Dimensional

Perception vs. Reality

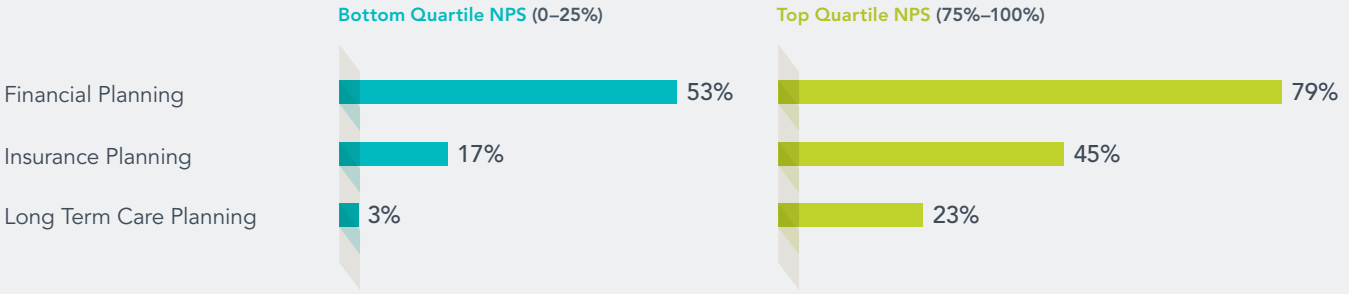
The Vital Role of Insurance in a Thriving Advisory Practice

The perception of insurance and annuities is often clouded with negativity. But Dimensional has gathered data from our Global Advisor and Global Investor studies to show that this perception is not the reality. Insurance plays a vital role in a thriving advisor practice. Leveraging this data, we share how firms with high Net Promoter Scores (NPS)[1], a measure of customer loyalty and experience, are considering insurance offerings that may contribute to higher levels of client satisfaction and firm growth.

Insurance Planning as an Expanded Offering

Many advisory firms offer specialized services beyond asset management and financial planning, including education and long-term-care planning. **According to the 2021 Global Advisor Study,[2] firms in the top quartile of NPS provide insurance planning services to over 2.5 times as many clients as firms in the bottom quartile.** This may be a result of those firms being more likely to have an expanded service offering.

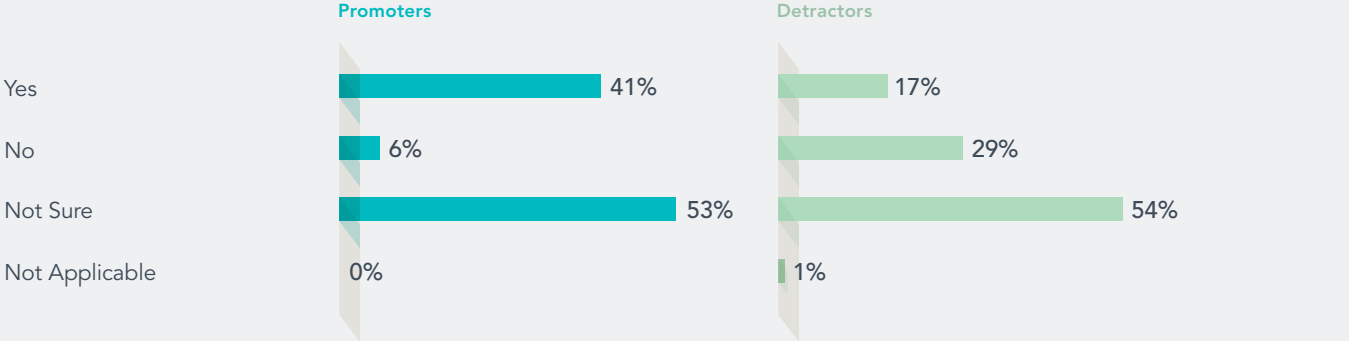
WHAT PERCENTAGE OF YOUR CLIENTS RECEIVE THE FOLLOWING SERVICES?



Accessing the Next Generation

Promoters[3] are more than twice as likely to expect assets to remain under the care of current advisors or firms upon passing to heirs. Expanded service offerings, such as insurance planning, may help firms achieve a higher NPS, which may also increase the likelihood that the next generation's assets remain with the firm. Consider asking your clients about future expectations to inform business decisions today.

DO YOU EXPECT YOUR ASSETS TO REMAIN UNDER YOUR ADVISOR'S CARE UPON PASSING TO YOUR HEIRS?



Measuring the Value of Advisors

According to the 2021 Global Investor Study,[4] promoters report that they primarily measure the value of their advisor through "sense of security or peace of mind." Advisory firms may be able to instill that sense of security through insurance offerings, which can be a key part of a holistic wealth-management plan designed to provide clients with additional value.

HOW DO YOU PRIMARILY MEASURE THE VALUE YOU RECEIVE FROM YOUR ADVISOR?



1. The Net Promoter Score (NPS) is a measurement of client loyalty and satisfaction and is calculated by asking how likely a client is to refer an advisor to a friend or colleague, on a scale from 1 to 10.
2. Dimensional Fund Advisors 2021 Global Advisor Study. The firm surveyed 822 advisory firms with participants from the US, Canada, UK, Europe, Australia, and New Zealand.
3. Promoters are those respondents that answer 9 or 10 on the NPS scale and are likely to recommend their advisor. Detractors are those that answer from 0 to 6 on the scale and are not likely to recommend their advisor. Passives are those that answer 7 or 8 on the scale and are not likely or unlikely to recommend their advisor.
4. Dimensional Fund Advisors 2021 Global Investor Study. The firm surveyed advisory firms including 14,089 participants from the US, Canada, UK, Europe, Australia, and New Zealand.

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