



## I'd like a second opinion

By Audrey Mines

Recently, I came across a tweet that made me want to shout "YES!" from the top of P&A world headquarters. On August 2, 2022, Carl Richards (@behaviorgap), noted financial author and "Sketch Guy," tweeted:

*For 98% of people, life insurance has one purpose:  
Replace an economic loss.  
That's it.  
It's not an investment.  
It's not an education fund.  
It's not a private bank.  
It's just simply to replace the economic loss that occurs when someone dies.*

Life insurance has a purpose in many people's lives, especially for people with young families, dependents, and debts. It's the fulfillment of this need, and by using which products, that sparks debate in the financial services world.

At P&A, we don't sell any products, but we can help you answer the following questions through our financial planning process:

- 1) How much insurance do I need?
- 2) What are the best products for my situation?

Before landing at P&A, I spent the first 16 years of my career at a mutual life insurance company and a regional broker-dealer holding supervisory and compliance oversight positions. These roles required me to hold an insurance producer's license, along with a few other FINRA exams.

Shortly after my arrival at P&A, I was asked to take the Insurance Consultant exam. An Insurance Consultant is any person who, for a fee, engages in the business of offering to the public any advice, counsel, opinion, or service with respect to insurable risks, or concerning the benefits, coverages, or provisions under any policy that could be issued in the state of Nebraska, or involving the advantages or disadvantages of any policy, or any formal plan of managing pure risk.

We consider this service to be part of our financial planning process, which we include as part of our management fee for our investment management clients.

My 16 years of industry experience recently turned into 22. Over the course of time, I've heard about and seen a lot on the insurance side. This industry is ever evolving and constantly coming out with new products. Recently, I started compiling a list of terms that, if heard, should warrant a response, "I'd like a second opinion." Here's a sampling:

- Infinite Banking Concept (IBC)
- Bank On Yourself
- Deferred Enhanced Funding

- Tax-free retirement income through an IUL life insurance policy

At the end of the day, in our experience, the more complicated the name and strategy, the more costly it is to the owner. Fees and performance are typically inversely related--the higher the fee, the lower the return to the client. Many insurance products, including annuities, feature the Big G word—guarantee. Just remember, there's no such thing as a free lunch.

If you're a current client, or a prospective one, and would like our opinion on the product you have or are considering, please reach out and ask for me. 402-328-8800 or [audrey@pittand.com](mailto:audrey@pittand.com).

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