

RISK IN PRACTICE

Dealing with a death in the family

When the inevitable happens, and the future is taken away from clients, advisers need to turn up – and sooner rather than later. **SUE LAING** spoke to an adviser who specialises in being there.



It has often occurred to me there is very little skill among the majority of advisers when it comes to dealing with clients whose futures are taken away from them. Or rather, dealing with the lives left behind. I have said before that I am always astonished to hear claims that advisers don't often get involved in their own clients' claims.

Yet this is the business we are in and surely our clients should be able to expect that we will be around when things get tough and our advice is put to the test.

There are advisers who have made it their business to understand the emotional processes around death, and to truly partner their clients' families, as professionals, at a time of confusion and concern. They will also tell anyone who'll listen that they have gained business after other advisers have let down their clients at this time.

I spoke with one such adviser, Graham Poole, from Newcastle, who is an authorised representative of Matrix Planning Solutions.

Graham is a very experienced financial planner with a career spanning over 35 years. He uses a truly holistic approach these days, and has the benefit of having cut his teeth on life insurance and superannuation in his early years and now advises on wealth creation, management and protection.

Sue Laing (SL): Tell me about your first death claim.

Graham Poole (GP): It was in 1973 and the client was young. Ironically, I received an overdue notice on this client's policy on a Friday. On the Saturday, there was a report in the paper about him having suffered serious injuries in a car accident. I wasn't sure what to do, but I knew I had to make contact, so I rang and his father answered. He was pleased I called and invited me around – I thought that a little odd at the time. After he opened the door, he went back to a phone call and it was a discussion with an undertaker – his son had died. By the time he got off the phone he knew that I knew. I was in shock myself – that's one of the most difficult things to get used to. They're not just clients and you often grieve yourself.

SL: How many death claims have you been involved in since?

GP: I have lost count – more than 50.

SL: Have they all involved insurance?

GP: No, sometimes it hasn't been an insurance situation, just a retirement planning one, but my planning goes a little further. I sit down with clients and set up a post-death plan – although that's not what I call it, of course. A good adviser is the catalyst to

make things happen. I didn't come up with that statement, but I've never forgotten hearing it years ago and nothing's changed.

SL: I guess there are certain steps you have to take. Is it a structured process in your business?

GP: Yes, my staff need to deal with a lot of the arranging and they must have a system. They follow the system because it is effective. That's something else I heard and never forgot: if you have a system you have a solution. I have done a lot of study on death and grieving and there are ways that my involvement, if handled right, gives the family some peace of mind – some order and comfort at a time of chaos.

SL: Do you attend the funeral?

GP: Yes, always. Unless I'm away for some reason, which has been the case on a few occasions when I was overseas and couldn't attend. I phone one of the professional advisers, the referrer or a family friend and ask them to give my apologies; to explain to the client's widow or widower (who is always worried about their financial situation) that everything's in place; that all that needs to happen, will; and to advise that we will be in contact to handle the financial arrangements within 14 days. That's part of my staff's process, by the way. They know the only time they can call me when I'm on leave is if a client dies.

SL: The core of your process seems to be to anticipate the family's turmoil and create expectations that comfort them. Is that right?

GP: Yes. There are three shocks that happen after death. The emotional shock, the financial shock, and the reorganisational shock. I used to think I had no influence over the first but I was wrong. I have learned that if the financial and reorganisational issues are handled well, then this minimises the emotional shock, and vice versa. If the finances and other organisational issues are in disarray, it exacerbates the emotional shock.

SL: Do you always involve both spouses in this estate planning process?

GP: I never see one without the other.

Estate planning should start as soon as you start work – anything after that is too late, although most people leave it too late.

SL: After the funeral, do you make the next meeting a formal one?

GP: Absolutely. I never see the spouse alone to discuss and implement the plan. There's too much risk of being accused of influencing them at a weak moment if someone doesn't like what you've done. The meeting is held in my office and there is always a senior family member present, and often the accountant as well. The spouse needs the support, apart from anything else.

SL: Do the clients' families always react to your involvement in the same way?

GP: They are always positive about my involvement, even in the midst of such a tough time.

SL: You mentioned that you get business from other advisers – what did you mean by that?

GP: I often get referrals from family members. A son of a client who had died came to me after the client's affairs were finalised and quietly asked if I'd take him on, saying he wanted to move away from his financial planner. I asked him why and he said: "When my father died, my planner knew about it but when I saw him on the street he crossed to the other side. It made me realise he probably wouldn't be any use to my partner if I died. I saw how you were with my family and I'd like my partner looked after that way." I don't seek this business, but some advisers are losing clients and I haven't got a clue why. I also get referrals from clients whose friends or relatives are dying and need their planning done for all the arrangements afterwards.

SL: Do you think advisers, on the whole, are well equipped to handle claims?

GP: No, not at all. I have been attending conferences for years and I saw the first ever session on this topic at a conference only a year ago. This is a necessary skill – a part of estate planning – but one which is ignored in all the formal training we undergo. It's hard to understand why, when our profession dictates that we will be there to



follow through with all our strategies when the client dies – otherwise, what use have we been to them?

From our own perspective as business people, we have to be a part of this scenario. If we aren't, then how do we ensure that we capture the investment of the estate proceeds by the beneficiaries? The parents' estates, after all, become the children's estates. And how do we otherwise capture the marketing opportunity to bring the client's children into our business? I aim to do this when I do a plan, but at worst, I get to meet the children and develop a relationship with them when there is a crisis.

SL: If you had a golden rule about what to do when a client dies, what would it be?

GP: Turn up – and sooner rather than later. Anything later than two weeks after the funeral, if you didn't attend, is about as late as you can leave it. After that it becomes an increasing embarrassment that you haven't been in contact and eventually it is too hard – I've seen this happen.

SL: And a final tip for advisers?

GP: Plan for this contingency, and let your staff know what you expect of them and what you plan to do when it happens... because it will happen.

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