

CONTRIBUTORS



WILLIAM T. SPENCER III, CFP interviewed the members of a successful study group comprising five MDRT members and shares their biggest successes in "Room for improvement" (Page 12). In a second article, "Surpassing expectations" (Page 48), he explains how Australian member Angus Donald McQueen, Dip CII, Dip PFS, founded four successful companies. Spencer is a six-year MDRT member from Sudbury, Massachusetts, with one Court of the Table qualification. He is an MDRT Foundation Bronze Knight and a member of the Content Development Committee. Contact him at bill@spencerfinancialllc.com.



CLIFFORD P. RYAN, CLU, ChFC, faced with health concerns many years ago, decided to take steps to protect his business from the unexpected. In "Continued service," he explains what he learned while building an agreement with a like-minded local producer who will help transition his business when the need arises. Ryan is a 21-year MDRT member from South Portland, Maine. An MDRT Foundation Silver Knight with three Court of the Table qualifications, Ryan serves as Chair of the Business Continuation Task Force. Contact him at cryan@epame.com.



PATRICK T. LEARY, MBA, LLIF explains how to drive tomorrow's growth with today's best practices in "Four keys to productivity." Leary, assistant vice president for LIMRA Distribution Research, oversees LIMRA's distribution research department. This area studies a wide range of distribution channels, including affiliated and independent agents and advisors, financial institutions, worksite, broker-dealers and direct response. The research focuses on the economics of distribution, organizational practices in these channels, and the market trends as these channels evolve. Contact LIMRA at pleary@limra.com.



KENNETH BUCKLEY discovered a new, better source for referrals during the recent recession. In "Perfect partnership," he explains how commercial mortgage brokers are a natural fit to refer him prospective clients for premium-financing cases. Buckley is a 12-year MDRT member from Brockton, Massachusetts, with three Court of the Table and eight Top of the Table qualifications. Contact him at kenbuckley@buckleygroup.org.



PETER H. DODD, MSFS, CLU explains the role of the Finance Committee in maintaining MDRT's financial stability in "Meet and exceed." He is a 26-year MDRT member with five Court of the Table and nine Top of the Table qualifications. Dodd is Divisional Vice President of Finance and an MDRT Foundation Platinum Knight. Contact him at pdodd@doddconsulting.net.



RAJESH CHHEDA, BCOMM, CFP knows the importance of maintaining an up-to-date customer relationship management (CRM) system. In "The lifeblood of customer service," Chheda explains the many benefits of a modern CRM, from compliance issues to keeping a business desirable for future buyers. Chheda is a 10-year MDRT member from Panjim, India, with one Court of the Table qualification. He is also Chair of the Content Development Committee, Section 3. Contact him at rhheda@me.com.



J. FORRESTER DEBUYS III, CLU, AEP shares the story of how a member took the advice of his mentor and joined the life insurance field, and has since taken on his own mentee. In "Continuing the cycle," DeBuys tells how H. Larry Fortenberry, CLU, ChFC, left his career as an accountant to pursue a field more suited to his personality, and how success immediately followed. DeBuys is a 14-year member from Birmingham, Alabama, with two Court of the Table qualifications. He is a member of the Content Development Committee. Contact him at fdebuys@ft.newyorklife.com.



SHANNON J. MATTIX, LUTCF, RFC shares his story of how he was helped through an illness by his company's disability insurance, and how he learned to advise his clients to do the same. In "When the benefits apply to you," Mattix discusses how after being diagnosed with cancer, his family was able to get by financially with help from his company's short- and long-term disability insurance. Mattix is a 10-year member from Monticello, Indiana. He is a member of the Content Development Committee. Contact him at shannon@mattixfinancial.comcastbiz.net.

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Perfect partnership

Commercial mortgage brokers provide a natural referral source for premium-financing cases.

By Kenneth Buckley

In the current economic climate, almost no industry has survived unscathed. As self-employed professionals, we have been hit particularly hard. Even the best-laid business plans have undergone radical restructuring. Thinking outside the box has become a daily necessity instead of a brainstorming activity at a weekly meeting.

During the first 30 years of my career, I developed a strategy that worked very well for me. I had

wonderful referral sources — people who saw the value of my work. We had confidence in each other, and we directed our clients back and forth for services. I was working almost exclusively with lawyers and certified public accountants (CPAs). Then, in 2009, as our economy declined and so did all of our business opportunities, I began to think about other contacts I had made during my years of financial advising.

At this point, I am thankful for

the economic upheaval. It reminded me that innovation is essential, and it awakened me to an entire segment of professional contacts I had but was overlooking: commercial mortgage brokers.

The right fit

Commercial mortgage brokers are such a perfect referral fit for the financial advising I specialize in, I am aghast that I didn't reach out to my contacts in that business sooner. As

Commercial mortgage brokers help entrepreneurs — like my clients — keep their businesses operating smoothly.



a premium-financing specialist, my job is to show people how to solve an estate tax problem without making lifestyle changes. I protect self-made individuals from having the wealth it took a lifetime to accumulate diminished before their heirs benefit.

Commercial mortgage brokers have a special relationship with their clients, similar to my business. Every three to five years, the note is due on each client's commercial building, and they're working together again, diligently trying to provide their client with a loan that fits the needs of their business. This creates a strong professional relationship that is also deeply personal. The mortgage on a business is typically the greatest percentage of overhead costs, and a good commercial mortgage broker's efforts to find the best fit for each client can often mean keeping that business operating soundly.

Team approach

In helping people manage their money and plan their future legacy, many of my clients become friends; there is a real emotional investment in their well-being. The same can

be said of commercial mortgage brokers who devise the best plan to help assure their clients' businesses remain or become successful.

As I approached my friends and professional contacts in the commercial mortgage industry, I explained what I do: I help individuals (usually self-made entrepreneurs, like their clients) ensure their assets

are protected when they pass away. I work with others to structure a trust, funded by a life insurance policy, to prevent their heirs from losing business or personal assets to government taxation. The funding model I use, premium financing, also allows the client to keep their current assets available for investment in the continued growth of their business. Eliminating the need to pay burdensome premiums on a high-value life insurance policy allows them to have the coverage they need without sacrificing their lifestyle or carving

money out of their investments.

Typically, after a 20-minute conversation, the broker and I realize we are on the same team. Our clients' success is our success and a direct reflection of our professional value.

Now, I have two associates, both commercial mortgage brokers, who are working full time referring clients to me.

WE EARN OUR INCOME BY HELPING PEOPLE ACHIEVE THEIR OWN SUCCESS.

Since I made the transition to working with commercial mortgage brokers, I have, of course, kept the lawyers and CPAs I was working with initially onboard, but I no longer seek them out. Our value propositions are not the same. Lawyers and CPAs make money by the hour; commercial mortgage brokers and financial advisors earn our income by helping people achieve their own success. That is a world of difference. There is no profession I like working with more to help jointly ensure our clients' continued business growth. ■

When premium financing works

Premium financing allows my clients to invest in their business while funding the life insurance they need to protect their estate in the long term. Many of my clients have multiple life insurance policies they've accumulated over the years to protect their growing estate. I build a comprehensive plan that takes all these ideas into account and protects the future growth of the business, while making it easier

for the client to pay for it.

Target client: Clients need to meet certain criteria to make them a good candidate for this type of planning.

My ideal client can afford to pay for life insurance with their liquid assets, but they don't want to. They own an established, growing business and have a net worth of at least \$10 million.

Client base: More than 90 percent are premium-financing clients.

Need: Business-owner clients of-

ten don't know their own net worth. They're too busy growing their business to realize how far they've come — and how much of that they stand to lose to estate taxes.

Referrals: CPAs and attorneys still provide some clients, but I target relationships with commercial mortgage brokers.

Getting started: Don't quit your day job; getting into premium financing can be a long process.