

Surprise Element – Money Marketing – August 2008

For those of you who believe that it is only our government which is on it's way to becoming a "nanny state", I'd like to draw your attention to plans afoot from their German counterparts to pass a ban on the seemingly inoffensive Kinder Surprise chocolate egg. The proposed ban is not an effort on behalf of Europe's third fattest nation (Britain takes an unwanted gold in this discipline) to promote healthier eating habits in it's young, but is aimed at avoiding children choking on the small plastic toy which the egg contains.

The fact that there have been no reported incidents of German children mistaking these toys for nutritional items, and the fact that (if my parental experience is anything to go by at least) no child could open the plastic capsule which conceals the toy unaided, doesn't appear to have any bearing on the decision. One could predict that this is the logical next step here too, where currently we have a duty to warn consumers of any and all potential risks associated with an intended purchase; "This product may contain nuts" on the back of a bag of peanuts being an oft cited example.

We in the protection industry need to make certain we do not fall into the same trap. Since regulation, the rules on what we must disclose to buyers of protection have ensured that suitability letters and key facts documentation carry a vast array of warnings as to the present and future suitability, or otherwise, of the particular product they have purchased. We must also tell our clients the possible jeopardy they face by not having bought some products which we may have recommended.

There is no doubt at all that this diligence will prevent some customers from misunderstanding the relevance and purpose of a protection product which they have been advised to take out, or that the chance of an adviser having a complaint for mis-selling upheld against them has decreased, but one can never fully avoid the inherent risk of giving advice to someone (or taking it in return). The only way to do so is to not sell anything at all which for most of us is not a viable option.

For me the real skill to selling protection is not about alerting customers to the hazards they may encounter post sale, but is all to do with flagging up the tangible risks they run without adequate provision. In my formative years in the industry this was referred to with the ominous sounding phrase "disturbing the need", during which process one attempts to provoke an understanding within the customer as to what might be, and therefore a realisation of their immediate needs in terms of protection.

Certainly the best protection sellers I encounter within the various intermediary firms we partner still employ this tactic in their advice process and, conversely, those who struggle to persuade their clients to buy anything beyond the basic life insurance do not have this kind of discussion within their fact finding meetings.

The idea of an academy to bridge the gap where some believe a formal protection selling qualification should exist is being claimed by more than one originator, but I think that the old adage "a good idea has many parents whilst a bad one is always an orphan" is certainly true in this case. In terms of raising the standard of protection sellers through revisiting tried and trusted sales methods whilst no doubt innovating with some new ones, it has to be a case of the more the merrier.

Incidentally the word which the confectionery trade in Germany use when referring to Kinder Eggs is Schokoladespielzeugkombinationseier (chocolate toy combination eggs). Proof that financial services does not always dominate where jargon is concerned.

By Phil Jeynes, Key Account Manager