

BT marks 2nd anniversary with growth momentum and no.1 ranking

BT, part of the Westpac Group, is celebrating the second anniversary of its life insurance products' launch to the IFA (independent financial adviser) market. The 21st of February marks a dream two-year run for BT, in terms of growth and industry recognition of its market-leading products.

BT/Westpac is growing at 36% per annum, measured by new premium growth, according to Plan For Life's latest research – making it the fastest growing life insurance provider by market share, compared to major competitors. In comparison the life insurance industry is growing at 15%pa.*

BT now provides life insurance cover to more than 800,000 Australians. Underpinning BT's success in the past two years is its customer-centric product development. In Plan For Life's rankings for life insurance products' overall features, published in December 2012, BT came in at number one against 12 of its closest competitors including AMP, Commlnsure, Macquarie and TAL.

Plan For Life's rankings were based on factors such as product flexibility, easy-to-use software, and top definitions. Better top definitions – for example, how medical conditions are defined – result in better benefit eligibility for policyholders, improving the chances that they will be covered.

"BT's phenomenal growth story boils down to how we make life insurance easy by design," said Phil Hay, Head of Life Insurance, BT Financial Group. "Starting from scratch, without the legacy issues that plague most of the industry, we took inspiration from the likes of Apple and built our products around customers' needs."

Another outcome of BT's customer-centric approach is its award-winning Income Cover for Homemakers, which recognises the value of unpaid work in the home by providing comprehensive cover for stay-at-home mums and dads.

In addition, BT's innovation extends to its fee flexibility, offering advisers alternative remuneration options. "We saw an opportunity to help advisers adapt to the changing and increasingly more complex regulatory environment, so we became the first – and still only – life insurer to allow advisers to charge on a fee-for-service basis, and facilitate that process for them," said Mr Hay. "Our fee flexibility aids advisers with their preparations for the Future of Financial Advice regime – it's for advisers who wish to transition their businesses to dollar-based remuneration."

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BT's award-winning products are on 188 dealer group Approved Product Lists.[^] The strategic focus for the business in 2013 is to expand its distribution footprint and increase awareness of its products in the market.

"Looking ahead to what's in store, we will build on the positive response to our customer-centric approach," said Mr Hay. "By maintaining our focus on what's relevant for consumers and what advisers need to make life insurance easy for their businesses, support for our products can only grow stronger."

BT's flexible and efficient solutions for advisers, and innovative products, have been recognised in the life insurance industry, with BT collecting a number of awards since launching to the independent financial adviser market in 2011, including:

- AB&F Insurance Industry Awards 2012 Innovation of the Year – Income Cover for Homemakers
- Plan For Life / AFA Risk Insurance Innovation Award 2011 – Insurance Services for IFAs including Flexible Adviser Remuneration Option
- Investment Trends December 2011 – Best New Functionality – BT LifeCENTRAL
- AB&F Insurance Industry Awards 2011 Innovation of the Year – Life Insurance Tele-claims Service
- Asset Innovation Awards 2011 Income Protection Category – BT Income Protection Plus

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***Data on BT/Westpac Life Insurance's growth**

- BT/Westpac leads both in force (18% pa) and new premium (36% pa) growth among the Big 4 banks in the life insurance industry.
- BT/Westpac's net premium inflow ratio (approximately 18%) is the top of the industry and has outperformed the Big 4 banks since March 2011.

Source: *Plan for Life*, Sept 2012

[^] Financial advisers can usually only recommend financial products that have been approved by their dealer group – ie, their 'Approved Product List'.

About BT

BT has been helping Australians prepare for the best since 1969. Its reputation is built on its expertise in superannuation, investment, insurance and advice. www.bt.com.au

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