



insurance decisions
RESOURCES ■ INSIGHT ■ ANSWERS



RESOURCES | INSIGHT | ANSWERS

Insurance Decisions is the leading insurance resource for Registered Investment and Independent Advisors. Our mission is to provide RIA's with an independent, unconflicted, turn-key solution to assist their clients in making insurance an integral part of their overall financial plan.

THE INSURANCE DECISIONS SOLUTION:

A Comprehensive Solution for Independent Investment Advisors

As a trusted advisor, it is crucial to provide your clients with comprehensive financial guidance. Insurance is a key component of the mix. If you have not yet made insurance a part of your service offering, Insurance Decisions can help you get there.

42%

of financial advisors would be interested in working with an insurance specialist to identify client solutions

We understand the reasons why RIAs and Independent Advisors don't offer insurance advice, whether it is because of compensation arrangements, a lack of time and resources, or medical invasiveness. Insurance Decisions has the **resources, insight** and **answers** for you to provide real value to all of your clients' insurance needs in an efficient, consultative and process-driven manner.

Founded by a Registered Investment Advisory firm, Insurance Decisions' roots are firmly planted in the space. We understand the increasingly complex needs of high-net-worth individuals and businesses. We also understand your fiduciary responsibility and partner with you to develop the right strategy for you and your clients. Our program includes a lifetime non-solicitation and non-compete agreement to give you peace of mind for the security of your client relationships.

Insurance Decisions goes right down deep where all the facts, figures and numbers are. We thoroughly study everything that affects your clients' insurance situation. With solid research in front of us and extensive experience behind us, we take a thoughtful approach and formulate an actionable plan.

You see, we do not simply give insurance advice. We partner with you in maintaining a successful insurance solution for you and your clients.

THE INSURANCE DECISIONS AUDIT:

A Process to Assist Every Step of the Way

The ID Audit is the cornerstone of the program. Through our 5-step process, we are there to support you every step of the way.



We meet with you to provide a complete review of your client profiles and situations.

We provide you and your clients with a professional, simple and complete analysis of their insurance options. As part of our process, we'll first arrange a personalized follow-up meeting to walk you through the analysis and customize it for presentation to your client.

We make available a host of in-firm resources to support your office and team on an ongoing basis:

- **Training:** monthly/quarterly lunch and learn presentations with sales ideas, case studies, and insurance audit examples.
- **Education:** Monthly newsletters with relevant articles and updates within the industry.
- **Marketing:** Customized communication for you to share with your clients including introductory email/mailings, client surveys, educational pieces, newsletters, etc.

THE INSURANCE DECISIONS OFFERING:

Designed for Individual Client Needs and Situations

Insurance Decisions has created a simple, turn-key process for Registered Investment Advisors and Independent Advisors who understand the value of insurance within a financial plan. We have expertise in all insurance areas.



Life insurance is an important element of any financial plan where the livelihood of others (children, spouses, parents, employees) is dependent upon your client. It is also a key component of many estate plans. We provide prudent recommendations for new insurance as well as thorough reviews of existing policies to insure they are appropriate, competitive and in line with the client's objectives.



Disability insurance is one of the most overlooked and misunderstood types of insurance in the marketplace today. While most agree that income is every client's greatest asset during the accumulation phase of their life, few advisors actually put protection in place leaving their clients and their families greatly exposed. We help determine how much coverage is needed and coordinate recommendations with any existing employee benefits.



Long term care costs are rising in our country, so your retired clients, those approaching retirement and their family members are understandably worried. The marketplace for long term care insurance has evolved and there are many different options available. We help advisors determine the optimum level of necessary care, and how to best coordinate it into their plan.



Annuities can be appropriate for some clients who need to incorporate tax planning or guaranteed income streams. Further, many advisors have clients with existing annuities and do not understand all the options available for maintaining or liquidating these accounts. We help advisors understand when annuities are appropriate and what options are available for existing policies.

70%

of existing life insurance policies can be improved by increasing benefits and/or reducing costs.

Case Study #1

Client is successful cardiologist making \$450,000 with a net worth of \$4,850,000. He has two young children and is expecting a third. He wants to provide income to take care of his children, his current non-working spouse and expected child for the next 20 years. He also has an \$800,000 insurance requirement for his alimony payments from a former marriage for the next 30 years, which has not been fulfilled.

- Male, age 52
- Divorced and remarried
- 2 children with ex-wife
- Expecting first child with new wife

Personal Owned

- \$519,848 Variable Universal Life with \$18,540 Cash surrender value with \$0 premium issued 2006
- \$371,000 Universal Life with \$5,666 Cash surrender value with \$4,100 annual premium issued 2004
- \$950,000 level term with \$2300 annual premium issued 2006

Trust Owned

- \$709,021 Variable Universal Life with \$108,916 Cash surrender value with \$0 premium issued 2000

Total Insurance

- \$1,911,750 at \$5,327 annually

THE INSURANCE DECISIONS SOLUTION OFFERED:

The client desired long term coverage for the benefit of his children. Since cash accumulation was not a desire, Variable Universal Life was an inappropriate product given the risk and emphasis on investments. Further, he had stopped paying the premiums needed and the policies were greatly underperforming.

We discussed the advantages of the new mortality tables and secondary guaranteed products and decided to make all of his coverage guaranteed to last through his life expectancy with higher amounts of insurance while his children were minors.

IMPLEMENTATION:

Insurance Decisions replaced and consolidated his policies into secondary guaranteed universal life policies and term policies to fulfill his divorce agreement and new child.

SUMMARY OF NEW INSURANCE PROVIDED:

Personal Owned

- \$2,000,000 Guaranteed Universal Life policy, with plans to reduce to \$775,000 after 10 years; \$24,200 1035 exchange with \$4,200 annual premium
- \$800,000 30 year level term for his ex wife. \$2,950 annual premium

Trust Owned

- \$2,000,000 Guaranteed Universal Life policy with plans to reduce to \$725,000 after 10 years; \$110,000 — 1035 exchange with \$0 premiums
- \$750,000 30 year level term for his expected son; \$3,260 annual premium

Total Insurance

- \$7,550,000 at \$10,410 annually

Case Study #2

Client is a successful executive in the entertainment industry. He recently started a new business venture and his cash flow has been reduced. He has not been able to fund the premiums for several years and market fluctuations have decreased cash values. Policies will lapse in 11 years without funding.

- Male, age 54
- Divorced and remarried
- New wife is 20 years younger

Trust Owned

- \$2,000,000 Variable Universal Life with \$136,716 Cash surrender value with \$50,000 premium issued 2003
- \$2,000,000 Variable Universal Life with \$213,405 Cash surrender value with \$58,500 premium, issued 2007

Total Insurance

- \$4,000,000 with \$108,500 annual premium

THE INSURANCE DECISIONS SOLUTION OFFERED:

The client has a lifestyle that requires adequate amounts of insurance for his family. With a 45 year old wife, he has long term insurance needs as well. The volatility of the investment options and the high funding needed, make his existing policies inappropriate.

Insurance Decisions discussed the advantages of the new mortality tables and secondary guaranteed products and decided to make all of his coverage guaranteed to last through his life with lower, guaranteed premiums.

We improved his rating class with new medical underwriting and consolidated his policies into one guaranteed policy.

SUMMARY OF NEW INSURANCE PROVIDED:

Trust Owned

- \$4,000,000 Guaranteed Universal Life policy guaranteed to age 121; \$350,121 — 1035 exchange with \$68,500 premiums for 20 years

Case Study #3

Client needs to maintain existing coverage, but reduce or eliminate annual premium payments. With their children grown, the life insurance is no longer needed for income protection and is now needed for estate tax liquidity. They do not need the cash value in the policy and would like to reduce the premium payments needed to maintain the policy.

- Female, age 75
- Married with 2 children

Trust Owned

- \$1,064,264 Whole Life with \$520,433 Cash surrender value with \$33,450 annual premium issued 1984

THE INSURANCE DECISIONS SOLUTION OFFERED:

We discussed the advantages of the new mortality tables and medical underwriting classifications which allowed her to obtain a more competitive rating class than her existing policy.

We replaced her policy with a secondary guaranteed universal life policy at a better rating class.

There was an excess of \$137,000 of cash value that was surrendered tax free to be used towards their investment accounts.

SUMMARY OF NEW INSURANCE PROVIDED:

Trust Owned

- \$1,067,000 Guaranteed Universal Life policy, guaranteed to age 100; \$383,338 — 1035 exchange with \$0 annual premiums
- \$137,000 new assets available for financial advisor to invest

A few things that we believe are important for you to know about Insurance Decisions:

- We do not charge fees for the program and are committed to providing ethical recommendations that are in the best interest of your clients. We allow the advisor to oversee the communication and recommendations in advance.
- Our program allows you to customize the review, leaving you in complete control. However, we do all the leg work, allowing you to focus on your business and your clients. The customization process allows you to create a model that mirrors how you currently interact with your clients, ensuring a consistent client experience.
- Our program provides ongoing service and policy audits for your clients to make sure their insurance portfolio remains adequate for their needs and competitive in the market.
- We provide a lifetime non-compete agreement. This guarantees your clients will never be solicited for investment management, financial planning or any other business you already offer; even if they discontinue their relationship with you.



insurance decisions
RESOURCES ■ INSIGHT ■ ANSWERS

780 Third Avenue, 19 Fl
New York, NY 10017

t: 212.920.3485
f: 212.920.3488
info@in4fa.com
www.in4fa.com

Contact us today for a complimentary "ID Audit" meeting to learn more and to see if our services are right for you.

**CALL OR EMAIL KELLAN FINLEY AT 212.920.3485 OR
KELLAN@IN4FA.COM**

Registered Representative of and securities and investment advisory services offered through Hornor, Townsend & Kent, Inc. (HTK). Registered Investment Advisor, Member FINRA/SIPC.

2 Park Ave, Ste 300 New York, NY 10016 212.697.1355

Insurance Decisions is independent of HTK.