

FINANCIAL INTERMEDIARIES ASSOCIATION OF SOUTHERN AFRICA

Find your niche as a financial intermediary

Some of the hottest jobs in finance aren't in investment banks or asset management houses, they're in the insurance industry! Jobs in insurance involve helping individuals and businesses manage risk and protect themselves, their investments and assets from potential harm or losses.

The insurance industry in SA is a multi-billion Rand sector which offers jobs requiring a range of skills: legal, accounting, administrative, financial, information technology, medical, management, sales and marketing.

Financial intermediaries – or brokers – act on behalf of individuals or corporate clients. In short, their role is to investigate and tell their clients about the most appropriate insurance cover to match their specific needs and budget. There are currently about 130 000 intermediaries who are registered with the Financial Services Board (FSB).

Intermediaries have a range of employment options open to them. They can work for themselves, and for those with an entrepreneurial flair this is an ideal way to start their own business. Brokers can work together with a group of colleagues in a specialised brokerage, or they may opt to work for corporate brokerages such as those within banks and other financial services organisations.

Intermediaries in South Africa work in diverse areas of the insurance industry including:

- Short-term insurance, which includes motor vehicle and household cover as well as various forms of commercial insurance.
- Healthcare in the form of medical aid cover.
- Employee benefits such as pension funds and retirement annuities.
- Financial services which includes life and dread disease cover, tax advice, retirement and estate planning and other investments.

On a day-to-day basis, intermediaries help clients navigate their way through the maze of insurance and financial products. Far from doing cold-calling or going from door-to-door selling insurance products, intermediaries are professionals who are required to use a broad range of skills in order to deliver a meaningful service to their clients.

A successful intermediary is one who is able to develop life-long relationships with clients. While technical abilities are expected, the softer, relationship components or 'people skills' are just as important. They also usually need a good general understanding of economics and the basics of finance and accounts, along with specialist skills in the field in which they operate.

Intermediaries are often called upon in times of crisis, trauma or need after their clients have suffered a loss in some way or another. Because many interactions around claims emanate from a traumatic experience for the client, financial advisers who exhibit kindness, empathy and consideration are highly valued by their clients and tend to build profitable, sustainable businesses.

So where could I work?

This is a profession suited to almost any geographic region – everyone from farmers to taxi owners needs insurance – so there are no location-related limitations.

What training is needed?

The specific professional requirements needed to become an intermediary include a period of work under supervision, relevant tertiary qualification and completion of the required regulatory examinations. All financial intermediaries must be licensed by the FSB and comply with the Financial Advisory and Intermediary Services (FAIS) Act. This includes the need to maintain suitable ethics in your day-to-day work as well as operational and financial processes and controls.

Once you've completed your studies, you can deepen your knowledge of financial planning in a number of ways by completing for instance, a Certified Financial Planner (CFP) qualification, which is at post-graduate level. A CFP is the premier financial planning qualification in the world and is recognised in 19 different countries. At present, there are more than 100 000 CFPs worldwide, of which more than 3 000 are resident in Southern Africa.

On the short-term insurance side, you can complete a series of qualifications, starting with the Certificate of Proficiency (COP) and going up to post-graduate level, which will equip you with the necessary skills to provide the best possible advice to your clients.

Official industry representation

The Financial Intermediaries Association of Southern Africa (FIA) represents about 16 000 intermediaries, ranging from those working independently to those employed by large corporate brokerages.

The FIA will accept only members who have been issued a valid license to practice by the FSB. All members of the FIA are required to subscribe to a strict code of ethics and any deviation from this code is viewed in a serious light.

Working in this industry is not only personally rewarding, but may also be financially rewarding. Because earnings are largely commission-based, the earning potential is determined by the individual concerned.

With millions of South Africans under-insured or not insured at all, the opportunities to make a difference and help cultivate a culture in South Africa of responsible financial planning and management are vast.

Contact the FIA on 012 665 0085 for more information about how to approach potential employers and find job opportunities that suit your qualifications and aptitude.