

IS YOUR LIFE INSURANCE PORTFOLIO AS WELL MANAGED AS YOUR INVESTMENT PORTFOLIO?

Affluent families and family offices rely on specialists to manage their investment portfolios. But how many neglect the professional oversight of what may also represent a sizeable portion of the estate—their life insurance policies?

According to the National Association of Insurance Commissioners (NAIC), nearly \$243 billion was transferred through death benefit proceeds in the past five years alone. Problem is, many of these life policies—which were likely purchased decades before—may not have been reviewed with nearly the same depth of due diligence as an investment portfolio. Estimates show that the amount transferred could have been significantly higher if the policies had been actively managed, providing beneficiaries with billions of dollars of additional death benefit proceeds.

“When properly structured and maintained, life insurance is one of the most tax-efficient ways to preserve and transfer wealth to new generations,” said Fred H. Jonske, President & CEO of M Financial Group, a premiere network of independent financial firms serving the ultra-affluent and Fortune 500 companies. “But like any sophisticated financial planning tool, life insurance requires a specific expertise to be successfully managed.”

Here are three key ways to ensure your life insurance portfolio is both well structured and well maintained.

1. Insist on institutional pricing and solutions tailored for the affluent. Affluent families have sophisticated wealth transfer needs. That calls for customized life insurance solutions that can be seamlessly integrated into complex estate plans and business succession strategies.

Not every life insurance advisor offers both the expertise and the focused experience to provide these specialized solutions. You’ll want to partner with an advisor who can help you take advantage of the country’s largest life insurance buying syndicate, the unique actuarial experience of the ultra-affluent market, and institutionally priced products not available through traditional agents and brokers. It’s also important that you work with independent, objective advisors who are free to recommend policies that are best suited to your situation.

Collectively, M Member Firms represent clients with over \$100 billion of inforce life insurance and manage assets in excess of \$30 billion. M Member Firms offer access to proprietary products and services from many of North America’s largest life insurance carriers.

2. Enlist experts to maintain your insurance portfolio over time.

Like investments, insurance portfolios need to be expertly managed over time. As the family’s situation changes and estate and tax laws are modified, portfolio strategies must be updated. As the economy shifts, the stability of insurance carriers, as well as the types of policies most appropriate for that economic environment, must be constantly monitored and periodically adjusted. Working with an advisor who approaches insurance decisions like investment decisions by utilizing a disciplined, ongoing process for analyzing these interrelated factors creates a distinct advantage. It is also beneficial to work with an advisor who has the independence to recommend changes to your insurance portfolio as needed.

3. Ensure your life insurance advisors work well with your other advisors.

The financial affairs of ultra-affluent families are intricate, involving significant assets, as well as an array of financial objectives, advisors, and beneficiaries. “The best life insurance portfolio specialists appreciate the larger picture,” says Dave Downey, President of The Downey Group, an M Member Firm in Champaign, Illinois. Families are best served by a specialist who adds value as part of an advisory team, and who can flexibly balance sometimes overlapping goals or desires. You may wish to ask for references from lawyers, accountants, investment managers, and others who specialize in advising the affluent.

Given all that is at stake both personally and financially, your life insurance portfolio deserves the care and attention of truly qualified specialists who can help you preserve your wealth for generations to come.

Where to find an insurance advisory specialist. *M Financial Group is comprised of more than 110 independent firms focused on serving the wealth transfer needs of ultra-affluent families and their family offices. For a complete listing of M Member Firms, please visit www.mfin.com.*



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