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### **3 key challenges keeping advisers up at night (and how to overcome them)**

Being an independent financial adviser (IFA) was a tough job even before COVID-19. But the pandemic has seen the emergence of three major challenges for IFAs that need to be managed correctly to ensure their financial security and longevity, says Neil Wolno, acting CEO at FMI (a Division of Bidvest Life Ltd).

#### **Challenge 1: Managing high client interaction levels**

The onset of COVID-19 has seen client interaction levels spike dramatically, leaving advisers with little time to manage their businesses and chase sales. With clients facing growing affordability issues, IFAs are being bombarded with requests for advice on premium holidays and even policy cancellations. They are also expected to be experts on the latest developments around the pandemic and the latest regulations.

“Unfortunately, there’s no easy way around this. At this time, we’ve got to do everything we can to support our clients, and make them aware of the risks of letting their insurance cover lapse. This is the time that they may need it the most. Where clients have challenges keeping their premiums up to date, we’ve got to make sure they know their options and the associated risks,” said Leza Wells, Chief Product Actuary at FMI.

These options include a grace period, where clients can keep their cover in place for up to 60 days after missing a premium payment; reinstatement, where they reduce their cover and premiums on certain benefits, and the cover can be increased back to the original amount on the next policy anniversary without medical underwriting; freezing their policy for 3 or 6 months (albeit with no cover); or even a sabbatical, which allows them to keep their temporary and extended income protector and disability lump sum cover in place for up to a year if they aren’t working, with certain conditions.

#### **Challenge 2: Sourcing new clients (and staying connected to old ones)**

The pandemic has brought new concerns about client affordability. This raises the risk of IFAs losing revenue and momentum, which will have a negative impact on their practices.

“At a time when most customers are likely looking to freeze, reduce or even cancel their policies, it’s more important than ever for advisers to focus on building relationships and demonstrating their value,” says Wells.

One way of getting around this challenge is to embrace the move to digital client servicing. Digital servicing wasn’t broadly accepted before COVID-19, but now it’s got sudden credibility. Instead of meeting clients for coffee and a face to face chat, advisers are doing video calls while operating 100% remotely. Younger customers are especially open to this remote approach.

Offering advice and tips for their clients also helps: “Share good news stories and client friendly documents with your clients, which show the importance of expert advice and the value of their policy,” says Wells.



### **Challenge 3: Staying abreast of the latest trends and technology**

Staying up to date with the latest regulations and trends is a challenge at the best of times. For many IFAs, an additional challenge has been digitally upskilling themselves in a new world of ‘e-everything’.

“It’s become business-critical to keep up with evolving methods of communication, documentation and general business management. Technology can affect the way customers reach your business, indicate new markets, and even introduce new methods that could give you a potential lead over your competition,” says Wolno.

IFAs who embrace the digital solutions and tools available to them are most likely to improve their efficiency and process, and help them connect with clients while building their credibility and reputation. A simple example is FMI’s risk reality calculator, which helps advisers demonstrate the power of their clients’ future earning potential.

“Thanks to technology and data, we still have businesses today. Our challenge is to make sure we combine this with the personal touch to ensure we have businesses tomorrow,” said Wolno.

**ENDS**