



Diverse Industry

Advisors can learn a lot from how different ethnicities conduct business

About four years ago, I received an offer to work in one of the most culturally varied financial centres for my organization. Full of rich diversity, people of Chinese (mainland), South Korean, East Indian, Spanish, Filipino, Russian, and Trinidadian descent make up most of the advisors in the financial centre that I lead in North York, Ont. It is the epitome of the cultural mosaic ideal.

Four years later, I'm no further ahead in Mandarin, Korean, or Spanish, but I have a strong, diverse team of managers who work with their respective teams and, typically, their native cultures. I've learned a lot about many different cultural nuances in financial services.

Take for example, the selling style of many mainland Chinese or Korean advisors. They favour the participating insurance or limited pay insurance handily over any sort of mutual fund investing. The root of this lies somewhere between a reluctance to disclose a lot of personal information and a deep-seated value placed on dividend-paying coverage that generates value for future generations in Canada.

While term insurance is inexpensive, we rarely see it being sold in Asian groups due to the perception of it being almost always pure cost. If term insurance is purchased, it typically is used as a catalyst to establish insurability before ultimately being converted to participating insurance, or while money is locked up in other ventures and cash flow is tight.

Some immigrants coming from China or South Korea arrive with money and a desire to make more money. For those in that category, the insurance-selling process involves the client establishing a business, and then buying a home, typically in an affluent neighbourhood. Their next step is to buy a participating insurance policy to secure a future for their children.

It's typically paid up in 20 years or less.

Prior to our organization's resurgence into the participating policy fold, a notable choice for coverage was limited pay insurance, but since the advent of par policies, we don't see many limited pay or universal life insurance being sold in these groups.

On the other hand, we've found that more people from South America tend to favour term insurance. They may place a value on getting the best price for term insurance. I see plenty of cancellations

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shortly after purchase if the client found a better price. It's a constant reminder to our advisors in this community that if you win on price then you can lose on price as well. Our suggestion is to always diversify and perform a full needs analysis rather than simply quoting a price in a competitive situation.

Something else to note is how advisors are perceived in their community. For instance, if a claim gets denied for life insurance or critical illness coverage, there can be a detrimental effect on the advisor. Word of mouth on the denied claim can have a ripple effect and damage an advisor's

reputation in a tight-knit community.

Understandably, each person is unique. Needs are connected to specific situations, family needs, business needs, and so on, and these are general themes, but it's interesting to see the way different communities function.

Every community emphasizes finding value, but what that value looks like varies widely. Where one community might place greater merit on future cash values, another might see monthly cost savings as a greater reward. I suppose that is why insurance companies have a variety of options for their sales advisors to begin with.

The magic really happens when these communities work together and collaborate and share their experiences. I don't believe there will simply be one best way to sell, but when advisors of different ethnicities have an opportunity to share their styles, collectively we build stronger advisors.

Diverse collaboration will make us of significant value to our company now, and in the future. 

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