

Insurance case study April 2023



Insurance advice gets refinance over the line

Recently, we were able to help a Mortgage Broker get a refinance application approved by adjusting their client's existing personal insurances.

The client's budget was too tight to meet the serviceability requirements of the refinance application. Their tax return from the previous year showed a \$4,000 tax deduction claimed for an income protection policy, and this was holding the bank back from approving the loan.

The Mortgage Broker referred the client to us, and we were able to:

- Get the client a new insurance policy with the same terms, benefits, and amount of cover as their existing policy.
- Complete the advice, update the policies, and manage the changeover for \$0 fees.
- Move 60% of the insurance costs to be covered by superannuation and
- Reduce the client's out-of-pocket costs to be only 40% of the total insurance costs they had been paying previously.

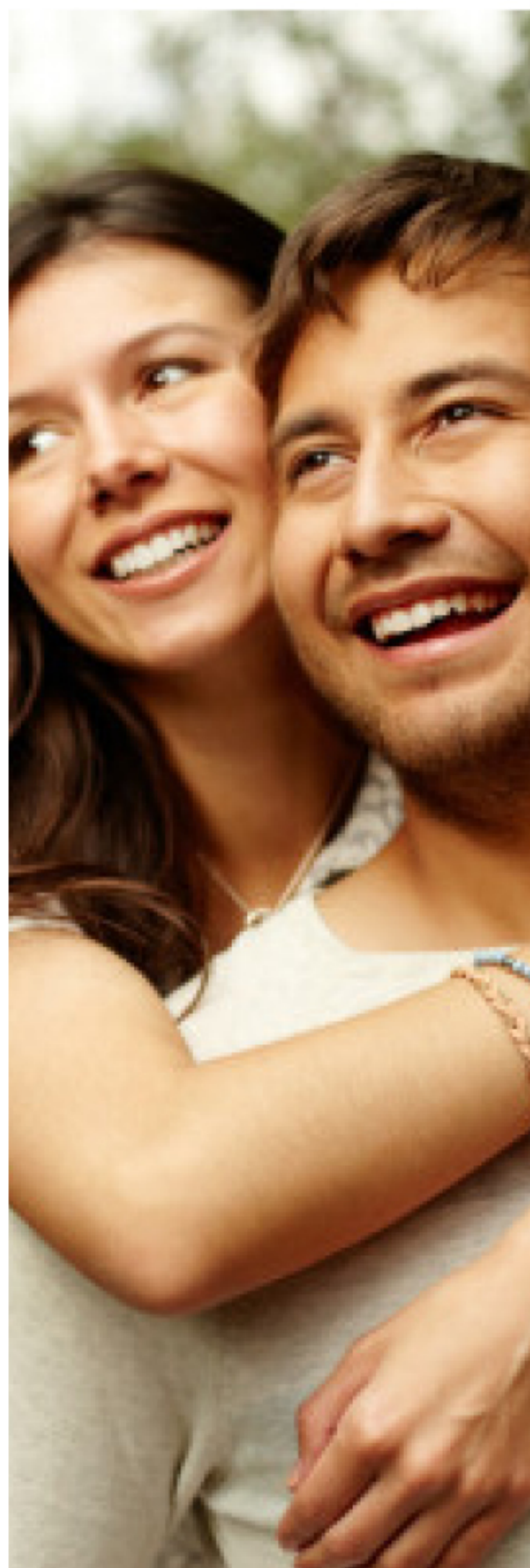
With these changes, the client's budget improved enough to meet the serviceability requirements of the lender. The Mortgage Broker was able to complete the refinance and keep the clients happy with their broking services.

Whether your clients have new loans, are refinancing, or are just maintaining their loan, it's worth referring them to us.

Even if the client has existing insurances, through superannuation or tailored ('underwritten') cover, the chances are high that we can get them a better deal.

If it turns out that they are already getting a good deal on their insurance, we'll reassure them by confirming it for them and wishing them well. They benefit either way.

Below is a suggested email you can forward to any of your clients you think we might be able to help.



Dear <client name>,

As a valued client of ours, we want to make sure that your family, assets, and lifestyle are protected.

We have organised a complimentary review for you with our insurance specialist, Ben Howarth.

At no cost to you, he will review your debt and see if your existing personal insurances are appropriate, too expensive or need adjusting.

There is no obligation to go ahead with his advice or recommendations and similarly, absolutely no cost to you should you decide to go ahead.

We've CC'd Ben on this email so you can get in touch to see if you're getting a good deal and are protected should the unexpected occur.

<Mortgage Broker signature>

We support your clients after the mortgage application by:

- Working in sync with your application and settlement processes.
- Providing your clients with a complimentary first consultation.
- Offering thorough insurance reviews
- Reducing your client's existing premiums, or letting them know that they're already in a good product .

Will this jeopardise the Loan?

Not at all.

We work with you. You refer to us after the loan is unconditional; this way the client gets the loan settled and then reviews their insurances.

Do you solicit my clients away from me?

No, that's not possible for us to do.

We specialise in insurances and leave the mortgages to you.

Our business has been built on Mortgage Brokers referring to us. Arrow is licenced for Financial Advice, through FASEA Standard 3, we cannot refer business out - this makes your clients' loans untouchable and protected.