In-force management, a strategic priority for advisors and insurers during COVID-19

By Karan Sabharwal

With the unprecedented number of layoffs across Canada due to COVID-19, many within the group benefits industry are concerned. Our recent feedback from group insurance advisors suggests that this concern is widespread, particularly in regard to client related staff layoff and affordability challenges. The consequential result will be a fall in group benefits revenues and growth prospects.

Reported repercussions from COVID-19 (group benefits advisors)

How are advisors tackling these challenges? They have dialed down business development and channeled energy towards client communication and education.

The current environment has provided advisors with a unique opportunity to strengthen relationships with clients, possibly benefitting them in the longer term.
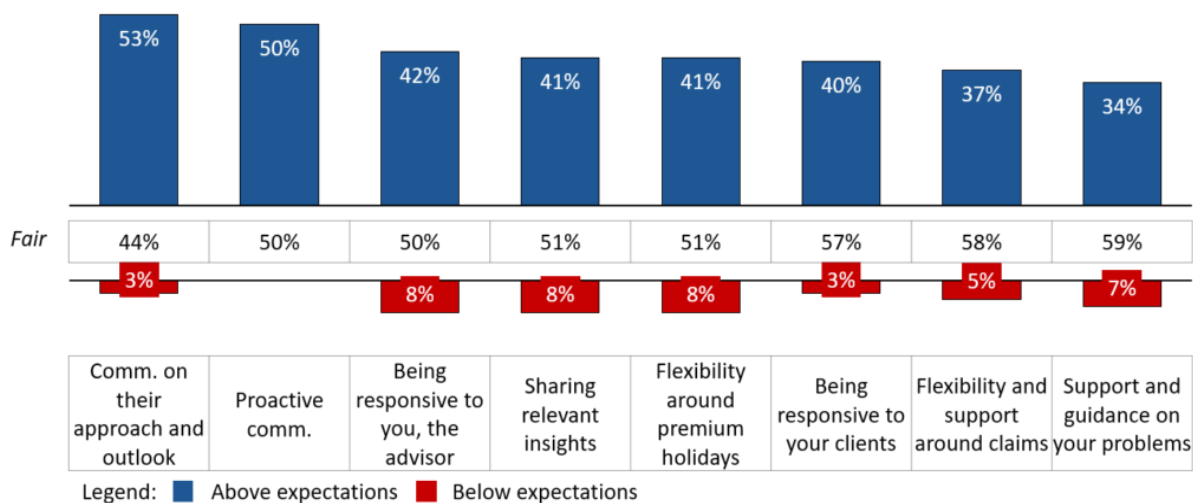
1. COVID-19 impact on advisor business practices
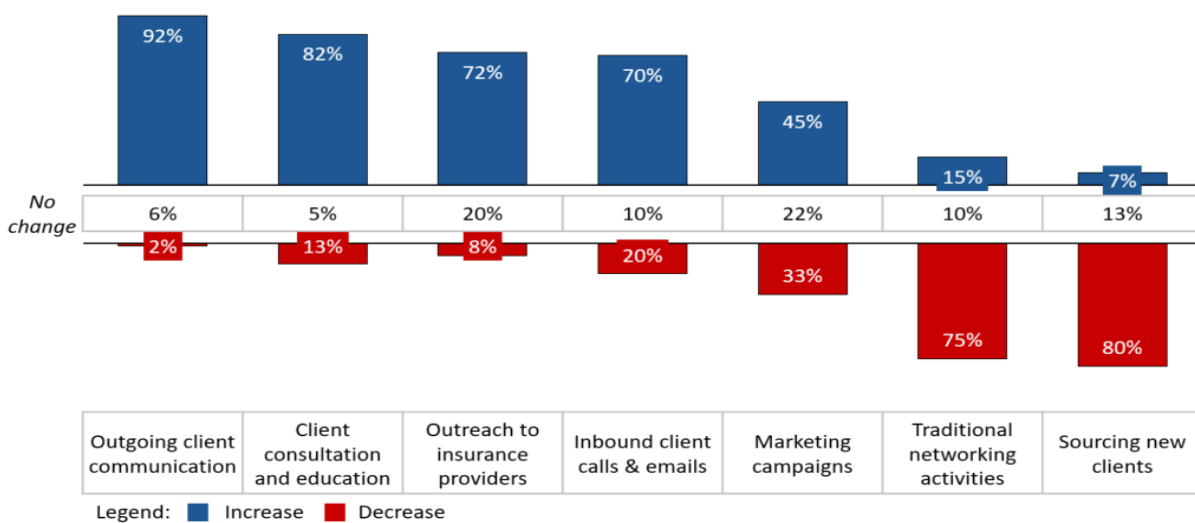
How have insurers responded during these uncertain times? Advisor feedback suggests that insurers have responded well with proactive and open lines of communication along with flexibility around premium holidays. Insurers have mostly outperformed expectations when supporting intermediaries through this crisis.

Insurers that have exceeded expectations focused on proactive and transparent communication, responsiveness, flexibility in approach and premium relief. Insurers who have struggled to impress have been very reactive regarding communication while being slow to respond to client needs.

2. How have insurers worked with you across these support areas

	Comm. on their approach and outlook	Proactive comm.	Being responsive to you, the advisor	Sharing relevant insights	Flexibility around premium holidays	Being responsive to your clients	Flexibility and support around claims	Support and guidance on your problems
Above expectations	53%	50%	42%	41%	41%	40%	37%	34%
Fair	44%	50%	50%	51%	51%	57%	58%	59%
Below expectations	3%		8%	8%	8%	3%	5%	7%

Legend: ■ Above expectations ■ Below expectations

Advisors are seeking continued support from insurers through this period. The crisis will impact insurer brand perceptions and their partnership with advisors. As the industry develops their new normal, we expect those insurers that have proactively focused on supporting their current clients and advisors to benefit, while those that have been more reactive will be viewed as transactional, pushed to compete primarily on 'price'.