

The Rising Prominence of Wealth Solutions and Planning for Asia's HNWIs

A panel of experts gave their insights to the increasingly important subject of encouraging Asia's HNWIs and their families to organise robust, compliant wealth and legacy planning.

These were the topics discussed:

- What challenges do Thai families have in wealth and legacy planning, and how is that changing?
- Are they and their advisers ready for the inter-generational wealth transfer?
- What are the effects of transparency on the conversation with clients?
- Are private banks and advisers making the most of the opportunities?
- How are insurance solutions being structured and developed to fit this type of initiative?
- What other opportunities are being presented as wealth planning moves centre stage?



PANEL SPEAKERS

- **Premrudee Parinayok**, Assistant Vice President, Wealth Management, Phatra Wealth Management
- **Irene Lee**, Business Development Director, Intermediary and Partnership, Hawksford
- **Darren Thomson**, Chief Strategic Bancassurance Officer, AIA
- **Samdarshi Sumit**, Chief Retail Officer, Retail Business, Generali
- **Edmund Lim**, Executive Director - Wealth Management, Swiss-Asia Financial Services
- **Jeroen Simons**, Director, High Net Worth Business Development, Sun Life Financial
- **Sebastien Hayoz**, Managing Director, Asiatic Trust

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THE KEY TAKEAWAYS

Governance should improve

Thai families should concentrate on improving their corporate and family governance, as this will help in their wealth and legacy planning.

Full disclosure required

Both the clients and the trusted advisers should disclose all the necessary information to each other in order that both of them can make the right decision based on a full understanding of the issues confronting them.

Insurance solutions certainly help

Insurance providers are more sensitive today to the market needs of the customer base. Insurance products such as universal life, variable universal life, private placement insurance and others are all helpful in legacy and liquidity planning.

Local advisers preferred

Local advisers onshore are generally preferred to offshore advisers for these sensitive, very personal and family-oriented discussions and solutions. Conducting these conversations in Thai language and with someone the client knows he can trust is preferable.

Keep it simple

Although these are complex and sensitive issues, advisers do best if they try to structure simple solutions that are both understandable and effective.

Relationship first, advice to follow

Establish the relationship first, and offer ideas and solutions later was the advice from one expert. This is not a see you today, give you a solution tomorrow type of challenge.

Annual reviews to mine down into key issues

A guest advised organising an annual review with the client as a forum in which to discuss wealth planning and legacy solutions. Carefully broaching the subject of insurance and its predictability is often a smart way forward.





SEBASTIEN HAYOZ
Asiaciti Trust

THE MOST IMPORTANT CHALLENGE FACING Thai families, said one expert on opening the panel, is the lack of good governance including corporate governance, the shareholding structures and also family governance. Secondly, he said they seldom have proper succession planning in place.

Another expert commented that the main challenge is the unpredictability of the market, and the proliferation of new regulations emerging every few months, making it difficult to plan ahead for what is supposed to be a long-term solution for the next generations.

Informed decisions

“It is vital at the first step for us professionals to offer clients all the information they need to make informed decisions,” said another guest. “they must fully understand the situation and the repercussion of decisions, then how they can mitigate exposures. Better to give too much information, than too little.”

Turning to insurance solutions, an expert observed that insurance companies are today actually listening to the market, resulting in more relevant products for clients. “Universal Life (UL),” he commented, “provides the necessary liquidity for the family in the event of a death. VUL, meanwhile, is similar except the structure of the insurance policy is completely different. Under the traditional universal life structure, the premium that you pay is managed by the



SAMDARSHI SUMIT
Generali



PREMRUDEE PARINAYOK
Phatra Wealth Management

insurance companies, while under a VUL can actually manage those funds, or can have those funds managed by a trusted adviser.”

He added that there is more interest currently in the market in private placement life insurance policies. “These are not so much a liquidity tool as a product for wealth structuring, as they facilitate the transfer of wealth to the next generations.”

Another insurance expert working locally in the Thai market said that the products are similar throughout the market, but the applications are evolving, for example for inheritance planning, for tax structuring, for legacy equalisation of assets and so forth.

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“I agree,” said another guest, “and with legacy planning so critical, insurance can play an important role. Meanwhile, in the mass affluent segment, people are warming increasingly to products that offer both investment and protection blended together, that is certainly an emerging opportunity.”

The value of the local culture

A leading local professional noted that discussions on legacy and wealth planning for Thai HNWIs are best



DARREN THOMSON
AIA



IRENE LEE
Hawksford

IS THE NON INVESTMENT SIDE OF THE CONVERSATION WITH CLIENTS BECOMING MORE IMPORTANT?

Yes



No



Source: Thailand Wealth Management Forum 2019

conducted at home in Thailand. “Most wealthy locals prefer to trust local advisers,” he said, “as it is easier to do this in the Thai language, and they have greater trust in their ability to offer privacy and secrecy.”

The best type of discussion required to move the wealth planning conversation forward is simple, basic said one expert. “Keep it as simple as possible,” he advised, “as the best solution is always as simple as possible in addressing scenarios that actually might be rather complex. Try to understand the client, their family, their situations and try to offer simple, understandable solutions.”

“Establish the relationship first,” said one guest, “and offer ideas and solutions later. “You

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must understand where the other party is coming from, where they want to go and of course it takes time to build the relationship, to build understanding. It is not I see you today, and tomorrow you have your structure.”



EDMUND LIM
Swiss-Asia Financial Services

DO YOU REALLY UNDERSTAND THE DIFFERENCE BETWEEN UL VUL TERM LIFE INSURANCE?

Yes



No



Source: Thailand Wealth Management Forum 2019

Emotional matters

Another expert noted how wealth protection, wealth transfer, legacy planning and beneficiary planning are emotional subjects and advised that families must be careful to structure their affairs so that family conflict is avoided. “If private banks and other advisers are not sufficiently focused on

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these areas, they are missing out on significant opportunities to be a trusted adviser in all aspects of the client’s affairs.”

Another guest advised organising an annual review with the client. “This is a great opportunity to sit down with them and really build the discussion on their needs,” he said. “And when considering insurance solutions one way of taking



JEROEN SIMONS
Sun Life Financial

the emotion out of it is to look at it within an asset allocation framework and build that policy into the asset allocation discussion. Clients like to know that while markets and properties can go up and down, their insurance policy provides an umbrella.”■

