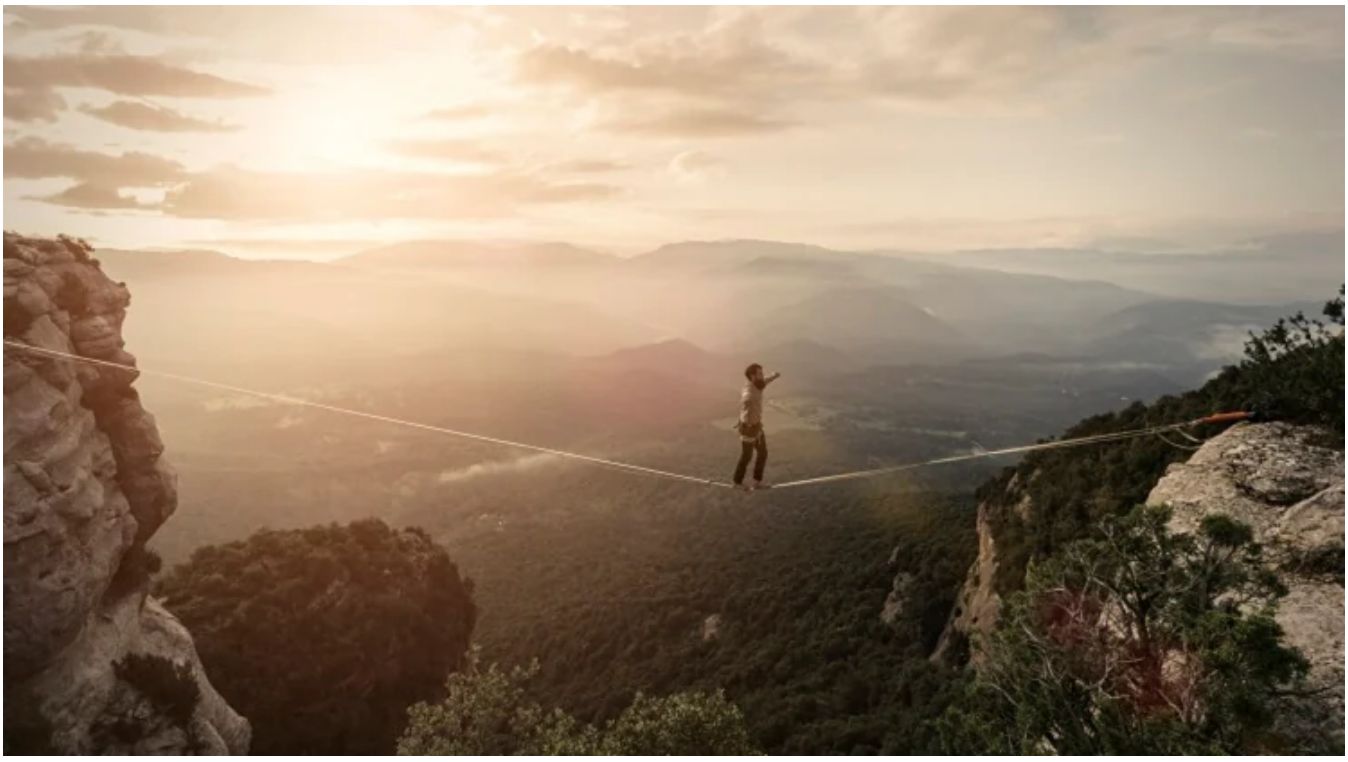
Why risk it? How specialist insurance advice makes all the difference

By Perpetual Private Insights

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When we go to buy a car, or a new dress, or a set of golf clubs, we don't say to the salesperson – "just give me the standard version."

We know that's a bad idea. Because all of us drive different sized families, have unique body shapes, swing a club differently and have very personal ideas about what really matters in life.

The same applies to insurance. There's no such thing as a standard policy because there's no such thing as a standard human. Which is why specialist insurance advice – often called risk advice – is so important.

It's not just about the costs

For many people the attraction of a specialist risk adviser resembles the upside of a mortgage broker – they shop around to find you the best rates. Risk advisers also do that. Brad Gecelter is one of Priority Life's Australia-wide team of risk specialists. As he explains in the video above, risk specialists have a wide database they can scan in search of lower premiums.

But cost is only half the issue. Brad believes the definitions in an insurance policy are crucial – they define what risks are covered and to what extent.

"Premium shopping is a classic false economy," says Brad. "When you buy insurance, you're setting out to protect yourself and your family from a specific set of risks. But if you buy a policy with the wrong definition, those risks might not be covered at all. So you've wasted your money and left yourself unprotected."

Why get specialist risk advice?

So what are the other advantages of specialist risk advice?

- **The cover moves with you.** Over time the insurance cover you need will change. Maybe you've changed jobs (or taken up an exciting new hobby like skydiving). Often it's because your financial situation has shifted – you'll need much less cover if your mortgage has shrunk. A good risk adviser will make those adjustments and do it proactively.
- **Because you're you.** Insurance underwriters look at every risk individually – and in life and income protection insurance you're the risk. That's why their questionnaires are so long – they want to know your medical history, past claims, habits – anything that can affect the risk they're taking in covering you. With a risk adviser on your side, you can get cover that's specific to your needs and your personal story – and do it cost-effectively.
- **Making a claim can be stressful.** Insurers exist to pay claims. Indeed, Australian insurers paid out ten billion dollars in claims last year – more than the GDP of some countries. However, the sad truth is that people are at their most vulnerable when they're making a claim – they're often in physical or emotional pain, which is exactly the wrong time to be dealing with onerous paperwork. A risk adviser can take that burden off you. And their expertise and insurer relationships could mean your claim often gets paid – and more quickly.

Insurance is a market

The final and often forgotten reason to get expert risk advice is that insurance is a market – and markets move. After long periods of low claims, insurance companies may compete aggressively on cost, so premiums fall. But if claims are running hot, insurance companies may have to protect their balance sheets, shareholders and existing policyholders by raising premiums and tightening definitions.

“The income protection market is tightening right now,” says Brad Gecelter. “So we’re helping a lot of clients reassess their policy to make sure they’ve still got the cover they need for the price they can afford to pay.”

This time it’s personal

The most important element of insurance is that it’s personal. It’s designed to protect you and your family should something bad happen. Getting risk advice can ensure that the insurance cover you get is anything but standard.

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