

Industry Insights: Global Citizen Planning- Managing “Fear & Greed”

FEAR & GREED

Conventional wisdom in the industry has long been “*life insurance is sold, not bought.*” Why? One key reason is people do not like to think about death and dying and, as a result, buying life insurance does not typically top one’s “*to do*” list. The needs-focused side of the estate and life insurance planning discussion can incite **fear** by raising uncomfortable questions (e.g., what will happen to your spouse and children and/or your business and employees if you die suddenly?).



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While uncovering fear helps highlight the risks associated with not planning, demonstrating the potential benefits of life insurance can facilitate decision-making and action. The results-focused side of the discussion raises elements of what some may consider **greed**, such as wanting to preserve wealth by paying off debt, replacing the lost income of the breadwinner to keep survivors in the lifestyle to which they are accustomed and/or not handing hard-earned and/or generational wealth over to the tax collector.

ENTER THE GLOBAL CITIZEN

Global Citizens often have the same (and commonly more) planning needs as U.S. resident citizen clients (“U.S. Clients”). The motivations for implementing life insurance are also similar, but it is not the **client’s fear** and **greed** we are focused on managing in this piece.

For life insurance professionals who either do not know or are not fully confident with the nuances and intricacies involved with planning for Global Citizen clients, there can also be an element of **fear**. This fear has led capable advisors to turn down referrals or otherwise miss the business development and practice growth opportunity the Global Citizen market represents. This can include the fear of:

- ✘ “Not knowing what I don’t know”
- ✘ “Making a mistake”
- ✘ “Not being compliant”
- ✘ “Getting the client into trouble”
- ✘ “Being subject to a complaint or lawsuit”

That said, over the last 20 years, the team at PAG Consulting have seen countless scenarios where it would have been better if the life insurance professional’s **fear** was stronger than **greed** (i.e., the need or desire to generate commission). While in some instances inexperience or naivety (and not financial motivation) may have been at hand, all too often we have seen standard or “go-to” U.S. Client solutions pitched or sold to Global Citizen clients. The practice of ‘*selling anything for the sake of selling something*’ can have unexpected, unwanted, and even disastrous results. It can lead to unnecessarily high expenses for the client, excessively inflexible planning, and/or adverse taxation. In many countries, it could even be illegal.

WE CAN HELP

We are passionate about helping our clients “**proceed without fear**” through guidance, education and training and ensuring our community implements appropriate and sound solutions for Global Citizen clients based on decades of compliance and tax-efficiency focused experience. Every engagement must be bespoke because every Global Citizen client profile is unique. Cross-border and international life insurance planning is complicated and complicated problems require expert solutions. To learn how we can help, contact us at peter@pagconsultingllc.com or visit us at www.pagconsultingllc.com.

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