

Putting more of a focus on client needs

Thomas Young of Generali Hong Kong explains why he believes there is scope for private banks to widen their horizons in delivering a broader range of insurance solutions to HNW individuals.

Asia presents an evolving landscape as life insurance companies jostle for market share in a bid to access the growing numbers of wealthy. In many instances, a recipe for success is a mix of traditional solutions spiced with a dash of digital.

“Our business is still primarily focused on the private banking space,” he explains. “And it is only through this access that we are providing our solutions.”

Key to the offering, he believes, is a dedicated service and strategy, which



THOMAS YOUNG
Generali

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Yet rather than move in and out of various sectors, Generali’s strategy for its HNW business is based on doing what it knows.

enables the firm to be a lot quicker and nimble in terms of servicing and support structure.

Thomas Young, who heads this proposition, believes following a consistent, tried-and-tested route is the way to go.

MORE MEANINGFUL

To facilitate this, Young has very specific ideas about how private banks can have more holistic conversations with clients.

“If banks are truly looking at clients’ needs, the opportunities are there, whether it is for life protection, critical illness, medical or home insurance.”

Where the banks have often fallen short is by focusing on what he calls “low hanging fruit”, by selecting only one or two standard products when talking to clients.

“If [bankers] were to dig a little deeper to understand the needs of the client from a more holistic analysis, they would find that there are much greater opportunities for [insurance] coverage,” says Young.

Should there be a cut in interest rates, however, rather than an increase, the market might deteriorate.

At the same time, a new set of players in the industry which has the potential to add some much-welcomed stability comes from the Chinese banks.

This is something Young welcomes with some optimism. “They [Chinese banks] are obviously trying to increase their

Bringing funds onshore

Generali’s primary focus for HNW insurance in 2017 will remain in Hong Kong, where Young sees opportunities from other client segments coming to the market to buy protection.

This is a way for clients to deploy the funds they hold in the local market, where it makes sense for them to have an onshore solution.

This will target individuals from across the region, including China, Indonesia and Thailand, for example.

In these markets directly, Young says Generali is exploring the potential of the HNW segment by building local propositions.

“The low-yield environment is causing a lot of challenges for all insurance companies, and that will be a challenge for us until things change. We are expecting interest rates to go up; it’s just a matter of time.”

Although a direct sales channel is an alternative option for servicing HNW clients, the private banking route is rational, he adds.

“The opportunities are there, it’s just a matter of where and how you look at it. But it makes a lot more sense for us to go through the private banks because they all currently have international brokers servicing them.”

UNCERTAIN OUTLOOK

The broader environment also presents its own challenges for this segment.

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presence and are providing solutions to their clients, some of which may not have been accessible through international private banks.”

It is these clients which companies like Generali are targeting, alongside those brokers with existing access to such (Chinese) banks.

TECHNOLOGY A WELCOME DEVELOPMENT

Where there is also more room for optimism for insurers, adds Young, is in the march of technology.

This is an asset to operations like his.

“The digital phenomenon, or digital movement, is definitely having an impact on insurance companies as a whole, but perhaps more in the retail segment,” he adds.

Where there is scope for disruption, however, is among the next generation of wealthy clients.

They will definitely change the way they do things and the way they access information, predicts Young.

This is even the case within the HNW segment, which remains very much a face-to-face service environment for the time being.

“It will change because the client has a unique requirement that we, as service providers, need to support,” he adds.

But this will take time. He foresees a broadly similar landscape for HNW clients within the next three to five years, with mainly a face-to-face type advisory model being preferred. ■