

Charles Monat - growing the platform in Switzerland and Europe



SIMON LO
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Why is CMA growing its business in Switzerland and Europe?

It is a logical and organic progression. For the past 50 years, Charles Monat has been advising high-net-worth clients and advisors from around the world. Financial and economic activities of these clients and advisors tend to circulate or centralize in Hong Kong, Singapore, Dubai, and of course we at Charles Monat have offices in all of these cities. Now, for the past decade, if one looks at the research, we can see a tremendous amount of growth in the high-net-worth life insurance space, particularly in Asia Pacific, countries such as People’s Republic of China, India, Indonesia are regularly on the top five on that growth list. However, if one just looked beyond the top five spots, let’s say to the rest of the list, one will find that in the top 20 list, there are a lot of countries out of the Middle East, Europe, Africa that are surely moving its way up the list and really starting to dominate that list.

High-net-worth individuals from those regions do not necessarily use Asia, Hong Kong or Singapore, for example, as their financial base of operations. These clients tend to focus their activities in Europe, Switzerland, for example, and the Middle East, the UAE as another example. So it’s quite logical for us to follow that trend and to follow these clients and to make significant investments in Switzerland. In the past three years at Charles Monat, we’ve already made significant investments in Dubai, particularly the Dubai international financial centers, so it’s quite logical for us now to progress and to invest in Switzerland.

How would you explain the opportunity that exists?

That is an excellent question, Michael, and this is really the exciting part about our expansion plan at Charles Monat. If we look at our various operations from around the world, we work with a very diverse economic hub. In cities like Singapore or Hong Kong, we can see a very diverse community, but if one really focuses on the high-net-worth business, you will see that actually the activities are quite monolithic and the client being

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serviced are quite one-dimensional. For example, in Hong Kong, it's a lot of North Asia business, particularly PRC, in Southeast Asia, out of Singapore, you see maybe two or three Asian countries.

Switzerland, on the other hand, the breadth and reach is really truly global with clients from Africa, North Asia, Southeast Asia, various parts of Europe, the Middle East, and even Latin America. If we look at the Switzerland business, it really is truly a microcosm of the global life insurance business. It's not uncommon for one of my consultants that is based there to be seeing clients from Asia for breakfast, work with a client from Africa during lunch and meet a client out of Middle East for tea, and by the time dinner time rolls around, he or she would've met clients that have touchpoints in all five continents. This is really an exciting opportunity for us.

Aside from the traditional international life insurance platform, Charles Monat is also adding additional expertise and expanding our business to provide more comprehensive products and advisory service to our partners and clients. For example, we are now building and investing in a Pan-European private placement life insurance practice group in our European offices. This is really a truly exciting part of our growth planning strategy.

Are European clients very much different to Asian clients in their needs and requirements from HNW Insurance?

The short answer is yes, European clients are very different from Asia clients in a sense that the approach to life insurance, the traditional utilization of life insurance, taxation regimes, and cultural views attached to life insurance can be vastly different. However, if we look

specifically at the high-net-worth and ultra high-net-worth space, locational distinctions and cultural distinctions become a bit less of a focus. Our experience at Charles Monat has told us that high-net-worth and ultra high-net-worth clients from around the world share very similar concerns.

In our view, life insurance buyers share some universal concerns such as family protection, income replacement, really looking after the people that you care about, but for high-net-worth individuals, the idea of ensuring that liquidity is available for business succession planning, for tax planning, debt protection, wealth equalization and distribution, and really legacy considerations are all shared themes among our high-net-worth clients. And so for high-net-worth individuals, regardless of race, creed or cultural traditions, there are some shared concerns.

What trends are we seeing around wealth planning and wealth advisory in Europe?

There are three discernible trends that we can identify from the high-net-worth life insurance space. First of all, the demographics. The demographics is certainly changing. We're seeing a lot of younger clients coming into the program or considering life insurance solutions and we see more corporate clients, as well. So in the past, it's not uncommon for us to see clients only considering life insurance solutions when they're in their late forties or fifties. Today, we see clients that are much younger. We have clients who are in their thirties considering incorporating life insurance solutions into their long-term planning. Sometimes we see clients even as young as their early twenties. Now, also on a corporate level, we have a lot of corporations from around the world that are open

to the idea of using life insurance tools as a way of retaining talent for business succession planning and also executive compensation strategies.

The second trend that we see and is one that is really encouraging for us, is the client and advisor's mindset about life insurance. There's a more holistic approach now to wealth planning, and the clients are quite open to the idea of using life insurance tools to augment, supplement, enhance their long-term legacy planning or wealth planning strategies. We see that coming to the forefront. Now, of course, the world is a smaller place now, too, Michael. I mean, with the advancement of global communications and increased connectivity, it is common to see advisors and clients who are well aware of products, let's say from Asia, Bermuda, or even from the United States and how those products may help them globally to do better planning. So we see the mindset and the openness is certainly there. That's a great trend for the industry.

The last one, and we see a lot of that happening these days, is philanthropic giving is something that a lot of clients are using life insurance as a strategy for, especially the younger clients. It's not uncommon to see them use a life insurance solution to create the liquidity that is necessary to fund their favourite charities or academic and cultural institutions, or even various social initiatives that are close to their hearts. With all of these interesting developments, along with the ever-evolving nature of our industry, we at Charles Monat are very optimistic and enthusiastic about the high-net-worth life insurance space and its growth potential. Our investment and expansion in Switzerland and Europe is just one part of our continuing effort to increase our capacity capabilities for our high-net-worth clients and advisors around the globe. ■