



# CHRIS JARVIS

*See Differently. Business Differently.*

## **12-Day Turnaround with Chris Jarvis**

### **Day 10 – part a – Big Case Studies**

Large cases are really exciting. They pay a lot of bills and pay for a lot of nice things, too! Big cases get the attention of home office executives – which is always a good thing. You also earn cool recognition trips. I’ve earned trips to multiple countries in Europe and to Australia, South America, and the Caribbean. It’s fun.

There are two things that are more important and more valuable than the size the case. Everybody asks me how I meet the big clients I have. You will want to understand the origin of the case – how did it start?

You have to understand something about the second important point about big cases. There are more “big fish that got away” stories in the insurance world than there are in fishing circles. You really need to understand the dynamics of the case – what happened in the process and how did it ultimately close?

These are equally important because without a big client, there is no big case to close. More often than not, agents meet wealthy prospects and can’t seem to close the case. I hope today’s homework will help you with this invaluable skill.

There are three parts to your social media supercharge program.

<b>Big Case Studies</b>
-------------------------

## **1. The Bankers, the Lawyers, and Me**

**Background:** An investment advisor for a large bank had the chairman of a very profitable boutique law firm as a client. Chairman had significant business interests and illiquid wealth. Chairman also had personal attorney who oversaw his planning.

**Problem client had:** Client wanted to build an executive benefit plan, utilizing life insurance, to create tax efficient and creditor protected retirement income.

**Challenges to overcome:** Though client earned over \$20M per year, he was very illiquid. Client wanted to continue to leverage his wealth to build outside business interests and to continue to invest in real estate. Any programs created through his practice or businesses would require the approval of his partners and co-owners. Bankers wanted to maintain current assets under management.

**Who had more to gain:** In this case, there were many potential roadblocks who needed to be converted to beneficiaries. They included: his partners in the law firm, the COO and CFO of his companies, the HR directors, his investment advisors, his lawyer, and his CPA.

**How we helped:** We built a premium financed executive benefit plan, funded with life insurance. To get the program approved, we created a plan for other highly compensated owners and partners. We structured the program where the death benefit could also serve as key man and buy sell coverage. To satisfy the COO, CFO and Human Resources professionals, we also secured very high limit (\$50,000 per month) group disability coverage through Lloyd's of London.

**End result of case:** Over \$4,000,000 of annual premium is funded into the program for the participants, projecting to generate tens of millions of dollars of tax-free retirement dollars for the participants.

The investment advisors at the bank decided to handle the financing. They did not participate in the commissions. By helping us create such an attractive plan, the bankers and the lawyer were introduced to eight other high income clients — who became new clients. The advisors secured millions of dollars of additional investment assets and millions of personal loans.

I built valuable relationships with advisors at one of the biggest accounting firms in the world, with advisors at a large bank, and with partners at one of the most prestigious insurance-focused law firms.

The law firm has referred me to multiple new clients since the case was implemented.

## **2. The Billionaire's Secret: Don't Judge a Book by its Cover**

**Background:** When I owned a captive management firm, I was introduced to a billionaire family. This introduction was made by a local life insurance agent who had worked with the family for almost 20 years. Like most very affluent families, they know the value of a second opinion. They had an existing insurance company that they wanted me to review for them.

**Problem client had:** Clients were concerned that their company may not be operating as efficiently as it could. They were also interested to get my opinion on how the company might want to change in light of new regulations.

**Challenges to overcome:** Client had internal and external lawyers, multiple accountants, a family office staff of over 200 people, and a patriarch who felt the need to control every aspect of the planning. Family had an overwhelmingly complicated structure that included hundreds of legal entities and significant assets in various countries. There were some very significant liquidity challenges facing the companies that were insured by the captive. This did not present itself until much later.

**Who had more to gain:** In this case, the head of his family office, and the surviving family members, had the most to gain. She was interested in preserving wealth for the family — because the patriarch was in declining health, but unwilling to share too much about the family holdings with his heirs. She knew that there would be a need for liquidity when the family leader passed away. Because of his age and poor health, no additional life insurance could be secured.

**How we helped:** During the assessment we did for the insurance company, we asked many questions about the companies it insured. We also asked a lot of questions (like the ones we gave you in earlier assignments in this program). These questions revealed much bigger concerns than what we were asked to solve. When we heard stranger answers, we kept asking more questions. This helped us make valuable recommendations for their insurance company and helped us identify much bigger opportunities for other insurance solutions.

**End result of case:** We completed the engagement we were hired to do. This resulted in a new insurance management for my firm — which is still being managed by the firm I sold and generating income for the buyers. Family decided to implement over \$40 million of life insurance on the next generation to make sure that the heirs wouldn't have similar problems when the next generation passes away. This case was split with the referring agent.

This coverage will also have a secondary benefit of providing collateral for other business dealings. Lastly, the coverage will also allow them to overfund the policies and generate tax free access to funds through policy loans — if they need tax-free access to funds.

### **3. Don't Believe What You Hear – the Love /Hate Relationship**

**Background:** A physician client of mine introduced me to a husband and wife who were partners in his medical practice. They told me that they had worked with an agent for 25 years and that they had a lot of insurance policies. The husband had also dealt with a very serious form of cancer. Normally, the existence of so much coverage and health challenges would make agents move on to other opportunities. That's what makes this story special.

**Problem client had:** Clients wanted to build another significant business opportunity for their non-physician children. This would require millions of dollars of cash over the next few years. The clients had more than a dozen policies, including multiple whole life policies and quite a bit of disability coverage. These policies had significant ongoing premiums totaling hundreds of thousands of dollars - which could be used to invest elsewhere.

**Challenges to overcome:** Existing agent was not interested in cooperating. If options with the existing policies were not attractive, a 1035 exchange to another carrier could prove challenging with the previous health issues.

**Who had more to gain:** In this case, the clients really wanted relief from the annual premiums required of so many whole life contracts. They had their hearts set on building something for their heirs. The dream of a family business and a possibly legacy was much more exciting to them than growing cash values or future death benefits.

**How we helped:** We directed the office of the existing agent to secure in force ledgers in an attempt to find a solution for the clients. We considered withdrawals, policy loans, face reductions, and internal exchanges.. There were no acceptable options by keeping the existing policies in force. In addition, the existing agent's reluctance to "hear" what the clients wanted and insistence on keeping the existing coverage caused the clients to fire the agent. At that time, they told me that they felt the agent always SOLD THEM, but seldom listened to what they wanted. We then engaged an outside underwriter (Dan Stanley) - NOT the underwriting department of the insurance companies — to review and prepare the file, submit informal applications, and negotiate with carriers.

**End result of case:** We secured very favorable underwriting offers with National Life Group. We replaced their multitude of policies with three new ones. This made life much easier for the clients' advisors — who were very pleased with the idea of only asking for 3 annual policy reviews. Clients secured slightly less death benefit, had more projected lifetime withdrawals. under current assumptions, and reduced their annual premiums by over \$400,000. It was the largest commission in the company's history, so it was obviously very profitable for my company. But, the big winner was the family who now has a very significant asset that is NOT the parents' medical practice. Clients then referred us to another partner of theirs who had similar problems with the same agent— this case led to over \$100,000 of additional revenue from the referral.

## Giraffe Selling

### 12-Day Turnaround

#### Day 10 – part b – Winner’s Circle

<b>Who Will Join You in YOUR Winner’s Circle</b>
<p>Attorneys</p> <ol style="list-style-type: none"><li>1. What are the biggest problems facing their clients?</li><li>2. How can you help the clients?</li><li>3. What will the Attorneys get out of it?</li></ol>
<p>Accountants</p> <ol style="list-style-type: none"><li>1. What are the biggest problems facing their clients?</li><li>2. How can you help the clients?</li><li>3. What will the Accountants get out of it?</li></ol>
<p>Bankers &amp; Mortgage Brokers</p> <ol style="list-style-type: none"><li>4. What are the biggest problems facing their clients?</li><li>5. How can you help the clients?</li><li>6. What will the Attorneys get out of it?</li></ol>
<p>Private Equity Firms</p> <ol style="list-style-type: none"><li>7. What are the biggest problems facing their clients?</li><li>8. How can you help the clients?</li><li>9. What will the Attorneys get out of it?</li></ol>
<p>Chief Financial Officers</p> <ol style="list-style-type: none"><li>4. What are the biggest problems facing their clients?</li><li>5. How can you help their companies?</li><li>6. What will he/she get out of it?</li></ol>
<p>Entrepreneurs and CEOs</p> <ol style="list-style-type: none"><li>10. What are the biggest problems facing their clients?</li><li>11. How can you help the clients?</li><li>12. What will he/she get out of it?</li></ol>

Property Casualty Insurance Brokers

7. What are the biggest problems facing their clients?
8. How can you help the clients?
9. What will the broker get out of it?

Once you have compelling answers to the three questions in any one of these boxes, you will have identified the next person to join you in the Winner's Circle.

© Chris Jarvis. All rights reserved. The 12-Day Turnaround is for paid subscribers only.