

# MetLife research reveals annual reviews are the key to client retention and new customer referrals

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From [MetLife Australia](#)



Jeffrey Scott

## **Financial advisers looking to boost client retention and new client referrals should prioritise annual reviews, according to a report from life insurer MetLife Australia.**

Now in its second year, the *MetLife Adviser-Client Relationship Report 2019* is the largest quantitative study of its kind. The report includes insights from consumers and Small to Medium Enterprises (SMEs) with up to 20 employees who have life insurance purchased through a financial adviser and consumers who are very likely to see a financial adviser about life insurance in the next two years.

The research found that of the 60% of consumers with life insurance who undertook a review with their adviser in the last 12 months, 63% rated their experience as 'very good' or 'excellent' and 49% modified their insurance cover in line with their stage of life.

For example, those aged under 35 who are more likely to be establishing families and making major life decisions such as buying a first home increased their cover, while those who might be transitioning to retirement reduced theirs.

Similarly, for SMEs (63%) which underwent a review with their financial adviser in the past 12 months, 55% opted to make a change to their policy, with 49% making the decision to increase their cover.

The added value of this engagement with clients is clear as consumers who had a review were also more likely to be loyal and recommend their adviser to a third party.

Measures to support client longevity and positive word of mouth are especially important at a time many consumers (30%) and SMEs (50%) are considering changing their adviser or ceasing to use one completely, due to reasons such as high fees, commissions, lack of trust and perceptions of value.

Annual reviews and regular contact provide advisers with the opportunity to develop open and trusting relationships with their clients and to ensure they are properly educated on the value of financial advice tailored to individuals' needs and circumstances.

Jeff Scott, MetLife Australia Head of Advice Strategy, said: "The recent spotlight on the financial services industry has caused clients to take a more active interest in the financial products and services they hold and question the value they're getting from these relationships.

Where clients don't see value from their adviser, we're seeing clients looking to either shop around or to stop seeing one entirely, meaning it's critical that advisers put the right measures in place to get to the heart of clients' concerns.

From this year's research we know one of the most effective ways to do this is by conducting annual reviews as they create an open forum for clients and advisers to engage in transparent two-way communication.

These meetings give clients the opportunity to have their questions answered by advisers and to seek reassurance that the advice and financial products they are receiving are best suited to their needs at that given point in their lives.

And the payoff is clear, with clients who undertake annual reviews tend to be more satisfied, loyal and likely to go on and recommend their adviser to a third party.

If there's a key takeaway from this research it should be that there is no such thing as a 'set and forget' client anymore. Client engagement should be the number one priority on every adviser's business plan for 2020."

### Key findings

- 60% of consumers undertook a review with their adviser in the last 12 months with 5 in 10 of these opting to change their level of life insurance cover
- 63% of SMEs undertook a review with their adviser in the last 12 months, with 55% of these opting to change their level of life insurance cover
- 30% of consumers and 50% SMEs are considering changing their adviser, or ceasing to use one completely, citing high fees, commissions, lack of trust and value

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