

GLENN S. DAILY  
325 E 90th St Apt 2W  
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*fee-only insurance consulting; no commissions received – ever*

## **HOW YOU CAN BENEFIT FROM FEE-ONLY INSURANCE CONSULTING**

Fee-only insurance consulting offers an alternative to relying on commission-based agents for guidance about life insurance. Fee-only consultants are paid solely by their clients. They do not receive commissions or any other compensation from selling life insurance.

How does this benefit you? You get objective advice, untainted by the conflicts of interest that commissions create. You get assistance in sorting out fact from fiction, so that you can arrive at prudent decisions that will reduce the risk of regret. You get access to the entire spectrum of products in the marketplace — low-load products as well as traditional, agent-sold products.

### **Services for individuals and businesses**

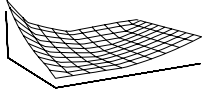
- Identification of sensible uses of life insurance (and avoidance of questionable uses)
- Assistance in selecting, obtaining and making wise use of appropriate products
- Second opinions of agents' proposals for new coverage
- Evaluation of existing policies and suggestions on how to make better use of them
- Coordination of life insurance with other planning areas, including estate planning, retirement planning and asset allocation
- Ongoing monitoring of existing policies

### **Services for trustees**

- Implementation of a disciplined, documented process of policy selection and configuration, consistent with the requirements of the Uniform Prudent Investor Act
- Second opinions of agents' proposals for new coverage
- Evaluation of existing policies and suggestions on how to make better use of them
- Ongoing monitoring of existing policies

### **Litigation support**

- Preliminary review of documents
- Case preparation
- Referrals to other experts
- Expert testimony



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## BIOGRAPHY

Glenn S. Daily is one of the few fee-only life insurance consultants in the U.S. He provides consulting services to individuals, businesses, trustees and other advisers. Compensation is strictly on a fee basis. No commissions or other payments are received from agents or insurance companies for clients' purchases.

Mr. Daily is the author of *The Individual Investor's Guide to Low-Load Insurance Products* (1990), *Life Insurance Sense and Nonsense* (1992), the life insurance and annuity chapters in *The Encyclopedia of Investments*, and many articles in the *AII Journal*, the *Journal of Financial Planning*, *NAPFA Advisor* and other publications. In 1994, *Life Insurance Sense and Nonsense* was nominated for the prestigious Elizur Wright award by the American Risk and Insurance Association, the nation's largest organization of insurance professors.

Mr. Daily is a regular resource for national publications, including *The Wall Street Journal*, *Newsweek* and *Money*. He is an editorial consultant to *Bottom Line/Personal* and *Medical Economics*, and he provided much of the material about life insurance in *Marshall Loeb's Lifetime Financial Strategies*, published in 1996. He has been a speaker at professional meetings of financial planners, accountants, attorneys and actuaries, and he has appeared on CNNfn and CBS MarketWatch. He also serves as a director of the nonprofit Retirement Solutions Foundation.

Before starting his own firm, Mr. Daily was a financial analyst at General Electric, a fee-only financial planner at Enright Financial Advisors and an insurance analyst at Seidman Financial Services. In 2006 he created [whatsmypolicyworth.com](http://whatsmypolicyworth.com), a service to help policyowners make informed decisions about life settlements and indexed annuities.

Mr. Daily is a Certified Financial Planner<sup>™</sup> certificant, a Chartered Financial Consultant, a Chartered Life Underwriter, a New York-licensed Life Insurance Consultant and a graduate of Princeton University.

## LIFE INSURANCE ADVISER DISCLOSURE FORM

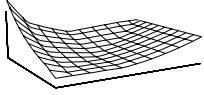
Adviser: Glenn S. Daily

- How do you get paid (fees, commissions, both)? Fees
- How are fees determined (hourly rate, fixed, percentage)? Negotiated fee based on estimated time and value added, complexity, and potential benefits for future assignments.
- What services do you offer? Consulting services to individuals, businesses, trustees, attorneys and other advisers. Determination of insurance needs, assistance in selecting appropriate products, evaluation of existing policies, second opinion of agent proposals, and litigation support. Primary areas: life insurance and annuities.
- How long have you been providing insurance advice? Since 1985
- What is your professional and educational background? Corporate financial analyst, fee-only financial planner. A.B., Princeton; part-time graduate studies in economics at Columbia; Certified Financial Planner™ (CFP); Chartered Life Underwriter (CLU); Chartered Financial Consultant (ChFC).
- Have you ever been disciplined by a regulatory or professional organization? No
- Indicate below the types of compensation that you will receive for your services, with estimated amounts when applicable:

| Type of Compensation                            | Amount  |
|---|---|
| Fees:<br>Hourly<br>Fixed<br>% of _____<br>Other | Negotiated fee based on estimated time (\$300 per hour) and other factors |
| Commissions and overrides                       | None  |
| Expense allowances                              | None  |
| Sales conventions                               | None  |
| Other sales prizes                              | None  |
| Other benefits                                  | None  |

Prepared by: Glenn S. Daily

Date: September 4, 2007



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## **WHAT YOU CAN EXPECT: A GUIDE FOR PROSPECTIVE CLIENTS**

### **Maintaining independence**

As a fee-only consultant, I'll do my best to avoid conflicts of interest that might raise doubts in your mind about my independence. Obviously, I won't receive commissions or any other payments from insurance companies, agents or brokers for your purchases. This includes the payment of my consulting fees by an agent or other third party on your behalf, even in states where commission rebating is legal.

### **Helping you make decisions about new coverage**

If you're thinking of buying life insurance, I'll help you answer these questions:

- Is life insurance an appropriate tool for what you want to do?
- If so, which policy should you buy?
- What is the best way to structure the policy for your needs?
- How should you coordinate new and existing coverage with other planning areas?

If you decide to buy life insurance, I'll help you find appropriate products through a disciplined approach. My job is to guide you through the confusing mixture of fact and fiction in the marketplace to arrive at an informed decision. Here are the steps:

- I'll explain the considerations in choosing a life insurance policy and ask you what is most and least important to you.
- After discussing your preferences, I'll suggest one or more policies that might be satisfactory, and I'll discuss the important characteristics of each one. Whenever practical, I'll try to suggest combinations of policies for diversification. I may also offer other alternatives that do not match your preferences as closely, to give you an opportunity to see the trade-offs.

- After listening to your reactions, I'll modify my suggestions as needed. We can also examine any proposals that you've received from agents, using the framework that we've already established. The agents may have to supply additional information to help us see the trade-offs more clearly.
- I'll coordinate the application process for the policies that you've selected. For low-load policies, I work directly with the insurer or a distributor. For commissionable policies, I can work with any agent you choose, or I can refer you to agents with whom I have a good working relationship.
- In most cases, I'll recommend that you prepay all applications to obtain interim coverage with a conditional receipt, as permitted by each insurer.

### **Helping you make decisions about existing coverage**

If you're wondering about the merits of an existing policy, I'll perform a review in the context of your financial planning objectives. This will generally include a discussion of the insurer's financial strength and the policy's design, load structure and competitiveness.

The main purpose of a review is to help you avoid the two mistakes of replacing a policy that you should keep or keeping a policy that you should replace. Because the first mistake is usually irreversible, my presumption is that an existing policy should be kept unless there are compelling reasons to do otherwise. Whenever possible, I'll suggest ways in which you can get better value from what you already own; that is, I'll try to salvage an existing policy before giving up on it.

### **Setting the fee**

We will agree on a reasonable fee at the beginning of the engagement. My proposed fee will be based primarily on the estimated time needed to accomplish various tasks, with adjustments to reflect value added, assets at risk, the complexity of the assignment, potential benefits to me for future work, and the cost of alternatives in the marketplace. I use these guidelines to judge whether a fee is reasonable, recognizing that it may be impossible to satisfy all of them:

- \$300 per hour of productive time
- 5% to 15% of the expected annual premium
- 0.5% to 3% of cash value (for existing policies)

In most cases, the actual fee will be the budgeted fee that we agree on. It is my responsibility to manage the engagement so that we do not exceed the budget. I'll give you ample warning if I think that more time will be needed due to unforeseen complications. The actual fee will be less than the budgeted fee if the scope of the assignment is reduced after we begin.