



## From The Desk Of

Jeffrey R. Carlson, CFP®  
Principal

### Bringing Clarity and Transparency to Life Insurance

As an integrated wealth management firm, the importance of evaluating everything from investments and estate plans to taxes and insurance has been one of the cornerstones of Carlson Capital Management. When it comes to the topic of life insurance, however, we have found ourselves challenged with the process of unraveling and demystifying the complexity often contained within policies for our clients. Challenges aside, it is our fiduciary obligation to consider insurance as part of an integrated financial plan and we strongly believe that there are appropriate and effective ways to incorporate life insurance.

As we evaluate our clients' insurance needs, we ask many questions to determine the key factors driving the need for coverage.

- Are survivor needs the primary concern?
- Is a policy needed for asset protection?
- From a planning perspective, will insurance assist in covering estate tax liability?
- Can a policy be used to provide for a liquidity shortage?
- Is there a need for an Irrevocable Life Insurance Trust?
- Is insurance needed as a tool to fund education due to an untimely death?
- Is a policy prudent for maximizing gifts to charity?

The reasons to put a policy in place are as varied as the needs of our clients. No two situations are identical.

#### THE SEARCH FOR TRANSPARENCY

Transparency has always been a core value and a key filter through which we do business at CCM. Insurance products, unfortunately, are known for being encumbered by a “black box.” In other words, aside from the actuaries who design the products, it's very difficult for most people to unravel the intricate calculations and assumptions that form the basis for such things as premiums, death benefits and cash values. Simply stated, insurance planning has not offered the kind of transparency that we prefer. Therefore, we sought out a delivery channel that would better match our values and align with our standards.

*CCM and its clients now have access to some of the most competitive insurance products in the marketplace.*

#### M FINANCIAL GROUP™

Last year, we were introduced to an organization called M Financial Group. M is one of the nation's premier groups of independent financial services firms. It was founded 28 years ago on the principle that “off the shelf” insurance products do not best meet the needs of affluent individuals. There are numerous organizations we could have chosen to work with in order to provide our clients with access to high quality insurance products. However, in our 25 years of doing business no firm has offered us the kind of access, clarity and transparency we wanted within our insurance planning process as M does. Thus, this past fall we formally aligned ourselves with M and are now one of its 115 member firms.

CCM and its clients now have access to some of the most competitive insurance products in the marketplace. Why is this so? There are a number of reasons, but two in particular are quite significant.

- 1) The profile clients of M member firms are generally affluent individuals who take good care of themselves and have access to high quality health care. This results in longer-than-average life expectancies (more favorable mortality statistics). Through M, we have exclusive access to proprietary products that reflect this advantage. In addition,
- 2) M is able to leverage the collective purchasing power of member firms.

As a result, we expect our affiliation with M to result in lower costs, lower premiums and higher policy values for our clients.

From an implementation standpoint, we are able to participate in case design—seeing the impact on a policy when we adjust key components such as cash value, premiums, policy guarantees, coverage levels and compensation. Additionally, given the varying needs of our clients, we can present an application to multiple carriers, putting them in competition with one another to get our clients the most favorable underwriting. In addition to the premier quality of the products, what we are most pleased about is our enhanced ability to help our clients better understand the so-called “black box” of insurance. Our alignment with M gives us peace of mind, knowing that we are providing a high quality *and* transparent solution to our clients’ situation.

In order to best leverage our new affiliation with M we have created Carlson Insurance Services—through which we will administer our insurance-related business and client servicing. As Insurance Operations Manager, Cindy Carlson will work with clients to guide them through the insurance inquiry process, representing our clients with M and the various carriers. Our end goal is to determine which carrier and product will provide our clients with the best match.

## IN SUMMARY

We are excited about M and what it means for our clients. We look forward to addressing this topic with you in our next meeting. In the meantime, if you would like us to review your situation sooner or if you have any related questions please be sure to contact us.

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**Cynthia M. Carlson**

Cynthia M. Carlson has joined Carlson Capital Management as Insurance Operations Manager. Cindy graduated cum laude with a Bachelor of Science degree in Education from Bemidji State University in 1980. Following college, she went to work for Lutheran Brotherhood (now Thrivent Financial for Lutherans) in the Twin Cities. Cindy’s career has spanned more than 20 years in the insurance industry with her primary roles having been senior underwriter and underwriting trainer. Cindy’s depth and breadth of underwriting experience enhance our spectrum of services at CCM, contributing to our on-going commitment of offering fully integrated wealth management for our clients.

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