

Building better insurance distribution

Since the 2014 integration between Willis Group and Charles Monat Associates, the firm has been refining its focus on life insurance and the high net worth segment, explains Craig Ellis.

The Willis Group's acquisition of specialist life insurance adviser Charles Monat in 2014 shows the potential and accelerated possibilities for expansion and growth of talents in this organisation, and also the product innovation side of this business and development of enhanced services.

invested in Charles Monat to move itself forward in global wealth solutions, and the merger presents all sorts of opportunities for us as an enlarged organisation, both here and globally."

Ellis has one key message to impart about these corporate developments.

"The investment Willis Group made in Charles Monat will not only move itself forward in global wealth solutions; it presents many opportunities."



CRAIG ELLIS
Willis Group

"We are really serious about this [GWS] business," emphatically states Craig Ellis, the newly-installed chief executive officer (CEO) of Willis, Global Wealth Solutions (GWS) for Singapore. "Willis

He believes in the potential and opportunities that arise from corporate expansions, which is a key factor for his joining Willis, GWS in June 2015 from Old Mutual, where he had been the

head of the region and CEO for Singapore and South-east Asia. Certainly, the recent acquisitions have raised the strengths and profile of Willis – leverag-

ing the expertise of Charles Monat, which focuses on providing life insurance solutions to HNW individuals, while the planned merger of equals with Towers Watson brings further global penetration in addition to its strengths in employee benefits, human resources, risk and financial services.

Ellis believes these additions offer the company key advantages over its rivals in insurance broking. "Willis, is looking to differentiate itself. Our focus remains unchanged and a key component is our continual engagement with our clients through our relationship management capabilities, to bring more value and services to our referral partners."

Ellis recognises the importance that private banks play in the insurance broking business, but also sees the opportunities and needs for insurance broking services in the trust and fiduciary industry.

There are 50 staff in Singapore dedicated to GWS. Ellis was hired to focus on the business expansion in Singapore while Odd Haavik, (the previous CEO for Willis GWS, Singapore) will focus on expanding the business in his role as CEO for Willis GWS, Asia and Europe.

Willis GWS also has offices in Hong Kong, Zurich and Miami with a line-up of new offices with the next operating one in Lichtenstein.

Having recently joined, Ellis shares a few specific business goals. His priority is to expand the services to more distribution partner lines. "Driving the business forward will depend very much on relationship building," Ellis says. "I place importance in constant engagement with senior management of various distribution partners, sharing enhanced service features and how they can leverage from our services but importantly, the commitment and assur-

channel management, head of marketing for Asia, product director, and doubling the number of consultants to its Asia ranks.

PRODUCT FOCUS

Ellis' product priorities are fairly straightforward.

Life protection plans and health solutions remain as the preferred type of life insurance product typically associated with wealth management in Asia.

Yet while they remain popular, Ellis plans to diversify the product offering further including indexed VUL, Variable Universal Life products to meet distribution partners' needs.

"We have seen that whole of life [insurance] has become quite popular again, and people are interested in that as an alternative to universal life," he explains.

Willis believes the growth opportunity for more life insurance sales exists in both North and South-east Asia.

Ellis notes that the respective economic drivers of wealth in both regions, plus China and Indonesia, have slowed of late, making asset growth in these areas more difficult.

"A lot of people are biding their time in regard to what they do with their off-shore investments in the future."

Ultimately, Ellis believes North Asia could prove to be most compelling in terms of growth.

China might have slowed, but it remains the world's second-largest economy and is still growing at rates higher than in the West, he says. Having said that, there is still a lot of wealth that could

"The current demands for insurance in the HNW and UHNW [market segments] clearly show that there is growth potential among these individuals."

STRONG CAPABILITIES

Even before the mergers, Willis was a sizable operation with staff strength of over 200-plus people in Singapore, including for Willis Re and the general insurance division that focuses on offering specialised insurance capabilities such as aviation, energy, marine and technology, media and telecoms, amongst other areas.

ance which the Willis GWS' vision, values and services brings."

To further elevate the overall Willis GWS experience, he recognises the importance of growing a team of quality professionals, as Willis seeks to expand its operations in Asia with recent appointments to bolster key areas of the business. These include a head of

potentially be placed into various insurance products.

That isn't to say there isn't ample opportunity in Singapore.

"Everyone sees the Singapore market as a very attractive one, although the penetration rates in the mass market and to a lesser extent the mass affluent segment are very high," says Ellis.

"The penetration rates in the HNW and UHNW [market segments] are low, however there is still a need for insurance among these individuals."

TRAINING REQUIREMENTS

As part of the GWS business expansion strategy, Willis has dedicated resources to differentiated training plans that's customised to both existing and new distributors' needs, with an integrated plan that includes providing referral partners with up-to-date product and market information as well as soft skills handling workshops, to tailored client engagement activities for their referral partners in respect of life insurance.

"We place a lot of emphasis in implementing timely engagement strategies that includes educational sessions for bankers as well as events and seminars for their clients," says Ellis.

Willis GWS essentially uses these sessions to help raise awareness among prospective clients about its products and services, as well as how they can help to complement existing investment portfolios.

Ellis says private banks offer one good example of this.

"If the referral partner is looking at the needs [of their HNW customers] on a

holistic basis, then insurance should definitely feature, especially life insurance," says Ellis.

"If they are not doing that they need to first feel comfortable talking to the customers about other types of available insurance."

"If the customer becomes interested and wants to proceed with insurance they will introduce specialists like ourselves who are the experts in providing [insurance product] advice. Associated with that process is the need to continually engage with the bankers about the distinctive key features of different products so as to accurately ascertain client's needs when they review their client's financial objectives," he adds.

OUTSOURCING COMPLEXITY

Willis works with many insurance companies in Asia, including AIA, Sun Life,

ence to recommend viable business models to ensure successful solutions for clients. "Some organisations have embarked upon vertical integration," explains Ellis. "But there are also others which are turning away from this concept. It seems there is a theme where some companies are focusing on one key element of the value chain, while others are focusing on vertical integration to cover all aspects, from manufacturing to distribution."

Similarly, some insurance companies have tried to directly target their products at banks, instead of doing it via an insurance broker.

However, Ellis is less optimistic about this approach.

"Some banks have considered the model, however the strict governance and compliance issues to address also

"The sustenance of any successful business is largely dependent on relationship management, trust and integrity. Investing time, to meet with senior bankers, desk heads and other senior executives, to better understand front-liners' needs is essential."

Transamerica, Manulife, AXA, Swiss Life and HSBC Insurance – all of which have forms of life products that can be distributed to HNW clients.

However, Ellis cautions that from a risk and efficiency perspective, it makes more business sense to utilise specialists who understand and are equipped with up-to-date knowledge and experi-

causes many to outsource this service to organisations that specialise in these areas while they focus on their core specialty," he says.

"It's always a potential risk, but at the moment the insurance companies seem willing to continue using specialists. That is good news for a growing player like us." ■