

# The Trusted Advisor

WE BUILD PARTNERSHIPS THAT DON'T MERELY FUNCTION; THEY LAST.



## Trust [trust], *noun*:

1. **reliance:** confidence in and reliance on good qualities, especially fairness, truth, honor, or ability
2. **care:** responsibility for taking good care of somebody or something
3. **position of obligation:** the position of somebody who is expected by others to behave responsibly or honorably
4. **something in which confidence is placed:** somebody who or something that people place confidence or faith in
5. **hope for the future:** hopeful reliance on what will happen in the future
6. **responsibility that somebody has:** something entrusted to somebody to be responsible for . . . [Encarta® World English Dictionary (North American Edition) © & (P)2005]

Every consumer seeks out a 'trusted' advisor to help them with their financial needs. We would like to share with you a successful collaboration between a financial consultant and Robert Barnes, CLU, ChFC.

Andy, a 'trusted' financial consultant with a major investment firm, has been a friend, confidant, and advisor to his client, Dr. A. Stickler\*, for more than ten years. Dr. A. Stickler, a multi-millionaire, is a very conservative investor who, over the years has invested mainly in bonds. Andy had been consulting with Dr. A. Stickler on his estate planning needs for the last four years. Andy first introduced his client to Rob two years ago. After review of Dr. A. Stickler's finances, Rob recommended that he maximize his unified credits and purchase life insurance because, as a conservative investor, it would be difficult to beat the leverage of life insurance. At the time, Dr. A. Stickler declined to proceed with Rob's proposal.

Andy recently contacted his client to address his growing estate planning needs. This time around, Dr. A. Stickler was much more receptive. Together, Andy and Rob showed him that he

was not likely to beat the returns of life insurance [being received free of income and estate taxes] with bond investments alone. The doctor wanted to pay the insurance in full with no surprises. He was able to purchase two \$5,000,000 guaranteed survivorship universal life policies, with single pay premiums totaling just under \$2,000,000. The client solved his future estate tax liability and will now be able to perform a Stretch IRA.

Throughout the sale, there were many hurdles Andy and Rob faced. Since Dr. A. Stickler did not have an irrevocable life insurance trust established, Andy and Rob referred him to a local attorney to draft the document. The doctor had many concerns in this process and sought the advice of his 'trusted' advisor Andy. Rob assisted Andy, along with the investment firm's trust department, in answering the doctor's questions and addressing his concerns.

His legal questions were answered but he still had more questions relating to the insurance plan presented. Being the analytical and conservative client that Dr. A. Stickler is, when he received his life insurance policies, he had a magnitude of questions and concerns regarding the mechanics and language of each policy (ultimately wanting to be sure the policies were in fact guaranteed to age 100 and beyond). Rob worked with the insurance carrier's Product Management Department Heads in answering the doctor's questions and comforting his apprehension. Together they were able to ease the client's concerns.

The key factor contributing to this relationship was trust. Trust between the advisor and his client, as well as the advisor, client and Rob Barnes. Andy not only succeeded in helping his client solve his estate planning needs and perform a Stretch IRA, he also opened the door to future possibilities. Dr. A. Stickler was so impressed by Andy and Rob's commitment and support that he asked them to review a single premium policy he purchased years ago. They presented an alternative that would provide more life insurance coverage with long term care benefits. This type of policy appealed to both the doctor & his wife since they did not have any long term care insurance in place. They moved forward with the plan solving additional life insurance & long term care needs. Andy & Rob built such a strong bond with Dr. A. Stickler throughout this whole process that he introduced them both to some of his close friends

\*Stickler [stick-ler], *noun*: 1 : one who insists on exactness or completeness in the observance of something [Merriam-Webster Online]