

PROVIDING ADVICE FOR CLIENTS WHO ARE CONCERNED ABOUT THE COST OF THEIR HEALTH INSURANCE COVER

At nib we know that some clients have difficulty affording health insurance premiums and sometimes don't understand or accept the reasons for premium increases.

Advisers tell us they use many different approaches when talking with clients about the benefits and the cost of health insurance and affordability concerns. We are sharing these here with the expectation that many of these approaches will be familiar to you. For some advisers, they may serve as a reminder of approaches taken in the past, or provide some alternatives for future use.

- Review the discovery agreement or statement of advice you originally prepared for the client. Remind them about the original reason they took out the cover. Clarify how they will manage if they become seriously unwell when they don't have the cover to establish if the original concern or objective has changed.
- Enquire about what they like about having the cover - and what the people who depend on them like about their having the cover.
- Clarify if the concern is about value or ability to pay or some other factor. Price objections can be a reflection of a range of concerns.
- Look at alternative excesses and the impact of these on their premium. A higher excess may make sense as a client ages. Of course, the client's ability to pay the excess will also need to be assessed.
- Ask if any of the options in their cover are now non-essential.
- Talk about the factors that contribute to premium increases. If a client cancels their cover and self-insures, the increases in the cost of health services remain and become a risk that they are directly exposed to.
- Refer clients to the costs of common treatments. Enquire about their ability to meet the cost of these treatments if they needed one, or more. Clarify the impact on their savings, and in particular, retirement savings.
- Remind the client that private health insurance gives them choice - choice of time, health service provider and the type of treatment they want. Loss of income while waiting for treatment is a hidden cost, as is the lost income of family members who support someone they love who is unwell.
- Assist your client with budgeting or refer them to someone who can. Most of us have expenses for things that we buy out of habit or that only contribute a small benefit to the quality of our lives. Help them identify lower cost alternatives.
- Talk to your clients about the benefits available on their current cover, to ensure they understand what they can claim for. If they have incurred some costs and didn't realise they were covered - encourage them to submit a claim. It's important for clients to see value in the cover they are paying for.

