



## Session 046 OF - Life and Annuity Product- The View from the Other Side

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# LIFE AND ANNUITY PRODUCT: A VIEW FROM THE OTHER SIDE

2017 SOA Annual Meeting

Rob Stone, FSA

October 16, 2017

# Introduction and Background

# What is a financial advisor (or what should one be)?

- Listen to client
- Gather data
- Create analysis/projections of client risk
- Present findings and recommendations
- Sound familiar?

# Why make the career switch

# The Mission: Service-oriented financial advice

- Making the experience about the client

# A story about a client

# Transitioning into the Role

- Training
- How to turn a list of contacts into meetings
- Phoning
- What to say/how to say it
- How to prospect
- State insurance licensing
- Internal product certifications
- Series 7/Series 63



# Joint Work

- Training focuses on setting meetings
- Intent is to take along an experienced advisor to run the meeting while new rep learns the business
- Understanding ramifications of NOT doing this

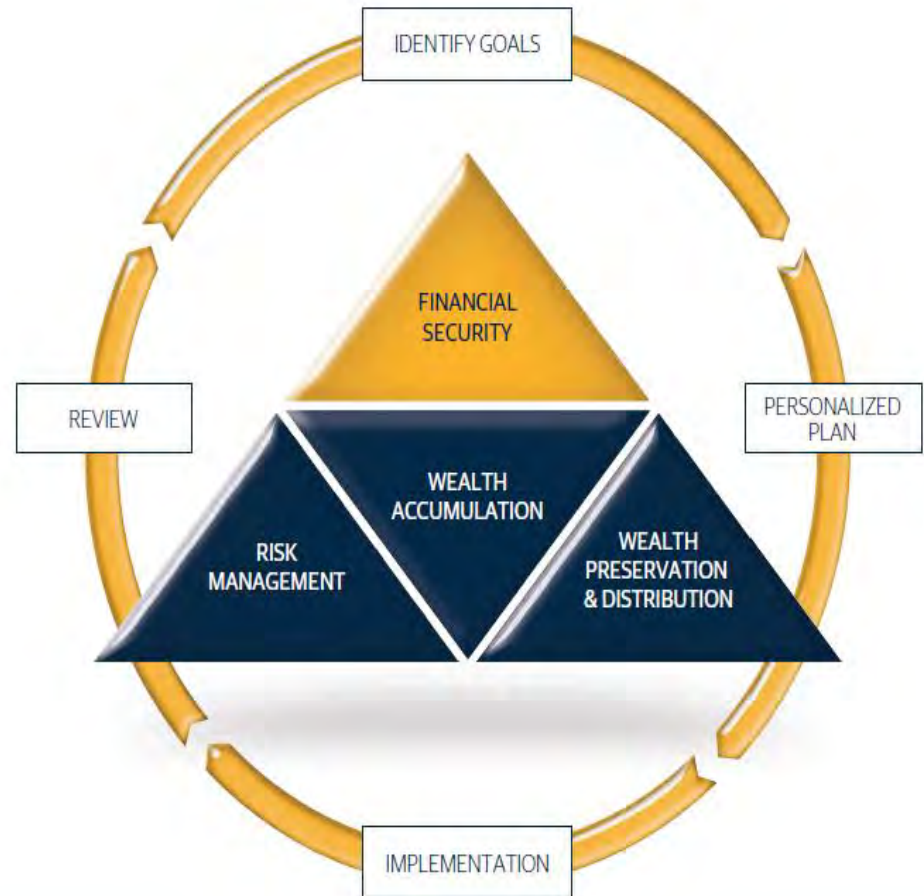
# Meetings and Process

- Logistically, how do you take a successful conversation and turn it into business?
- Once a client says “yes,” there are numerous steps needing to be completed to turn that into a policy or an account

# Financial planning as the basis

## FINANCIAL SECURITY PLANNING

- It's the whole picture
- Adding good process



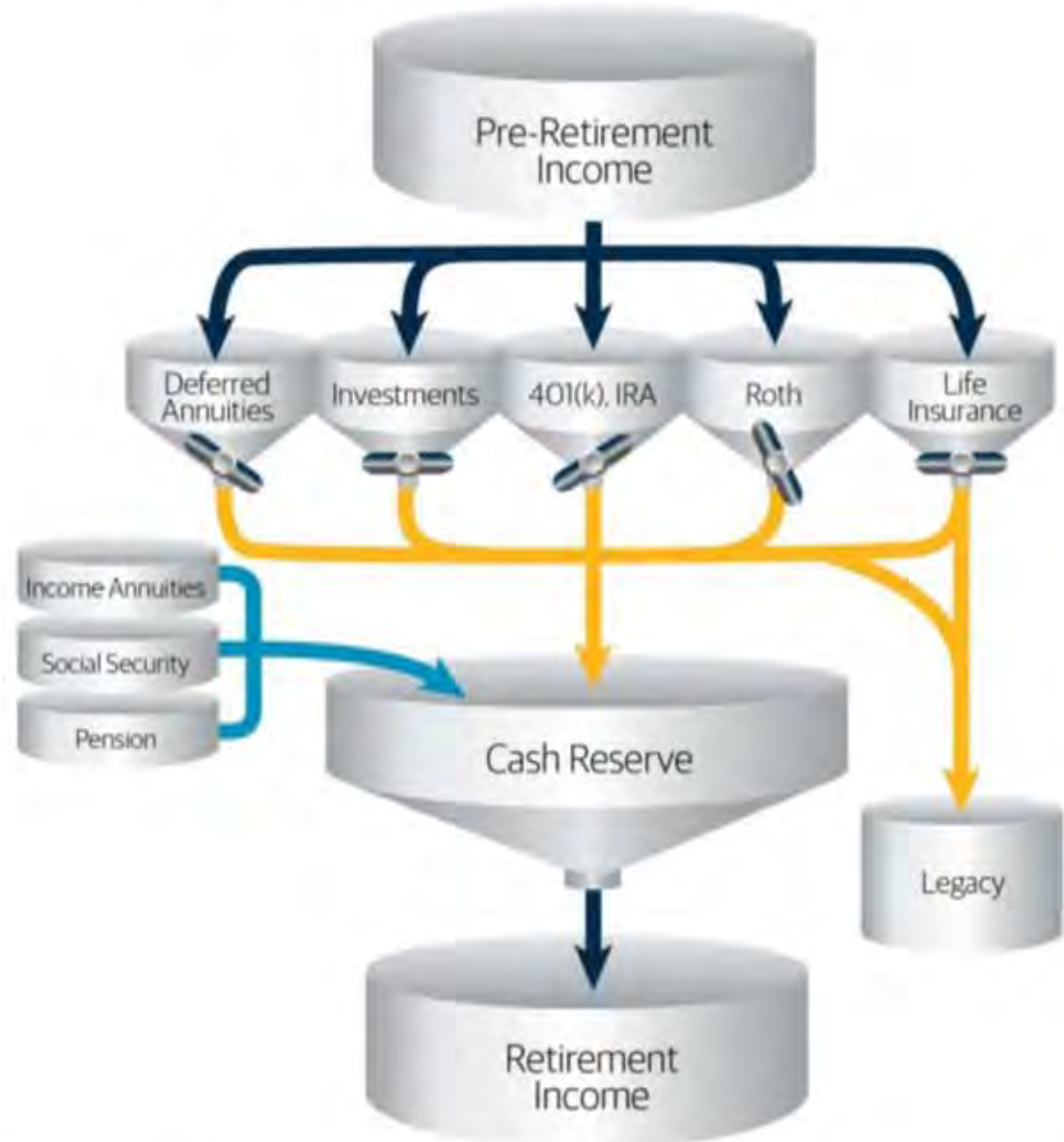
### PRODUCTS AND SERVICES

- Financial Planning
- Investment Solutions
- Insurance Solutions
- Trust Services

# Retirement Planning as Project Management

- Having end in mind
- Working backward

Having Choices in Retirement Really Matters



The primary purpose of permanent life insurance is to provide a death benefit.

# Risk management – why's it important?

- Imagine you have a bucket you intend to fill up with your lifetime assets
- It starts out with 6 holes in the bottom:
  - Medical insurance
  - Emergency Fund
  - Disability Income Protection
  - Life Insurance
  - Long Term Care Coverage
  - Liability Coverage
- People don't naturally seek out all of these

# Good Process

- Fact finding – The crux of creating the relationship
  - Truly meaningful conversation
  - Goals
  - Data
- The Plan – financial checklist, planning analysis, recommendations
- Implementation – taking steps to put plan in place
- Review – every 6 months to a year – making sure we're on track

# What about the technical details?

- Pull them out as necessary
- Technical knowledge – helpful in completing the analysis and projections
- Great to understand product and be able to explain simply
- Most clients don't want the gory details
- Concepts trump nitty gritty more often than not

# Prospecting

- No one has an infinite list of people to contact
- Obtaining referrals is vital
- You hope that the work you do with people creates a willingness/desire to provide referrals
- If you can't get referrals, you will run out of people to talk to



# Conviction

- Asking for meetings, asking for the sale, asking for referrals
- Having the “courage to ask” is harder than one might think
- Making it about the client helps provide the conviction necessary to have the courage

# So what about product?

- As a pricing actuary, often focused on base product/rates
- Riders viewed as auxiliary
- When discussing protection concepts, riders can be critical
  - Waiver, additional purchase, acceleration of benefits on life
  - Inflation protection, additional purchase, CAT options on DI
- It's more important to make clear WHAT is being protected: earning potential, purchasing power, insurability
- Price competitiveness isn't a topic very often

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