

# THE GFD ADVISOR

# Happy Holidays



fall 2015 issue TWENTY-ONE

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## PRESIDENT'S MESSAGE

By Alan Harrington, President of GFD

**S**trengthening. I was recently asked to describe my view of our company performance during 2015 and to explain the kind of year it was. It's a question I get asked frequently and typically the answer rolls off the tongue - but for some reason the question gave me pause this time.

I was about to explain that we've continued to grow our portfolio of loans to new heights and how very satisfying it is to describe volumes in the billions of dollars. The fact that a growing portfolio solidifies your market presence and allows you to budget and create targets that support sustained controlled growth seemed an appropriate answer.

With about 90% of our loans remaining on our books for the full 10 year term it would have been appropriate to spend some time reciting why we spend so much time prior to loan closing making sure we stress test each loan for a rounded picture to present to the client. Further,

discussing why we take the time to work with each insurance advisor, each client advisor and the clients themselves would have shown how we help provide education and comfort while many enter a transaction that they rely on for part of their financial future.



Highlighting how, once they reach the end of their loan term, nearly 85% of our customers renew their loan for another term because we review their track record and good payment history allowing us to simply avoid unnecessary additional underwriting and making it easy for them to "sign and drive" would also have been a

satisfying statistic to recite.

Making things easy for you, the advisor, by having real customer service and offering real solutions or alternatives to you for financing for your client with an insurance need came to mind. Expressing how we work side by side with you through

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## New Addition: **VICKI EVANS**



If you attended NAILBA 34 Annual Meeting, and you came by our booth, then you already know that GFD has added a well-known, seasoned industry veteran to our team. We are very excited to announce that Vicki Evans, most recently in a national accounts management role with AIG and formerly President, NFP Life Brokerage at National Financial Partners has joined GFD as Vice President, Strategic Initiatives and Relationship Management.

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Vicki's professional experience encompasses a broad range of positions with several high profile insurance carriers and marketing organizations. In addition to her role as President, NFP Life Brokerage, Ms. Evans held numerous other senior leadership roles within that organization including: SVP, Insurance Services, SVP Strategic Underwriting and Advanced Case Design, Vice President of Marketing and Vice President of Business Development.

Al Harrington, GFD's President remarked, "Vicki's broad experience, strong reputation in the industry and extensive base of relationships will undoubtedly help GFD to continue the strong growth trend we've seen over the past several years. Additionally, Vicki's insights and carrier experience will enable us to quickly expand our solutions offering – bringing an even more appealing range of options to our advisor affiliates and their clients."

***"...Vicki's insights and carrier experience will enable us to quickly expand our solutions offering..."***

To contact Vicki, please email her at [vevans@globalfd.com](mailto:vevans@globalfd.com).

## Upcoming **WEBINARS**

Below is the complete Webinar schedule through the first quarter of 2016. You can register for any of these webinars by accessing the Webinar Calendar at [www.globalfd.com](http://www.globalfd.com).

### **JANUARY 2016**

#### **UNDERSTANDING LEVERAGED PLANNING SOLUTIONS**

January 13, 2016, 1:00pm - 2:00pm ET

#### **POWER PROSPECTING**

January 20, 2016, 1:00pm - 2:00pm ET

#### **MANAGING THE CASE PROCESS**

January 27, 2016, 1:00pm - 2:00pm ET

#### **CLIENT PRESENTATION**

September 30, 2015, 1:00pm - 2:00pm ET

### **FEBRUARY 2016**

#### **UNDERSTANDING LEVERAGED PLANNING SOLUTIONS**

February 3, 2016, 1:00pm - 2:00pm ET

#### **POWER PROSPECTING**

February 10, 2016, 1:00pm - 2:00pm ET

#### **MANAGING THE CASE PROCESS**

February 17, 2016, 1:00pm - 2:00pm ET

#### **CLIENT PRESENTATION**

February 24, 2016, 1:00pm - 2:00pm ET

### **MARCH 2016**

#### **UNDERSTANDING LEVERAGED PLANNING SOLUTIONS**

March 9, 2016, 1:00pm - 2:00pm ET

#### **POWER PROSPECTING**

March 16, 2016, 1:00pm - 2:00pm ET

#### **MANAGING THE CASE PROCESS**

March 23, 2016, 1:00pm - 2:00pm ET

#### **CLIENT PRESENTATION**

March 30, 2016, 1:00pm - 2:00pm ET

# PRESIDENT’S MESSAGE (cont’d)

the loan placement and then through the loan term with you and your client is special for us. We actually provide web information to the client and their advisors 24/7/365 during their tenure with us. Behind the scenes they take advantage of our industry exclusive patented loan processing systems; our growing stable of world class supporting banking partners; the security of knowing that by our employing back up servicers for every contingency our clients can sleep knowing that not simply one but many financial institutions combine their resources to support their program.

The fact that many of you have now written loans with us for many years came to mind and how much we appreciate you for your loyalty. Most of you with tenure have introduced us to fellow advisors while some marketing organizations have turned over their entire downline to us for training. Seeing advisor participation grow within the industry’s first and only non-participatory nonqualified

deferred compensation plan we’ve created and our referral-fee program for in-force funding has been exciting to watch.

I could have talked about any of these things but in fact the word strengthening came to mind. This past year we strengthened our relationship with all our stakeholders including the clients and the insurance carriers we support. Most importantly, we worked hard to strengthen our relationship with you. From me to you...thanks for giving us the opportunity to grow with your business. We look forward to that continuing relationship.

*“...thanks for giving us the opportunity to grow with your business...”*



If you’re like many of us, once you’ve downloaded a set of marketing materials you will often continue to use those for months – often years without worrying about updating them. This is particularly true for items that provide general overviews of concepts, etc. But, you can often miss both content and aesthetic updates that can make the materials both more information-rich and more client-friendly.

As the astute reader will no doubt by now have ascertained, this isn’t just a public service announcement. In fact, GFD has overhauled all of our marketing materials and we would hate for you to be using out-of-date collateral when you’re discussing Leveraged Planning strategies and GFD with your clients.

To acquire these new, improved and, frankly, very attractive pieces, you can simply log in to the GFD Global Gateway and download them either piece by piece, or, more conveniently, get them together as part of the Advisor Kit in handy PDF format. Alternatively, if something terrible has happened to your computer or you are concerned about the safety of downloading anything, ever, then call your GFD Financial Services Manager at 800-515-2599 and we will be happy to work with you to create a strategy for getting you these documents in a timely fashion.

**Don’t wait, update!**



# 4 SALES SLIP-UPS TO AVOID WHEN PRESENTING LEVERAGED PLANNING® PREMIUM FINANCING SOLUTIONS

You already know that a Leveraged Planning solution for premium financing can help you close bigger insurance cases and help you solve your clients' business, , retirement and estate planning problems. Did you also know that there are things you can say or do during the sales process that hurt your chances of closing the sale?

Here are four of the top slip-ups agents make when presenting Leveraged Planning solution for premium financing to their clients, and tips for avoiding them.

## SLIP-UP #1: CALLING IT FREE INSURANCE

Not only will calling premium financing free insurance set off alarm bells in your clients' heads (and for carriers as well), it's simply not a true statement. While the performance of the policy and the exit plan may advantage your client, there is loan interest to consider as well as cost associated with the risks they take on. First, there's the risk of posting additional collateral if the policy doesn't perform according to expectations. Second there's the risk that interest rates could rise and make the financing more costly than expected. Third, there's the possibility that either policy, CSV, or collateral will drop in value, requiring the addition of new collateral to secure the risk.

Instead of incorrectly referring to premium financing as a method for securing free insurance, present it as a means to making a valuable, high-premium policy affordable and accessible. Also, focus on the fact that the client won't need the same liquid assets as he or she would to pay for the policy without premium financing but make sure to be very clear about what their collateral requirements and possible out-of-pocket expenses might be.

## SLIP-UP #2: FORGETTING THE EXIT PLAN

In premium financing, the exit strategy is just as important as securing the loan itself. Without a well-planned, tax-efficient exit strategy, the advantages of premium financing can be squandered.

Discuss with your clients all the exit strategies available, including using a trust or cash values to exit the loan. Then, create a flexible plan implementing one or more of those methods.

## SLIP-UP #3: NOT BEING REALISTIC

It's extremely important to manage client expectations with premium financing, and you can't do that if you aren't realistic when designing your illustration and presenting your plan. The difference between the premium financing interest rate and the underlying policy's growth is a major factor in making a transaction successful or upside down. By starting out with reasonable expectations, you can keep your client happy and ensure that you always have a workable exit plan. And don't forget to schedule annual reviews to track the performance of the policy against expectations. This will help you to ready the client's expectations in terms of the effectiveness of the exit strategy and future collateral needs.

## SLIP-UP #4: IGNORING A HYBRID APPROACH

Many agents think that premiums should either be fully financed or completely paid out of pocket, but in reality a hybrid approach can be very beneficial for some clients. When presenting the various options to your clients, show them what it would look like to finance only the first few years and then pay premiums out of pocket when they have more liquidity. Or show them the advantages of financing an in-force policy.

Using a Leveraged Planning solution to implement a premium financing arrangement is a compelling strategy for many clients with high premium life insurance needs. It's also a flexible strategy that can be adjusted to fit various situations. Fully understanding the ins and outs as well as the do's and don'ts will help ensure you close more sales and have satisfied customers whose expectations are managed and met.

To speak with a FSM today, call 800-515-2599.

# WHAT'S NEW? Leveraged Planning® Video

Over the past couple of years we have received significant positive feedback about our "Michael" video, and we appreciate it greatly. However, the time was ripe to create a new video with updated numbers, new people and a whole new color scheme to match our crisp new website and shiny new collateral materials.

To that end, we are excited to announce (again for those who read our emails) that we've launched a brand new Leveraged Planning video.

The new video tells the story of Susan and Steve - two entrepreneurs trying to get their financial houses in order and prepare for the future. One of them will choose wisely (incorporating a Leveraged Planning solution into their financial planning strategy) and one will not. What will happen? Who will prosper?

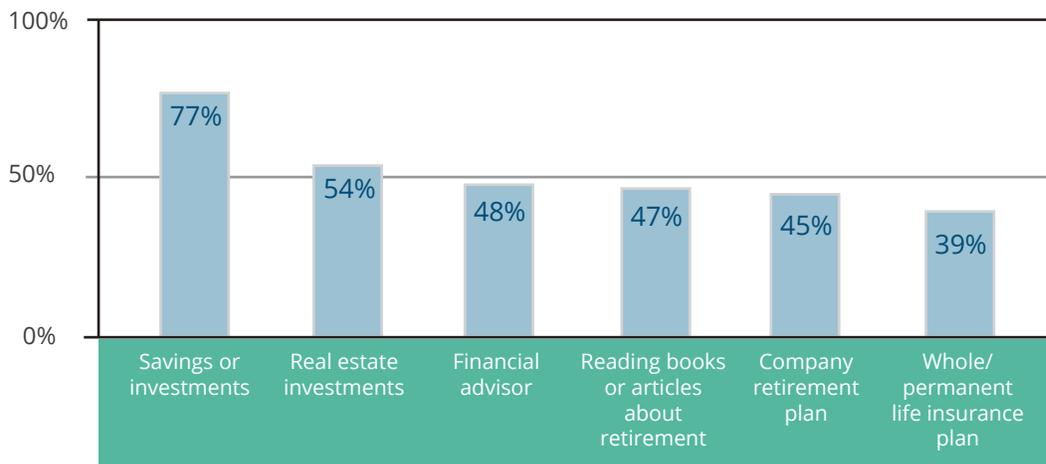
Tune in to watch on our website to find out. Alternatively, the video is available to be watched (and shown to your clients as well) at [www.leveragedplanning.com](http://www.leveragedplanning.com)



We hope you like the video and, as always, we ask for you to provide feedback, thoughts and questions by contacting your Financial Services Manager at 800-515-2599.

## Interesting STATISTICS

### SMALL BUSINESS OWNERS EXPECT TO RELY ON 6 PRIMARY SOURCES FOR RETIREMENT SUCCESS



Source: The 2014 Guardian Small Business Business Owner Retirement Readiness Study

