

Insurance Consulting Services

Frequently Asked Questions

Jim Pittman

What services do you provide?

ICS provides consulting services and products to help people plan for long-term care, life insurance, and disability. We are licensed insurance brokers and advisors appointed with the top 20% of insurance companies. We help clients make well-informed decisions on how they can generate income replacement through our products in the event they would need it. If we do our job well we remove stress from their lives by providing excellent planning and insurance for the future. We help them understand where they are, where the holes in planning may be and then how we can help them close the gap.

What's your perspective on insurance?

Nobody wants insurance. They want what it does. Insurance can help them solve their problems. Insurance is a means to an end. Not the means itself. People want to retire comfortably. They want their kids to go to college. Insurance is a means to helping them do that. People make money. Money creates lifestyle. But there are challenges we all need to plan for—dying too soon, living too long, getting hurt. Think of insurance like this: if you have a \$200,000 money-making machine in your home working for you, you'd probably want to insure it so it keeps generating revenue, right? We help people shift that risk of potential loss to a deeper pocket. We find mechanisms to replace them economically.

What products are most necessary for your clients?

Life insurance, long-term care, and disability insurance are all virtually equal income replacement strategies—a means to protect your lifestyle. We use insurance products as a strategy to replace income when someone dies, ages or becomes disabled. Think about it: lifestyle is driven by income. During our working years what could interrupt that but death, disability and age. When you retire, insurance products help with the segue from earned income to passive income.

Can you give an example?

I recently had a meeting with a client selling his business and I suggested we look at long-term care as an exit strategy. He had assumed he'd need to invest his own half a million dollars for long-term care and we helped him understand that the insurance company has long-term care insurance products that will pay for it. We were able to help him understand he could enjoy that half a million dollars for retirement and that there are options for shifting his risk to those deeper pockets. All insurance is a risk shifting exercise. Either you have assets to pay for Mirabella or have an insurance company who can pay for it.

Which carriers do you represent?

We are licensed insurance brokers and appointed with only the most highly rated insurance companies. We look at numerous carriers and product options to best serve our clients' needs. We look for financial strength and the company's ability to pay clients' claims. When you buy insurance of any kind you're transferring risk to deeper pockets—deep pocket insurance companies who have the financial strength to pay claims. We look at financial rating agencies to understand some of the best products for our clients.

Who are your clients?

We serve both individuals and companies, and we do corporate enrollments in the long-term care space. In the beginning I was serving mostly individuals for both life and disability insurance. Then I added corporate clients as the Portland market was ripe with opportunity to support executives in succession and transition planning. Business partners need to plan for each others' life insurance and buy-outs — which are often funded with insurance products. We offer corporate enrollments for disability and long term care, group and life insurance.

Who are your competitors?

The truth is we don't really have any competitors. The market is devoid of educated and informed agents, advisors, consultants because the large recruiters that trained and educated got out of the business. The real issue is that there are not near enough people to actually serve the market so we are always actively marketing and growing our business and consultancy. It used to be that the insurance company would train their own advisors from within creating a constant resource pool for talent and now a fraction of those companies are doing that. The large carriers opted to become brokerage operations for independent consultants like me who come to them for reputable insurance products. As a result, I'm going to find you the best thing out there today so our product mix is robust and diverse which is best for our clients.

Do you have a favorite client story?

I met an attorney 'George' early in my career. We started talking about insurance planning for his young family. He had just adopted a little boy. As we were planning the best insurance products for him and his growing family George was diagnosed with cancer—I helped him buy a policy for his family. He was in remission and all was looking up, but two years later the cancer came back and he died at 40 years old. I was taking an estate planning course for end-of-life death bed planning and as human nature has it, I found myself avoiding George because I knew he was dying. I went to see him in hospice and suggested that I look at his insurance policies. He didn't even have a will. So I talked with his law partner who was also hesitant about talking to George as he was dying but we got the will done. George was so grateful for this service and sense of well being we provided for him and his family in his final days. If we do our job well we remove stress. I thought to myself, that's what I do: 'You gave him the time and stress free environment to live out the rest of his life.'

What tip do you have for aging boomers?

People would be well-advised to hire a good financial planner to help make sure they make it to the end in the lifestyle they choose. They should be aware of the 'risk'

products that can help them make all ends meet—should you be considering end-of-life care? Long-term care? An annuity? The sad reality is that employees didn't put nearly enough of an investment toward their longer life expectancy. A financial / insurance advisor can help assess an individual's financial and risk management situation and create a plan to make all ends meet. Current statistics on life span are 78 years old for a male; 84 for a female. We all need to plan for that.

What are your thoughts on the psychology of planning?

Freud said people cannot psychologically deal with their own death. In WWII the US government offered to raise the amount of a GI's life insurance and most of them didn't do it. It's human nature to have this overly optimistic view—that I have time to deal with it. But as I like to say, 'The time to pack the parachute is before you get in the airplane.' There's definitely a psychology of money and how much is enough. We help our clients understand this. We often offer a very psychological sale of services that will best help our clients maximize their lifestyle while living within their means. We are all about discovery: What are your assets and net worth? How much does it take to run the household month-to-month? How important is it to provide that level of income for family, spouse and children?

How do you stay up on all of the new and emerging products and services?

I am a member of the Society of Financial Services Professionals. And continuing education is required for advisors to keep their license. I am constantly studying and researching and have been designated an expert in a number of categories. My goal was not necessarily to receive a 'designation' but rather to stay up-to-date on the industry to best inform my clients. I belong to an incredible 'study group' with area attorneys, CPAs and others. We discuss and share information on estate planning, business succession, and so many other topics we can share with our clients.

You were recently appointed to a Million Dollar Round Table (MDRT) leadership position.

Yes, the organization scores financial and insurance industry executives on performance. MDRT represents the top 5%—from a revenue and productivity standpoint—of agents and advisors around the world. They assign a point score and MDRT taps those who are the highest performers. I am honored to serve on this prestigious board and look forward to bringing a career of client experience to the group. The benefit of my leadership at MDRT is that I get a much broader view of what's going on in the world—not just in the Pacific NW. I'm spending time in the Far East or South America or any number of places where we are seeing people struggling with the same issues we struggle with here. How do I have a good life, care for my family, retire comfortably—how do I ensure I have enough money? People are the same regardless of where they are in the world—they love their families, they love their kids. I get a broader view of global data, trends that enable me to better serve my clients.

What have you learned in this business?

Frankly, I have learned that there's a kind of **magic** that we provide our clients – peace of mind, freedom to live life without worry, an understanding that they have a sound

long-term financial plan that will support their family. We are like pharmaceutical reps selling the cure for cancer. You can get caught up in quotas and making a living but you might lose sight of the magic of what we do. So you come see me and we help you purchase a contract for life insurance which will have millions of dollars of benefits tomorrow. What we put into play today will have an incredible impact tomorrow. You look around and say at least we are delivering financial freedom and health and security for our clients. I get to see more of how it works in real life as I get older.

Tip for a 25 year old advisor?

- *Get good at something—be a specialist.* Try to do a few things really, really well. Focus. Specialists are simply better at what they do. For example, I know there's a left and right knee expert, and if need surgery for a left or a right knee, I'm going to be better served by the specialist rather than a general orthopod. Who are the specialists who do something with great results?
- *Go meet people and understand their needs.* You have to make 100s of calls and knock on 100s of doors to get to the right people. One of my earliest clients was a Presbyterian minister, Charlie. I put together a very small life insurance policy for him and his family. Years later I asked 'I was 23 years old when I met you: why did you end up working with me?' He said 'Because you were a nice young guy, you got answers if you didn't have them, and I needed insurance!'