

Questions for prospects and clients

Success lies not in the answers you give, but the questions you ask. Socrates

QUESTIONS FOR “FAMILY & LIFE ISSUES”

When was the last time someone, not involved in you're planning, gave you a second opinion as to whether or not you have covered all the bases?

Do you have enough confidence in your advisors to let me give you a second opinion?

What do you want to accomplish with your life? Why are you here? What is your purpose?

What are your key concerns?

What does financial security mean to you?

What does financial freedom mean to you?

What do you want to accomplish with your money?

What is your family financial philosophy?

What's important about money to you?

What is your overall financial and investment strategy or game plan?

What are your goals?

What is your exit strategy?

How and when do you see yourself retiring? What will you do, and what will it cost you to do it – not just the day after you retire, but 10,20 and even 30 years later?

Where do you want your money to go?

How do you want to be remembered by your children, your grandchildren, your favorite charities, your community, and society?

Is there an institution that you care deeply about, a church, charity or school to which you would wish to leave a meaningful legacy, assuming we could create a highly tax efficient way for you to do so?

If you had a family foundation, what would you want it to be known for?

What would you like your ideal calendar to look like in five years?

If you know with virtual certainty that you were going to die within the next six months, what changes would you make in your life and in your planning?

What changes would you like to make in your overall financial situation?

How do you feel about the income tax system in this country?

How do you feel about estate taxes and related costs?

Could your children pay the estate tax in the next nine months without liquidating key assets?

Assuming, as we have to do, that when you are both gone, up to half your estate will get taxed away, how do you want the tax to be paid? If you want your children to just pay the half, might they be forced to sell something you really wouldn't want them to have to sell?

What is an acceptable amount of estate tax shrinkage? What have you done to get there?

What have you done to protect your assets from divorce, bankruptcy or creditors of your children?

Are your parents living, and if so, will you be expected to contribute to their support at some point?

Have you made provisions for the possibility that you may need nursing home or other care late in your life?

What are your thoughts about "The American Dream?"

What is your understanding of "The American Dream?"

What are your thoughts about giving your children a headstart?

What are your thoughts about inherited wealth?

What concerns do you have regarding your children and inherited wealth?

To whom would your spouse or your children turn for advice on managing their inheritance?

QUESTIONS FOR “BUSINESS ISSUES”

What is your exit strategy from your business?

If your business had to be sold after your death or disability, could it be sold for a profit?

Who will own your business when you retire or die?

Who will control your business when you retire or die?

Who will run your business when you retire or die?

Do you want your spouse to have control after your death?

Do you have a salary continuation agreement with your company?

To what extent will your family be involved in your business in the future?

Do you want your business to be divided among your family equally or just those who are in the business? What about family outside the business?

What are you doing to recruit, retain, and reward key people in your business?

Which employees are critical to the success of the company?

What are your key concerns about your business?

Would your creditors be nervous if you became disabled or died?

Who do you owe? Could you pay them back in the next 10 minutes?

Have you established a business continuation plan? Is it documented? Does it provide for a mandatory buy-out or a right of first refusal? Is it adequately funded?

QUESTIONS ABOUT "LIFE INSURANCE"

Most people do not seem to understand life insurance very well. Tell me, what do you know about life insurance?

What is your philosophy regarding life insurance?

What financial formula did you use to determine how much life insurance to buy?

What prompted your most recent purchase of life insurance?

How did you choose the company that you purchased life insurance from?

How did you select the agent?

What are your thoughts regarding term insurance and cash value life insurance?

If you were going to buy life insurance in the future, why would you buy it?

How do you feel about life insurance on your spouse?

How do you feel about life insurance on your children?

QUESTIONS ABOUT "INVESTING"

What is your investment philosophy?

What is your investment strategy?

What results have you had with your investments over the past few years?

What provisions have you made to have your retirement nest egg outpace inflation?

What have you done to guarantee against the loss of your principal during retirement?

How have you measured your results?

To what extent have you relied on the advice of others regarding your investments?

What would you have done differently regarding your investments?

What role does diversification play in your investment planning?

What types of investments do you prefer?

How much time do you want to spend selecting and managing your investments?

What is your exit strategy from your investments?

FINANCIAL FOCUS

What role does money play in your life? What's important about money to you?

What are your plans regarding retirement? What are you doing to accomplish your plans?

What types of investments do you favor? Why?

What are your investment results over the past five years? Are you pleased?

Would you be pleased with the same results over the next five years? What would you do differently?

How much time do you spend selecting and managing your investments? How much is your time worth?

Do you feel you can outperform someone who spends all of his or her time managing investments?

What would happen to you and your family if your income were to stop today?

What have you done to enable your family to have an adequate income in the event of your death?

Have you provided a cash cushion for emergencies, education funding, etc.?

What role does life insurance play in your financial plans, both personally and in your business?

How much life insurance do you have? How did you decide on that amount?

To what extent are your spouse and children involved in your financial decision making?

What advisors do you use and to what extent?

How did you get started in your business?

What makes your business different from the competition? What problems do you foresee?

What are your plans for your business at your retirement or death or disability?

What steps have you taken to accomplish your plans for your business?

To what extent are your children involved in your business?

Who will ultimately run your business? What are you doing to retain and reward them?

What are you doing in terms of selective compensation plans for yourself and your key people?

What impact would the loss of key people have on sales, profits, lines of credit, retirement plans, and stock value?

How much vacation do you take? What if you were to go on vacation and not return?

Where do you want your money to go?

How do you feel about your children receiving a large inheritance? Why?

When did you last update your will(s) and trust(s)?

What is the approximate value of your estate?

What is the potential estate tax impact and what have you done about it? How will the estate taxes be paid?

To what extent have you made gifts to your children or considered doing so?

What are your thoughts regarding giving or leaving assets to a favorite charity or to your community?

If you knew you only had six months to live, what changes would you make? What if you had died last week?

How do you want to be remembered by your children? Grandchildren? Employees? Community?

What are your primary concerns and goals and why? What's really important to you?

What would you like to accomplish as a result of our discussions? Who else should be involved?

If you knew with virtual certainty that you were going to die within the next six months, what changes would you make in your life and in your planning?

KEY QUESTIONS AND POWER PHRASES FOR LONG TERM CARE INSURANCE

What do you think about when you hear the words long-term care?

What are your questions and concerns about long-term care?

Do you know or have you had experiences with someone who became frail or needed long-term care?

What does your money mean to you?

How concerned are you that a chronic illness will threaten your ability to continue to provide for your spouse?

If you are in a second marriage, how important is it to distribute your assets to your children according to your prenuptial agreement or will?

If there are not enough funds to pay for care, your spouse may be forced to use his or hers. My experience tells me that your children may be concerned about this.

Long-term care insurance acts as a firewall; it allows the couple's agreement to keep assets separate during their lives to execute properly.

Do you have a continuing financial obligation to any of your children or grandchildren that have personal problems or are physically or mentally challenged?

If you live a long life and need care, what is your plan?

What impact do you think long-term care will have on your family?

Have you discussed the plan of long-term care with your children?

LTCi Power phrases:

Living a long life is very likely in your future. Planning for it now is a necessity.
When you don't die, you live.

When you live, you get old.

When you get old, you may get frail or sick.

When you get sick, you need care.

And when you need care, care will cost money.

I need to talk to you about the consequences your needing care will have on your family in your retirement portfolio.

You may never get sick and need long-term care, but the consequences to your family and retirement portfolio could be so catastrophic that subject must at least be discussed.

You're right. The chances of ending up in a nursing home are remote, but don't confuse that with growing old and needing some level of care, even at home.

People don't go to nursing homes when they should. They go when the caregiver no longer has the physical or mental capacity to provide the care.

The problem is not long-term care insurance, its long-term care planning.

Long-term care insurance allows your retirement portfolio to perform for the purposes it was intended: retirement, not paying for care.

Long-term care insurance does not replace what families do. It allows them to provide care longer and better.

My clients don't purchase long-term care insurance to protect assets, they have choices to remain independent. They purchased long-term care insurance because they care for their family. They understand that even though they may never need care, the consequences to their family and retirement portfolio will be so severe, they must take action to protect both.

Myths: Long-term care insurance protects the individual. Reality: Long-term care insurance protects the individual's family. Myth: Long-term care insurance protects assets. Reality: Long-term care insurance protects income stream.

Mr. Client, I understand that your lifestyle will be supported by income generated from your investments and pensions. In fact, just about every dollar has been allocated for your retirement. The problem is that should you need care, you can't be assured that there will be sufficient income to support your lifestyle and pay for your spouse's care at the same time.

If someone asks you to send them something in the mail, why not send them a list of some of your favorite questions? If you are trying to meet someone but are having trouble connecting with them, why not get permission from the individual or his or her assistant to snail mail or email them a few questions? What do you have to lose? And if they say their advisers have completed all the planning; ask if they have enough confidence in their adviser to allow you to give them a second opinion.

Provided by Howard Wight and Marvin H. Feldman