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**Financial Advice New Zealand**

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Kia Ora Everyone,

We are very conscious this is quite an anxious time for many people. We all have customers who are really concerned about their financial stability and welfare, and the likely impact that you may also be feeling that will have on your business going forward in terms of your existing customers and cancellations, and how it may impact the sales that you have in the pipeline either because of the change to underwriter rules or because customers just delay making decisions.

So, the purpose of this little short video is to put together a few ideas that might help you plan to mitigate some of the potential impacts.

Firstly, of course I would hope that one of the key things that you have done is implemented all the recommended hygiene programs from the health department ensuring that you and your staff are doing all the right things to minimise the risk of COVID-19 to you and your customers.

One of my observations around bigger organisations is that they are putting in place planning days where everybody from the office works from home to ensure that all the systems work, that everybody can access the filing system or the online filing systems and communicate with customers so that if in fact your business is required to self-isolate it's a seamless transition from the office to your home environment.

Jacinda Ardern made an interesting comment on national radio on Monday morning about the purpose of social distancing. Something that I didn't really understand it that in relation to the purpose of the 1 – 1.5 metre gap is that that is the distance which spit can travel and spit is one of the key mechanisms (body fluids) of transferring Covid 19. So, if we are having a conversation with someone and we keep that distance, it minimises the chance that spit is transmitted between those two parties.

You might find at the moment that clients are starting to raise concerns about their financial security. People who are afraid of losing their jobs or people who have small businesses that are starting to experience severe downturns.

We know in these types of cycles that although part of the logic of something like this is that this a time when you most need insurance, the reality for many is people is that their priority will be being able to pay their mortgage and be able to feed their family and pay their basic bills. Insurance becomes one of those items that they consider cancelling or downsizing.

So my advice to you is to start preparing in advance for that and thinking about what you can say or communicate to customers that help them make wise decisions about what they do with their insurance portfolio if they are forced to make cuts.

You should also know and understand what the policy rules are and if necessary talk to your insurance partners to find out what options you can offer customers who need to stop paying

premiums, to take suspension of premium payment or payment holidays. But also, do understand what the impact of this is at the end of that period of time and whether or not the customer is going to have to capacity to catch up those missed premiums.

Customers will probably be thinking about how they can cut costs and again some of the things that you would want to be thinking about in relation to their portfolios are what you can do for things like extending wait periods, increasing excesses on policies, reducing benefit levels so that they maintain at least a minimum base line of cover. As we know if they cancel policies and then at some point have to reapply any preexisting conditions may become problems for them under new policies which they are covered for today.

Keep abreast of what the underwriters and the insurers are telling us about how to communicate with clients. There are some great sites being created by the insurers that we can direct our clients to, to make sure they know what they can do.

In respect of your sales pipeline, as much as our logic would like us to say to customers now is the most important time ever to buy insurance if the pressure is on them financially, they are probably going to stall their decision.

If you are working in small business base then one of my areas of advice to you would be identify the market segments that are not being impacted by COVID-19 and may well in fact be seeing growth and thinking about marketing strategies to how you could communicate with them.

Also, start planning for your own business strategy in relation to thinking about how you would reduce your own business costs if you find that your commission or revenue levels are under pressure.

It is a truly difficult and trying time and it is very hard for any of us to understand when the cycle may finish but what we must be able to do is communicate with our clients and help them make really good decisions about something that we know is likely to be temporary in scheme of the lifetime of things and help them manage their way through as best as we can.

Thank you