

Generic advice – Money Marketing - December 2007

Ours is an industry that depends on people being aware of the possibility of their own death, ill health or disability and also being stimulated somehow into looking at how they might mitigate the financial implications for them and/or dependants through insurance.

For most, the stimulation necessary to act arises during, or following, a key life stage event such as birth, death of someone they are close to or know, theirs or someone else's serious ill health and of course the mortgage buying event.

For a while now many clever people have applied themselves to the subject of how, on a mass market basis, we can break protection out of such an event driven dependency.

Recently there has been a lot of noise about raising the public's consciousness on the need for insurance through some form of generic marketing campaign. So far however not even the most vocal supporters of such an idea have offered to provide the necessary funding. This isn't really that surprising given the nature that such a protection focused campaign would have to take and of course the financial beneficiaries of such a campaign aren't entirely clear either. This scatter gun approach, in an age of tightly managed budgets and quarterly performance reviews is hardly likely to be supported by anyone who has been shrewd enough to have, in the past, accumulated the necessary capital.

Apart from the very real need to grow this market in new ways that are less dependant on the combination of key life stage events and appropriate stimulation, the other big issue vexing the great and the good is one of outcomes for customers when buying with or without advice.

There is no doubt that the industry needs to address these issues in a way that could help to improve the consumer lot, and in so doing grow the market in a responsible and sustainable way.

And so it was, whilst pondering these issues, that I picked up some papers I had been planning to get to grips with for a while, issued by the Thorensen Review of Generic Financial Advice - and what a stimulating read these turned out to be!

The latest paper issued, the interim report, as the name suggests is teasing us along a journey that should culminate in the answers to most, if not all, of the questions posed in the Review's 'call for evidence' document issued in March 07. In which my favourite question (DS6) was posed: ***Do you believe a new generic advice provision would lead to a change in consumer behaviour? If so, how?***

If you believe the answer is 'Yes' and **'By alerting more consumers about the benefits of planning and by helping them to better understand and organise their own needs, priorities and options, via a process they know is not driven by the need of the adviser to complete a sale to recover costs or make profits'**. Then maybe you could become an optimistic fan, like me.

Surely, right now, the most that any competent and honest adviser (and for that matter a competent and honest non-advised seller) could ask for are more customers who are better prepared and educated and who are seeking out specific solutions to their generic requirements.

For me one of the essential ingredients in making generic advice work lies in the quality and consistency of the advice provided. Working as I do in a business that uses technology, with great dramatic effect, to improve the efficiency and performance of holistic protection planners, I know what is possible when good people are given great systems.

Properly written and managed systems are the intelligent way to drive consistency, whether those systems are accessed directly online or via someone else over the phone or face-to-face.

By Richard Verdin, Sales & Marketing Director.