

The Second Opinion

It is fairly common that I pick up the phone and on the other end of the line is an attorney, CPA or trust officer who asks some version of “I have a client who is being proposed a life insurance transaction and I’m not so sure about it. What do you think?” or, “My client called and he is confused about something and needs a straight answer”.

My involvement could be anywhere from listening to details on the phone and giving my knee jerk reaction to getting materially involved and analyzing the existing insurance portfolio, if there is one, and the detailed aspects of the proposal on the table.

In the end, my conclusions are about evenly divided between A) from what I see regarding this proposal and what I understand about the clients situation, I concur it’s a good idea and he should move forward with it and B) I don’t like what I see and the client clearly doesn’t understand the details of this transaction and should stop it in its tracks until he gets more answers and understands it sufficiently to make a more informed decision.

Sometimes it is a “no brainer” to pull the trigger and even though there is a substantive commission involved, it is clearly in their best interest while other times it is frightening to see what an agent is about to get away with. Either way, the client and advisor both will have substantively more information at hand to make informed decisions.