

PRESENTED BY

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BREAKING DOWN SILOS:

Building Professional Alliances

Bringing You Ideas and Strategies that
May Incorporate Life Insurance



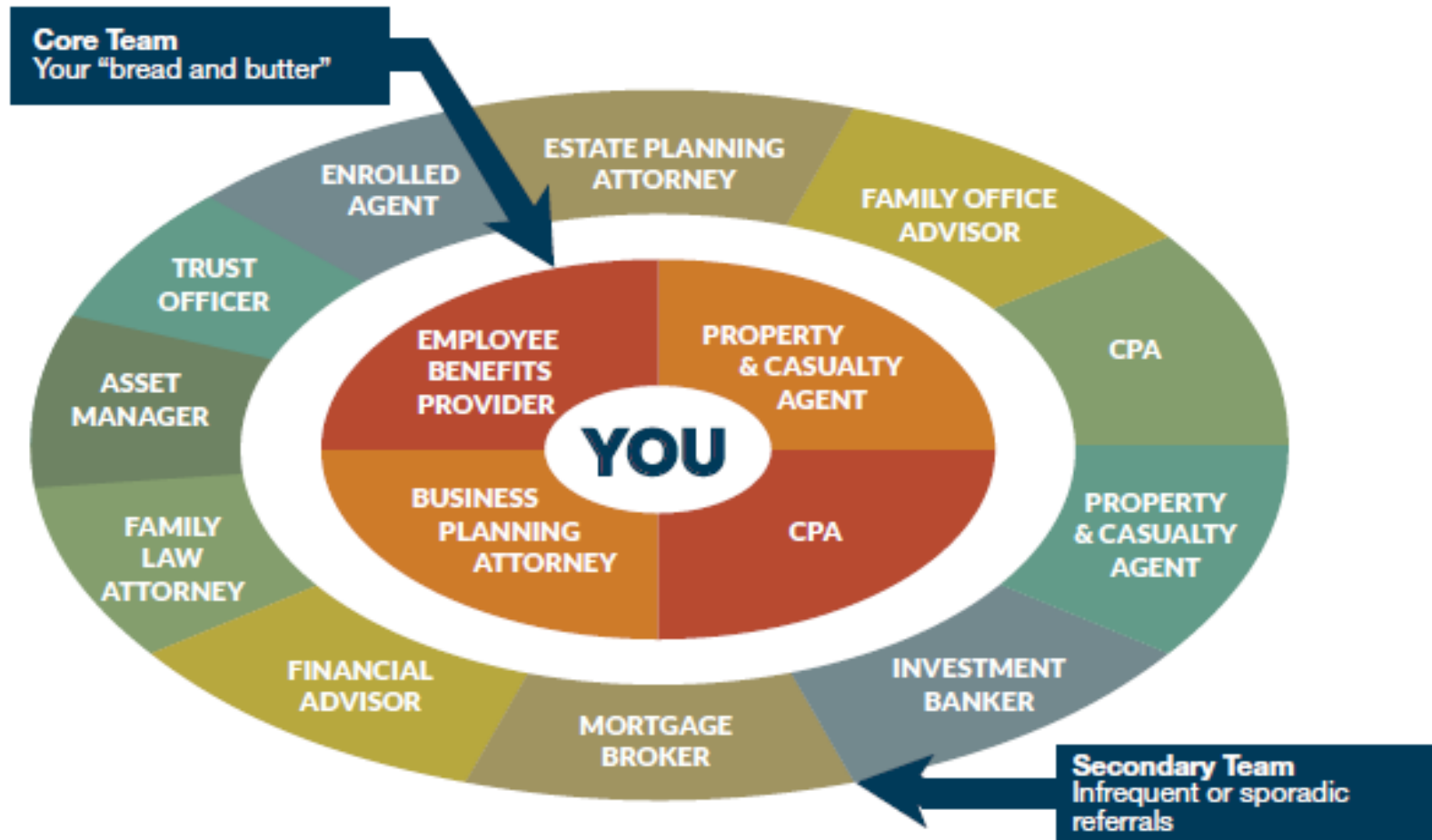
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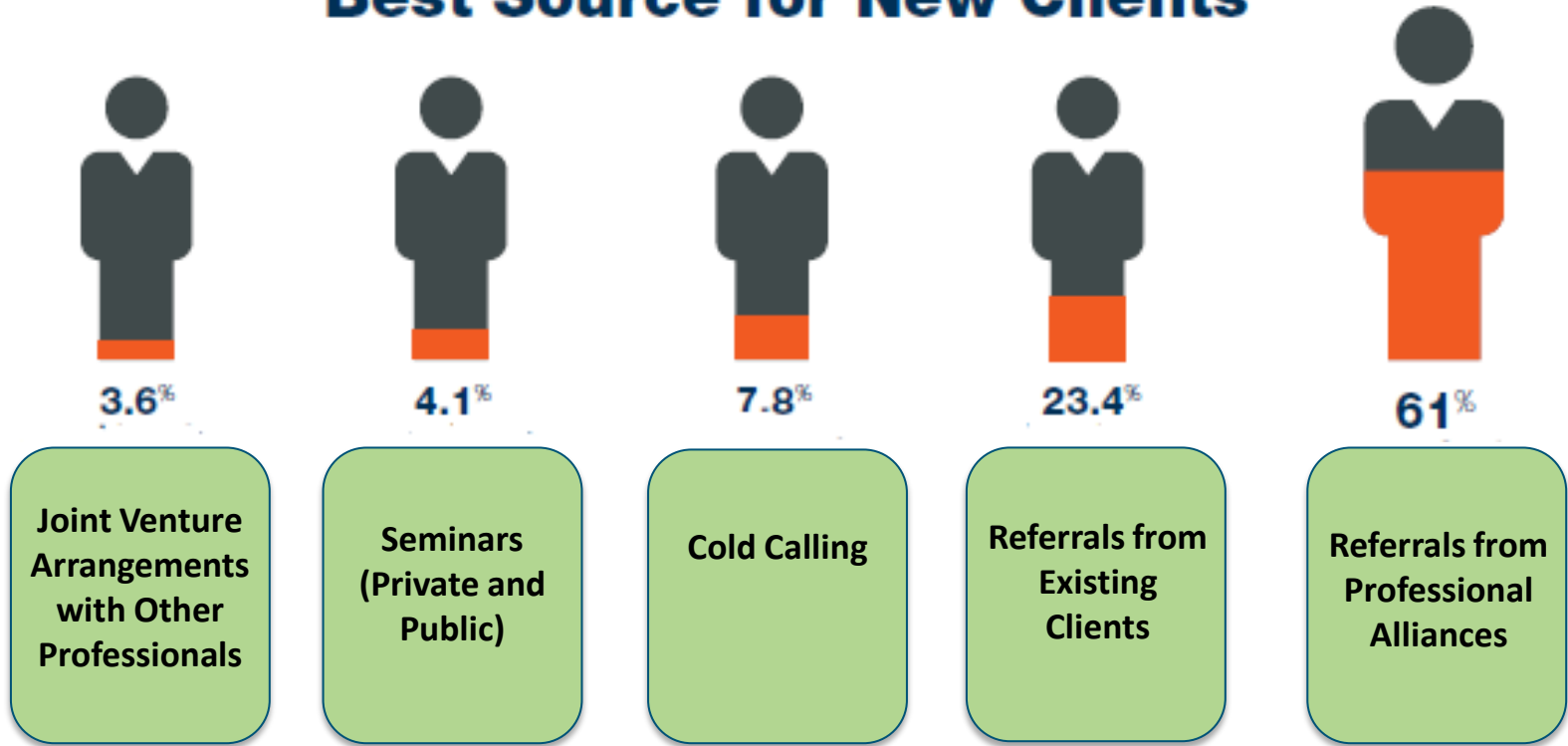
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Who are potential professional alliances (“advisors”) for life insurance producers?



Where are you going to find your next client?

Best Source for New Clients

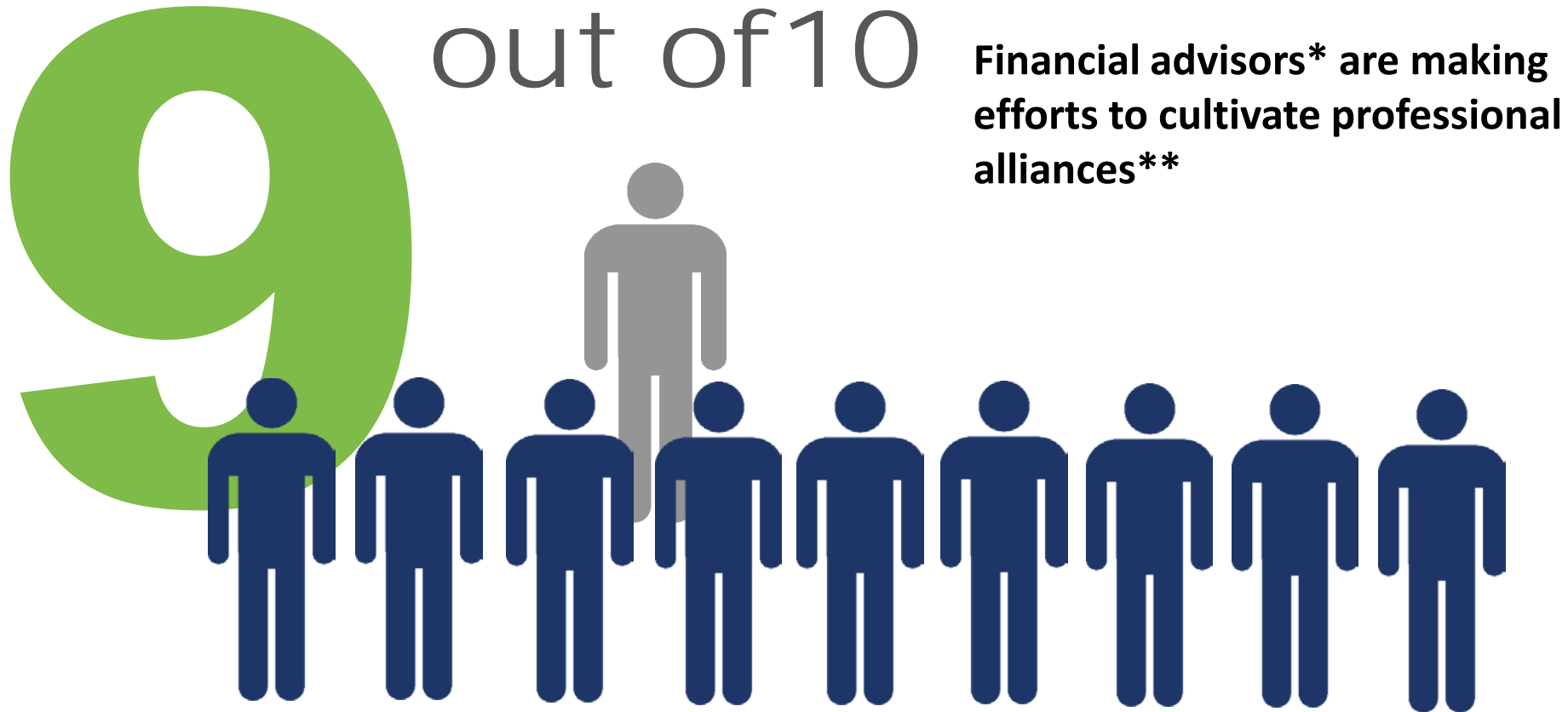


* "Building Powerful Strategic Alliances: How to Leverage Today's Most Effective Business-Building Strategy; available at www.loringword.com/NEC/NEC2011/docs/Building%20Powerful%20Strategic%20Alliances-jBowen.pdf; last viewed on March 23, 2017

** "Generating Sales Leads," Contemporary Analysis Predictive Analytics, G. Stanley, available at www.canworksmart.com/generating-sales-leads/; last viewed on March 30, 2017.

*** "Centers of Influence Bring the Most Profitable Referrals," Financial Advisor, R. Prince, available at www.fa-mag.com/news/centers-of-influence-bring-the-most-profitable-referrals-17125; last viewed on March 30, 2017.

It May be Easier Than You Think



* In order to sell life insurance, a financial advisor must be a properly licensed and appointed life insurance producer.

** *Finding the 'Best' Clients*," Russ Alan Prince & Brett van Bortel, Financial Advisor; available at <http://www.fa-mag.com/news/finding-the-best-clients-16176.html>; last viewed on March 23, 2017.

Who may benefit from professional alliances?

Everyone!

Clients

- More planning needs may be met
- Better overall service via a team approach (one-stop shop)

Advisors

- Provide better client support/ Increase revenue from existing clients
- Retains existing clients
- Potential for new (referral) clients/Generate more revenue
- Expands firm capabilities/resources (remain competitive)

Life Insurance Producers

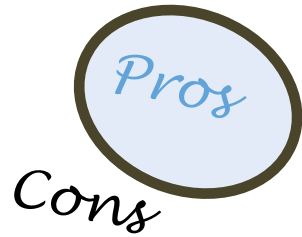
- Create a source for quality referrals (less prospecting)
- Add to your network of resources
- Become a leader/member of the planning team
- Better access to wealthier clients and business owners (and longer-term relationships)

How can life insurance producers and advisors expand their client base?

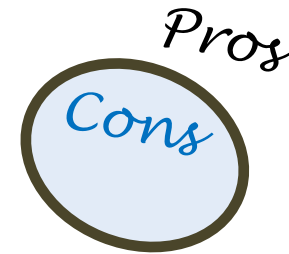
Buy, Build, or
Form Professional
Alliances



First 2 Options: Buy or Build

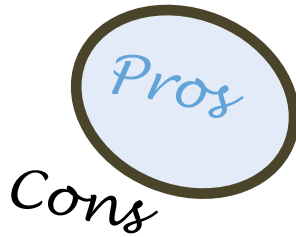


- Assume complete control:
 - Business control
 - Management control
- Potential revenue

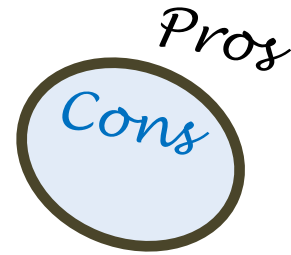


- Time and expense
- Potential liability
- Ethical and regulatory considerations

3rd Option: Form Professional Alliances



- Little to no “start-up” cost and time
- Potentially less liability
- Better overall services to clients
- Potential to substantially increase revenue with relatively little additional effort
- Tap into Expert’s resources
 - Subject matter expertise
 - Product expertise
 - Business and estate planning



- Reputational risk
- Not all revenue flowing through to advisor

How to Choose Your Professional Alliances

GOOD QUESTIONS TO ASK:

Do you understand each other's practice/business?

- Similar philosophy/mindset/chemistry?
- Similar clients (net worth, markets)?

What are you looking for from the other?

- What is their level of expertise?
- Seek MULTI-DISCIPLINARY group of professionals
- Analogy: Hub and spokes of a wheel/Leader and team

Is the other professional independent?

- Is the life insurance producer aligned with one or more carriers? Is the advisor aligned with another company?

How to Choose Your Professional Alliances

THINGS TO KEEP IN MIND

How will you choose clients to refer?

- Professional seeking to create an alliance makes the first referral
- Make sure it's a two-way street (everyone makes proactive referrals)
- Prepare clients before referral/Be ready for potential objections

Know that it's going to be a process

- May take several meetings – not an overnight phenomenon

Be the first to make a referral

- Taking the risk/Investing in the relationship

How to Form Professional Alliances

MINIMIZING RISK FOR ADVISOR(S):

Minimize reputational risk

- “Test Drive:” Advisor refers a client (with the client's permission) as a test case, OR
- Advisor volunteers self as the test case

Will the life insurance producer's approach to planning work for the advisor's clients?

How to Form Professional Alliances

DEVELOP A BUSINESS PLAN TOGETHER

What services will be provided?

How will you work together? Formal or informal?

How will you identify clients with financial planning needs?

How will the relationship financially benefit each professional?

How does the alliance/group identify clients with multi-disciplinary planning needs?

Client appreciation
or education
events/seminars

Review client files

Use data-gathering
tools

How can the alliance financially benefit advisors and life insurance producers?

ADVISORS:

Charge the client

Charge the life insurance producer?

Split commissions?*

LIFE INSURANCE PRODUCERS:

Commissions

Split commissions?*

*The majority of U.S. jurisdictions permit CPAs to commission split. For a simplified table, please refer to the following:

<http://www.aicpa.org/Advocacy/State/StateContactInfo/uaa/Pages/commfees.aspx>. For more information on your state's rules and requirements, please consult with your state's accountancy board and rules.

Recap:

ALL PARTIES MAY BENEFIT!

Client

- One-stop shopping
- Will not outgrow a professional advisor
- Better overall customer service

Advisor

- Increased revenue via existing and potentially new clients
- More competitive practice
- Better client service and client retention

Life Insurance Producer

- Enhanced credibility via trusted advisor
- Greater access to high net worth clients/business owners

Case Study

IDENTIFY BUSINESS OWNER CLIENTS

- **Business owner clients** who need simple and unique tax reduction strategies that provides business continuation and retirement planning solutions.
- **Advisors needed:** ALL must be on same page, or plan could be torpedoed.
- **Benefits:** Clients gain a funded buy-sell agreement and peace of mind.
 - Advisors gain various benefits.



Next Steps for Advisors

- Contact the life insurance producer who invited you to this presentation
- Consider memorializing your relationship with the life insurance producer
 - Terms and scope
 - How best to work together
- Tap into resources available through the life insurance producer who invited you

Next Steps for Life Insurance Producers

- Contact the advisor whom you invited you to this presentation
- Consider memorializing your relationship with the advisor
 - Terms and scope
 - How best to work together
- Tap into resources available through the advisor whom you invited

Professional Alliances: Good Candidates

Ideal Alliances

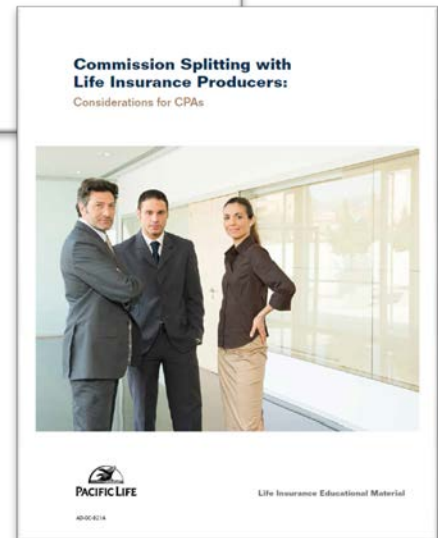
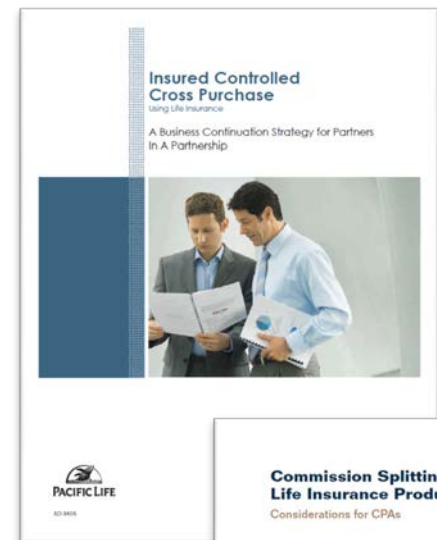
- Life insurance producers with profitable business, willing to expand their business
- Successful advisors willing to expand their business
- Willing to refer clients

Ideal Clients

- Business owners
- Wealthy individuals
- Clients who need to do planning
- Willing to be referred

RESOURCES

Additional Materials



QUESTIONS?

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