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IMPORTANT FACTORS TO CONSIDER WHEN CHOOSING AN INSURANCE CONSULTANT

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Choosing an insurance consultant is one of the most difficult decisions a client must make. The role of an insurance consultant is to assist a client to develop a proper financial plan that will address his/her insurance needs, such as risk planning, education planning, investment planning, retirement planning as well as estate planning. To ensure that you have a proper financial plan, you need to choose a competent and qualified professional with whom you feel comfortable to discuss your personal finances and whose business style suits your financial planning needs. This article discusses important factors that can help you to choose the most suitable insurance consultant for your specific needs.

1 Qualifications

The financial planning process can be a very complex exercise, depending on the financial needs of a client, and involves several steps that are critical for developing a financial plan that will address the needs of a client. Only qualified consultants understand this process, can do a proper needs analysis and can recommend suitable solutions. Furthermore, proper knowledge of financial products is also critical in recommending suitable solutions.

2 Years of experience in providing financial advice

The second important factor to consider when choosing an insurance consultant is experience. In general, insurance consultants with many years of experience should be better able to design effective financial plans and recommend solutions that have proven efficacy.

3 Ability to explain their remuneration and fees

The insurance consultant should be able to discuss with clients how they will be remunerated for the services provided. They should disclose all fees applicable for implementing the suggested financial plan and highlight any subsequent tax implications.

4 Client references

Another important factor to consider is client references. It is very reassuring if the insurance



consultant has a proven track record and can provide new clients with a list of past and/or current clients. Having references will allow you to conduct a proper due diligence to ensure that the consultant will be able to provide suitable recommendations based on past experience.

5 Licensed to provide financial advice

To protect yourself from con artists, it is critical that you work with an insurance consultant who is properly licensed to provide financial advice, ensuring that you do not lose your money in the process of achieving your financial goals. To obtain, or cross-check, information on proper licensing of an insurance consultant, you can consult the official organization(s) who register licensed insurance consultants in your country (e.g., Central Bank of Lesotho).

6 After sales service support

After sales service support is a very critical element in achieving your financial goals and thus making the right selection of the insurance consultant. Qualified insurance consultants understand the criticalness of reviewing a client's financial plan annually or when a client's financial needs change. Therefore, your insurance consultant should provide you with a proper service level agreement (SAL) which clearly shows his or her after sales support.

7 Product providers

We have kept this factor to one of the last ones in line, but it unquestionably is one of the most critical ones: you would not want to work with a consultant who is tied only to one product provider. You would want to work with a consultant who is independent and able to provide unbiased recommendations among a large variety of product offerings.

8 Termination process

Lastly, the insurance consultant should make the process to terminate your collaboration clear from the very beginning so that you know exactly which process to follow and what implications it may entail in case you are not happy with the service he or she provides.

There are many factors to consider when choosing an insurance consultant that is right for you, and unfortunately, the above-mentioned list is non-exhaustive. An important, highly subjective factor to consider, is whether you feel comfortable with the consultant to discuss your personal situation and whose business style suits you. At Minet we have a very large pool of qualified, experienced consultants; *there's someone for everyone*.

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