

## Media Release

# LIF TO CREATE UNIQUE OPPORTUNITIES AND THREATS FOR ADVISERS: CLEARVIEW

March 6, 2017: The financial services industry will lose its emotional connection with thousands of clients unless it finds creative ways to stop mature advisers from prematurely retiring ahead of the introduction of the Life Insurance Framework, according to a white paper by ClearView.

Titled 'What's old is new again', the paper claims many mature advisers in their 50s and early 60s are at risk of exiting the industry due to broad structural and regulatory changes, despite their desire, ability and capacity to continue providing advice.

Launching the paper, Christopher Blaxland-Walker, General Manager of Distribution at ClearView, said the convergence of four major factors: demographic changes; digital disruption; remuneration reform under LIF; and stricter education and training requirements, threatened to extinguish an entire generation of invaluable knowledge and experience.

"Moving into 2017 and beyond, it's important that there isn't a repeat of 2004 when the introduction of the Financial Services Reform Act drove out many advisers, both good and bad," he said.

"FSRA got rid of many unqualified and poorly qualified agents, and rightly so, but in the confusion many competent mature advisers exited too. They weren't adequately supported to gain the necessary qualifications, adjust their business models and manage the transition."

To prevent a similar tragedy, the paper said dealer groups, professional associations and product manufacturers needed to collectively ensure mature advisers had access to the right training and tools to meet their obligations and transform their businesses while those who wanted to step back from giving day-to-day advice had other compelling career opportunities.

Potential solutions raised in the paper included formal and informal mentoring programs that marry experienced advisers and newcomers; and the creation of flexible 'relationship manager' roles within manufacturers, licensees and practices, designed specifically for senior advisers and former advisers.

These full-time, part-time and casual roles would likely include client-facing responsibilities such as welcoming new and prospective clients, connecting them to an adviser, articulating the value of advice and handling claims.

"The current generation of advisers are more educated and technically proficient than any other but they can still learn skills and qualities like empathy and resilience from mature advisers. If the industry can successfully close the generation knowledge gap, the result will be a profession that's mastered the art of winning new clients and building personal relationships not only business relationships," Mr Blaxland-Walker said.

He added that the financial services industry had an opportunity to boost national productivity by helping mature Australians stay in the workforce for longer.

“As an industry, we encourage people to stay in the workforce for as long as possible in order to build up their retirement savings, and the majority of projections and case studies we produce assume a retirement age of 65 but in reality Australians are retiring much earlier than that due to sickness, redundancy and lack of suitable job opportunities,” he said.

“It’s important to continue challenging the government to create jobs and economic growth but as an industry we must do more to ensure that our most experienced, skilful and entrepreneurial advisers and support staff stay engaged for as long as they wish and by doing so, the industry can retain invaluable knowledge and experience.”

The white paper, ‘What’s old is new again’ can be downloaded at <https://www.clearview.com.au/ebook/white-paper>

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### **About ClearView**

ClearView is an ASX-listed diversified financial services company which partners with financial advisers to help ordinary everyday Australians protect and build their wealth, achieve their goals and secure a comfortable financial future.

The group’s three business segments: Life Insurance, Wealth Management and Financial Advice are focused on delivering quality products and services.

ClearView is proudly non-institutionally owned with \$171 million of in-force premium, \$2.27 billion in funds under management and 243 financial advisers overseeing \$8.5 billion in funds under management and advice and \$223 million of premiums under advice (as at 31 December 2016).