

Speaker 1:

You're listening to the Assuris podcast, Let's Talk Life [Insurance]. Welcome.

Assuris is the not-for-profit organization that protects Canadian policyholders if their life insurance company fails. Assuris is designated by the Federal Minister of Finance, under the Insurance Company's Act of Canada, and recognized by the Autorité des Marchés Financiers, AMF, as the compensation body whose members are Quebec-chartered life insurers.

Enjoy our podcast.

Paul Petrelli:

Hello everyone and welcome to the first Assuris podcast, Let's Talk Life [Insurance].

Thank you very much for taking some time today to spend with Assuris and our guests. We're very excited to be doing our inaugural podcast. Our episode today is financial advice for an uncertain World.

My name is Paul Petrelli. I'm the president and CEO of Assuris. And I'm delighted to welcome our guest today, Greg Pollock, who's the president and CEO of Advocis, the Financial Advisor Association in Canada.

Welcome, Greg.

Greg Pollock:

Thanks Paul. Just a delight to be here. Congratulations on this new series that you're launching.

Paul Petrelli:

Thanks, Greg.

So, Greg, you and I have been in the financial services sector for quite a long time. We both know the importance of life insurance in all of Canadians' financial plans, but life insurance is complicated. It's not an easy thing to understand. After something like 20 years in the industry, I'm still just figuring it out.

So it's tough for buyers, it's tough for consumers to really understand what the right product, what the right service is for them, and this is where financial advisors come in. Can you talk a little bit about the role of financial advisors when they're working with their customers and advising them on life insurance?

Greg Pollock:

For sure, Paul. And I agree with you, that it is a complex industry. It's challenging for consumers, clients in terms of how to access the advice that insurance advisors and investment advisors provide, but it is very, very critical.

In my view, all Canadians deserve access to financial advice. Advisors really help clients in all aspects of financial planning. Things like investing, as you mentioned, insurance, retirement planning, estate planning. At the end of the day, financial advisors, in my view, give clients peace of mind. They help them in making the best decisions for themselves and for their families and their businesses of course as they move through life.

It's particularly important now, I think, in the age of robo advisors and online product solicitations that we, as advisors, address the fundamentals that Canadians need.

A professional financial advisor is somebody who is taking individuals through those difficult decisions. And when the ink dries, the advice doesn't stop. They need to still be there at your side, help you with your goals, help you stick to a plan, but the plans change. The plans evolve, and they're not static. And it's very, very important that those conversations between client and advisor continues.

So advisors, there's lots of new products out there. They're going to be staying up to date, researching what's new, finding out what kinds of tools are available now for you as a client. All very important when you're working with a financial advisor.

So at Advocis, we believe that all Canadians should take advantage of the resources that a qualified advisor provides. And again, that all Canadians should have access to a financial advisor.

Paul Petrelli:

Greg, the point you made about the advice continuing after the point of sale is so important. I have an advisor, you must have an advisor as well.

Greg Pollock:

Absolutely. For sure.

Paul Petrelli:

It's been interesting times in the markets and in the economy over the last little while. I can't tell you how often I've heard from my advisor over the last many, many months, calls, emails, asking how I'm doing, letting me know what's happening, both with my portfolio, as well as the wider world. Offering to check in on how things are doing, so, so important, so, so helpful. And really, as you said, building that peace of mind, and knowing that I'm making the right decisions.

Greg Pollock:

For sure. And, Paul, as you say that, it makes me think that the world of financial advice is evolving, is changing. With the technologies that we have today, you can have all of those touchpoints with your advisor, that just didn't happen in the past. You'd have this semi-annual meeting or annual meeting and you'd sit down with your advisor for an hour and then "see you next year". That's sort of the way it went. It's very, very different today. And for advisors who are going to be successful today, they need to be in touch on a very regular basis, for sure.

Paul Petrelli:

Well, that's another really interesting point, Greg. I wanted to ask you about this, because of course we had the pandemic, which sent us all home and we all started to work from home. So I started to talk to my advisor over Zoom, over Teams, video conferences. So how has all of that changed the world of the advisor? You mentioned the increased touchpoints. Are there other things going on in the world of the advisor that's creating both challenges and opportunities?

Greg Pollock:

Oh, for sure. I think the one that's top of mind, or should be top of mind, you'll have to speak to advisors out there, is something called title protection. Title protection is pretty simplistic. What this is it will restrict who can hold out as a financial advisor or as a financial planner in Canada.

And of course, because we have a complex regulatory environment, it's actually regulated at the provincial level. So province by province, by province, and by territory, they will figure out who can hold out as a financial advisor or who can hold out as a financial planner. And it's really leading towards professionalism. So this is the same today.

And what's happened is Ontario has taken the lead on this. They passed some legislation a few years ago now, moving in this direction. And we are just now getting the legislation and the regulations related to that legislation implemented in Ontario.

And a year from now, there will be new rules in place that restrict who can hold out, as I said, as a financial advisor, or financial planner. This leads to professionalism and is going to assist the public in understanding who's qualified and who's not qualified.

And for those that are not qualified today, they need to get out there and get on that serious path, if you want, to professionalism. And for those that are qualified, it's going to create the opportunity for them to build that trust relationship with their clients.

And what we are going to do as an association is we're going to assist those advisors in how to communicate the new standards that they will come under and how that will be an asset to the clients that they're working with.

And maybe the last thing to say is that technology, in my mind, is also leading towards an evolution in products. So you mentioned life insurance, very, very critical product for many of us. A lot of us think about life insurance as that product that's going to leave funds to the beneficiaries of your estate at the end of the day. But there's lots of other things you can do with life insurance. You can borrow against it, you can help pay down debts, you can help pay down mortgages. There's other things that you can do working with your financial advisor, with your insurance advisor if you want, as you try to implement and realize your financial plan.

So Paul, lot's going on. Very exciting. Is it all simple and no challenge at all for advisors? Certainly not. For them just to stay on top of things from an education perspective, there's a lot of heavy lifting for them, a lot of new learning constantly, but they're up for that.

Paul Petrelli:

Greg, all excellent, excellent points. I really appreciate what you said about the life insurance type of product, because it does seem like something that's quite straightforward, but it is a product that can be used and a service that can be used in many different ways to support a Canadian's financial plan and their financial security. It is one of the few products in our toolkit that offers an actual guarantee, a real guarantee to a Canadian.

And this is where Assuris comes in, because we backstop that guarantee. We make sure that if that promise made by the insurance company, which is often a promise that's going to play out over decades and decades of time, whether it's within the individual's life plan or as they think about generational life plans and passing on their wealth onto future generations, we make sure that promise is going to be kept by the life insurance company, because we're there to backstop it in case anything happens.

You also mentioned a couple of times that there is an increasing proliferation of products out there. So new innovation coming out, different types of products that meet different types of needs. And again, it's hard for a consumer to look at all those different products and really understand the differences between them and what they might be paying for one versus another. And this, again, is where an advisor can have such a valuable role in helping a Canadian understand what it is that they need and how they might use a different product for their needs.

Greg Pollock:

Paul, as I think about the market today and the rising interest rates, I would think that there were many advisors out there who didn't have a lot of their clients in GICs a couple of years ago. Well, that's different today. And certainly, those portfolios need to change as things evolve. So even though interest rates are up, there's a way to leverage that in a positive way for clients as they develop their plans.

Paul Petrelli:

That's right. And new products, new circumstances, the changing economic environment, the challenges there. You talked a little bit about the technology as well changing. I really like what you said, Greg, about the fact that both advisors and insurance companies have seen the cycle, they've been through the cycle. They've seen high interest rates, low interest rates, high inflation, low inflation, and have been there for Canadians, to support them through those cycles. And so, have that part of it down.

But maybe the one thing that has changed, and you alluded to it, is a little bit of the expectation that customers have about how both the advisors and the insurance companies interact with them. The types of ways of connecting, the frequency of connecting, the service being provided, the ability to both connect through technology and digitally, and various platforms, your phone, your computer, et cetera, as well as face-to-face. So those expectations have really been set by the Googles and the Apples and the Facebooks of the world, Amazon. Advisors are rising to the challenge, Greg?

Greg Pollock:

For the advisors of tomorrow, they very much need to leverage these technologies and use these technologies to prospect, to promote the kind of work that they're doing.

Here, we are doing a podcast right now. Well, there are advisors out there doing these kinds of things, doing podcasts, doing webcasts, speaking to many, many more people than they would've spoken to in the past. So this technology can actually really assist in growing one's business over time.

Paul, let me come back a little bit on life insurance and Assuris. Really important point, and Assuris backstopping all of the products that life insurance advisors are selling out there to the public with these significant promises, that is a significant asset that the industry created some time ago. And so, it's very important that as advisors speak to their clients, that they also talk about the Assuris program and how it will backstop and protect their investments in these products moving forward.

Paul Petrelli:

Thanks for that, Greg. Advisors have always been such a great partner for Assuris and an important partner for us. We try to get the word out about as Assuris to Canadians, but there's a lot going on out there, and it's a lot of messages being delivered. But we talk to advisors and we do support advisors through our continuing education program.

So you talked a little bit about the professionalism of advisors and the titling and the increase in that. And of course, we've always been part of that by providing educational series on how as Assuris works, the protections that as Assuris provides that advisors can advise their clients about. And we think that contributes to both the advisors' professionalism, as well as we hope is a useful discussion point when they're talking to their clients about some of these products and services that are out there.

But we really appreciate that partnership. We're going to continue to do that. We're always going to be here to provide that support for the advisors and we really, really appreciate the partnership that they've always shown to us.

Greg Pollock:

Absolutely. I will tell you, in speaking with advisors, they are very aware of the Assuris program. Certainly, many of them are encouraging their own clients to go online, to read about Assuris. Beyond that, to read about some of the innovative products and services that are available, because they're going to do it anyways, so the clients are going to do it anyways. As you said, everyone's on the internet, they have access to so much information, but that can also lead to access to misinformation.

Paul Petrelli:

And overload.

Greg Pollock:

Absolutely. And so, this is where the advisor is critical. How do I filter out all of the noise and all of the information that really my client doesn't need to know, in order to make an informed choice? Very, very important point in terms of the value that advisors provide.

Paul Petrelli:

That's great. Greg, you talked a little bit about the support that Advocis is giving to advisors in this time of dynamism and change and new regulatory requirements. Great to hear that you're providing existing advisors with that support. I hope that it's also going to help encourage new advisors to enter the space. We need advisors. We need professional advice for Canadians, we're always going to need that. So maybe you could talk a little bit, Greg, about what's on Advocis' to-do list, what your priorities in the coming year are.

Greg Pollock:

Sure. I'd love to do that, Paul. Thanks for the opportunity.

Our organization really is founded on three main pillars, I would describe them as. One of them being community, the second being advocacy, and the third being professionalism.

So in terms of community, we actually are made up of 40 different distinct local communities, we call them chapters, where advisors come together virtually in some cases of course, given the last couple of years, but for the most part, face-to-face, to learn together. And you'll find people in a room working through a program who are from competitors, and yet, they are colleagues, they learn from one another, they work together. Very, very critical in terms of celebrating the excellence.

Advocacy is really all about having to bring a voice to the work that advisors do, a voice to regulators and legislators. And this really is a critical component of the work we do, because it is such a complex industry.

And on the professionalism side, it's all about education. We offer several designations for financial advisors. One called the Professional Financial Advisor, the PFA. We offer an advanced designation in insurance, called the CLU. We also deliver the CFP program, the Certified Financial Planner program on behalf of FP Canada.

So there's a lot of education that is happening with advisors, and a lot of them are subject to ongoing continuing education, typically somewhere between 15 to 30 hours a year. And again, we're putting on those kinds of programs to assist advisors in being more effective, and therefore ensuring that their clients are current, up to date, and invested in the right kinds of insurance products and investment products that they should be invested in.

Paul Petrelli:

That's awesome. Well, Greg, I think that's a fitting place maybe to end our discussion about advisors and the value they contribute to their customers and to Canada.

Greg, thank you so much for joining us, for telling us a little bit about Advocis, for giving us the advisor perspective. We really appreciate the partnership with you and Advocis here at Assuris, Greg, and we look forward to continuing it.

Greg Pollock:

Thanks very much, Paul. Just a delight to be on today. Thank you.