

ARE LIFE INSURANCE PRODUCTS TOO COMPLEX?

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FANNEWS
FINANCIAL & ADVISORY NEWS

THE UNIMAGINABLE IMAGINABLE RISK

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IN THE COMPANY OF WOMEN**

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WHY IT'S AN AMAZING TIME TO BE AN ADVISER AND BROKER



BALANCING TECHNOLOGY AND THE ADVISER

The financial adviser's expertise remains invaluable in guiding their clients through this process, no matter what platform you choose to do it on. Simply allowing a client to complete the process quickly or easily without matching their needs is a steep price to pay.

As with most business decisions, automation and digitisation has its pros and cons. Incorporating technology within the appropriate business processes can reduce costs, speed up processes, and lead to an improved experience, both for the client and their adviser.

However, to do this, providers must automate the right parts and use the channels that suit the needs of the advisers and their clients. Financial advisers already have the difficult job of balancing the need to be personal and have that human interaction, with the need to improve efficiencies and embrace the fact that the world is moving online more every day. People are becoming accustomed to instant services and information, and they need to keep up with that pace. However, automating the hassle is essential but should never be at the expense of a client receiving the advice and assistance they need.

Financial services providers are turning to new technologies to improve operational efficiencies, as well as the claims and underwriting experience.

If technology is not improving that process and if it is merely seen as 'bells and whistles', it is a distraction and should rather be avoided. More importantly, companies must ask themselves who benefits from this perceived improvement.

Often, companies tend to solve problems for themselves and there's nothing wrong with that, provided that it has no negative affect on the client. If incorporating technology into business processes comes at the expense of the client, or the adviser, it is worth reconsidering.

Sound, relevant financial advice

The nature of the relationship between an adviser and their client is intricate. Advisers are facilitators, they do not offer a one-size-fits-all service, they advise based on unique financial circumstances. This hands-on approach ensures clients receive sound, relevant financial advice.

This only works when the adviser remains involved in this process and is focused on their client, to ensure that they plan according to their client's specific needs. And although technology can optimise this process, poor implementation could circumvent the adviser, and in so doing, jeopardise both the client, who cannot get the advice they pay for, and the adviser who is denied the chance to provide the true value of their service.

Clients employ the services of financial advisers to gain access to honest trusted advice from experts who can help them. The claims process can be complex and overwhelming, but the specialist knowledge advisers bring to the table helps alleviate some of the complexity and frustrations the client faces.

Digitisation has its pros and cons

In today's world, it may become increasingly easy to submit a claim online, and the ability for technology to optimise this process is undeniable, but is that always better?

Value in the value chain

It's understandable that financial advisers might be hesitant to embrace technological advancements and see these as a threat to their relevance. The reality, however, is that this is a movement taking place in every industry and one that is vital to the survival of service providers and advisers across the country. These improvements could add considerable value to all stakeholders in the value chain.

Embracing technological advancements could also open additional markets to financial advisers. Millennials make up a large part of the workforce and, certainly in South Africa, many of these potential clients might not have had access to sound financial advice growing up. Incorporating technology gives rise to additional communication channels that could empower financial advisers to reach that market. And if they can offer their advice at an affordable rate, why shouldn't they be excited about these opportunities?

Finding the balance between using technology to improve processes and ensuring clients have access to sound, relevant financial advice is critical, now more than ever.



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