



EDUCATION

The Ethics of Dealing with Older Clients

by James A. Mitchell, CLU®, ChFC®

> Learn what The College's Code of Ethics means in regard to meeting the needs of senior clients

The American College offers the designation of Chartered Advisor for Senior Living (CASL®). The CASL® curriculum is the most robust course of study available in this specialized field. In addition to dealing with the technical aspects of retirement decisions, estate planning, health and long-term care insurance and investments, one course in the CASL® curriculum deals specifically with understanding the older client. This course, HS350, appropriately named "Understanding the Older Client," focuses on the important changes clients face as they age to enable financial advisors to better serve clients' needs. It deals with the biological and psychological aspects of aging, as well as with family relationships and other social support systems. Additionally, the course teaches advisors how to communicate effectively with seniors.

All who earn The American College's designations are required to adhere to the school's Code of Ethics, including its Professional Pledge: "In all my professional relationships, I pledge myself to the following rule of ethical conduct: I shall, in light of all conditions surrounding those I serve, which I shall make every conscientious effort to ascertain and understand, render that service which, in the same circumstances, I would apply to myself."

Conducting yourself in accordance with the Professional Pledge is important in dealing with all your clients, especially so in dealing with senior clients.

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You want all your clients to understand why they are buying what they are buying. That way, they will feel good about the advice you have rendered them, they will keep their products in force and they will recommend you to others. With seniors, this is even more important. Some senior clients suffer from diminished mental capacity or a shortened attention span. You may be recommending exactly the right thing for them, but if they do not understand, they may resist your recommendations or feel bad about a purchase afterward. If you have concerns about your senior client fully understanding, one ethical thing to do is involve a son or daughter or other person the senior client trusts. In fact, both you and the client would be well served to ascertain early in the process if there is such a person in the senior's life and involve them from the start.

You will want to be careful about recommending products to seniors that carry heavy surrender charges or are otherwise illiquid. Many seniors

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- FA 255-Essentials of Long-Term Care Insurance. Long-term care insurance is all about asset protection, usually throughout the retirement period. This course explains the need, describes coverage provided by long-term care insurance and describes how to tailor an LTC insurance policy to a client's needs. A focused education in long-term care issues.
- FA 256-Essentials of Annuities. Studies show that more retirees fear outliving their assets than fear death. Financial scholars are increasingly recommending annuities as a means of providing guaranteed lifetime income for clients. This course presents the characteristics of fixed, indexed and variable deferred annuities for accumulation of wealth on a tax-favored basis, and it discusses immediate annuities to provide income security for retirees.

The true success of The American College retirement planning courses is measured in the success of the individuals who have taken them, such as Colin Eddington, LUTCF, a financial advisor in Houston. He said, "The knowledge I gained helped me grow my practice by many multiples and taught me details about retirement planning that I did not get from any of my college classes. I recommend it to anyone who is serious about their career as an agent, and who wants to have a foundation to build a successful practice."

Jason King, LUTCF, agency sales director for Creative Financial Solutions, agreed, saying the program's "focus on both the process of fact finding and on the activities that are essential in this business contributed greatly to my early success. In my current role as sales director for our New Orleans office, I see our newest advisors benefiting from the LUTC program, as the assignments and course materials align with and complement our agency's training and development programs."

Upon completing American College retirement planning courses such as FA261, professionals also take with them practical tools they can use in the course of their everyday business. "Using a questionnaire form from the course, I was able to finally land a nice size annuity, which I had been trying to get for a year," said Marco Giglio, a financial services representative with Tampa Bay Financial.

"The questionnaire further uncovered two other needs I had not been pursuing with the same client," he added. "While we are still working to get the other two pieces in place, I did find it to be a helpful tool and one I will continue to utilize going forward."

In closing, the retirement planning courses mentioned here and other courses offered by The American College can lead to the Life Underwriter Training Council Fellow (LUTCF) and Financial Services Specialist (FSS) designations—both worthy goals. In addition, the knowledge, skills and confidence derived from successful completion of these courses will change and lift your professional careers in many ways. More satisfied clients, more referrals, more income and more recognition from your peers will surely result. Armed with the knowledge from these courses, you can easily write your value proposition and explain why clients should call on you rather than the other guy.

"It is not an understatement to say that the LUTC curriculum should be required learning for any advisor coming into this business," said King.

For more information, check out our website at TheAmericanCollege.edu or call our Professional Education counselors at (888) 263-7265. Good luck in your career! ■■■

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like the peace of mind of knowing that they can have ready access to their money. When a product does carry surrender charges, you will want to explain them carefully so the client and his family understand fully. Some years ago I was doing an annuity seminar where I took care to describe the product's seven-year surrender charge. Afterward one man came up to me and said, "The 7 percent surrender charge is to give me incentive to leave my money with you for at least seven years, is that right?" When I told him that his understanding was correct, he wrote us a check for \$250,000 on the spot.

One of the great benefits that financial advisors can give all their clients is confidence in knowing that they have a sound financial plan that helps them achieve their objectives, and that they are implementing the plan with appropriate products. With senior clients, the benefit of that peace of mind can be even greater. Knowing that his or her financial affairs are in good order can be the greatest gift you can give to a senior client. Making "every conscientious effort" to understand the needs of your senior clients and to "render that service" that is appropriate for them in their circumstances, being sure they understand fully why they are taking the actions they are, is well worth your while. You will be doing the right things, and your senior clients will appreciate the effort and recommend you to others.

The American College Center for Ethics also has a Continuing Education course, CE 110, "Ethical Issues in Dealing with Elderly Clients." This enlightening course, presented by Julie Ragatz, Director of the Center for Ethics, is webcast periodically. To learn more, including whether the course is approved for CE credit in your state, please go to the center's website at TheAmericanCollege.edu/center-for-ethics. ■■■