

A man with glasses, wearing a dark suit, a light blue shirt, and a red tie, stands in front of a city skyline. The background is slightly blurred, showing various buildings and a bright sky. The man is looking directly at the camera with a neutral expression.

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**THIS MAN PROTECTS THE  
MONEY OF THE COUNTRY'S  
WEALTHIEST PEOPLE —  
AND SO CAN YOU**

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# The Planner

» BY CHRISTINA PELLETT, EDITOR

**Mike Mullarney** sells life insurance to some of the wealthiest people in the world, helping them **solve \$25 million+ estate tax problems**. But just like you, he had to start somewhere.



Mike Mullarney didn't dream of becoming an estate planner. In fact, he didn't aspire to a career in the financial world at all. After graduating from New York's Fordham University with a degree in history and a philosophy minor, he spent two years working, first as a high school science teacher, then for a recreational equipment company that sold snowmobiles.

But that wasn't really what he wanted to do, either.

"I could see that the guys running the company were thinking differently than those doing a lot of the work," Mullarney said.

So he decided to go to business school. And in order to raise the tuition money, he started working as an insurance agent.

Over the next 20 or so years, Mullarney moved from selling individual insurance to selling business insurance through a company called the Todd Organization.

"Somewhere along the line, I noticed that the people who seemed to be doing well in the business were people who were in the corporate marketplace," he said. "They were getting companies to participate in buying large blocks of life insurance policies and using the corporate checkbook instead of the individual checkbook, and I thought that had some possibilities."

Once President Clinton left office in 2001, however, Mullarney began to see things changing in the world of corporate-owned life insurance. Congress began chipping away at executive benefits, Sarbanes-Oxley took hold, and the corporate checkbooks started getting tighter.

At the same time, Mullarney noticed that Congress was legislating more and more against the wealthy. And at that point, he said, he realized the opportunities presented by estate planning.

"You want to be in control of your destiny. I didn't want to go back to selling [to] individuals, but I did want to do something that was challenging to me," he said. "The market I settled on, after hearing people talk about all the trillions of dollars in wealth that was going to be transferred over the next 20 years, was the estate planning market."

### A PROBLEM THAT NEEDS TO BE SOLVED

As a wealth management advisor for the Estate Strategies Group, a wholly owned subsidiary of Northwestern Mutual Wealth Management Company, Mullarney spends a lot of time speaking and meeting with prospects. He speaks to private banking groups. He speaks to gatherings of wealth advisors. He speaks to attorneys, one-on-one and in small groups and to entire rooms full of them. During the time we spent interviewing Mullarney for this story, he spoke three times in three days in three different cities. And he spends most of that time speaking in order to show these people how estate planning strategies can save their clients a lot of money.

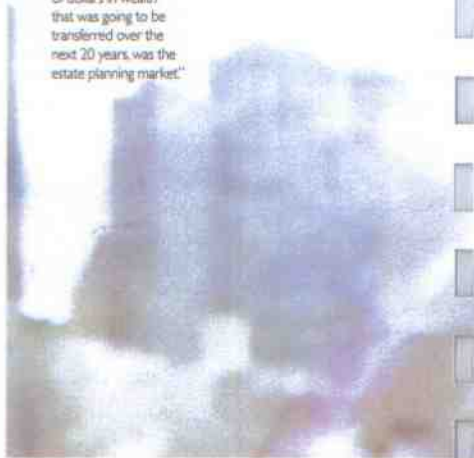
A lot. As in \$20 million — or even more.

"It's one thing for someone to have personal wealth, but we also have to look at their wealth in terms of there being a problem that needs to be solved," Mullarney said. "Somebody with \$10 million is certainly a wealthy person by most people's standards, but not from the point of view of having a problem that's crying out to be solved, because they only have a million-and-a-half-dollar estate tax problem. So someone who has a problem that needs to be solved is probably [worth] \$20 million and up."

And because these are the types of people who need a network of advisors to help them — from financial planners to attorneys and tax accountants — Mullarney ends

### IN CONTROL OF HIS DESTINY

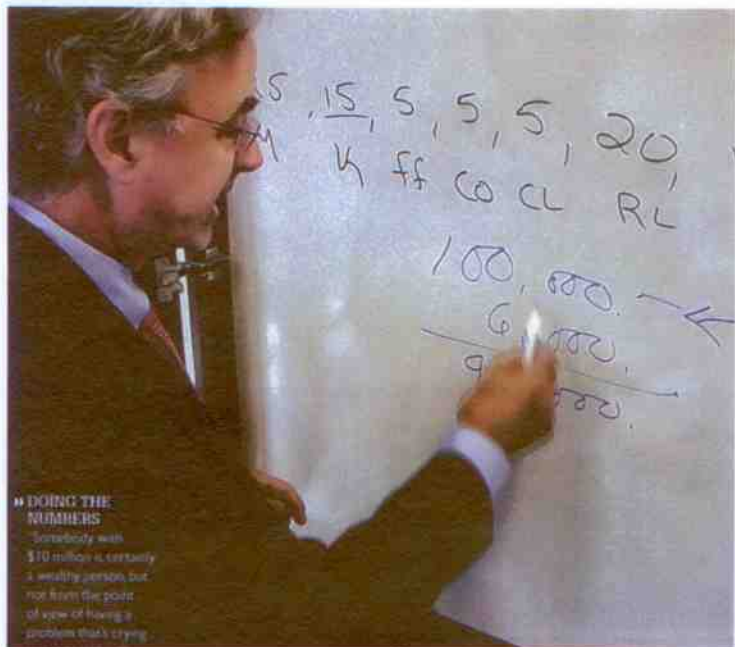
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up presenting a lot of his ideas to these advisors rather than the client.

This approach presented a challenge when he first became involved in the estate planning business. For one, he said, attorneys in particular tend to be skeptical when it comes to presenting large amounts of life insurance to their clients. Because the premiums are so high on the types of policies needed to solve significant estate tax problems, they see life insurance as an expense rather than a solution. This creates an opportunity for him to educate attorneys. And as a result, he said, he really needed to know his stuff.

So about 10 years ago, when he began his transition to estate planning, he set about learning all the laws and the strategies used by the advisors he'd be targeting. He sat



### DOING THE NUMBERS

"Somebody with \$10 million is certainly a wealthy person, but not from the point of view of having a problem that's crying out to be solved."



### EARNING THE CREDENTIALS

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through the same seminars they sat through — family office conferences and other estate planning seminars held by big-name associations and councils — and learned to speak the same language they did.

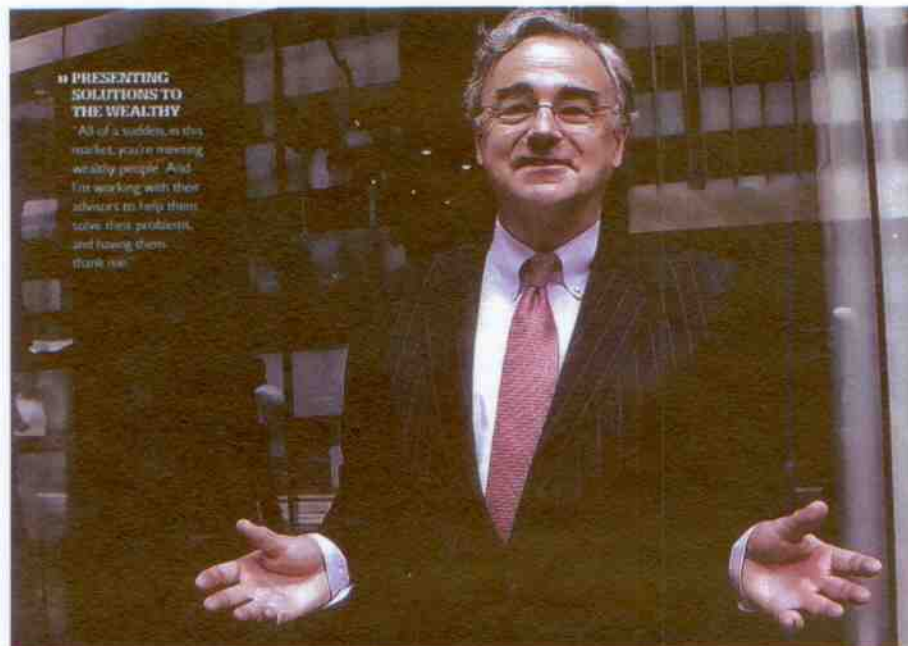
Then, he started working toward the credentials that would position him as an expert. As an agent, he'd earned his CLU and ChFC, but he knew it could only help to work for more, such as the Accredited Estate Planner designation and the prestigious Certified Financial Planner certification.

"When you're standing around with other advisors and you have a CLU, ChFC after your name, you sell insurance," he said. "But if you can put the other initials after your name to show you've made an effort, I think that helps convince them you're serious about it and have some level of credibility."

Next, Mullarney put together a series of ideas showing how wealthy clients could leverage life insurance in addition to — not in competition with — the strategies their advisors were already using. And over time, Mullarney found that while prospecting through advisors had its own set of challenges, it actually worked to his advantage.

"If you have one wealthy person to work with, that's one potential client," he said. "But if you can develop a strong relationship with advisors to these people, this advisor may have 15 clients. So it's a different process from building an insurance practice one by one — and believe me, attorneys don't easily refer people to other professionals."

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**PRESENTING SOLUTIONS TO THE WEALTHY**

"All of a sudden, in this market, you're meeting wealthy people. And I'm working with their advisors to help them solve their problems, and having them thank me."

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## PART OF A TEAM

Mullarney describes himself as a people person. What he loves about estate planning, what keeps him coming back, are the people he meets and the ways he can help them. While he values his early years in the business, he finds his work today more challenging — and more rewarding — than the repeat sale on which he cut his teeth.

"All of a sudden, in this market, you're meeting wealthy people," he said. "Great things have happened in their lives. They're living the American dream. And I'm working with their advisors to help them solve their problems, and having them thank me. I would have no reason to talk with these people on a regular basis if I was in another field."

Wealth management advisor Mike Halloran has worked with Mullarney within the Estate Strategies Group for the past five years. He attributes a lot of Mullarney's success not only to his ability to creatively solve the problems of tremendously wealthy clients, but also his personality and the way he relates to people.

"He's just a nice guy," Halloran said. "If he was single and you were close to his age, you'd want to take him home to your parents. He's not pushy, whereas a lot of people who start out in the insurance business, you'd think of them as high pressure. The last thing you'd think of is him being high pressure."

And while Mullarney's ability to connect with people certainly contributes to his success, he said he's only one of two types of people who are especially good at estate planning. One is the people person. The other, he said, is somebody like his business partner, Earle Johnson, a former math major at Georgia Tech who holds an MBA in finance from the Wharton School at the University of Pennsylvania. Johnson is the other type of person well-suited for estate planning: the numbers person.

Mullarney recommends that any agent interested in estate planning find themselves a partner like Earle Johnson, somebody who can fill in the gaps with their own individual strengths. He also commented on the strengths of others on his staff, like Molly Nagy, a CFP whom he describes as "very client-oriented," associate agent Clare Bruder, and office manager Laura Giobbi.

"I meet a person who's wealthy or an advisor to the wealthy," he said, "but at some point, you get down to the technical people who are advising these people, and that's where I would lose."

## A MULTIMILLION-DOLLAR TAX PROBLEM

In the nearly 10 years he's spent in the estate planning business, Mullarney has seen his fair share of difficult cases.

There are the wealthy clients who wait too long to integrate life insurance into their estates and who have trouble being underwritten at their advanced ages. Then there are the clients who, while they're not yet too old to obtain the policies Mullarney's recommending, still feel they can put things off. It's what he calls the "procrastination factor," a stubborn facet of human nature that plagues estate planners and insurance agents alike.

"If [people] think they can save \$25,000 in income taxes, they'll call their accountant the next morning," he said. "But those same people will sit there with a multimillion-dollar estate tax problem, and they just can't get it into focus."

For one, he said, people just don't like to think about their own death, no matter how much they're worth and how much they can save. And if their advisors aren't pushing the issue, they may never get around to it. But if Mullarney can position himself as somebody who can help solve problems, he'll stand a much better chance than somebody who goes to an advisor selling policies.

Another challenge Mullarney's recently faced, like most people today, is the economy. When a client's net worth is reduced — even if that client's net worth is now \$35 million — there's just less money available for things like life insurance premiums and fee-based advising. But in a way, Mullarney said, the current environment in which clients are finding themselves may actually end up making a stronger case for estate planning strategies — especially when it comes to legislation and regulation. As the current administration moves more toward taxing the wealthy in order to fund certain initiatives, the wealthy will need more help protecting their money.

"I think the planning now is going to get a little closer to the impetus people feel about income taxes," he said. "The current environment is going to press more people to do some planning."

And when they're ready, advisors like Mike Mullarney will be there waiting to help them put it all together. ■

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## » ESTATE PLANNING DESIGNATIONS

Interested in pursuing a career in estate planning? Here are some of the most common estate planning designations, starting with the Accredited Estate Planner certification, and what it takes to earn each one.

### Accredited Estate Planner (AEP)

The AEP designation is awarded by the National Association of Estate Planners & Councils. According to the association, applicants must:

- ▶ Be licensed to practice law as an attorney or to practice as a Certified Public Accountant (CPA), or be currently designated as a Chartered Life Underwriter (CLU), Chartered Financial Consultant (ChFC), Certified Financial Planner (CFP) or Certified Trust & Financial Advisor (CTFA)
- ▶ Be "presently and significantly" engaged in estate planning activities as an attorney, accountant, life insurance professional, financial planner, or trust officer
- ▶ Have at least five years of experience in estate planning and estate planning activities (or 15 years' experience if seeking exemption from education requirements)
- ▶ Complete one elective and one required graduate course through The American College, designated by the NAEPC as the official provider of AEP courses. Applicants can also opt to take two "challenge exams" in place of coursework.
- ▶ Have a minimum of 30 hours of continuing education during the previous 24 months, of which at least 15 hours must have been in estate planning
- ▶ Maintain membership in a local or regional estate planning council or, if unavailable, become a member of the NAEPC

### Chartered Trust and Estate Planner (CTEP)

The American Academy of Financial Management is the certifying body for the Chartered Trust and Estate Planner designation. Applicants must have at least three years of experience in estate planning or trusts. Additionally, candidates must have:

- ▶ A degree (graduate or undergraduate) in finance, tax, accounting, financial services, or law, or a CPA, MBA, M.S., Ph.D., or J.D. from an accredited school or organization
- ▶ Five or more approved and related courses
- ▶ A certification training course
- ▶ Annual continuing education requirements

### Certified Trust and Financial Advisor (CTFA)

The CTFA is awarded by the American Bankers Association (ABA) in partnership with the Institute of Certified Bankers. Requirements include:

- ▶ At least three years' experience in wealth management, and the completion of one approved wealth management training program
- ▶ Letter of recommendation
- ▶ Ethics statement
- ▶ Completion of 45 credits of continuing education every three years