

We often talk with clients about the factors that influence their decisions when entering into long term contracts. As part of that process, it is important to ask them to give examples of the longest contracts they've entered into. It should come as no surprise that the most common responses include marriage and mortgage.

While this discussion typically comes with some fun debate, we quickly point out that a life insurance policy would be another example that ranks pretty high up there. Essentially, it's a contract that can last from the day you purchase the policy until the day you die. With that thought in mind, the decision process for choosing an insurance advisor should be different.

There are two primary factors that should influence the selection of an insurance advisor:

ACCESS

Every consumer wants a competitive product, but the challenge is in finding products that will be competitive on a sustained basis – for the life of the contract. This requires working with an insurance advisor that has access to a broad range of insurance carriers and products that will fit the needs of the client.

At Barry, Evans, Josephs & Snipes, we have aggregated our clients into a select risk pool to provide them with institutionally priced products. We've done this with more than 10 different insurance companies and through reinsurance, we've been able to help sustain the competitiveness of these products for the long term. By having multiple carriers and products, we are able to utilize a "portfolio" approach to managing insurance products. This allows us to monitor the competitiveness of policies and to focus on maximizing the effectiveness of the products for addressing the ever changing issues that are important to our clients.

But access alone is not sufficient. The insurance advisor must also be in a position to effectively advocate for the client.

ADVOCACY

Any good insurance advisor must be committed to serving the best interests of their clients. However, that commitment must be coupled with a fundamental ingredient – influence. When selecting an insurance advisor, you must determine the relative degree of influence the advisor will have with the insurance companies with which they work.

Client advocacy is the center-piece of our service model at BEJS. Over the last 30+ years, we've positioned our organization to have greater influence with the insurance companies because we know from experience that our clients may need us to advocate on their behalf many years after the initial purchase was made.

We've developed an "Advocacy Assessment Tool" which is helpful to prospective clients. The tool identifies the most important questions that should be answered in determining the relative effectiveness of an advisor when it comes to advocacy. When making a decision to purchase life insurance, everyone should consider these questions. This extra level of "due diligence" will be one of the best ways to help sustain a competitive purchase decision for *the longest contract you'll ever enter into.*

Questions	BEJS Answers
Is the distribution channel independent of, or captive to, the insurance company?	Independent
Is the volume of business sold by the distribution channel sufficient to build credible data and be relevant to the insurance company?	M Financial: <ul style="list-style-type: none"> • \$1.3 B in 2012 new sales • 30+ years of experience • \$122 B in-force face amount (\$5 B + at BEJS) • \$34 B in policy cash value
Is the client pricing experience socialized with all risks, or is it placed in a select risk pool?	It is placed in a segregated, proprietary product pool – not socialized. This results in lower insurance costs.
Is the client a member of a risk class that justifies superior pricing characteristics?	Risk class is composed exclusively of M Financial Member Firms' high net worth and/or highly compensated clients.
Does the insurance company have a good reputation built on competitive products and superior track record?	<ul style="list-style-type: none"> • M Partner Carriers are highly rated • Member Firms have access to 20+ proprietary products.
Is there risk-sharing by the distributor/producer? Is the distribution channel putting capital at risk to legitimately "own" a seat at the table when it comes to negotiating price adjustments?	<ul style="list-style-type: none"> • M reinsurance via M Financial Re • \$48 B of face amount reinsured • \$50 MM of new capital invested per year
What resources and technical support are dedicated to monitoring the policy on an ongoing basis, and who provides them (captive or independent)?	M Financial <ul style="list-style-type: none"> • Independent Staff including 14 BEJS specialists • 15 actuaries • Annually audited by independent consultants
How do you characterize the producer's relationship with the insurance company?	As independent producers who maintain deep relationships with a select group of Partner Carriers
Does the client advocacy model have a track record?	<ul style="list-style-type: none"> • 35 pricing improvements • \$150 MM in historical value
Is the client advocacy model sustainable?	Yes, based on 30+ years of data and 15+ years of proprietary product experience

BEJS is a second generation financial services firm with nearly 30 years of successful history serving affluent multigenerational families, business owners, and highly compensated executives and professionals.

We work closely with families, executives, professionals, and their advisors to create, implement, and manage insurance-related strategies designed to help preserve and provide estate liquidity, minimize taxes, accumulate capital, protect income streams, transition businesses, and retain key employees.