Why You Need a Holistic View of Risk

What Is Holistic Risk?

It's a term used in the business of professional risk management–and often found in the language of financial planners. At its core, holistic risk is about taking a broad, complete view of a client so that risks can be identified, then managed effectively. It's a simple concept, but it is not necessarily easy to execute if you're not seeing the full view of a client's life.

Look Beyond the Silo

You are part of your clients' team of trusted advisors–certified financial planners, wealth advisors, accountants, business attorneys, brokers–that help identify legal and financial risk. We all want second and third opinions when it comes to matters of our financial well-being. When you go above and beyond your domain, you'll begin to ask:

- Who in my client's life is identifying risk?
- What are those people seeing?
- Do they see risk only within their isolated area of expertise?
- How might one area of risk affect another?

You can help your clients by reinforcing your ability to quarterback their best financial interests.

A Holistic View May Reveal These Top 4 Areas

The more you understand your clients' "game plan," the more likely you are to find common, overlooked areas for improvement. As people's wealth grows, their insurance profile changes too:

- Clients will likely need to supplement their core personal insurance policies (homeowner, automobile, liability, valuable articles)
- Clients may need specialty policies (such as watercraft)
- Policy limits will need higher limits
- Details like all-risk versus named risk, extended replacement cost, agreed value and worldwide coverage will need thorough review

Seeing your client's game plan can help you guide them toward insurers that will protect them from financial loss. Once you take a holistic view of risk, you might find gaps in their coverage that can damage their financial livelihood, For more information see [Proactive Coverage Wins the Game](#).

Top 4 Common Gaps:

- Being insured based on incomplete or inaccurate valuations
- Policies that don't account for the cost to fully replace the home or other valuables
- Valuable items being undervalued based on changes (say, a piece of inherited artwork suddenly has significant new value, but they are not insured properly)
- Too-low caps on property and casualty insurance policies, as well as capped liability policies that hinder legal defense needs

Broaden your conversations with your clients. Let Chubb help you. We look for ways to say yes.™ We look for ways to do more.™

Expanding your view of risk helps your client in ways that expand your prescribed role, deepening their view of you as a trusted advisor. More importantly, clients expect their advisor to do more than their prescribed role. Look at the numbers on what financially successful clients want from their advisors, according to a 2017 CFA Institute study[1]:

53% expect clear communication

51% expect financial acumen

45% expect transparency

31% expect proactivity

[1] "The Value of Premium Wealth Management" CFA Institute, 2017

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