CONSULTATIVE QUESTIONS GUIDE

Family Data

- Is this your first marriage?
- Who in your home handles the financial decisions? Bookkeeping?
- How long have you been married?
- If this is not the prospect's first marriage, find out about other children, child support payments, alimony, unspoken financial obligations and tax dependent deductions. Who has custody?
- Find out if there are any plans for the child to receive inheritances from the ex-spouse's parents.
- If the prospect is single, discuss any marriage plans and children.
- Are there any children living at home?
- Is there a plan to have more children? If so, how many?
- Are any of the children married? Do they have children? Any plans to provide for them in any way now, in the future, or at your death?
- If the child has been married before, ask about the ex-daughter/son-in-law. How do they feel about that person and any children they may have?
- Do you have any other family members dependent on you for support? Any plans for that to occur in the future?
- Do any of your family members have any special needs or talents?

Residence

- How long have you lived there? If less than 5 years, where did you live before?
- Who sold you your home?
- How did you finance it? With whom?
- Do you have a second home?
- Do you foresee any plans to downsize your home? Outgrow your home?
- Are there any future plans to add on to your current home or to move?
- How long do you plan on living in this house?
- Are you satisfied with your living space?
- Will you retire here or elsewhere?

Employment Data

(Make sure you ask the following for both people working)

- Is your bonus paid in cash, stock, other?
- If spouse is not working, are there any plans for your spouse to return to work?
- Will you be getting an increase in wages soon? You may also want to probe concerning the prospect's satisfaction with his current job and if any change is anticipated.
- If you're slated for a large tax payment or tax refund, is this normal and consistent for the past few years? Also, is it expected for this year?
- What is your occupation(s)?
- Where did you go to school?
- Are there any plans to further your education?
- How many employees do you supervise? Who do you report to?
- Does your income depend upon any outside activities?
- Do you plan to change jobs? What would make you leave?
- How much do you think you will be earning 5, 10 years from now? Is there a salary cap to your position? What is it? Does that concern you?
- Are there any indications your company or industry is downsizing? Are you concerned about that?
- Do you expect your income to fluctuate?
- Do you anticipate a move or transfer any time soon? Is that always a possibility? If so, how will that affect your financial situation
- Is your job dangerous in any way?
- Do you travel often? How much? To where? (Keep in mind third world countries can possibly interfere with underwriting, so find out exactly where they have been and how often they have gone and will continue to be going).
- Is your compensation increase based on cost of living adjustments?
- When is your bonus paid and what is it based on?
- If there are stock options, ask about vesting, how options are exercised, and how and when he plans on exercising them?
- Will you be getting a raise soon? Are there any plans you have already made for the use of that money?
- What part of your next raise or bonus could you save?
- If the spouse is working: Is there any desire for your spouse to stay home? What time frame is expected on that?
- If you see a large tax payment or tax refund, ask if this is normal and if the same is expected for this year.
- Do you understand withholdings?

- What is your marginal tax bracket?
- Do you understand why the money we will be working with is subject to your marginal bracket?
- Who best knows your group benefits? (besides the human resource or benefit department person)
- Any part time jobs, or outside consulting? If so, what is the income from that? Is it consistent? Are there any plans to continue? Will there be a job switch in the future? What are the expenses associated with the extra job? How is the extra money used?
- Do you have the ability to work from home?
- Do you currently contribute to any charities? If not, would you be interested?

Rental Property

- What type of rental property is it?
- Where is the property or properties located?
- Are they fully rented now? By whom? What do they do?
- Is the relationship good between you and the renters? How long have they rented the property?
- Any plans to sell the property?
- Do you have problems with keeping renters?
- Do they have renter's insurance?
- Do you have insurance on your rental property? What are the terms and premiums for that insurance?
- Where did the property or money to buy the property come from (inheritance, gift, bought)?
- Have you been depreciating the property?
- Any desire to purchase any additional rentals?
- Do you have plans for improvements?
- Have you been depreciating the property?
- Any desire to purchase any additional rentals?
- Do you have plans for improvements?
- Have you refinanced your rental properties lately? Any plans to? Why or why not?
- Do you visit regularly? Do you have partners? Who are they?
- Who manages the property? How are they compensated?
- Have you ever considered acquiring rental property? Why or why not? If so, whom would you choose as your partner(s)?

- Who financed the transaction? Who was your mortgage broker for the rental property?
- Do you take the rental income as a loss or a gain?
- What do you do with the rental income?

Royalties

- What are you being paid a royalty for?
- How did you get involved in this?
- Do you have an agent? Who are they and whom else do they manage? How did you hear about them?
- What type of compensation arrangement do you have with him/her? What is it based on? Was there an advance or will there be one if repeated?
- Are there any future plans that expand on this? How much time will be devoted to this? Are there any costs associated with this? What are they?
- Patent or copyright? Expiration date?
- Do you expect additional royalties soon?
- What do you do with the income?

Fees & Commissions

- What are you paid a fee or commission for? How did you get involved?
- Is the income consistent?
- Will they increase or decrease over time?
- Will this continue? If so, based on what assumptions?
- If the income was derived from serving on a board of directors, ask the following:
    - What is your liability?
    - Who are the other members?
    - How do you get paid (cash, stock, other)?
    - How often do you meet?
    - Is the company or organization for profit or not for profit?

Trust Income

- How long will this income last? Do you have the document(s)?
- Is it an irrevocable or revocable? Who drafted the trust?
- Who are the trustees, grantor, and beneficiaries?
- How is the relationship between the trustee, beneficiaries, and grantor?
- Is there anyone else involved in any way?
- How long have you been receiving this income?
- Is the trust written for principal conservation or total return?
- Are there principal payouts? If so, when?
- Where are the assets invested? With whom? Who else is receiving income from this trust?
- What happens in the event of your death?
- Where did this money come from originally? What do you do with this money?

Business Income

- What type of business is this?
- Who are the other partners/shareholders?
- What percentage do you own?
- Sole Prop? C Corp? LLC? Partnership? LLP?
- Are there other decision-makers beside you?
- What type of arrangements have been made in the event of a death or disability?
- Is there a buy sell agreement? Qualified Sick Pay Plan?
- If a partnership, how are the partners financially situated?
- Who handles the group benefits for your company?
- Do you have a bookkeeper or accountant? An Attorney?
- Do you have a board of directors?
- Do you have any business documents?

Disability Insurance

- What is your monthly benefit period and length of time benefits are payable?
- Are the benefits based on own occupation, true own occupation or total disability? How long does the own-occ status last?
- Do you have medical reimbursement through your work?
- Are your retirement plan contributions and bonuses covered as income for disability benefits?
- How long could you wait to receive disability payments (elimination period)?
- How will your financial plan continue in the event of a disability?
- Are your current benefits taxable? How are they paid?
- What is the definition of your disability plan?
- Are there cost of living adjustments on your benefits?
- Is it blended with Social Security?
- Have you ever completed a Social Security audit?
- Do you have medical insurance?
- Do you have or do your parents currently have long term care insurance?
- If so, what are the monthly benefits, conditions of benefits, cost of living adjustments, reasons for having it? Premium payments (what are they and who pays)?
- Does it cover hospice and home health care nursing?
- How did you determine the amount and type of Disability coverage?

Car & Homeowners Insurance

- How did you decide on the coverage? Who is your P&C broker?
- Did your Property & Casualty agent ever discuss liability insurance with you? If so, how much did they recommend you have? Explain your benefits to me.
- Do you have replacement coverage on your home? If so, explain your understanding of what that means to you?
- Do you have photos or a video to show as documentation? If so, where do you keep this information?
- How many claims have you had?
- If you had a small claim, would you file it?
- How did you choose your deductibles and limits?
- Are you a good driver with a good driving history?
- What about your child's driving record?

Life Insurance

- How do you feel about the insurance company you have chosen? How did you choose this company?
- Who are the owners, beneficiaries (primary and contingent), insured?
- Do you receive an annual update?
- Why did you buy that type of insurance? Why do you own this type of insurance?
- From whom have you purchased your insurance?
- Do you feel obligated to purchase insurance from him or her in the future?
- Is your life insurance in a trust? If so, who are the trustees and how is the trust established?
- Do you understand the taxation of insurance death benefits?
- Do you have waiver of premium? Why or why not?
- How did you decide on the amount of insurance you own?
- How is your parent’s health?
- Are you planning on keeping this insurance throughout your lifetime?
- Are there any policies on your children? How was this decided upon? How much? Beneficiaries? Owners? Premiums?
- Have you ever lapsed any policies?
- Are there any loans on your cash value? Why was the loan taken out? Is there a plan to pay it back? When and how?
- Ask them if they understand loan interest and direct recognition.
- Do you feel you have enough insurance? Why or why not?
- If you could get more insurance at no additional out of pocket outlay, would you? Why or why not?
- Describe the difference between term and whole life.
- If they have universal, variable or universal variable ask them to explain how it works.
- Are you planning to use the cash value for retirement?
- Is the death benefit guaranteed?
- Will premiums always have to or need to be paid?
- What made you buy the insurance?
- What do you want your life insurance to do for you and your family?
- Why do you have second to die? Explain to me how it works? How did you come about purchasing this policy and why?
- How do your children feel about paying these? How do you feel about paying these premiums with irrevocable gifts?

- How do you feel about having this life insurance in an irrevocable trust?
- How did you determine your coverages for your property casualty insurance?
- Are you comfortable with your current coverage limits?
- Do you have any concerns with your current medical coverage?
- Do you have a plan to transition to Medicare in the even you retire early?

Savings Type Assets

- What type of account(s) do you have?
- What is the exact wording of ownership of the account? How did you decide on the ownership arrangement?
- How did the money get there?
- If the money is in the child's name, why was it done that way?
- If it is an UGMA ask if they are aware as to what happens when the child turns 18 or 21?
- Also, ask if they are aware of how this will affect their ability to receive financial aid for college?
- Is there any ability to use that money in another way?
- Will it have to remain in the child's name?
- Who pays the taxes on their gain? What are the plans for this money?
- If there are a lot of checking and savings accounts, ask why they have so many?
- Are these accounts put & take accounts? What is the money there for?
- What risk level do you feel comfortable with?
- How much do you put in on a monthly basis?
- When does the account mature?
- What are your plans upon maturity?
- Is there someone with whom you have discussed this issue? Who is he/she?
- What is the rate of interest that you have been averaging?
- Do you understand how your savings accounts are taxed?
- Do you have a separate account to pay the tax on these accounts?
- Are you netting to pay the tax?
- How does the plan work?
- Do you have the plan document?
- What does your company match?
- What is the match based on? (profits, salary, contributions)
- The investment decisions?
- How is this money distributed in retirement?

- What are the loan provisions?
- What do you have to do in order to get a loan or make changes in your retirement plan?
- Are the loans callable upon termination of your employment?
- What is the payback schedule?
- Do you currently have loans outstanding on these accounts? If so, why where the loans taken?
- When did you start this investment?
- How will you use this money?
- Is this the normal value of this account? More or less? Why?
- Are you satisfied with the amount of money you save on a regular basis?
- What level of savings would you like to maintain?
- Are you satisfied with the rates of return on your savings?
- How are these accounts taxed?
- What is your current distribution strategy?
- Are you concerned about the tax liability?
- What will you acquire upon distributions of these accounts?
- Do you understand the statements you get?
- Do you understand dollar cost averaging?
- How do you pay taxes?
- Estimated or withheld?
- What did you do with the tax savings generated from these retirement plans?
- How will these accounts or this plan continue in the event of your disability?
- How much do you deposit on a monthly basis?

Investment Type Assets

- Why did you buy this investment(s)?
- What is your ultimate goal for the use of this money?
- How much did you invest?
- Have you been satisfied with their performance?
- Is your objective the same for this investment as when you purchased it?
- What was the price for this investment? (basis)
- Where did that original money come from? Is there an expectation this could happen again? If so, when? Why?
- Did you sell any investments this year? If so, why? At a profit or loss?
- What is the dividend/interest percentages? When/how are they distributed?

- What is the dividend/interest percentages? When/how are they distributed?
- What is the short-term capital gains percentage? When/how are they distributed?
- What is the long-term capital gain percentage?
- Do you reinvest dividends, interest, and capital gains?
- Do you understand how dividends, short term and long-term capital gains are taxed? Explain.
- Which investment philosophy do you follow? Asset allocation or diversification?
- What do you like most/least about these types of investments?
- Who sold you these investments?
- Would you feel obligated to purchase from them in the future?
- How did you feel about their advice?
- Did they take into consideration all your other financial information when making these recommendations (i.e. real estate, insurance, tax situation, etc.)?
- How often do you receive statements? Is there any additional information that accompanies these statements?
- Was there a load or fee involved? If so, what was it? How is it paid?
- How often do you trade?
- Do you ever trade on margin?
- Why and how do you feel about that risk?
- If you had an additional $10,000 to invest each year where would you invest it?
- Where do you get your current investment information and recommendations?
- What net long-term rate of return would you expect? (LOC%)
- How do you keep track of your results or investment performance?
- Is there any investment that you feel was a mistake and why?
- On inherited stock is there any emotional attachment to owning these shares?
- How will you continue these investments in the event of your disability?
- How will you pay the tax in the future once the tax liability increases to the point that it matches or outweighs the amount you are putting into these investments?
- Explain 1099 statements.
- Do you understand how distributions could affect the taxation of your Social Security benefits at retirement?

Real Estate

- Why did you purchase this property?
- Who was the attorney who handled the closing?
- What is the fair market value of your home?
- Is it decreasing or increasing?
- Will you move anytime in the near future? If so, where will you move and why?
- Do you believe you will be selling at a gain or loss?
- Have you made any improvements to the property?
- Who did the improvements to your property (landscapers, builders, and painters)?
- Do you have plans for beach or mountain home? Where and why?
- How do you feel about real estate as an investment?

Mortgages/Equity Lines of Credit

- Explain your loan terms to me.
- Have you ever considered pre-paying your mortgage? Why or why not?
- Who is your mortgage broker?
- How do you feel about having this home loan as debt?
- Do you have mortgage insurance? If so, how much more equity is needed before you can cancel the PMI?
- Have you refinanced recently?
- Did you have to pay points or fees? What were they?
- Do you have a second mortgage?
- Why did choose to have a 15-year mortgage as opposed to a 30-year mortgage or visa versus?
- Do you have equity lines of credit?
- Why have you financed your debt with these companies?
- Are you aware of the tax deductions associated with the home mortgage deduction?
- How will your home help you at retirement?
- Have you ever heard of a reverse mortgage?

Sample Questions: Loans/Debt

- What was the purpose of the loan/debt? How did the debt occur?
- Do you intend to pay off any loans/debt soon?
- What is the payback schedule?
- Are minimums being paid on your credit cards? What are the minimum payments?
- What is the interest rate?
- Have you ever considered a loan/debt consolidation?
- Have you ever asked for your own credit report?
- Do you have good or bad credit?
- Have you ever filed for bankruptcy?
- Have you always maintained revolving credit?
- Do you normally pay off credit card bills completely each month?
- Do you anticipate the need to take out any loans in the near future?
- How do you feel about having this debt?
- How will having it paid off make you feel?
- How long will it take for this debt to come back?
- Do you consider your monthly cash flow to be tight or manageable?

Personal Property

- Is your personal property insured?
- Do you have a schedule for your jewelry?
- Is there any piece of jewelry that if stolen you would not replace?
- Do you have a picture portfolio of your items? If so, where do you keep it?
- Will you be making any large purchases soon? Where will you get the funds?
- Is it appraised? If so by whom? How did you get interested in this? Is this an investment or for fun?
- Do you take deductions in reference to this on your taxes?
- Do you attend shows (antique, baseball cards, coins, etc.)? Are there expenses involved in maintaining this hobby/investment? Do you keep good records on those expenses?
- How do you make decisions concerning purchasing your cars?
- How often do you purchase a car? Are they always new or used?
- Have you ever considered leasing? Why or why not?
- Do you take mileage as a deduction on your tax return?
- Are you reimbursed in any way for your car expenses? If so, at what rate?

Additional Information

- Do you have a safe deposit box? If so, is it jointly owned?
- What do you put in your safe deposit box?
- Do you have an attorney or an accountant? If so, how long have you worked with them?
- How do you pay them? What are their fees?
- Do you value their judgment in financial areas?
- When did you last utilize the services of these financial professionals?
- Have you named guardians for your children? Who?
- What provisions have you made in your will for their financial well-being?
- Do you have trusts set up for your children? If so, who are the trustees and how is the trust written? What happens to the money and the children? Does the guardian have full discretion to the trust money?
- Is the trust set up to conserve principal or for total growth?
- How and when is the income distributed?
- Do you or any members of your family have any medical issues? Please explain.
- Have you made plans to care for them later on?
- Will you receive any inheritances? If so, how much is expected? What are the assets?
- If there is land ask about the sale of the land, etc. If it is liquid assets, ask if there are any restrictions on the use of that money.
- Are there others who will be receiving part of the inheritance as well? Same proportion?
- Are there any expected issues in reference to the inheritance (do they anticipate problems)?
- Have there been any thoughts given to gifting? If there are gifts now, ask how much, how frequent, etc. If gifts have been received how is the money or property used?
- Will there be a future liability?
- Do you or will you receive any trust income?
- Have you ever done any intra-family financing?

Miscellaneous

- Do you understand how your money is working for you? What are your goals?
- What are your goals? Short-term? Long-term?
- What are you most interested in; protecting, growing, enjoying or preserving your money for generations to come or all of them?
- When would you like to retire? With what retirement income?
- What concerns you the most about your own financial planning?
- If you won a $10,000,000 lottery. What would you do with the money?
- How do you feel about estate taxes?
- How do you feel about your kids inheriting money?
- Is there a charity or school that you would like to give to?
- Are you where you thought you'd be? Better or worse?
- How will you determine if I have done or am doing a good job for you?
- Any other thoughts or feelings about what you have shared with me?
- Is there anything else I need to know?

Business Interest (If Applicable)

- What type of business is it? (Sole Proprietorship, Partnership or Corporation?)
- What is the name and address of the business?
- What is the nature of the business?
- How many non-owner employees are there?
- Is there an agreement in effect that requires your interest to be sold at death to surviving partners?
- Is there a qualified retirement plan in effect (Keogh or 401k)?
- Is there an agreement in effect that requires that the business be sold at your death?
- What price does the agreement establish?
- When was the agreement last reviewed (date)?
- With whom do you have the agreement?
- What are the names of the owners and the percentage of their interest?
- What is the estimate of the business's current fair market value?
- Was a formal business evaluation performed to calculate the current fair market value?
- When was the business evaluation completed?