

# Prevailing through humanity



Despite disruption, the rise of new distribution channels and artificial intelligence, agents and advisers, will continue to play an important role in life insurance in the near term. This can be achieved by honing the human traits in advice that technology can never quite replace, say speakers at the 1st International Training Summit for Life Agents and Financial Advisers organised by *Asia Insurance Review*.

By Chia Wan Fen



**D**ispelling the elephant in the room – the looming fear that agents and financial advisers (FAs) will be eliminated as technology progresses – speakers remain optimistic about their continued valuable roles.

Even with the rise of robo-advice and automated processes, advice as we know it today will remain in a complementary role, speakers said. However, agents and FAs need to understand and adapt to the tech trends influencing life insurance and they need to understand the millennial generation, which drives the industry's future, they added.

## Focus on where human advice is needed

Speaking about digital insurance, and the direct-selling of life insurance products online, which are concerns for agents and FAs as well, Mr Low Shih-Nin, Senior Vice-President and Managing Director of Southeast Asia Markets, RGA Reinsurance Company, Hong Kong, said this channel is still in its early days and will take years to shake up the regional market. Instead of worrying about that, he advised them to embrace the positives of digitisation



– including the new tools it avails to them in simplifying underwriting and engaging customers.

Digitisation will also compel FAs to capitalise on their more “human” traits to create an amazing customer experience, said Ms Kang So-Young, CEO and co-founder of Gnowbe, a mobile-first learning platform for businesses. These “human” traits are the three Cs of Curiosity, Critical Listening and Thinking and Creativity, that no chatbot can replace.



The question is – how to develop FAs in more of these qualities, while leaving the transactional matters where they spend so much time today, to technology?

“FAs should move from the more easily systematised, automated and replaceable functions to these Cs which help build relationships – to create that ‘wow’ that makes clients want to call”, she said. “I don’t believe technology should replace human beings. Technology should empower and enhance the human experience.”

## Agents have niche, but no longer king

Mr Low highlighted some industry trends

where advice from agents and FAs are particularly needed. The trend towards ageing populations, coupled with prevailing low interest rates, has led insurers to move towards offering more pure protection products in recent times. These products have been growing ever more segmented and complex, with increasing impairments defined within a single critical illness and multiple tiers of wellness programmes – this may not be all bad for agents and FAs, who can find their niche here.

“There are a lot of opportunities agents can go into if you know your customers’ problems well enough. This is the segment that other distribution channels, such as banks, may not be as competent in,” he said. He added that agents and FAs would then have to delve into medical conditions and terms more than ever.

At the same time, the rise of social media has resulted in more channels for customers to voice their complaints about companies, together with regulators stepping up requirements to prevent mis-selling. With more transparency and disclosure required, agents and FAs would need to spend more time explaining products to their clients.

Mr Low highlighted though, that “agents are no longer the sole king in the market” and that “there are now two kings”, Mr Low said that in many parts of Asia, bancassurance has grown to trump agents as the dominant distribution channel. He advised agents to focus their strategy on getting lifelong clients and avoiding the shorter term and simpler products that banks like to push. “Focus on long-term products where the value of the agent is, because trying to compete with banks with their large customer bases will not work,” he said.

### Mastering millennials

When it comes to recruitment of agents and FAs, insurers should pay attention to the particularities of the Gen-Y, or millennials, said Mr Nick Wilson, Senior Consultant and Global Master Trainer, LIMRA. Digital-driven, this generation is now at the age to join the corporate world and the industry



Mr Nick Wilson

must adapt to them, be it in recruitment or sales.

“Millennials are educated to a higher level today compared to their predecessors, and they are hyper-connected, multitasking and on their mobile devices all the time. They are impatient, want things ‘now’, expect quick responses while making decisions fast and shape their perspectives based on the huge trove of information that is the Internet and social media,” he said.

In response, insurers should tap on social recruiting and reach out to potential employees via channels like LinkedIn, he added. “They should also be aware that most millennial conversations may be taking place over social media, even if millennials do not seem to engage much in person. They need to be given information in short, bite-sized formats. Insurers should also provide the variety and career progress that millennials crave for – or risk losing them fast,” he said.

In this era, employers need to make some concessions to these millennial recruits. Citing the example of a counterpart who had trouble getting young agents to come in early for meetings, Mr Wilson suggested webinars and Skype to engage them better. “Career-wise, millennials are looking for a way to be their own boss, if not, at least a way of being in control of their life,” he said. “They are evaluating you, their bosses and supervisors, as you evaluate them.”

### Sustaining motivation

Acquisition costs can be up to 30 times as much as retaining a customer. And when it comes to both customers and agents, having a low retention rate may impact a manager’s reputation, noted Ms Clarie Kwa of 360F (Singapore) Pte Ltd. Thus, it is important to be as indispensable a manager as possible to one’s agents or clients once they come on board.

One way to do it is to understand the intrinsic motivations that drive their behaviour, happiness, and desire for financial planning, in their daily



lives and long-term goals. This can be done through a detailed survey or conversation.

These intrinsic motivations, which range from values like “family” and “acceptance”, to “power” and “independence” (psychologist Steven Reiss’ 16 Basic Desires theory), are stable, recurrent and only shaken by a crisis. They are the key to self-sustaining motivation to achieve one’s goals, Ms Kwa said.

An adviser should examine both his own motivations and his clients’ so as to achieve a complementary relationship, she said. It enables a sustainable long-term relationship, where the adviser need not go out of his way to adapt to a client who is not a good fit.

### Staying the course

Summing up the views of many speakers, Mr Low concluded that agents and FAs need to have an adaptive mindset and continuous learning to be successful, and focus on these “core” principles where they have an advantage:

- Return to core protection insurance products;
- Understanding customers’ pain points and needs with the human touch;
- Be able to explain complex protection products comfortably; and
- Focus on customised services and connections, and seize upselling opportunities.

The 1st International Training Summit for Life Agents and Financial Advisers took place from 11-12 July 2017 in Singapore, held in conjunction with the 2nd Asia Trusted Life Agents & Advisers Awards 2017. It was sponsored by LIMRA. 

For more insights from the speakers, refer to the Agents WIN newsletter on [www.asiainsurance.com](http://www.asiainsurance.com).



Ms Clarie Kwa