

EFG Bank's Head of Wealth Planning for Asia on the Key Virtues for Helping HNW Life Solutions Across the Line

This panel saw Rohit Ganguli, Head of Wealth Planning Asia for EFG Bank, offer his expertise as the panel considered how globally mobile clients need portable solutions which helps simplify legacy planning across borders, and for the wealth advisors helps elevate their relationship through the added value of tailored, relevant solutions. The life solutions industry in Asia for HNW and UHNW clients is buoyant. The market is most certainly there to be grasped for private banks and other independent wealth managers who are prepared to work closely with their clients and the life solutions experts – in particular the specialist brokerages in Asia. Despite the virus, geopolitical issues and ongoing market uncertainties, the wealth of Asia's HNW and UHNW population remained robust, and Asia-Pacific remains one of the world's fastest growing major regions for private wealth.

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HNW Life Insurance

Solutions are most definitely now centre stage in Asia's dynamic, expansive wealth market. Those who fail to grasp or understand the opportunity are missing out on a significant weapon in the suite of wealth planning solutions and are essentially failing their clients, many of whom might seek initial guidance and direction from their bankers and advisory firms, who within the guidelines of compliance can also participate to varying degrees in the process.

Plenty of experience

Rohit Ganguli is the Head of Wealth Planning Asia at EFG Bank, bringing to bear his two decades of experience in consulting and private banking, many years of which have been spent helping wealthy Asian clients achieve their wealth planning objectives, especially in relation to their succession, legacy and asset protection needs by advising on the use of trusts, foundations, corporate entities and other holding vehicles, as well as providing broad-based guidance on other planning strategies.

He is responsible for all aspects of EFG's role across wealth planning solutions in Asia as clients seek to address both protection and liquidity planning needs. In his role, Rohit also works closely with clients on the benefits and processes involved in the single-family office concept and rollout.

Riding the wave

It is not difficult to see why he is so busy nowadays, as all these areas of his responsibility are in 'trend' in private banking in Asia, as the region's wealthy continue their estate and legacy planning

of recent years to more urgently and comprehensively address key issues around estate planning, liquidity planning and associated solutions, and as Singapore's attractions as a family office centre continue to shine through.

From a conversation with Rohit back in August last year, we learned how wealth planning continues to be an increasingly important topic. He explained that the focus of most discussions is on preserving your wealth, asset

on these solutions around protection and how they fit with properly formulated planning, wealth preservation and succession," he told delegates. "And that's radiated through to the development of more such insurance products, and in light of the past two years, more flexibility amongst insurance carriers in terms of how to implement insurance solutions. These advances can only benefit the client because they have more tools to meet their objectives."

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protection, legacy and succession planning for the next generations. These types of discussions, he said, had actually been central to every EFG relationship for many years, but in recent years and especially since the pandemic hit, there is greater urgency and a more comprehensive focus from clients.

Life solutions within robust planning

Life solutions fit very tidily as one of the four main legs of EFG's Wealth Planning offering – the others being trust and private fund structuring services, family office related discussions and other miscellaneous wealth planning topics, and this is a rapidly growing area for EFG. These life insurance policies of course comprise any of the acronyms such as UL, IUL, VUL, other others, with PPLI and VUL solutions especially popular in recent times.

“There has been a remarkable level of activity and discussions

Alleviating worries over uncertainty

He said he would generalise about several core issues that come up in most discussions with clients. Uncertainty is at the centre of the conversations, and as more people realise there is less predictability in the world, as more clients appreciate the need to plan properly.

Secondly, the world of regulation continues to expand and tighten, and addressing potential tax exposures and an awareness around these is crucial especially since CRS, FATCA, AEOI, and other new rules have come in. Associated with that, governments the world over have major dents in their finances related to the pandemic and need more revenues.

Thirdly, people increasingly realise that what has worked in the past with regard to wealth planning solutions will not necessarily work or be as effective in the future, so



ROHIT GANGULI
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structures and solutions need to be revisited to determine if they are fit for purpose, for both today and tomorrow. "Simplification is a key objective, greater transparency, and trying to achieve or retain flexibility in their asset holding structures, their insurance solutions, and so forth," he explained.

Diversified policies and diversified premium finance

He explained that a key element in expediting solutions for many clients interested in insurance solutions centres on premium financing, in which EFG has considerable expertise and history.

More options on the table

But that was the case before. Now there is more variety. "The bank's role in the entire life solutions process is really to have a conceptual discussion with the client, introduce licensed brokers to interested clients and is largely on being the assignee for policies where premium financing is required by the client, and as insurance carriers become more

innovative in terms of products and processes, as brokers become more innovative in terms of their discussions, there are changes afoot around the way policies are financed by banks. Actually, right now, while the majority of cases I see are still single premium type cases, people are increasingly exploring different ways of paying their premiums, and banks are increasingly flexible in their willingness to consider different alternatives and holding structures to accommodate the clients' objectives.

He also added that the banks need to take a deep dive assessment of the structures around the beneficial ownership of the policies as part of the funding decision.

"There may be some unique characteristics related to any jurisdiction but by and large, I have got to say that around the wealth planning area, I find a lot of the wealth planning needs of clients across jurisdictions are very similar, a lot of the discussions and requirements that people talk about are quite similar."

Deep dive and due diligence

"When the bank is considering financing the policy premium for the client, they will need to look at the entire arrangement to see if there is sufficient disclosure around beneficial ownership and other regulatory matters even though these may not directly impact the bank," he explained. "Transparency has for some time now become a really key element for the bank of any kind of structure, any kind of arrangement, and definitely any kind of a financial tool. Insurers

are also financial institutions who would typically also be subject to such requirements. In short, I think drilling down to who the beneficial owners are and disclosures on that are going to be the norm."

As to jurisdictions and specific wealth planning concerns unique to a jurisdiction, Rohit observed that there are sometimes specific considerations related to the centre or chosen centre for expediting these solutions. For example, in Hong Kong, given the troubles in recent years and the restrictions in China, some clients are also putting in place their Plan B and Plan C thinking around potentially moving away with residence by investment schemes, or setting up family offices in

Singapore, as part of the 'what if' type scenarios.

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Conduct becoming

He also offered some words of advice on how to develop the

right types of conversations. “We all know of the client needs and consequent desire to discuss these matters, but we need to approach these issues delicately, with empathy, with genuine professionalism and armed with real knowledge. It is critical that each party in the discussion (whether the Relationship Manager, the wealth planner, the broker or any external advisor) in these discussions need to be well aware of their role in the process and play precisely that part to their best ability, I believe this is the key to successful and fulfilling discussions for the clients

and for all others involved,” he advised. “Essentially, more so than in the past, you need to be extremely organised in how you have these discussions, to properly understand the client and their concerns, and for everyone to be ready to play their role to help guide these propositions forward properly.”

He explained that clients are not looking for ‘fluffy’, generalised discussions; they want genuine professionalism and expertise, real information and guidance. “Gone are the days where one person could go and have a

general type of discussion and try and cover all bases,” he said.

Differentiate through expertise

Rohit closed his observations by focusing on talent, remarking that it is not quantity that is needed to expedite these solutions for wealthy clients, but experience and expertise. “Whoever is involved needs to be really well informed, they need to keep learning and advancing non-stop, and they need continuous ongoing training, which is certainly an area we focus on extensively at the bank,” he reported. ■

