TOWER

Sales&Marketing Update

5th Edition March 2004

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The New Financial Services Environment

Well, 11 March has come and gone and we are now well and truly in the new financial services environment.

The day was correspondingly marked by the completion of the TOWER 2004 Adviser Forums where, for three weeks, we travelled the country talking to around 1100 financial advisers.

Two things stand out in my mind from the Forums. The first was the heat. Wherever we went we seemed to be hit by very hot weather conditions. In particular, there were near record temperatures in Adelaide, Melbourne and Sydney.

But more importantly and of most personal significance, was the notable change in the atmosphere you, as advisers, showed to us.

Twelve months ago it was definitely frosty. We had made mistakes and you were letting us know. We took that on board.

This time, the atmosphere was warm and friendly. There appeared to be a keenness to do business with TOWER, to recognise that we are working hard to lift our game, and an excitement as to what we were saying. There was an air of expectation.

The large numbers of advisers who attended our forums gave us simple instructions. Those instructions are that if we, at TOWER, work with them and give them the levels of service they expect, they will do business with us.

We are happy to accept those instructions and we look forward to building on our partnership.

One other thing is clear in my mind following the forums. There seems to be a change taking place in the adviser industry and it is not just that driven by FSR.

Clearly, there are a lot of new people in the Risk industry. Younger advisers in particular, but also new entrants who see the risk business and risk products as being an addition to their current activities, and not just something for specialists. I will talk more about this later.

As I mentioned, 11 March was also significant for it became the final deadline for compliance with the new Financial Services Reform legislation.

Complying with the new requirements is not easy. Becoming licenced has been challenging and time consuming.

FSR will take some time to bed down and is likely to cause a lot of heartburn and headaches in the short term. And that applies to all of us.

In the longer term, it will clearly be positive for the industry. It will give consumers greater confidence in their dealings with us and that can only be a good thing.

However, the system is complex and requires a lot more work. Over time, I hope some of this complexity will resolve itself and we at TOWER will be working hard to make things simpler.

As problems come up, let us know and we can work together in finding a better way.

And finding a better way across a range of issues is one of TOWER's key objectives going forward.

Our new Fast-Track system is an example. It represents a simple change which only required a bit of original thinking to implement.

Part of my management approach at TOWER is to always question why things have been done in the past and ask if there is a new and better way. The objective is to make the company better for you and your customers as well as our shareholders. The people of TOWER have picked up the challenge.

My expectation is that with new thinking over time, TOWER will continue to develop new products as well as better ways of doing things. And this will be advantageous for both of us.

Which brings me back to a topic I touched on earlier. I believer there is a generational shift taking place in the adviser profession at the moment.

As I said, at the Forums there were a lot of new faces. It was particularly pleasing to see a lot of younger faces there – both male and female.

Traditionally, the industry has been male dominated so it is exciting to see more female advisers entering the risk business. So hopefully, many more advisers will seize the opportunity to service a broader cross section of the community with risk offerings.

Another shift taking place is the broadening of the role of advisers. More advisers are taking on an holistic brief – a 'whole of needs' approach to the customer.

We are seeing financial advice, financial planning, risk, superannuation and even accountancy skills being rolled into a one-stop-shop approach.

With so much change taking place both at TOWER and throughout the industry it is truly an exciting time. It is going to be a very interesting journey so please come along with us on the ride.

Best wishes

Jim Minto
CEO TOWER Australia

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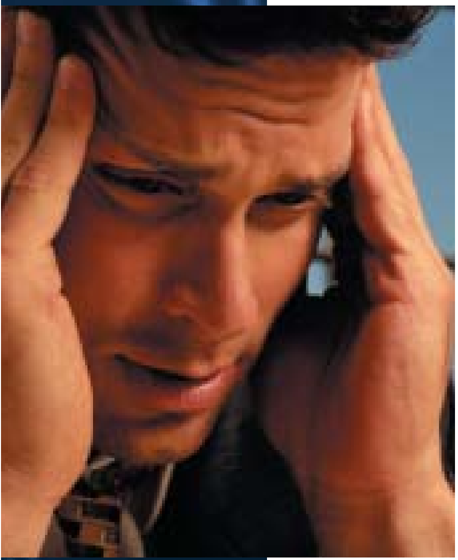
Maximize Efficiency, Minimize Stress

by Gerard M. Hempstead, CPA, CFP



Do you feel stressed out, overwhelmed or inefficient?

Do you have "fireman's syndrome," running from one fire to the next?

Do you come home at night to your family feeling exhausted and irritable?

At some point, many in the life insurance and financial planning industry feel that way.

It isn't easy to change a highly stressful, chaotic practice into a well-structured, lower-stress operation with well-defined parameters, but it can be done. The rewards include higher production, as well as more time to spend on family and personal relationships.

Try following these 10 steps to increase efficiency and decrease stress:

Step 1: Create your perfect day. You want to see clients when you are at your best, in an optimum setting, and also see as many as possible without becoming overloaded.

Answering these questions will help you determine how to schedule clients so you can be most productive:

When are you most energetic, happy and enthusiastic – in the morning or in the afternoon?

How much time do you need after an appointment to dictate case notes and get to the next one?

Where do you want to see people – your office, their office, their house, a restaurant?

When do you want to get home at night?

Schedule your appointments at your peak times, in the places most conducive to doing business. Be sure to schedule family time and free time on your calendar first.

Step 2: Hire an assistant now. Don't wait. If you already have one, consider hiring another one to increase the amount of time you spend face-to-face with prospects and clients.

An advisor's primary job should be to see clients. An assistant can (and should) handle scheduling, paperwork and more.

An added plus: assistants are a tax-deductible investment in your business. They will more than pay for themselves within six months.

Step 3: Have the majority of your appointments scheduled at least one week ahead.

This requires a daily dedication to phoning. Have your assistant try to schedule at least two to four appointments per day (by calling existing clients for reviews and birthday meetings).

Set a goal during your calling times (to prospective clients and special cases) as well.

Knowing exactly who you will see and when you'll see them can reduce stress.

Step 4: Have specific "approach language" for prospects. It is not old-fashioned to use a script. A conversational, yet focused, style often works and can convey both friendliness and professionalism.

Find the tone that works for you and use it.

Step 5: Set the closing appointment during the fact-finding meeting. Remind your prospect you've discussed many important items today (i.e., life insurance, disability insurance, educational funding, retirement planning).

Ask in which area you can be the most helpful the next time you meet.

Try to set the appointment soon, as this conveys a sense of urgency.

Step 6: Send a discovery letter. Send a letter summarizing the points you discussed at the fact-finding meeting.

During the closing meeting, review the letter with the client.

Step 7: Get 350 active clients. Most clients will buy five to seven times over the course of their lifetime. An active client is someone we expect to buy within the next three years.

Retaining 350 active clients (not lives) allows us to obtain critical mass and have the ability to be more specific when asking for referrals.

Step 8: Have effective sales tools. It's okay to use the same sales presentation over and over again. This maximizes efficiency in case note dictation and case preparation.

More importantly, however, it maximizes confidence. When you are confident, you are enthusiastic, and enthusiasm is contagious.

Step 9: Own what you sell. The power and confidence you get by sharing your own program with prospects and clients.

Step 10: Be inspired, be mentally tough. You must have the mental toughness to get to the place where you feel you are at your best. Make a list of inspirational sayings that will help you focus on your goals and inspire you to be better.

About the author:
Seven-year MDRT member Gerard M. Hempstead, CPA, CFP, St. Louis, Missouri, has written more than 1,200 lives and $2.3 million of premium in the past seven years. He was recently awarded his company's Master Agent Achievement Award.

Jordan Hawke

JOB APPLICATION

This job application featured in TOWER Australia's National Sales Manager Risk & Investment Jordan Hawke's presentation at the recent Risk Product updates around Australia.

It has been requested by a number of advisers, please enjoy.

Please consider this application for a job. Although I'm a big healthy fellow and will do a man's work, I ask only for a boy's wage. I'll work for about $20 a week, and if you give me a job, I'll stay on it as long as you will have me.

Here is the job I'll do. If you should be taken out of the picture entirely, I'll buy shoes and clothes and schoolbooks. I'll pay the rent and grocery bills, I'll buy fishing lines and poles for the boys and dolls for the girls, and I'll see them all through school and keep their tummies filled.

In addition, I'll promise you that your family will never want for the comforts of life.

Every Christmas, I'll make sure that Santa Claus comes to your house and leaves the things that bring happiness to children. In fact I'll try to do all the things you would do if you were there. Of course, I can't go fishing with the boys, but instead I'll send along memories of a thoughtful and devoted father.

And, if after the children are grown, you don't need my service any longer, you can stop my pay and I'll say to you: 'That's all right boss - I've enjoyed working for you all these years. Now, to show my appreciation I'll take care of you and your wife for the rest of your lives.'

All these things I'll guarantee to do for you - and all I ask is that you put me on the payroll for about $20 a week.

This is what our business is about, this is what you are about.

Feng Shui Tips

The Chinese art of Feng Shui, which is often misunderstood and misspelled (feng shue, feng sui, fen shui, feng shuei, feng shi, feng shiu, fenshui) is not as complicated as it may seem on the surface.

Pronounced, "Fung Shway", it was a closely guarded secret for thousands of years. Nowadays, the benefits of Feng Shui are being understood and applied by more and more people.

Feng Shui for home interior design and office interior design is a common practice in the Far East. The many aspects of this Chinese art include building orientation, location of specific rooms, furniture arrangement, and the placement of colours, pictures and symbols to achieve a desired outcome – the creation of a harmonious environment; to improve health, wealth, harmony, longevity, career or business activities.

It is becoming a part of normal life and business activities for many Australians

The key is energy (or Qi "Chee") and here are ten tips that can improve the flow, transformation, and containment of Qi in your life:

- Remove shoes before entering a home. Don't take your problems in with you.
- Cook at least one meal a day and eat at the table as a family.
- Never have knives on show – even in a block.
- Always sit or stand facing the door (or its reflection).
- Keep the toilet lid down and bathroom and laundry doors closed.
- Don't sleep under white blankets or doonas.
- Don't sleep with your feet facing the bedroom door.
- Don't sleep next to the wall that has the metre box on it.
- If your front door is in line with a tree or the door of the house opposite, place a Ba Gua mirror above the outside of the door.
- Never have a Ba Gua mirror in the house. They are far too powerful.

For many readers, some of these tips are just common sense and may have been practising the art of Feng Shui and didn't know it.

Multi Benefit Discount

1 Mission

MULTI-BENEFIT DISCOUNT

1 Mission, 3 challenges and a 15% solution

To claim the mantle of being the pre-eminent Australian risk insurer in the 21st century will take an uncommon degree of commitment and business acumen.

The task of simultaneously satisfying the interests of client, adviser and insurer has become more complex and challenging than ever before. The dual objectives of creating a competitive product while maintaining portfolio viability requires a bold vision and a smart strategy.

It is against this background that TOWER has launched its bid to inspire the loyalty of all stakeholders in the risk product market.

SETTING THE MISSION

Our purpose and mission as a risk insurer is simple. We are committed to being the supplier of choice for advisers and their clients. While this will be established through the attitude and professionalism of our underwriting, claims, sales, marketing and administration resources, it must also be supported by setting new benchmarks in the quality and creativity of our offering.

DEFINING THE CHALLENGES

One of the first things we identified as being crucial to achieving the objective of product superiority was the appeal of crisis protection to advisers and their clients. We listened to adviser concerns about the difficulties in selling this product, and we conducted a review of what it would take to make this product more attractive, without compromising its viability. Our research identified three key issues that needed to be resolved.

1. Clients buying our products needed genuine incentives to include crisis protection in their risk protection package.
2. Advisers recommending our products needed practical solutions to help them overcome the cost issues related to crisis protection, without compromising their income flow.
3. As a company we needed to satisfy the profitability and viability parameters of our risk portfolio.

While these may appear to be competing objectives, we believe that we have devised a solution which accommodates all three.

A BETTER SOLUTION FOR THE CLIENT

The basis of our strategy is a 15% premium discount for Crisis Protection when packaged with any other TOWER Protection Plan (Life Protection, Total and Permanent Disability, Income Protection or Business Expense). This represents a significant saving to the client and helps to overcome the cost objections associated with putting this vital protection in place.

The concept of offering the discount when packaging insurance fits naturally with the needs analysis process of considering all risks, and it is an important sales trigger which can be used to ensure the client does not compromise their risk protection just because of cost.

A MORE PROFITABLE SOLUTION FOR YOU

In devising the 15% solution we wanted to ensure that you could offer a more attractive product, without compromising your rewards. We have achieved this by ensuring the discount is applied to the premium and not to your commission!

Your commissions are calculated on the pre-discounted premium, so you get full value for your effort.

There is also the convenience of keeping a client's risk portfolio with one insurer, and the flexibility of being able to offer the discount in a variety of combinations tailored to suit your client's needs.

A SOLUTION THAT SATISFIES OUR VIABILITY CRITERIA

The thinking behind our premium discount is not completely one sided.

We are unashamedly seeking to capture greater market share - but not by simply buying business or loss leading. Our ability to offer such an incentive is based on the inherent cost efficiencies to us in capturing a client's entire risk portfolio, not just their Crisis Protection in isolation.

This delivers a more profitable outcome that supports viability and achieves our objective of responsible and durable growth.

Multi Benefit Discount (Cont)

1 Mission

Gender	Age	$200k CPP Monthly Premium	$200k CPP & $50k LPP Monthly Premium	Annual Saving
Male	40	61.27	56.09	62.16
Male	45	99.22	80.11	229.32
Male	50	174.83	159.06	189.24
Female	40	60.12	54.32	69.60
Female	45	90.02	80.95	108.84
Female	50	153.53	138.23	183.60

Gender	Age	$300k CPP Monthly Premium	$300k CPP & $50k LPP Monthly Premium	Annual Saving
Male	40	82.73	74.32	100.92
Male	45	133.95	119.63	171.84
Male	50	236.02	211.07	299.40
Female	40	81.16	72.21	107.40
Female	45	121.53	107.74	165.48
Female	50	207.26	183.90	280.32

Gender	Age	$400k CPP Monthly Premium	$400k CPP & $50k LPP Monthly Premium	Annual Saving
Male	40	110.29	97.76	150.36
Male	45	178.60	157.58	252.24
Male	50	314.69	277.95	440.88
Female	40	108.22	95.20	156.24
Female	45	162.04	142.17	238.44
Female	50	276.35	242.63	404.64

Gender	Age	$500k CPP Monthly Premium	$500k CPP & $50k LPP Monthly Premium	Annual Saving
Male	40	130.21	114.69	186.24
Male	45	210.85	184.99	310.32
Male	50	371.51	326.25	543.12
Female	40	127.76	111.81	191.40
Female	45	191.29	167.04	291.00
Female	50	326.25	285.04	494.52

CPP = Crisis Protection Plan LPP = Life Protection Plan

These tables contain indicative rates only and TOWER may change rates at any time without notice, subject to terms and conditions of the policy (if applicable). Calculations are based on standard, non-smoker rates.