

WHAT TO EXPECT FROM A GOOD INSURANCE BROKER

Many people are unsure of what an insurance broker should do for them because they are uncertain about the services they are paying for.

Santam Chief Executive Steffen Gilbert says, "insurance is one of the few products clients pay for in advance. A good broker is an invaluable resource as long as clients understand the full extent of services he or she can offer.

"We believe it's important for policyholders to know the hallmarks of a good broker to make the purchasing and management of insurance as simple and effective as possible."

Gilbert – whose group is the largest short term insurer in SA and who deals through both tied and independent insurance brokers - recommends seven key questions clients should ask to assess the professionalism of a broker:

1. Does he have a good reputation and relationship with clients?

"Everything a broker does to look after his clients builds his reputation. Brokers, due to limited funds, are not able to advertise. Clients are therefore responsible for their reputation and promotion. They are also the broker's best 'agents' or 'sales people', so if someone recommends a broker, it's likely he has a good reputation," says Gilbert.

2. Does he have knowledge of the industry and products?

Gilbert says there is no excuse for a broker who doesn't know his products or how to determine his client's needs.

"One of the major causes for clients' unhappiness is a claim that is not covered or where insufficient cover was provided. A broker gets paid to analyse clients' needs and recommend an insurance company that provides the right product and price for the client's specific needs. Repudiated claims often stem from a broker having insufficient knowledge about his clients."

3. Does he have a good claims service?

"Nothing is more important than when a client needs to claim. This is when opinions of brokers and insurance companies are truly formed. The claims service should be total-meaning that the broker should manage the entire process and liaise closely with the insurance company."

4. How knowledgeable is the broker's staff?

Gilbert says that they are often more important than the broker when it comes to maintenance of a client's portfolio and to provide support during claims.

"Potential clients should meet the staff to ensure they are trained, qualified and enjoy dealing with clients."

5. Is the broker good with client communication and renewals?

Gilbert notes that many clients see and hear from their broker only when new business is initiated, when a policy is renewed or when a claim is lodged. "Some clients don't even have an idea who their broker is and they contact Santam directly because they are confused. A

good broker will offer a renewal service and update cover needed at least annually or on special events like marriage or a child turning 18.

"A broker should send out a letter/newsletter or talk in person to his clients at least three times per year to introduce new products and services and to re-sell himself to the client."

6. Does he offer 24-hour service?

"Brokers must be available 24 hours per day. You often hear about clients who would like to get cover after hours or would like to get some advice about a claim, but their brokers don't have an after hour service.

"This is walking that extra mile for clients and is a sure sign of professionalism."

7. Does the broker have a good relationship with insurance companies?

Gilbert points out that a good broker must build a sound relationship with the insurance companies that he supports and placed his clients with. He must have the ability to get the best service and support from the insurance company's personnel, because the service they deliver determine to what length a client will be impressed.

"Clients might get poor service from an insurance company because the relationship between the company and the broker is not what it should be."

8. Does the broker have professional indemnity cover?

Although professional indemnity cover is not required in terms of FAIS regulations, it is a requirement that brokers must tell their clients whether or not they have professional cover in terms of the Policyholder Protection Rules (PPR). Using a broker who has cover is important because you can protect yourself in the event of your broker having been negligent in dealing with the insurer on your behalf.