

## The defining difference in the broker industry

THE insurance broker industry is often one that is underestimated and undervalued. So says Dean Delpont, Director of Insurance at Compass Insurance.

"This is unfortunate as brokers play a key role in the distribution of insurance products in the market and are ideally positioned to strike a balance between clients and insurers that satisfies both their needs.

"This balance is a defining component of the service provided and a client's subsequent satisfaction, both at the point when the cover is acquired and

at any claim stage."

Achieving a balance is not something that is simply gained from assessing a client's credentials and general requirements. Rather it stems from performing a personalised risk analysis.

Five steps typically fall under the banner of a risk analysis:

- 1 Identification and analysis of risks;
- 2 Quantifying the likelihood and severity of risk;
- 3 Identifying and quantifying a means of risk elimination or reduction;

- 4 Evaluating the likelihood and severity of the risk occurring;
- 5 Assisting the client in choosing to retain or transfer risk.

"Risk assessments can provide brokers with an invaluable core understanding of their client and needs, which in turn is key to a broker's capacity to provide independent, sound and practical advice."

"However, the buck doesn't stop here. In fact, this assessment should only be the first step in an ongoing client-broker relationship aimed at ensuring a client's risks are well managed."