which nurses interactively communicate with patients, try to explore patients' concerns by putting themselves in their positions and understanding their situations, and do their utmost to eliminate these concerns.

Compassion-based care can lead to improving the health of the patient.

Stronger leadership

Creating a compassionate culture has been linked with lower employee emotional exhaustion (one of the elements of burnout) as well as **lower employee absenteeism**.

When leaders are primarily focused on the well-being of their employees, this is a strong predictor of employee job satisfaction, perceived organizational support, loyalty and trust in the organization, and retention.

It also has been linked with **improved employee job performance** (by boosting employee motivation), and better team performance.

Increased earnings

A Canadian study assessed the personality traits of nearly 3,000 kindergarteners and followed them for ~30 years. They found that among men, independent of IQ and family background, those who showed the most kindness to others in kindergarten had **significantly higher annual earnings** compared to those who were aggressive or oppositional.

Research also shows that you must be authentically altruistic — not strategically helping others — or it won't work. Instead of thinking "give-to-get," the data supports a mindset of "live-to-give."

Provision of advice for those in great need

Pro bono financial advice is the provision of personal financial advice to people who, because of financial and/or social disadvantage or sudden-crisis, have no alternative access to professional financial advice.

The principle is that there is no cost to the client for providing or implementing the advice.

The following requirements apply to FPA members who wish to participate in the FAAA Pro Bono Program. They must:

- Hold the CERTIFIED FINANCIAL PLANNER® designation, Financial Planner AFP® designation or have enrolled in the CFP® Certification Program;
- Have completed the application to be added to the FAAA Pro Bono register; and
- Have their application countersigned by their licensee.

f a a a FINANCIAL ADVICE
ASSOCIATION
AUSTRALIA



Claims and compassion

Supporting your client's recovery journey



At Zurich, we truly understand the significance of paying claims and the impact it has on supporting our customers financially, emotionally and mentally when they are facing difficult times.

We are proud of the care and empathy we provide to every customer, with an unwavering focus towards their unique needs and providing them with the support they deserve.



Link to access our return to work guide

Consider this...

Serious illness
incidence rates
are **increasing**

Serious illness
incidence rates
are **increasing**

Financial and
non-financial stressors
are **prevalent**

Serious illness
incidence rates
are **increasing**

Financial and
non-financial stressors
are **prevalent**

Inevitably, many
clients will see their
life interrupted

Serious illness
incidence rates
are **increasing**

Financial and
non-financial stressors
are **prevalent**

Inevitably, many
clients will see their
life interrupted

Yet the
community remains
largely **uninsured
and unadvised**

Serious illness
incidence rates
are **increasing**

Financial and
non-financial stressors
are **prevalent**

Inevitably, many
clients will see their
life interrupted

and while some
will enjoy financial
relief, many over a
long period

Yet the
community remains
largely **uninsured
and unadvised**

Serious illness
incidence rates
are **increasing**

Financial and
non-financial stressors
are **prevalent**

Inevitably, many
clients will see their
life interrupted

many others
remain **unprepared**

Yet the
community remains
largely **uninsured
and unadvised**

and while some
will enjoy financial
relief, many over a
long period

Serious illness
incidence rates
are **increasing**

Financial and
non-financial stressors
are **prevalent**

Inevitably, many
clients will see their
life interrupted

Education,
financial awareness,
and **advice remain
critical**

Yet the
community remains
largely **uninsured
and unadvised**

and while some
will enjoy financial
relief, many over a
long period

many others
remain **unprepared**

Education,
financial awareness,
and **advice remain
critical**



**Rate this
session**

MELBAIDE CONVENTION CEN

Meet the speaker zone



**Thank you for
attending this
session**

FQQQ
CONGRESS
2023 ADELAIDE NOVEMBER 20-22