



INSURANCE

A CALCULATION FOR LIFE

Stock and mutual fund prices have become so ubiquitously available now that whether by TV, PC, cell phone, pocket-watch or street corner billboard, you are going to know the numbers (whether you want to be reminded or not.)

You can find any amount of comparative data or historical analysis that you might require to make investment decisions.

But when it comes to life insurance investments, it has remained the most widely consumed financial product with no such comparative pricing, thus keeping most consumers and even their advisors in the dark.

TheInsuranceAdvisor, Inc. (TIA) plans to change that. It intends to become the Morningstar of the insurance business, making its uniform pricing data and evaluation reports widely available online and in print to subscribing financial advisors.

While this service will be of use to life insurance experts, it is initially targeting many of the 325,000 financial advisors who are called upon to advise clients in this area. This includes CPAs, tax attorneys, trust companies and banks, which recent legislation requires them to satisfy and document fiduciary responsibilities when serving as trustee.

"Can a 120 billion dollar segment of the financial services industry go without published pricing information forever?" asks TIA's President Barry D. Flagg. "My answer is no."

TIA provides a solution that produces customized reports based on the great number of variables for the client (age, health etc.)

TIA's Confidential Policy Evaluator system evaluates permanent life insurance products and compares them with industry benchmarks for the following five criteria:

- Financial strength and claims-paying ability
- Price competitiveness and style
- Pricing adequacy and reasonableness
- Relative policy value and liquidity
- Performance of underlying cash value allocation options

"It provides an analytical or benchmarking tool that evaluates the relative appropriateness of a given policy to a given situation," says Flagg.

"Our mission is to clarify insurance pricing and bring a common-sense understanding to policy evaluation and value."

He says with this tool, accountants and stockbrokers can more easily extend their practice by adding life insurance to their services. A survey showed CPAs are asked a question about life insurance almost every week.

TIA obtains the data from the insurance companies and then performs the hundreds of calculations required, thus producing an easily understood standardized report that one of the largest banks in North America says saves them time and money.

"The system forces an apples-to-apples comparison and it applies artificial intelligence to not only simplify the cryptic data, but to apply meaning to it," says Flagg.

Because of the uniformity and depth of the research data, it has produced some results that have surprised even some insurance experts, he says.

"We empower the non-experts to answer clients' questions related to insurance the same way they have been able to answer financial questions for some time."

The system now has 50 subscribing companies and has been promoted to a limited group of 2,800 financial advisors. It is currently in a test license with a major bank.



Barry D. Flagg

"We have just scratched the surface of the market," says Flagg. "Now we must increase awareness and help people integrate it into their practice."

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Late last year the company was awarded a patent for its system.

TIA's products also include:

- The Pricing Calculator, an online tool that illustrates benchmark pricing and demonstrates how pricing assumptions impact policy pricing.
- The Premium Search Engine, an online search tool that identifies the lowest available premiums for term life insurance.

Insurance Banking™ Services, a portfolio of insurance services that help advisors select the best available insurance products for their clients.

www.TheInsuranceAdvisor.com ■

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That's the business of chasing greenbacks on the green. *Empire* looks at the dirty secrets of what we do to get business by the links. Gambling & cheating may be the least of all the sins.

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