



Cornerstone

FINANCIAL SOLUTIONS THROUGH EDUCATION

# Team Playbook & Handbook

# Welcome to Cornerstone!

## Welcome to the cause!

Allow me to introduce myself. My name is Robert Belcuore and I am a CEO and founder of Cornerstone Financial Associates. It is with great honor that you're joining our fantastic team. We often say around here that you're in business for yourself but not by yourself and what we're looking for is better life seekers. People that want to get better, that are coachable, and that have grit and obviously have a strong, moral compass .

Please take the time to review our playbook as it is the tools to grow your business. Much thought and planning went into this book and it's for you to grow and gain knowledge and insight of the industries premier process to help Middle-Middle America, obtain a strong and healthy retirement.

Welcome to the cause!

Best regards,

**Robert Belcuore, CEO & Founder**





# Table of Contents

|   |        |
|---|--------|
| Welcome Message .....                     | 6      |
| Foundation                                |        |
| Who We Are .....                          | 7      |
| What We Do .....                          | 8      |
| Mission Statement .....                   | 9      |
| 6 Steps to Success .....                  | 10     |
| Cornerstone Leadership .....              | 11, 12 |
| Expectations                              |        |
| Memorandum of Understanding .....         | 13, 14 |
| Confidentiality and Trustworthiness ..... | 15     |
| Qualities to Bring to the Table .....     | 16     |
| Cornerstone Marketing Tracks              |        |
| Marketing Tracks Defined .....            | 17     |
| Middle - Middle America .....             | 18     |
| Social Security Track .....               | 19     |
| SS Seminar Partner Agreement .....        | 20     |
| Cornerstone College Solutions .....       | 21     |
| CCS Partner Agreement .....               | 22     |
| Broker Dealer Mem of Understanding .....  | 25     |
| Broker Dealer Comp & Resources .....      | 26     |
| Cornerstone Advanced Markets .....        | 27     |
| CAM Mem of Understanding .....            | 28     |

## Contracting Essentials

|                                       |        |
|---------------------------------------|--------|
| Road to Licensing .....               | 29, 30 |
| Cornerstone Onboarding .....          | 31     |
| Cornerstone Advisor Contracting ..... | 32     |

## Partnerships & Calendar

|                                  |        |
|----------------------------------|--------|
| Tools for Success .....          | 33     |
| Partners for Success .....       | 34     |
| Client Touchpoint Partners ..... | 35, 36 |
| Cornerstone Hard Calendar .....  | 37     |

## Philosophy and Compensation

|   |        |
|---|--------|
| Comp Calculations .....                   | 38     |
| Personal Production Bonus Levels .....    | 39, 40 |
| Personal Production Comp .....            | 41     |
| Additional Carrier Comp .....             | 42     |
| Team Building Bonus' .....                | 43     |
| Cornerstone Conference of Champions ..... | 44     |
| Spotter Program .....                     | 45     |

## Lead Essentials

|  |    |
|--|----|
| Cornerstone Lead Philosophy .....      | 46 |
| Circle of Influence Roadmap .....      | 47 |
| Critical Success Factors .....         | 48 |
| 3 Pillars of Financial Structure ..... | 49 |

## Advisor Resources

|                                     |        |
|-------------------------------------|--------|
| Memory Jogger .....                 | 50     |
| Top 25 Worksheet .....              | 51     |
| Cornerstone Questions .....         | 52     |
| Strong Statements .....             | 53     |
| Retirement Planning Questions ..... | 54, 55 |
| Long Term Care Questions .....      | 56     |
| TruChoice Team and Carriers .....   | 57, 58 |
| NLG Agency Support .....            | 59-61  |

---

Industry Regulation and Compliance

|                                 |       |
|---------------------------------|-------|
| Insurance Industry Jurisdiction | 62-68 |
| Telephone and Email Ettiquitte  | 69-71 |
| Important Field Underwriting    | 72-78 |

# Who We Are

**At Cornerstone we believe in  
"Financial Solutions Through Education"**

Cornerstone is an independent financial association that shares common core values and abide by a defined case split: find, mind, and grind. We are a team-oriented organization, that hosts value based educational workshops to encourage clients to make an educated decision about their finances. We use a team approach on how we market in order to obtain clients. We protect families from sudden deaths so we don't have to see another go fund me.

We protect families from cancer, stroke, heart attack, and other unexpected tragedies. We protect families from running out of money in retirement. We protect families for overpaying for college. That's what we do, and we do it with conviction. People don't buy what we do, they buy why we do it. Welcome to The Cause.



**Cornerstone**  
FINANCIAL SOLUTIONS THROUGH EDUCATION

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# What We Do

## Planning Futures

We have years of experience helping clients prepare for the unknown while meeting their financial goals. Ask us about:

- Financial planning
- Investment advice
- Retirement planning
- Education funding
- Estate planning

As an independent financial services firm, we can access many different products so you can get the right products and solutions for your clients.

## Comprehensive Approach

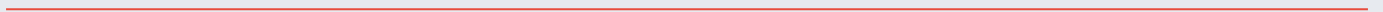
We use proven financial strategies designed to meet your risk tolerance and stand up against market volatility. You and your clients can count on unbiased recommendations and impartial guidance based directly on your needs and goals. Our holistic approach allows for maximum trust and a duplicatable, repeatable, easy to implement process.

## Committed to Service

Every successful financial strategy starts with an excellent client relationship. Our mission and values include exceeding our client's every expectation. Call us today to find out how we can suggest long- and short-term strategies that will help you realize your financial dreams

*"I truly believe that both our advisors and our clients, when choosing to partner with Cornerstone, are in the Right Place, at the Right Time, For the Right Reasons, With the Right People."*

**~ Robert Belcuore  
CEO & Founder of Cornerstone**



# Mission Statement

**"To create the environment where our Associates can reach their personal, financial, and spiritual goals through a predictable, repeatable, duplicatable process."**

## WHY ARE WE DIFFERENT?

- OUR CULTURE - Self-development, always looking to grow
- As a "TEAM" we provide solutions in the industry not products.
- We work off a Partnership approach
- We provide multiple "Tracks" to help advisors and Centers of Influence market themselves for lead generation.
- Strong payouts with exceptional back office support.



***"We believe you're in business for yourself, but not by yourself."***  
***~Robert Belcuore***

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## 6 Steps for Success

Here at Cornerstone we believe there are certain steps and habits, that once you decide to implement them, will increase your success. Not only hear as a partner of Cornerstones, but in every area of your life!

01

### **Commit to the Mission**

The team, your family, your clients; need 100% of the time you commit

02

### **Association: Plug into the System**

Team Trainings, Cornerstone Product University, Grinder University, Cornerstone University, Slack

03

### **Personal Use**

Own your own policy! We Promote what we own.

04

### **Be a Reader**

Success leaves tracks. Successful people read. Be a student of the game of life, know the products you offer. Commit to the reading daily.

05

### **Positive Mental Toughness**

Control your thought process and always communicate with a positive mental attitude.

06

### **Be Coachable**

Always appreciate constructive criticism to grow as a leader, person, and advisor.

# Cornerstone Leadership

2025



**Leonard Dandridge**

Director of Expansion  
ldandridge@cornerstonefra.com  
Phone: (732) 853-3463



**Brian Thompson**

Chief Financial Officer  
bthompson@cornerstonefra.com  
Phone: (973) 865-6498



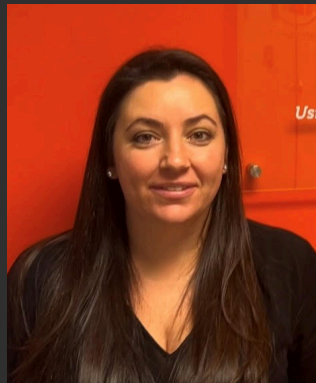
**Dustin Taylor**

Marketing & Operations  
Owner VOOV Advisor Consulting  
Website Developer,  
Digital Marketing Specialist  
Dustin@govoov.com  
Cell: (941) 233-1013



**Loraine Morgenroth**

Client Relations / Operations  
Loraine@cornerstonefra.com



**Ashley Mariani**

Para Planner  
Ashley@the-cwa.com



**Kylin Furlow**

Chief Culture Officer  
kfurlow@cornerstonefra.com  
Phone: (973) 865-6498



# Cornerstone Leadership

2025



**John Kailunas II**

Founder & CEO of Regal Financial Group  
jkailunas@regalfin.com



**Don Carlson**

Partner | Regal Holdings  
dcarlson@regalfin.com



**Jordan Fischer, CFP, AIF**

Portfolio Manager  
Phone: (616) 224-2204



**John Saad**

National Life Group  
JSaad@nationallife.com

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# National Life Group

## Agency Support



[www.NationalLife.com](http://www.NationalLife.com)

### Agency Support

Updated 6/10/2024

#### National Life Group Contact Center: 800-906-3310

For assistance with:

- Pre-Sale Support
- Pending & Existing Business
- Life Insurance and Annuities
- Contracting and Commissions
- Password Reset

National Life Group Technical Help Desk

Email: [HelpDesk@NationalLife.com](mailto:HelpDesk@NationalLife.com)

Phone: 877-654-3499

#### Sales

**John Saad, CLU, ChFC, CLF**  
Vice President Independent Distribution  
[JSaad@NationalLife.com](mailto:JSaad@NationalLife.com)  
Phone: 404-276-8127

**National Life Group Life & Annuity Sales Desk**  
[NLGSalesDesk@NationalLife.com](mailto:NLGSalesDesk@NationalLife.com)  
Phone: 800-906-3310

**Qualified Plan Marketing**  
[QualifiedPlanMarketing@NationalLife.com](mailto:QualifiedPlanMarketing@NationalLife.com)  
Phone: 800-906-3310

**Bryan Blake**  
Senior Internal Consultant  
[BBlake@NationalLife.com](mailto:BBlake@NationalLife.com)  
Phone: 214-638-9263

**Tirrell Santos**  
Internal Sales Associate  
[TSantos@NationalLife.com](mailto:TSantos@NationalLife.com)  
Phone: 802-229-7243

#### Doing Business – Contracting, Appointments and Compensation Contacts

**Contracting:** Hierarchy Requests, New Fact Finders, Web Access: [NLGAgencyUpdates@NationalLife.com](mailto:NLGAgencyUpdates@NationalLife.com)

Contracting Status, Annuity Training, AML, E&O,  
License/Appointment Updates, Terminations, Transfers,  
Outstanding Requirements:

[Contracting@NationalLife.com](mailto:Contracting@NationalLife.com)

Agent Email and Address Changes, Agent Name Changes:  
Serving Agent Changes:

[EUpdates@NationalLife.com](mailto:EUpdates@NationalLife.com)  
[AgentChanges@NationalLife.com](mailto:AgentChanges@NationalLife.com)

**Compensation:** Commissions and Debt Inquiries: [NLGCompensation@NationalLife.com](mailto:NLGCompensation@NationalLife.com)

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# National Life Group

## Agency Support



### Life & Annuity New Business and Underwriting

Please visit [www.NationalLife.com](http://www.NationalLife.com) to see the Case Manager and Underwriter assigned to your individual case. For escalations or urgent needs, the following Team Members can assist you.

#### Life New Business:

Nick Oleson, Team Manager – New Business

[NOleson@NationalLife.com](mailto:NOleson@NationalLife.com)

Phone: 214-638-9395

#### Life Large Case Team:

Rachel Headley, Sr. Team Manager - Large Case

[RHeadley@NationalLife.com](mailto:RHeadley@NationalLife.com)

Phone: 802-229-3606

#### Annuity New Business:

Alice Frederick, Sr. Team Manager – New Business

[AFrederick@NationalLife.com](mailto:AFrederick@NationalLife.com)

Phone: 802-229-3409

#### Underwriting:

Rory Richards, Director Underwriting

[RRichards@NationalLife.com](mailto:RRichards@NationalLife.com)

Phone: 214-722-9048

Phil Cox, Large Case, Director Underwriting

[PCox@NationalLife.com](mailto:PCox@NationalLife.com)

Phone: 802-229-3836

### Doing Business – Life New Business, Underwriting, & Inforce Contacts

#### New Business Submission

Email Life Applications to:

[NBAApplicationImages@NationalLife.com](mailto:NBAApplicationImages@NationalLife.com)

Large Case Applications to:

[LargeCase@NationalLife.com](mailto:LargeCase@NationalLife.com)

(\$10 million face or \$75K CTP premium)

Qualified Pension or Profit Sharing Plan Apps to:

[RetirementServices@NationalLife.com](mailto:RetirementServices@NationalLife.com)

#### Outstanding Form Requirements Processing

Email Life Documents to:

[NBRequirementImages@NationalLife.com](mailto:NBRequirementImages@NationalLife.com)

#### Underwriting Risk Assessments:

[UnderwritingQuotes@NationalLife.com](mailto:UnderwritingQuotes@NationalLife.com)

#### Life Forms on Delivery:

[FormsOnDelivery@NationalLife.com](mailto:FormsOnDelivery@NationalLife.com)

#### Rewrites & Not Taken Requests:

[Rewrites@NationalLife.com](mailto:Rewrites@NationalLife.com)

#### Life Inforce Customer Service:

[LifeCustomerService@NationalLife.com](mailto:LifeCustomerService@NationalLife.com)

#### EFT Questions

[ElectronicFundsTransferTeam@NationalLife.com](mailto:ElectronicFundsTransferTeam@NationalLife.com)

#### General Billing Questions:

[PremAccounting&GroupBill@NationalLife.com](mailto:PremAccounting&GroupBill@NationalLife.com)

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# National Life Group

## Agency Support



### Doing Business – Annuity New Business & Inforce Contacts

#### New Business Submission

Email Annuity Applications/Transfer forms to:  
Qualified Pension or Profit Sharing Plan Apps to:

[LSWImaging@NationalLife.com](mailto:LSWImaging@NationalLife.com)  
[RetirementServices@NationalLife.com](mailto:RetirementServices@NationalLife.com)

#### Outstanding Requirements Processing

Email Annuity Documents to:

[LSWImaging@NationalLife.com](mailto:LSWImaging@NationalLife.com)

#### Annuity Forms on Delivery:

[LSWImaging@NationalLife.com](mailto:LSWImaging@NationalLife.com)

#### Annuity Inforce Customer Service:

[AgentServices@NationalLife.com](mailto:AgentServices@NationalLife.com)

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Cornerstone Financial  
Associates:

Broker Dealer: Regal

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# Broker Dealer/RIA: Memorandum of Understanding



**Cornerstone**  
FINANCIAL SOLUTIONS THROUGH EDUCATION

01

## Grid Levels

- 85% Top Contract
- Rolling 4 quarters or rolling 12 months

02

## CWA Brand Kit

Upon completion of contracting, new advisors will be given new CornerstoneFSG email, business cards, and go on the CornerstoneFSG website.

03

## Fees

- \$495/month for BD/Hybrid
- \$295/month for IAR Only

Includes E&O insurance that will cover outside fixed business i.e. TruChoice (MYGA, Life Ins, etc)

04

## Recruiting

Each Advisor is allowed to have their own downline and recruit to their downline in the form of bonus':

- Production Minimums
- Cannot have Advisor in downline if coming over with more GDC/Fees than recruiting advisor (Cornerstone Financial Services Group will compensate for this recruit in the form of leads.

***"The process is simple but we must always remind our clients we are here to earn their TRUST. Only then can we have a client for life that truly understands the value we bring."***

***Robert Belcuore***

06

## Mandatory BD/RIA Meeting

Scheduled for the 2nd Monday of Every Month

(Concepts, Products, Features, Guest Speakers)

07

## CWA GDC/Fees Goal

Team GDC/Fees Goal for 2025 is \$1,000,000



# Broker Dealer Comp & Resources

Cornerstone Group Comp Grid

| From      | To        | Payout % |
|-----------|-----------|----------|
| \$0       | \$49,999  | 60.00%   |
| \$50,000  | \$99,999  | 65.00%   |
| \$100,000 | \$149,999 | 70.00%   |
| \$150,000 | \$199,999 | 75.00%   |
| \$200,000 | \$249,999 | 77.50%   |
| \$250,000 | \$299,999 | 80.00%   |
| \$300,000 | \$399,999 | 82.50%   |
| \$400,000 | And Up*   | 85.00%   |

\*increased payouts and bonuses may apply

Tiered Account Fee Schedule

|             |             |       |
|-------------|-------------|-------|
| \$0         | \$250,000   | 1.50% |
| \$250,000   | \$750,000   | 1.25% |
| \$750,000   | \$1,500,000 | 1.10% |
| \$1,500,000 | \$2,500,000 | 1.00% |
| \$2,500,000 | \$3,750,000 | 0.90% |
| \$3,750,000 | \$5,250,000 | 0.80% |
| \$5,250,000 | \$7,000,000 | 0.70% |
| \$7,000,000 | \$9,000,000 | 0.60% |
| \$9,000,000 | +           | 0.50% |

Minimum Account Value

Maximum Account Value

% Fee (Annual Rate)

Regal Team  
Directory

Regal Onboarding  
Handbook

Cornerstone  
Financial  
Associates:

Final Expense

---



# Carriers

**American Amicable**

**Prosperity**

**Liberty Bankers**

**Royal Neighbors**

**Great Western**

**Gerber Life**

**GTL (Guarantee Trust Life)**

**Columbian Life**

**Sentinel Security Life**

**American General**

**American Home Life**

**Americo**

## Promote Yourself Guidelines Pay for Leads



🔍 Orange indicates “Fast Track” promotions on a monthly basis.

🔍 All other levels are on a quarterly basis and are awarded at the end of each calendar quarter.

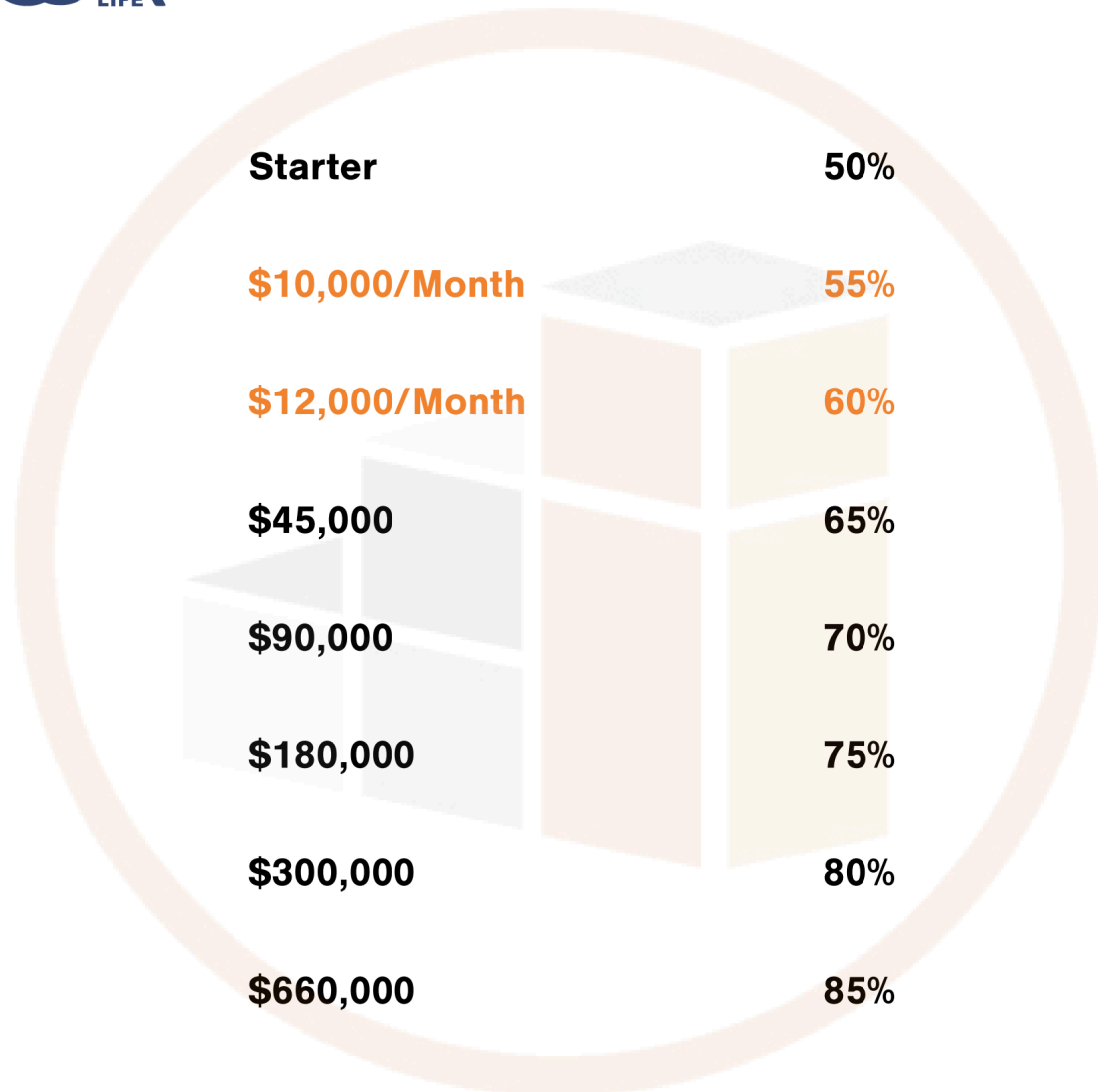
🔍 Agents may only move up one level at a time.

🔍 Guarantee Issue business does not count towards promotion levels.

🔍 Agents must maintain carrier standards on placement and persistency.

🔍 Cornerstone maintains the authority to adjust commission levels at its discretion and may change the guidelines when it sees fit.

## Promote Yourself Guidelines Earned Lead Program



- ⚠️ Orange indicates "Fast Track" promotions on a monthly basis.
- ⚠️ All other levels are on a quarterly basis and are awarded at the end of each calendar quarter.
- ⚠️ Agents may only move up one level at a time.
- ⚠️ Guarantee Issue business does not count towards promotion levels.
- ⚠️ Agents must maintain carrier standards on placement and persistency.
- ⚠️ Transferring to a Pay for Lead contract constitutes a 30% movement only.
- ⚠️ Cornerstone maintains the authority to adjust commission levels at its discretion and may change the guidelines when it sees fit.

# Memorandum of Understanding

Cornerstone is a financial services company with over 22 years' experience in the field. We hold the integrity of our brand in the highest regard and we expect you to do the same by following the rules of engagement:

- Any information regarding Cornerstone business leads, prospects, or potential associates must not be shared with any outside agencies, citizens, or businesses. This information is to be kept confidential for the entirety of appointment with Cornerstone.
- All prospecting leads, business leads, and business communications hard copies will remain in the office for prospecting sessions and follow up sessions. Should there need to be an exception management approval is required.
- The goal as an agent is to commit to Cornerstone. This duty entails, but is not limited to: (a) start communications for new business to business presentations; (b) coordinate schedules between the new client and other agents to set up presentations; (c) close business and split commissions according to the FIND-MIND-GRIND; and (d) service clients and policyholders with annual reviews.
- The agent is expected to conduct themselves with a customer focused mindset and live up to the ethical standards of the insurance industry.
- It's about the mission not the commission.



# Memorandum of Understanding cont'd

- Our Partners are required to attend all team trainings as it relates to their business model and is responsible for procuring and maintaining all licenses required by any governmental agency for transacting business.
- The agent is expected to dress business casual or better daily (i.e.. no jeans except on Friday)
- Conduct is to remain professional at all times, personal issues are not to be brought into the workplace. Consistent violations could be cause for consideration for suspension or removal, use good judgement.
- We suggest that you adhere to the Core Calendar as it has been developed to help lead you to success.



# THE CORNERSTONE HARD CALENDAR

Structure, Training, Growth



**Monday**

G5 Call (Tim Goad) - 9:00pm every third Monday

**T, W, TH**

Cornerstone Master Class - 9:00am every Wednesday  
**8-10 Appointments**

**Friday**

Get Better Together (GBT) - 8:00am - 9:00am every Friday  
Team Training - 9:30am - 10:30am every Friday

Cornerstone  
Financial  
Associates:

Tools for Success

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# TOOLS FOR SUCCESS



## CRM

Client Management

- Redtail
- Wealthbox
- Asana (Free)
- Hubspot
- Less Annoying CRM



## Professional Email

We recommend a professional email not a gmail account (i.e. Cornerstonefra.com not mike@gmail.com)

You are able to order a Cornerstone email or create one via GoDaddy.



## Scheduling Tool

Client Bookings

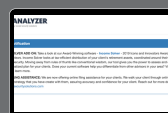
We recommend setting up 1 hour time windows for your appointments. Other options for scheduling software are below:

- Once Hub
- Doodle
- Chili Piper



## Nitrogen Wealth

We recommend using the industry-leading risk analyzer, Nitrogen Wealth (formerly Riskalyze).



## Social Security Analyzer

Free access is provided to this tool. Please check the Cornerstone back office for the most recent username and password.



## Slack

Team communication

Our mode for instant team communication is Slack. Make sure to download the iOS or Android app as well as install the desktop app. Once installed make sure to turn on your notifications.



## Zoom

Virtual Meetings

Currently we use zoom for all meetings and client interactions. Make sure to sign up for an account so that your able to serve your clients appropriately.



## Southwest Consulting

Southwestern Coaching offers 1:1 Sales, Leadership, and Life Coaching programs that help you increase sales and productivity, reframe your approach, streamline goals, and renew your focus.

smartasset™

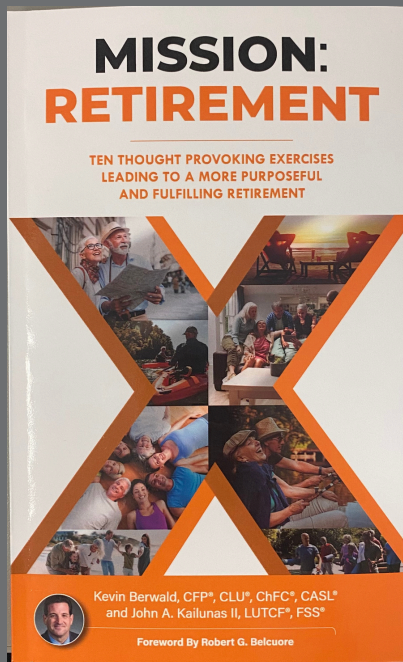
SmartAsset is a lead generation and follow up tool for financial advisors.



# CATALYST FOR GROWTH



## 1. Customize a prewritten book for your own marketing!



- Price: \$2,500 (includes 100 customized copies) \$25 average investment per book
- Additional Copies: \$1,750 for every 100 copies thereafter at a \$17 average investment per book
- Features: Through a License Agreement, Catalyst4Growth will work with you to create a customized two to three-page foreword that will be placed within the Mission: Retirement book. Recognition of your name or your organization as having written the foreword will be prominently placed on the front cover. The Mission: Retirement book covers will also be customized to reflect your corporate colors.
- Description: Possibly one of the best and most unique ways to reach out to and reveal to your target audience and clients your commitment to helping them attain what is most important to them; their ideal retirement outcomes. Being able to showcase your value propositions to your audience and communicate your desire to assist them to do so will ensure a lasting impression on your existing and soon to be clients.

## 2. Get a professional bio!

The Catalyst 4 Growth team will perfect your bio for use on your website, presentations, and more. Receive a bio that says what people want to know about you and NOT what you think people want to know about you.



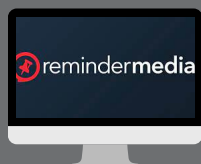
Kevin Berwald  
CFP®, CLU®, ChFC®, CASL®  
CMO, National Sales Manager  
734.626.1281  
[kevin@catalyst4growth.org](mailto:kevin@catalyst4growth.org)

# CLIENT TOUCHPOINT PARTNERS

## Follow-up System for Success



Here at Cornerstone we believe that the follow-up process is just as important as the journey we take people on to become a client. Now we are not saying this process is set in stone nor the vendors we partner with to accomplish our goals in the follow-up process. What we are saying is that you need to have a great system that keeps you top of mind post implementation to build proper walls around your client. Below is our blueprint below:



### Reminder Media

This partner is fantastic for sending both digital and hard copy reading material branded to fit your organization. Cornerstone believes that this resource is great for clients to see your face, leave around their home for friends and family to see, and as a touchpoint to garner more referrals. Reminder media can be set up with a minimal investment and your point of contact is:

Andrew Saksa  
(484) 804-2963  
[andrew.saksa@remindermedia.com](mailto:andrew.saksa@remindermedia.com)



### FMG Suite

This drip and media specialist enhances your ability to touch your clients most frequently. They will partner with you to create a drip email campaign to keep your clients informed on political and economic conditions, give you birthday and anniversary reminders, as well as direct access to your calendar for clients whose needs change before your annual review.

<https://fmgsuite.com>



### VOOV Advisor Consulting

Our partner Dustin Taylor is an all in one package for staying in touch with your clients, having a great website and digital footprint, and digitally staying in front of all aspects of the client journey. Dustin Taylor and VOOV Creative will give you the edge over the competition by keeping your brand sharp, engaging, and efficient.

Dustin Taylor  
[dustin@govoov.com](mailto:dustin@govoov.com)  
[VOOV! Creative Scheduling Link](#)

# CLIENT TOUCHPOINT PARTNERS CONT'D

Follow-up System for Success



## Wine Country Gift Baskets

This partnership is second to none. When we have secured funds, protected a family, or protect a legacy, we should be sending amazing gift baskets to our clients to simply say Thank You!. WCGB has an array of baskets that can suit any occasion. They have the ability to customize baskets with products, print branded ribbons around the basket, and send a great card with words you wish to convey. This should be a staple for your great clients who help you continue to support your family and your mission.

Micah Carson

Corporate Sales Manager

Wine Country Gift Baskets

(714) 598-3791

[mcarson@winecountrygiftbaskets.com](mailto:mcarson@winecountrygiftbaskets.com)

[www.winecountrygiftbaskets.com](http://www.winecountrygiftbaskets.com)



## Client Appreciation Events

It's so easy to do annual reviews, tell our clients we appreciate them, and wish them a happy birthday. What will take your practice to the next level in creating a Client Appreciation Event. As we expand around the country in this digital age brining everyone close together can be costly and difficult. Yet it doesn't have to be that way. You now have the ability to partner with a company or simply buy them some gift cards and send them an invitation to join you virtually in a digital appreciation celebration from the comfort of their own homes. You can take this time to say thank you, share with them some industry information, and let them get to know you and your family



## Reel Life Media - Nick Alexander

Email: [info.reellifemedia@gmail.com](mailto:info.reellifemedia@gmail.com)

Cell: (732) 977-2812

Nick is a videographer and photographer in the Morristown area. He can create shorts, long-form videos, and photos that can be used on your website and across social media to keep clients constantly informed.

# E&O Insurance



**GROUP-SPONSORED**  
ERRORS & OMISSIONS PROGRAM

**Exclusively for TruChoice  
financial professionals!**

Whether shopping around for new E&O insurance or looking for options before your current policy renews, check out the **key features** and **competitive rates** of this top-rated E&O Program from CalSurance Associates.

- Multiple coverage options available – purchase only what you need.
- Multiple limits of liability options available.
- No policy aggregate – you do not share your limit with other enrolled financial professionals.
- Defense costs are outside the limit of liability.
- Deductibles as low as \$0 per claim on products placed through TruChoice.
- First dollar defense – your deductible applies to loss payment only, not defense costs.
- Retroactive effective date – date of financial professional's first continuously maintained E&O Policy.
- Additional enhancements:
  - Regulatory defense - \$25,000 per financial professional.
  - Cyber liability coverage up to \$200,000 per financial professional.
  - Insolvency carve-back for any Life and Accident & Health insurance companies rated "B+" or better by A.M. Best.

Take steps to help **safeguard** and **protect** your practice!

Enroll online TODAY at: [www.calsurance.com/truchoice](http://www.calsurance.com/truchoice)

#### QUESTIONS?

Contact CalSurance at 888.848.4955 (7:00 am – 5:00 pm PST), or email [info@calsurance.com](mailto:info@calsurance.com)

Page 1 of 2



**WE ARE**  
**TRU TO YOU**

    
[www.TruChoiceFinancial.com](http://www.TruChoiceFinancial.com)

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**TruChoice Financial Group**  
**ENROLLMENT PREMIUM TABLE**

Policy Period: January 1, 2023 to January 1, 2024

| LEVEL   | LIMIT EACH CLAIM/<br>ANNUAL AGGREGATE | RATE* |
|---------|---------------------------------------|-------|
| Level A | \$1,000,000/\$1,000,000               | \$401 |
| Level A | \$1,000,000/\$2,000,000               | \$430 |
| Level A | \$1,000,000/\$3,000,000               | \$434 |
| Level A | \$2,000,000/\$2,000,000               | \$464 |
| Level B | \$1,000,000/\$1,000,000               | \$454 |
| Level B | \$1,000,000/\$2,000,000               | \$494 |
| Level B | \$1,000,000/\$3,000,000               | \$498 |
| Level B | \$2,000,000/\$2,000,000               | \$536 |
| Level C | \$1,000,000/\$1,000,000               | \$295 |
| Level D | \$1,000,000/\$1,000,000               | \$377 |

|                |   |
|----------------|---|
| <b>LEVEL A</b> | Sale & servicing of life insurance, fixed and indexed annuities, final expense, mortgage life, Medicare Supplement/ Advantage insurance, LTC, disability, and health insurance. |
| <b>LEVEL B</b> | Level A plus Series 6.  |
| <b>LEVEL C</b> | Medicare Supplement/Advantage insurance and final expense only.   |
| <b>LEVEL D</b> | Level A new agents coverage (if licensed less than 2 years).  |

\*Rates include \$12 administration and \$104 sponsor affiliation fee.

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CalSurance Associates, a division of Brown & Brown Program Insurance Services, Inc., provides insurance brokerage services to financial professionals contracted through TruChoice Financial Group, LLC. Coverage secured through CalSurance is subject to the terms and conditions of the insurance coverage provided.

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Page 2 of 2



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# Cornerstone Financial Associates:

## Who We Serve

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# Middle-Middle America

Cornerstone is the Industry Leading advocate for Middle-Middle America. We believe that the wealthy people get taken care of by everyone. They have advisors and firms lining up outside to help them organize their large portfolios and funds.

The other side of that spectrum are the poor people or those who may not have acted with financial diligence throughout their life or been delt a bad hand in one way or another. This group of people gets supported by the government and rightly so, we should be helping these individuals who have helped our country move forward over their lifetime.

Finally, we are left with Middle-Middle America, who really doesn't get served and supported properly. They are inundated with forceful messages, shady sales pitches, and misinformation. We at Cornerstone are here to be an advocate to help serve Middle-Middle America.

We will do this through helping to educate them on strategies and solutions that will support their goals and dreams. "Financial Solutions Through Education" is our tagline here at Cornerstone. We have the tools and training to properly walk our clients through a non-invasive process that will empower and encourage them to make the best decisions for themselves and their legacies.

*"Middle-Middle America needs the support of Advisors with the right values, the right resources, at the right time, for the right reasons!"*

~ Robert Belcuore, Founder of Cornerstone

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# Markets We Serve

At Cornerstone we believe in creating avenues or "Tracks" for you to be able to acquire clients and support them through the Cornerstone model of deploying financial solutions.



Baby Boomers Looking to retire  
(Social Security Seminars)



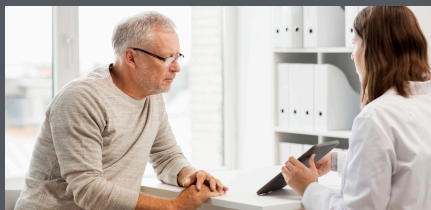
Parents with children looking to attend college  
(College Funding Workshops)



1st Responders, Police Officers, Firefighters, etc.



Advanced Markets  
(Key Person, Buy/Sell, etc.)



Medicare Supplements  
(65 year olds)



Unions / Locals  
(ex. UPS, Coke, etc.)





**FIND: 30%**

**MIND: 50%**

**GRIND: 20%**





# Cornerstone Local Lead Philosophy

Cornerstone's philosophy is finding every resource we can, standing with integrity, to find the clients that need our help most. While we offer partnerships with a variety of lead sources, the most important message we want to convey is **"Spending vs Investing"**.

We believe that it is foundational to your success to invest in the tools and resources to propel your business forward. It is not simply spending money in hopes of a return. You must **INVEST** in your business by partnering with vendors that will continually keep your pipeline full to achieve the **Cornerstone Critical Success Factors of 8-10 appts per week.**

Investing is a mindset you need in your business to properly track, engage, and implement the proper systems to incrementally grow your organization. As you have seen there are many avenues we have laid out to acquire new clients, so invest in your success today!



# Marketing Funnels

➤ ***Cornerstone Standard is to maintain at least 8-10 appointments per week minimum*** ◀

**Centers Of Influence (COI)** - Recruiting 1 per month

**Joint Team Work** - Cornerstone Advanced Markets, College Planning.

**VOOV Lead System** - Leveraging the Cornerstone Social Security Seminar

**SmartAsset** - Need a Series 65

**Social Security Workshop with Acquire Up** - Middle America - Once per Quarter

**Annual Reviews** - 6-8 per month

**Referrals** - Ask for 3 per week





# Center of Influence "Who you Know"

## Mindset

Here at Cornerstone, we believe that any advisors success truly starts in building good relationships. So many times we focus on the ones we have or even the road ahead. Yet most of the time we tend to forget those relationships and bridges we had built over time throughout our life. The COI (Circle of Influence) is one of the greatest assets you will ever have as an advisor. For this reason we have made it our first lead strategy to help you deploy.

## Where to Begin

In the pages to follow you will find a very helpful Memory Jogger form and a Top 25 worksheet. List your top 25 COI's. These are people you know, who would be interested in helping you grow your business but not necessarily to sell policies to. While we believe you should still serve them and protect them if you can, your main goal with your COIs is to gain introductions to other people. These are usually people who have a large network of friends or are influential people; most importantly they know you well and like you.

## Limiting Beliefs

A philosophy we stand on here at Cornerstone is that we are all like-minded individuals that have common values and work on a defined case split. Most of us, our minds race thinking of those in our past that may be a COI and say things like; "they will never help me", "they probably don't remember me", "why would they want to?". Well first that is a limiting belief and second our philosophy takes all the pressure away from you and allows an Experienced Advisor here at Cornerstone support you. They will build you up, teach you the process, and show you the true value of teamwork.

***"DON'T LIMIT WHO YOU  
PUT ON THIS LIST,  
WRITE DOWN EVERY  
NAME!"***

# Cornerstone Financial Associates:

## Road to Licensing

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# Road to Licensing

1

Complete a pre-licensing course that has been approved by the Department of Insurance. Once you have completed your course, Xcel Solutions will issue a certificate of completion which you may download and print from your on-line Xcel Solutions account.

2

Schedule your exam with your state's testing provider, PSI. Registration can be completed most efficiently by signing up online at PSI. You may also schedule over the phone at (800) 733-9267. Your exam may be taken at a physical PSI examination center or via a remote online proctored exam. Exam fees must be paid at the time of reservation. To cancel your exam, you must contact PSI Exams at least two days in advance or forfeit your registration fee.

3

Some states require all individual applicants for an insurance license to submit fingerprints and written consent for a criminal history check. The Department recommends scheduling your fingerprinting scan immediately after passing the licensing exam. Schedule your appointment on-line with IdentoGo or by phone at 1-877-503-5981. Upon your appointment, you must present the appropriate and completed Universal Form and proper identification.

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# Road to Licensing

4

Apply for your license. We recommend using the on-line application service at [www.nipr.com](http://www.nipr.com). Additional licensing application guidance may be accessed on the NIPR website.

5

Maintain your license by being aware of your continuing education requirements. Most insurance licenses must be maintained by completing a certain number of credit hours of continuing education each licensing period. Xcel Solutions offers continuing education courses that will help you comply with your state's requirements. [Click here to view your state's education rules and stay on top of your license.](#)

## You must register for the test within 2 weeks!

### Cornerstone Procedure for Non-License's

All advisors that recruit a COI, IXP, or unlicensed individual will have 3 options when choosing who will pay for the Pre- licensing education required. (*Cornerstone is not responsible*)

- Option 1 - Leader will pay for Pre-licensing
- Option 2 - Leader will go 50/50 on Pre-licensing cost with recruit/unlicensed individual
- Option 3 - Recruit will pay for Pre-licensing themselves

New Jersey Life Insurance  
Examination Example

83 questions

Time limit: 3.5 hours

Passing score: 70%

Cornerstone  
Financial  
Associates:

Joint Work  
Partnerships

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# Cornerstone College Solutions



Cornerstone College Solutions guides families through this challenging journey and explores each family's unique financial situation and goals for their children, and most importantly, provides peace of mind. No one family is alike and thus, there is no such thing as a "one size fits all" solution. Our college planning specialists help families figure out how to pay less for school, take on less debt and pay for school without jeopardizing retirement.



## **Jodi Bloom, CCFS**

Founder of Cornerstone College Solutions

[jodi@cornerstonecollegesolutions.net](mailto:jodi@cornerstonecollegesolutions.net)

Cell: (201) 463-3024



## **Carl Barling, LUTCF & CCFS**

Cornerstone College Solutions

Registered Representative

[cbarling@cornerstonefsg.com](mailto:cbarling@cornerstonefsg.com)

Cell: (973) 934-1456

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# College Planning Partnership Agreement

This commission agreement is between \_\_\_\_\_ AND Cornerstone College Solutions.

This document provides a mutual understanding of how revenue on College Planning cases are shared with the individual referring or the Center of Influence.

The company or individual referring business to the Cornerstone College Solutions group, regardless of whether the case is referred to the group directly or via attendance at a College Funding Workshop, receives 30% of the case\*. The remaining 70% of the case goes directly to the Cornerstone College Solutions group to compensate for the strategic planning, comprehensive analysis of college and retirement savings, knowledge of the college landscape (i.e., government regulations, institutional requirements, need based and merit-based aid, private scholarships, college loans), workshop presentations, relationship management, and everything required for presenting, submitting, closing the case and managing the ongoing relationship.

\*All companies or individuals referring business to Cornerstone College Solutions must be properly licensed in order to be compensated, must maintain their own E&O insurance, and keep up state licensing and carrier contracting requirements.

This agreement and the terms thereof, are applicable to any future business obtained from the relationship with Cornerstone College Solutions (now or in the future).

I have read the above terms and conditions of the Memorandum of Understanding and I will fully comply with the said terms and conditions of this agreement, as so indicated by my signature below:

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Print Agent Name: \_\_\_\_\_

Agent Signature: \_\_\_\_\_

Date: \_\_\_\_\_

As Representative of Cornerstone College Solutions, I have reviewed the terms of this agreement and indicate my approval by my signature below:

Cornerstone College Solutions

Print Name: \_\_\_\_\_

Representative Signature: \_\_\_\_\_

Date: \_\_\_\_\_

---

# Cornerstone Advanced Markets

2025



Cornerstone is excited to partner with Solenture to help our advisors have the expertise required to serve our higher end large case clients. As we serve Middle-Middle America, there are always opportunities we come across to support these clients with tools beyond our skillset. Solenture is our partner of choice and we believe they will help serve you in an impactful way. Below you will find the defined case split based on lead type through Cornerstone. You will also have the link to a digital form for onboarding prospects and opportunities.



## Vincent Zullo

Executive VP/Member of Solenture  
Email: [vincent.zullo@solenture.com](mailto:vincent.zullo@solenture.com)  
Cell: (908) 938-0580

---

# CAM

## Memorandum of Understanding

### Case Split

- 50% to Solenture if no platform fee
- 50% to Find if involved
- 30% if just hand to CAM Team

**CAM Onboarding From**

### White Glove

- 20% for the platform fee if certain plans are utilized.
- 50% to Solenture
- 15% Cornerstone (if no other product offered or implemented)
- 35% for the Advisor dishing from the seminar

### Spotter

- New Participating Advisor receives new lead and not participate on cam case.
- Reverts back to normal splits based on CPA Academy
- 20% for platform fee if certain plans are utilized before monies left distributed.
- 50% to Solenture
- 30% for the FIND (Cornerstone)
- 20% for the Advisor who dishes



**Cornerstone**  
FINANCIAL SOLUTIONS THROUGH EDUCATION

# Social Security Seminars

## Track - Acquire Up

2025

Here at Cornerstone one of the Critical Success Factors we encourage advisors to implement is a Social Security Seminar. Cornerstone has partnered with White Glove to assist you in running these seminars. The seminar is presented by Robert Belcuore, Cheryl Crawford, and Diane Goldman. They educate clients on topics such as:

- **When to claim Social Security and why**
- **How Medicare could affect your retirement income**
- **Bring light to the process of how we support our clients through an action plan to meet their retirement goals and avoid common risks in retirement.**
- **Can they fill the GAP with their Qualified funds to maximize their Social Security Benefits.**

The presentation will educate your prospects with much needed and not widely talked about information to retire with dignity. We have partnered as mentioned above with White Glove to help each advisor run these workshops every quarter. White Glove has been in the Webinar/Marketing space since 2015 and was built by advisors for advisors.

Alexandra Carol is the Senior Executive Marketing Consultant for White Glove and Cornerstone; she will be your direct contact for learning all White Glove has to offer.

Make sure to schedule your call with her once you have completed Cornerstone University. It is also encouraged to put a game plan together with Cornerstone Leadership to ensure a successful launch to your White Glove Seminar

**Alexandra Carol**

**Phone** – (248) 419-1377

**Email** – [Alexandra.carol@whiteglove.com](mailto:Alexandra.carol@whiteglove.com)

**Calendly** – [calendly.com/Alexandra-carol](https://calendly.com/Alexandra-carol)

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## Cornerstone Bonus Points Calculations

**CPC Points** – CPC is the point system that we will use to measure each advisor's individual production throughout the year. Here is a simple example of how to calculate your CPC points:

**Life Target Premium**



Life Target Premium is a 1 to 1 calculation

Example: \$10k in life Target Premium = 10,000 pts



**Life Premium Excess**



If there is excess life premium put towards a policy, either 1035 exchange or overfunding a policy, the excess points will be calculated once a month and added to your YTD life premium numbers.

\$25k in excess life premium x 10% = 2,500 pts.



**Annuities  
(Including  
Variable  
Annuities)**



Annuity business will be calculated at 10% of total Annuity money rolled

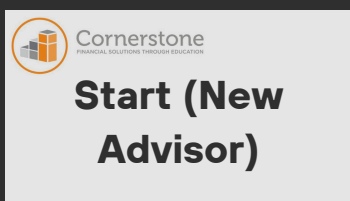
Example: \$500,000 Annuity x 10% = 50,000 pts

## Total CPC Points

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# Cornerstone Personal Production Levels



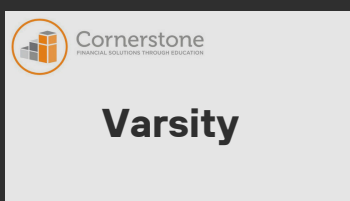
## Starting Point for All New Advisors

*When partnering with Cornerstone, unless approved by Leadership the starting point and contract will be 70%.*



## 100,000 CPC points in a calendar year.

*The advisor that attains 100,000 CPC points in a year will be considered a JV Advisor within Cornerstone. You're starting your track inside Cornerstone and resources will be available for your progression to Varsity.*



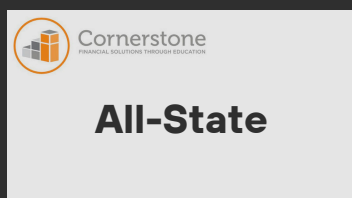
## 200,000 CPC points in a calendar year.

*This advisor continues to grow within the Cornerstone family is now making moves to graduate to the next level of their development. This advisor has a book of business and the fundamentals to head to the next level.*

---



# Cornerstone Personal Production Levels



**400,000 CPC points in a calendar year.**

*That Advisor moves up further in the rankings.*



**600,000 CPC points in a calendar year.**

*That Advisor moves up further in the rankings.*



**800,000 CPC points in a calendar year.**

*That Advisor moves up further in the rankings.*



**1,000,000 CPC points in a calendar year.**

*That Advisor moves up further in the rankings.*

---





# Cornerstone Partnership Profit Sharing & Bonus Levels for Personal Production

CPC points needed each year in order to move up on comp levels

100% - 400k CPC points

95% - 300k CPC points

90% - 200k CPC points

85% - 100k CPC points

80% - 75k CPC points

75% - 50k CPC points

70% - START

*\*\*Please note top comp level is 100%, please check specific carrier compensation grids for exact compensation level per carrier and product!\*\**

*\*Advisor will have his or her contract increased on January 1 of the following year*

*\*Advisors can only move down-line contracts ONCE PER YEAR at the end of the calendar year!*

---



## Additional Compensation For Carriers

| Total Annual FIA Premium<br>(All Carriers) | 2025 Base Comp | 2025 Supplemental<br>Compensation | 2 Total Agent<br>Compensation |
|--|----------------|-----------------------------------|-------------------------------|
| \$10,000,000+                              | 7%             | 1.45%                             | 8.45%                         |
| \$5,000,000 - \$9,999,999                  | 7%             | 1.00%                             | 8%                            |
| \$1,000,000 - \$4,999,999                  | 7%             | 0.50%                             | 7.50%                         |

### DISCLAIMER

*This is a hypothetical example used to illustrate opportunities and programs available to advisors from their carrier partners. Not all carriers provide supplemental compensation. Reach out to your Broker Dealer or FMO for further details and carrier specifics. Cornerstone does not guarantee these supplemental rates, is not liable to compensate you for these supplemental rates, nor is responsible for the information given to you by your Broker Dealer or FMO directly regarding these opportunities.*

---



# Cornerstone Quarterly and Yearly Bonus Levels

| Bonus Level   | CPC Points                                 | Compensation  |
|---------------|--|---|
| Bonus Level 1 | 75,000<br>in a quarter                     | The Advisor and a guest will be invited to a quarterly dinner or an event with the other teammates that have qualified for bonus level one. |
| Bonus Level 2 | For each 100,000<br>earned<br>in a quarter | \$500 in marketing dollars for the VOOV Lead System.  |

| Bonus Level   | CPC Points   | Compensation  |
|---------------|--|---|
| Bonus Level 1 | 240,000<br>(40,000 must be in Life)<br>in a year   | The top 10 Advisors and a guest will be invited to the Cornerstone Conference of Champions trip with the other teammates that have qualified for bonus level two. |
| Bonus Level 2 | 300,000<br>(45,000 must be in Life)<br>in a year   | \$1,500 in marketing dollars.   |
| Bonus Level 3 | 400,000<br>(50,000 must be in Life)<br>in a year   | \$2,000 in marketing dollars.   |
| Bonus Level 4 | 500,000<br>(55,000 must be in Life)<br>in a year   | \$2,500 in marketing dollars.   |
| Bonus Level 5 | 600,000<br>(60,000 must be in Life)<br>in a year   | \$3,000 in marketing dollars.   |
| Bonus Level 6 | 700,000<br>(65,000 must be in Life)<br>in a year   | \$3,500 in marketing dollars.   |
| Bonus Level 7 | 800,000<br>(70,000 must be in Life)<br>in a year   | \$4,000 in marketing dollars.   |
| Bonus Level 8 | 900,000<br>(75,000 must be in Life)<br>in a year   | \$4,500 in marketing dollars.   |
| Bonus Level 9 | 1,000,000<br>(80,000 must be in Life)<br>in a year | \$5,000 in marketing dollars.   |



# Cornerstone Conference of Champions

*Powered by TruChoice*

Every year, day in and day out, we serve our clients to our fullest. We spend time away from our family, deal with the emotional rollercoaster of winning and losing, and make sacrifices to move closer to our goals. So in honor of all the sacrifice and service to your clients, Cornerstone offers an opportunity to qualify for the most impactful trip you could ever take... Cornerstone Conference of Champions.

This trip is not only to reward you by continuing to serve your clients but also to have some much needed R&R with your loved ones. We value family here at Cornerstone and want to reward you for your efforts in moving our mission forward.

Every year we will be picking new locations and destinations for the qualifiers to enjoy. This is an elite group of Advisor's that excel in their craft, you don't want to miss this opportunity to rub shoulders with the best!

*\*The CPC total is not pro-rated based on hire date. Once partnered the total of 200k CPC credits must be met to qualify.*



Cornerstone Financial  
Associates:

Thee Cornerstone  
Sales Process

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# 3 Pillars of Financial Structure

## Pillar 1

### **Liquidity** (Emergency Bucket)

This is money your client needs to have immediate access to. We do this to avoid getting into certain debts. Roughly save 6 months worth of expenses.

#### **The Goal: Full Liquidity**

1. Checking (1 Month)
2. Savings Account (2 Months)
3. Cash Value Life Insurance (3 Months)

## Pillar 2

### **Income Streams** (multiple streams of income in retirement)

This is our client's money that will be used to help keep up with household expenses. We look to satisfy everyday costs with guaranteed predictable income streams.

#### **The Goal: Income Streams**

1. Guaranteed income for fixed expenses
2. Pension like income for both spouses.
3. Protection from market & offset longevity risk.

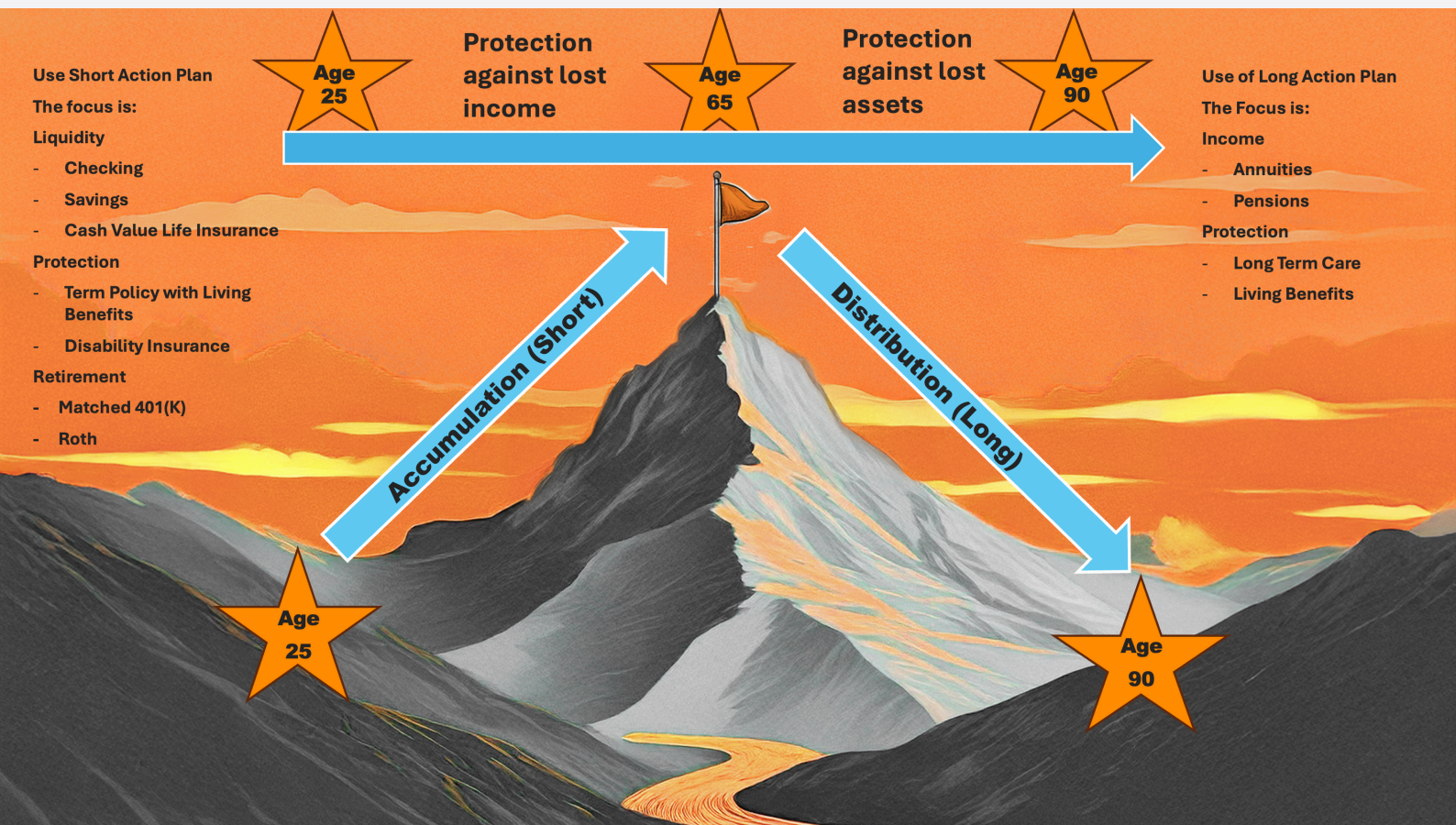
## Pillar 3

### **Protection** (when something goes wrong)

#### **The Goal: Protect Assets and Loved Ones**

1. Protect against loss of income (example; social security loss & pension income loss in retirement)
2. Protect against Chronic Illness (long term care), Critical Illness (cancer, stroke & heart attack)
3. Protect against income taxes left on qualified monies to the estate
4. Tax free legacy left to heirs





# Cornerstone Questions

### A guide to mastering the client meeting process

1. If I could show you a way...?
2. Is that something you would want to take a look at?
3. What do you not like about the Plan?
4. What do you like about the Plan?
5. Will you allow me too...?
6. Does that make sense?
7. Fair enough?
8. Why?
9. Would you agree that the older we get, the tolerance we have for risk in retirement becomes lower and lower?
10. If I have something that I could better your position, would it be ok to show you that?
11. Let me ask what other assets do you have that would be considered income at hand other than your social security? (Home, rental property, property, cars)
12. What assets would you like us to use to solve for income in retirement?
13. What life insurance policies would you have in place currently to help cover?
14. Money we are talk about from x, where is that money being housed now and how much is it?
15. Does it make sense that you cannot go from the bank to the stock market when you're used to the bank?
16. If I could get you anywhere between a 9.5% and a cap and 0 floor, would that be something that you would want to look at? Would that be enough interest for you?
17. If I could show you a way to guarantee an interest rate around 5% for the next five years? Would that be something you would want to take a look at?
18. So, the question remains, Rob, what's the penalty if they had to surrender the policy early?
19. If we could show you a way to not out live your money and guarantee you a pension like income while solving for long term care without any additional funds, would that be something you would be interested in looking at?





## Advisor Resources

# Cornerstone Strong Statements

### A guide to mastering the client meeting process

#### Questions Cont'd

1. Name - do you feel like there is a lot of certainty out there currently? Why not?
2. If we could show you a way to gain some certainty in your retirement without market risk, would that be something you want to look at?
3. What makes you think that? Why?

#### Strong Statements

Looking to earn your Trust and your Business.

Most Baby Boomers...

Most of my clients...

I am an advocate for Middle Middle America

My Goal is to make you deeply understand your retirement landscape.

I am the voice of reason for my clients.

I am a solution-based advisor.

We take a holistic approach to your specific financial landscape, goals, and dreams for retirement.

I provide my clients with peace of mind.

I offer my clients a predictable guaranteed income.

I offer my clients certainty in uncertain times.

I am asking these questions to help give me some directions on what to come back with for you.

Sometimes the market can remain erratic longer than we can stay solvent.



# Retirement Planning Questions

1. Tell me your top 5 goals in retirement; what do you want to do?
2. Has your retirement advisor discussed a clear plan with you involving SS?
  - a. If he has not, knowing that SS is going to be a large part of your retirement, don't you think he should?
3. What age are you looking to retire or partially retire (The Gap)?
4. Do you know your monthly expense?
5. In 2022 when the market took a huge correction how did you feel?
  - a. Please tell me why?
  - b. Did you like that feeling?
6. Do you think getting closer to your retirement age you will have the time to recover from the market risk? Please tell me why?
7. Is protecting your money more important than making money? Please tell me why?



# Retirement Planning Questions

9. Do you like projections or guarantees? (Explain our definition of guarantees)
10. Are any of your current investments guaranteed? Please tell me why they are not if you told me you don't want to lose money?
11. Are any of your investments guaranteed income, like Social Security? Please tell me why? Is that something you would want?
12. So, if we could get your SS and retirement nest egg to equal your monthly salary would that help you make better sense of your emotional decision to retire or GAP retire?
13. How much liquidity are you comfortable with having access to?

***"The quality of one's life is determined by the quality of the questions they ask"***



# Long Term Care Questions

1. Are you concerned with long term care risks? Please tell me why?
2. Ok, in what order would you want your assets liquidated?
3. Have you thought about the possible effects on your loved ones? Please tell me why?
4. Is there anyone you know going through Medicaid spend down?
5. Would you like me to explain how this spend down works?

***Statistics: 54% of the caring spouse dies before the spouse in LTC. Do you know why? When someone gets sick it does not bring families together but rips them apart.***





Cornerstone  
FINANCIAL SOLUTIONS THROUGH EDUCATION

# Team Code of Conduct

# Handbook Disclaimer

Cornerstone has a responsibility to carry out their role in a conscientious manner with a commitment to integrity and service. Since Cornerstone deals with extremely confidential information about both financial professionals and their clients, it is imperative that we maintain a relationship of confidentiality. Trust is a critical factor in securing repeat business and a culture of growth for our Advisors.

We keep in mind, financial professionals do business with Cornerstone by choice, and there are many choices out there. To differentiate itself from the competition and to keep financial professionals coming back to place their business, Cornerstone will ensure they deliver their services more efficiently than any other distribution system and with extraordinary discretion. We know we must earn the financial professional's business on every case they submit.

Cornerstone will remain sensitive to the needs of the financial professionals they work with, the carriers they represent, and the end client who is buying life insurance coverage. To be effective, however, this conscientious relationship must be mutual. Just as financial professionals spend time building relationships with clients, Cornerstone has dedicated many years to cultivating partnerships and strong working relationships with insurance companies. These relationships are among Cornerstones most important suite of resources.

## Welcome Message

Dear Valued Broker,

Welcome to Cornerstone Independent Brokerage! We are pleased with your decision to join our team.

Cornerstone Independent Brokerage is committed to providing superior quality and unparalleled customer service in all aspects of our business. We believe each Broker contributes to the success and growth of our Company.

This Broker handbook contains general information on our policies, practices, and benefits. Please read it carefully. If you have questions regarding the handbook, please discuss them with your supervisor or the CFO.

Welcome aboard. We look forward to working with you!



# Changes in Policy

Change at Cornerstone Independent Brokerage is inevitable. Therefore, we expressly reserve the right to interpret, modify, suspend, cancel, or dispute, with or without notice, all or any part of our policies, procedures, and benefits at any time with or without prior notice. Changes will be effective on the dates determined by Cornerstone Independent Brokerage, and after those dates all superseded policies will be null and void.

No individual supervisor or manager has the authority to alter the foregoing. Any Broker who is unclear on any policy or procedure should consult a supervisor or the CFO.

## Personal Data Changes

It is the responsibility of each Broker to promptly notify their supervisor or the CFO of any changes in personnel data. Such changes may affect your eligibility for benefits, the amount you pay for benefit premiums, and your receipt of important company information.

If any of the following have changed or will change in the coming future, contact your supervisor or the CFO as soon as possible:

- Legal name Mailing address
- Telephone number(s)
- Change of beneficiary
- Exemptions on your tax forms
- Emergency contact(s)
- Training certificates
- Professional licenses



# Termination of Association

Termination of association is an inevitable part of personnel activity within any organization.

## Notice of Voluntary Separation

Brokers who intend to terminate association with Cornerstone Independent Brokerage shall provide Cornerstone Independent Brokerage with at least two weeks written notice. Such notice is intended to allow the Company time to adjust to the Broker's departure without placing undue burden on those Brokers who may be required to fill in before a replacement can be found.

## Return of Company Property

Any Broker who terminates employment with Cornerstone Independent Brokerage shall return all files, records, keys, and any other materials that are the property of Cornerstone Independent Brokerage prior to their last date of association.

## Final Pay

Cornerstone Independent Brokerage will provide Brokers with their final pay in accordance with applicable federal, state and local laws.

## Benefits Upon Termination

All accrued and/or vested benefits that are due and payable at termination will be paid in accordance with applicable federal, state and local laws.

Certain benefits, such as healthcare coverage, may continue at the Broker's expense, if the Broker elects to do so. Cornerstone Independent Brokerage will notify Brokers of the benefits that may be continued and of the terms, conditions, and limitations of such continuation.

If you have any questions or concerns regarding this policy, contact Cornerstone Independent Brokerage's CFO.





# Company Hours

Cornerstone Independent Brokerage is open for business from Monday - Friday 09:00 AM to 05:00 PM. This excludes holidays recognized by Cornerstone Independent Brokerage. The standard workweek is 32 hours.

Supervisors will advise Brokers of their scheduled shift, including starting and ending times. Business needs may necessitate a variation in your starting and ending times as well as in the total hours you may be scheduled to work each day and each week.

## Emergency Closing

At times, emergencies such as severe weather, fires, or power failures can disrupt company operations. In extreme cases, these circumstances may require the closing of a work facility. The decision to close or delay regular operations will be made by Cornerstone Independent Brokerage management.

When a decision is made to close, Brokers will receive official notification from Cornerstone Independent Brokerage. Note: In a declared state of emergency that prohibits travel, Brokers shouldn't report to work.

Pay:

Exempt Brokers:

If Cornerstone Independent Brokerage closes due to an emergency, Brokers who are classified as exempt from overtime will receive their full salary, provided they have worked any part of the workweek.

Non-Exempt Brokers:

If Cornerstone Independent Brokerage closes due to an emergency, Brokers who are classified as non-exempt from overtime won't be paid, unless state or local law requires such pay or they have paid leave available and elect to use it for the missed work hours.

**Note:** If a non-exempt Broker is already working when the decision to close is made, the Broker will be paid for all hours actually worked and any additional hours that may be required under state and local laws, if applicable. If a non-exempt Broker arrives at work and is asked to wait while a decision to close is made, they will receive pay for the time they spent waiting.

If you have questions about emergency closing or pay, please contact the CFO.



# Workplace Safety

Cornerstone Independent Brokerage is committed to providing a clean, safe, and healthful work environment for its Brokers. Maintaining a safe work environment, however, requires the continuous cooperation of all Brokers. Cornerstone Independent Brokerage and all Brokers must comply with all occupational safety and health standards and regulations established by the Occupational Safety and Health Act and state and local regulations. In addition, all Brokers are expected to obey safety rules and exercise caution and common sense in all work activities. Complaint and Reporting Procedure:

Brokers should immediately report any unsafe conditions to their supervisor without fear of reprisal. In the case of an accident that results in injury, regardless of how seemingly insignificant the injury may appear, Brokers must notify their supervisor. If you believe it would be inappropriate to report the matter to your supervisor, you can report it directly to:

Loraine Morgenroth  
[loraine@cornerstonefra.com](mailto:loraine@cornerstonefra.com)  
9084513391

Brokers who violate safety standards, cause hazardous or dangerous situations, or fail to report or, where appropriate, remedy such situations may be subject to disciplinary action, up to and including termination of employment.

## Retaliation Prohibited:

Cornerstone Independent Brokerage expressly prohibits retaliation against anyone who reports unsafe working conditions or work-related accidents, injuries or illnesses. Any form of retaliation will be subject to disciplinary action, up to and including termination of employment.

Questions or concerns regarding this policy should be directed to your supervisor or the CFO.



# Security

The purpose of Cornerstone Independent Brokerage's security policy is to protect Company assets and to maintain a safe working environment for all Brokers.

## Facility Access:

All regular Cornerstone Independent Brokerage Brokers will be issued a key to gain access to Cornerstone Independent Brokerage facilities. Brokers who are issued keys are responsible for their safekeeping. All lost or stolen keys must be reported to your supervisor as soon as possible.

Upon separation from Cornerstone Independent Brokerage, and at any other time upon Cornerstone Independent Brokerage's request, all keys must be returned to your supervisor.

## Closing Procedures:

The last Broker, or a designated Broker, who leaves the office at the end of the business day assumes the responsibility to ensure that: all doors are securely locked; the alarm system is armed; thermostats are set on appropriate evening and/or weekend setting; and all appliances and lights are turned off with the exception of the lights normally left on for security purposes.

Brokers are not permitted on company property after hours without prior written authorization from the CFO.



# Standards of Conduct

Cornerstone Independent Brokerage's rules and standards of conduct are essential to a productive work environment. As such, Brokers must familiarize themselves with, and be prepared to follow, the Company's rules and standards.

While not intended to be an all-inclusive list, the examples below represent behavior that is considered unacceptable in the workplace. Behaviors such as these, as well as other forms of misconduct, may result in disciplinary action, up to and including termination of employment:

- Theft or inappropriate removal/possession of property
- Falsification of timekeeping records
- Possession, distribution, sale, transfer, manufacture or use of alcohol or illegal drugs in the workplace
- Fighting or threatening violence in the workplace
- Making maliciously false statements about co-workers
- Threatening, intimidating, coercing, or otherwise interfering with the job performance of fellow Brokers or visitors
- Negligence or improper conduct leading to damage of company-owned or customer-owned property
- Violation of safety or health rules
- Smoking in the workplace
- Sexual or other unlawful or unwelcome harassment
- Excessive absenteeism
- Unauthorized use of telephones, computers, or other company-owned equipment on working time. Working time does not include break periods, meal times, or other specified periods during the workday when Brokers are not engaged in performing their work tasks.
- Unauthorized disclosure of any "business secrets" or other confidential or non-public proprietary information relating to the Company's products, services, customers or processes. Wages and other conditions of employment are not considered to be confidential information.

This policy is not intended to restrict an Broker's right to discuss, or act together to improve, wages, benefits and working conditions with co-workers or in any way restrict Brokers' rights under the National Labor Relations Act.

Other forms of misconduct not listed above may also result in disciplinary action, up to and including termination of employment. If you have questions regarding Cornerstone Independent Brokerage's standards of conduct, please direct them to your supervisor or the CFO.



# Disciplinary Action

Disciplinary action at Cornerstone Independent Brokerage is intended to fairly and impartially correct behavior and performance problems early on and to prevent reoccurrence.

Disciplinary action may involve any of the following: verbal warning, written warning, suspension with or without pay, and termination of employment, depending on the severity of the problem and the frequency of occurrence. Cornerstone Independent Brokerage reserves the right to administer disciplinary action at its discretion and based upon the circumstances.

Cornerstone Independent Brokerage recognizes that certain types of Broker behavior are serious enough to justify termination of employment, without observing other disciplinary action first.

These violations include but are not limited to:

- Workplace violence
- Harassment
- Theft of any kind
- Insubordinate behavior
- Vandalism or destruction of company property
- Presence on company property during non-business hours
- Use of company equipment and/or company vehicles without prior authorization Indiscretion regarding personal work history, skills, or training
- Divulging Cornerstone Independent Brokerage business practices or any other confidential information
- Any misrepresentation of Cornerstone Independent Brokerage to a customer, a prospective customer, the general public, or an Broker



# Confidentiality

Cornerstone Independent Brokerage takes the protection of Confidential Information very seriously. "Confidential Information" includes, but is not limited to, computer processes, computer programs and codes, customer lists, customer preferences, customers' personal information, company financial data, marketing strategies, proprietary production processes, research and development strategies, pricing information, business and marketing plans, vendor information, software, databases, and information concerning the creation, acquisition or disposition of products and services.

Confidential Information also includes the Company's intellectual property and information that is not otherwise public. Intellectual property includes, but is not limited to, trade secrets, ideas, discoveries, writings, trademarks, and inventions developed through the course of your employment with Cornerstone Independent Brokerage and as a direct result of your job responsibilities with Cornerstone Independent Brokerage. Wages and other conditions of employment are not considered to be Confidential Information.

To protect such information, Brokers may not disclose any confidential or non-public proprietary information about the Company to any unauthorized individual. If you receive a request for Confidential Information, you should immediately refer the request to your supervisor.

The unauthorized disclosure of Confidential Information belonging to the Company, and not otherwise available to persons or companies outside of Cornerstone Independent Brokerage, may result in disciplinary action, up to and including termination of employment. If you leave the Company, you may not disclose or misuse any Confidential Information.

This policy is not intended to restrict an Broker's right to discuss, or act together to improve, wages, benefits and working conditions with co-workers or in any way restrict Brokers' rights under the National Labor Relations Act. Questions regarding this policy should be directed to the CFO.



# Workplace Violence

Cornerstone Independent Brokerage strictly prohibits workplace violence, including any act of intimidation, threat, harassment, physical violence, verbal abuse, aggression or coercion against a coworker, vendor, customer, or visitor.

Prohibited actions, include, but are not limited to the following examples:

- Physically injuring another person
- Threatening to injure another person
- Engaging in behavior that subjects another person to emotional distress Using obscene, abusive or threatening language or gestures
- Bringing an unauthorized firearm or other weapon onto company property
- Threatening to use or using a weapon while on company premises, on company-related business, or during job- related functions
- Intentionally damaging property

All threats or acts of violence should be reported immediately to your supervisor or security personnel. Brokers should warn their supervisors or security personnel of any suspicious workplace activity that they observe or that appears problematic. Broker reports made pursuant to this policy will be investigated promptly and will be kept confidential to the maximum extent possible. Cornerstone Independent Brokerage will not tolerate any form of retaliation against any Broker for making a report under this policy.

Cornerstone Independent Brokerage will take prompt remedial action, up to and including immediate termination, against any Broker found to have engaged in threatening behavior or acts of violence.



# Drug & Alcohol Use

Cornerstone Independent Brokerage is committed to maintaining a workplace free of substance abuse. No Broker or individual who performs work for Cornerstone Independent Brokerage is allowed to consume, possess, sell, purchase, or be impaired by alcohol or illegal drugs, as defined under federal and/or state law, on any property owned by or leased on behalf of Cornerstone Independent Brokerage, or in any vehicle owned or leased on behalf of Cornerstone Independent Brokerage or while on Company business.

The use of over-the-counter drugs and legally prescribed drugs is permitted as long as they are used in the manner for which they were prescribed and provided that such use does not hinder an Broker's ability to safely perform their job. Brokers should inform their supervisor if they believe their medication will impair their job performance, safety or the safety of others, or if they believe they need a reasonable accommodation when using such medication.

Cornerstone Independent Brokerage will not tolerate Brokers who report for duty while impaired by the use of alcohol or drugs. All Brokers should report evidence of alcohol or drug abuse to their supervisor or the CFO immediately. In cases in which the use of alcohol or drugs creates an imminent threat to the safety of persons or property, Brokers are required to report the violation. Failure to do so may result in disciplinary action, up to and including termination of employment.

As a part of our effort to maintain a workplace free of substance abuse, Cornerstone Independent Brokerage Brokers may be asked to submit to a medical examination and/or clinical testing for the presence of alcohol and/or drugs. Within the limits of federal, state, and local laws, Cornerstone Independent Brokerage reserves the right to examine and test for drugs and alcohol at our discretion.

As a condition of your employment with Cornerstone Independent Brokerage, Brokers must comply with this Drug & Alcohol Use Policy. Be advised that no part of the Drug & Alcohol Use Policy shall be construed to alter or amend the at-will employment relationship between Cornerstone Independent Brokerage and its Brokers.

Brokers found in violation of this policy may be subject to disciplinary action, up to and including termination of employment.





# Sexual & Other Unlawful Harassment

Cornerstone Independent Brokerage is committed to a work environment in which all individuals are treated with respect. Cornerstone Independent Brokerage expressly prohibits discrimination and all forms of Broker harassment based on race, color, religion, sex, pregnancy, national origin, age, disability, military or veteran status, or status in any group protected by state or local law.

Sexual harassment is a form of discrimination and is prohibited by law. For purposes of this policy sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when this conduct explicitly or implicitly affects an individual's employment, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment. Unwelcome sexual advances (either verbal or physical), requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (2) submission or rejection of the conduct is used as a basis for making employment decisions; or, (3) the conduct has the purpose or effect of interfering with work performance or creating an intimidating, hostile, or offensive work environment.

Sexual and unlawful harassment may include a range of behaviors and may involve individuals of the same or different gender. These behaviors include, but are not limited to:

- Unwanted sexual advances or requests for sexual favors. Sexual or derogatory jokes, comments, or innuendo
- Unwelcomed physical interaction
- Insulting or obscene comments or gestures Offensive email, voicemail, or text messages
- Suggestive or sexually explicit posters, calendars, photographs, graffiti, or cartoons Making or threatening reprisals after a negative response to sexual advances
- Visual conduct that includes leering, making sexual gestures, or displaying of sexually suggestive objects or pictures, cartoons or posters
- Verbal sexual advances or propositions
- Physical conduct that includes touching, assaulting, or impeding or blocking movements
- Abusive or malicious conduct that a reasonable person would find hostile, offensive, and unrelated to the Company's legitimate business interests
- Any other visual, verbal, or physical conduct or behavior deemed inappropriate by the Company



# Sexual & Other Unlawful Harassment (Cont.)

Harassment on the basis of any other protected characteristic is also strictly prohibited. Complaint Procedure:

Cornerstone Independent Brokerage strongly encourages the reporting of all instances of discrimination, harassment, or retaliation. If you believe you have experienced or witnessed harassment or discrimination based on sex, race, national origin, disability, or another factor, promptly report the incident to your supervisor. If you believe it would be inappropriate to discuss the matter with your supervisor, you may bypass your supervisor and report it directly to:

Loraine Morgenroth

[loraine@cornerstonefra.com](mailto:loraine@cornerstonefra.com)

9084513391

Any reported allegations of harassment or discrimination will be investigated promptly, thoroughly, and impartially.

Any Broker found to be engaged in any form of sexual or other unlawful harassment may be subject to disciplinary action, up to and including termination of employment.

## **Retaliation Prohibited:**

Cornerstone Independent Brokerage expressly prohibits retaliation against any individual who reports discrimination or harassment, or assists in investigating such charges. Any form of retaliation is considered a direct violation of this policy and, like discrimination or harassment itself, will be subject to disciplinary action, up to and including termination of employment.



# Telephone Usage

Cornerstone Independent Brokerage telephones are intended for the sole use of conducting company business. Personal use of the Company's telephones and individually owned cell phones during business hours should be kept to a minimum or for emergency purposes only. We ask that personal calls only be made or received outside of working hours, including during lunch or break time. Long distance phone calls which are not strictly business-related are expressly prohibited.

Any Broker found in violation of this policy will be subject to disciplinary action, up to and including termination of employment.

# Personal Property

Brokers should use their discretion when bringing personal property into the workplace. Cornerstone Independent Brokerage assumes no risk for any loss or damage to personal property.

Additionally, Brokers may not possess or display any property that may be viewed as inappropriate or offensive on Cornerstone Independent Brokerage premises.

# Smoking

Cornerstone Independent Brokerage provides a smoke-free environment for its Brokers, customers, and visitors. Smoking, including the use of e-cigarettes and vaporizers, is prohibited throughout the workplace. We have adopted this policy because we have a sincere interest in the health of our Brokers and in maintaining pleasant working conditions.



# Use of Company Property

Company property refers to anything owned by the company: physical, electronic, intellectual, or otherwise. The use of company property is for business necessity only.

When materials or equipment are assigned to an Broker for business, it is the Broker's responsibility to see that the equipment is used properly and cared for properly. However, at all times, equipment assigned to the Broker remains the property of the Company, and is subject to reassignment and/or use by the Company without prior notice or approval of the Broker. This includes, but is not limited to, computer equipment and data stored thereon, voicemail, records, and Broker files.

Cornerstone Independent Brokerage has created specific guidelines regarding the use of company equipment. Below is a list of Broker responsibilities and limitations with regards to company property.

Personal use of company property:

Company property is not permitted to be taken from the premises without proper written authority from company management.

Company Tools:

All necessary tools are furnished to Brokers in order to assist them in their required duties. Each Broker is, in turn, responsible for these tools. Tools damaged or stolen as a result of an Broker's negligence will, to the extent permitted by federal, state and local law, be charged to the Broker.

Care of Company Property:

Office areas should be kept neat and orderly and all equipment should be well-maintained. The theft, misappropriation, or unauthorized removal, possession, or use of company property or equipment is expressly prohibited.

Any action in contradiction to the guidelines set herein may result in disciplinary action, up to and including termination of employment.



# Visitors in the Workplace

To ensure the safety and security of Cornerstone Independent Brokerage and its Brokers, only authorized visitors are permitted on Company premises and in Company facilities.

All visitors must enter through the main reception area and sign in and out at the front desk. All visitors are also required to wear a "visitor" badge while on Cornerstone Independent Brokerage premises. Authorized visitors will be escorted to their destination and must be accompanied by a representative of the Company at all times.

## Computer, Email & Internet Usage

Computers, email, and the Internet allow Cornerstone Independent Brokerage Brokers to be more productive. However, it is important that all Brokers use good business judgment when using Cornerstone Independent Brokerage's electronic communications systems (ECS).

### Standards of Conduct and ECS

Cornerstone Independent Brokerage strives to maintain a workplace free of discrimination and harassment. Therefore, Cornerstone Independent Brokerage prohibits the use of the Company's ECS for bullying, harassing, discriminating, or engaging in other unlawful misconduct, in violation of the Company's policy against discrimination and harassment.

### Copyright and other Intellectual Property

Respect all copyright and other intellectual property laws. For the Company's protection as well as your own, it is critical that you show proper respect for the laws governing copyright, fair use of copyrighted material owned by others, trademarks and other intellectual property, including the Company's own copyrights, trademarks and brands. Brokers are also responsible for ensuring that, when sending any material over the Internet, they have the appropriate distribution rights.



# Computer, Email & Internet Usage (Cont.)

Cornerstone Independent Brokerage purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, Cornerstone Independent Brokerage does not have the right to reproduce such software for use on more than one computer. Brokers may only use software according to the software license agreement. Cornerstone Independent Brokerage prohibits the illegal duplication of software and its related documentation.

## ECS Guidelines

The following behaviors are examples of previously stated or additional actions and activities under this policy that are prohibited:



- Sending or posting discriminatory, harassing, or threatening messages or images about coworkers, supervisors or the Company that violate the Company's policy against discrimination and harassment.
- Stealing, using, or disclosing someone else's code or password without authorization. Pirating or downloading Company-owned software without permission.
- Sending or posting the Company's confidential material, trade secrets, or non-public proprietary information outside of the Company. Wages and other conditions of employment are not considered confidential material.
- Violating copyright laws and failing to observe licensing agreements.
- Participating in the viewing or exchange of pornography or obscene materials.
- Sending or posting messages that threaten, intimidate, coerce, or otherwise interfere with the job performance of fellow Brokers.
- Attempting to break into the computer system of another organization or person. Refusing to cooperate with a security investigation.
- Using the Internet for gambling or any illegal activities.
- Sending or posting messages that disparage another organization's products or services. Passing off personal views as representing those of Cornerstone Independent Brokerage.

# Computer, Email & Internet Usage (Cont.)

## Privacy and Monitoring

Computer hardware, software, email, Internet connections, and all other computer, data storage or ECS provided by Cornerstone Independent Brokerage are the property of Cornerstone Independent Brokerage. Brokers have no right of personal privacy when using Cornerstone Independent Brokerage's ECS. To ensure productivity of Brokers, compliance with this policy and with all applicable laws, including harassment and anti-discrimination laws, computer, email and Internet usage may be monitored.

This policy is not intended to restrict an Broker's right to discuss, or act together to improve, wages, benefits and working conditions with co-workers or in any way restrict Brokers' rights under the National Labor Relations Act.

Violations of this policy may result in disciplinary action, up to and including termination of employment. Questions or concerns related this policy should be directed to your supervisor or the CFO.

## Company Supplies

Only authorized persons may purchase supplies in the name of Cornerstone Independent Brokerage. No Broker whose regular duties do not include purchasing shall incur any expense on behalf of Cornerstone Independent Brokerage or bind Cornerstone Independent Brokerage by any promise or representation without express written approval.



# Attendance & Punctuality

Absenteeism and tardiness place an undue burden on other Brokers and on the Company. Cornerstone Independent Brokerage expects regular attendance and punctuality from all Brokers. This means being in the workplace, ready to work, at your scheduled start time each day and completing your entire shift. Brokers are also expected to return from scheduled meal and break periods on time.

All time off must be requested in writing, in advance, as outlined in the Company's time-off policy. If a Broker is unexpectedly unable to report for work for any reason, they must directly notify their supervisor as early as possible, and preferably prior to their scheduled starting time. It is not acceptable to leave a voicemail, text, or email message with a supervisor, except in extreme emergencies. In cases that warrant leaving a voicemail, text, or email message or when an Broker's direct supervisor is unavailable, a follow-up call must be made later that day.

If an illness or emergency occurs during work hours, Brokers should notify their supervisor as soon as possible.

Brokers, who are going to be absent for more than one day, should contact their supervisor on each day of their absence. Cornerstone Independent Brokerage reserves the right to ask for a physician's statement in the event of a long-term illness (three consecutive days), or multiple illnesses or injuries.

If an Broker fails to notify their supervisor after three consecutive days of absence, Cornerstone Independent Brokerage will presume that the Broker has voluntarily resigned. Cornerstone Independent Brokerage will review any extenuating circumstances that may have prevented the Broker from calling in before they are removed from payroll.

Should undue or recurrent absence and tardiness become apparent, the Broker will be subject to disciplinary action, up to and including termination of employment. This policy is not intended to restrict an Broker's right to discuss, or act together to improve, wages, benefits and working conditions with co-workers or in any way restrict Brokers' rights under the National Labor Relations Act.

Certain absences may be protected by federal, state, and/or local law. If you have questions about this policy or your entitlement to time off, contact the CFO.





# Qualities To Bring To The Job

2025

Integrity, Transparency, Accountability, and Servant Leadership. As you just learned on the preceding pages, each of the above qualities are important aspects of an Advisor. With these in mind, there are several personal qualities and traits that will help you to succeed in your partnership with Cornerstone, including:

**DESIRE TO BE OF SERVICE** -The value proposition of a Cornerstone is to assist financial professionals and their clients with their risk management and insurance needs. Your desire to assist others is fundamental to carrying out Cornerstone's value proposition.

**DESIRE TO LEARN** -The insurance industry is an ever-changing landscape. Flexibility and the ability to view change as an opportunity to learn is one of the most sought-after qualities. Continuously expanding your expertise and learning ways to elevate Cornerstone's service model will serve you well in your career.

**DETERMINATION AND PATIENCE** - Steering and triaging an insurance case to a successful completion can be a lengthy process, yet it is absolutely critical to a Cornerstone's operation as well as the Advisors. Some cases are more difficult than others, requiring strong determination, fortitude, and patience to see them through to the end.

**PRIDE IN A JOB WELL DONE** - Finding gratification in a job well done is personally rewarding and can be the motivating factor that challenges us to do our best.

**SELF-STARTER** - If you can proactively see and know what needs to be done, then do it. You will play a crucial role in helping Cornerstone become even more efficient, reputable, and profitable.

**INTEGRITY** – Advisor's must earn the trust and confidence of clients and the insurance carriers they deal with. Treating each and every person with integrity is especially vital at all times.

**COOPERATIVE** - You are an integral part of Cornerstone's team, and each and every responsibility you handle is critical. The key ingredient of effective teamwork is each individual member's cooperative attitude. This may mean setting aside some of your own goals, replacing them instead with the greater goal of the team.

**IDENTIFY, TROUBLE SHOOT, AND RESOLVE PROBLEMS** - Every member of the team must have meticulous analytical skills and be detail-focused to catch mistakes across multiple platforms before they happen. You will seek to identify, troubleshoot, and resolve problems throughout your activities.

**COMMUNICATION SKILLS** - Every team member must communicate effectively across multiple internal and external business partners and contacts. As such, you must communicate professionally, concisely, and consistently.



# THE INSURANCE INDUSTRY JURISDICTION

## A Historical Perspective: State vs. Federal Jurisdiction

Insurance is truly a big industry, representing a great deal of cash and cash flow in our economy. As such, the insurance industry is a highly regulated industry. The interesting question is whether the individual states or the federal government should have jurisdiction over the insurance industry. This question has been actively debated for many, many years.

Case law on this debate goes back over 130 years. If insurance is defined to be "interstate commerce," then Congress has the right to regulate; if not, then the states have that authority. In 1868, in the case of *Paul v. Virginia*, 75 U.S. (8 Wall.) 168 (1868), it was held that insurance is not commerce. In 1944, in *U.S. v. South-Eastern Underwriters Association*, 322 U.S. 533 (1944), it was held that insurance is commerce, and basically interstate commerce at that.

Only a year later, in 1945, Congress passed the McCarran-Ferguson Act. It was entitled "An Act to Express the Intent of Congress with Reference to the Regulation of the Business of Insurance." The new law made two things clear: the business of insurance would still be subject to the laws of various states, and Congress would retain certain powers that could be exercised if, after a period of adjustment, the business was not regulated by state law. In addition, the insurance industry enjoys a limited antitrust exemption. Federal law does not apply to the business of insurance except to the extent it is not regulated by state law. Most states have enacted laws covering rate making, unfair trade practices, and antitrust laws for insurers and have appointed or elected state Insurance Commissioners to regulate that industry within the state; therefore, the individual states can, and do, regulate the insurance industry, with Congress reserving the right to step in for cause in the future.

In January 2021, President Trump signed the "Competitive Health Insurance Reform Act of 2020." This eliminated the antitrust exemption for health and dental insurers and added a layer of federal oversight to the existing state-based framework.



# THE INSURANCE INDUSTRY JURISDICTION

## STATE REGULATION

How do states regulate insurance? There are generally three bodies that have input: the courts; the legislatures; and the administrative agencies (insurance departments). The courts are charged with interpreting statutes and deciding conflicts between policy provisions and the "public good." The legislatures enact statutes and the administrative agencies draft regulations to guide people on following the statutes. The insurance departments have a number of functions: the licensing of companies, agents, and brokers; the approval of policy forms and rates; company solvency issues and periodic exams; rehabilitation and/or liquidation of failed insurers; and addressing consumer complaints against companies and agents.

## NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS (NAIC)

Although there are many parties involved in supervising life insurance sales and business activities, life insurance is first regulated at the state level by state insurance commissioners. Each state, along with the District of Columbia and U.S. territories, has an insurance commissioner and they collectively belong to the National Association of Insurance Commissioners, also called the NAIC. The National Association of Insurance Commissioners was formed in 1871. It was originally called the National Convention of Insurance Commissioners. At that time, the NAIC tried to draft and enact model laws to regulate rates, standardize policy forms, and provide for fair trade practices. Since that time, the Insurance Commissioners of the respective states have established state agencies that dictate which insurance carriers may sell products in their states, approve which products are acceptable to be sold in their states, and regulate the contracting, education, and licensing of persons permitted to sell products in their states. Every state has its own parameters and review processes.



# THE INSURANCE INDUSTRY JURISDICTION

Consumers also have access to the NAIC's resources through online tools. Consumers can use these resources to research whether an insurance company has had any enforcement actions or other fines or issues. The NAIC and state commissioners protect consumers by regulating the following life insurance business practices:

- **INSURANCE LICENSING** - Life insurance companies and financial professionals must be licensed and contracted to write insurance in the states where they intend to conduct business. This includes a resident license in the state where they are domiciled, and a non-resident license in states where they will be writing cases for clients who live in other states - in other words, all states where they intend to conduct business. Those financial professionals and firms who fail to comply with various state insurance laws and regulations are subject to fines and license suspension or revocation.

- **CONTINUING EDUCATION** - Financial professionals who write insurance products must also participate in continuing education programs to ensure professional standards are being upheld. Each state will have guidelines around continuing education which involves a specific number of continuing education hours that must be completed every few years to maintain their license. Failure to properly submit and document continuing education will result in a loss of license and the inability to submit cases. Most states have an online portal where consumers and BGAs can check the status of a financial professional's insurance license and insurance history.

- **PRODUCT REGULATION** - Each state insurance commissioner will review and oversee the products offered by life insurance companies, including term insurance, permanent insurance, and other product lines in their state. Insurance carriers are allowed to set premium levels as appropriate, and while regulators do not set premiums for carriers, each state will monitor those practices to make sure the benefits consumers are receiving are commensurate with the premiums being charged. Carriers must file new products, riders, or other benefits with their state insurance commissioner. Similarly, any changes that affect existing or new policyholders must also be filed with their state insurance commissioner for approval.



# THE INSURANCE INDUSTRY JURISDICTION

• **FINANCIAL RESERVES** - The NAIC and state regulators will also monitor the financial reserves of insurance carriers. Periodic financial examinations of carriers occur on a scheduled basis. State financial examiners investigate an insurance company's accounting methods, procedures, and financial statements. These exams validate whether the company is in good financial standing. When an examination of financial records shows the insurance company to be financially troubled, the state insurance commissioner takes control of the company. Aggressively working with financially at-risk insurance companies is a critical part of the state insurance regulator's role. In the event an insurance company must be liquidated or becomes insolvent, the states maintain a system of financial guaranty funds that cover consumers' personal losses.

• **MARKET REGULATION** - Market regulation is another way insurance commissioners help protect consumers. Regulators will look at the broad marketplace of insurance carriers and practices to make sure consumers are being charged fair and reasonable insurance premiums, and that products and trade practices are fair and balanced. Market conduct examinations are used to make sure insurance companies and agents are following proper sales practices that otherwise might trigger complaints against an insurer. These exams review licensing issues, complaints, types of products sold by the company and agents, agent sales practices, underwriting ratings, claims handling, and other market-related aspects of an insurer's operation. When violations are found, the insurance commissioner makes recommendations to improve the company's operations and to bring the company into compliance with state laws. Additionally, a company may be subject to civil penalties, license suspension, or revocation if they are not following established regulations.

## OTHER REGULATORS

While the National Association of Insurance Commissioners focuses on regulation standards and market conduct on a state-by-state basis, there are other regulatory bodies that monitor life insurance depending on the type of product. For example, state insurance commissioners have primary authority over insurance products that are not considered investment or securities products. These are often called "fixed" products, meaning there is not a securities component to the product. For products where there is a securities component or risk, such as variable life insurance or variable annuity products, other regulatory bodies will be involved in monitoring the market conduct of companies and financial professionals who represent and write variable products. These regulatory bodies include:



# THE INSURANCE INDUSTRY JURISDICTION

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)** -The first additional regulatory body includes the Financial Industry Regulatory Authority or FINRA. FINRA regulates companies and financial professionals who sell securities, mutual funds, stocks, bonds, and other securities sold via commission or other product-specific compensation. This includes the suitability and sale of variable life insurance and variable annuity products. They may also oversee indexed universal life insurance products.

Variable life insurance products are offered through broker/dealers and FINRA oversees the practices of broker/dealers and broker/dealer representatives. FINRA monitors licensing, product suitability, advertising practices for variable products, training, continuing education requirements, and consumer disclosures regarding investment products prior to purchase. In other words, they help to ensure fair financial and investment markets for the protection of consumers. Since variable life and annuity products are sold through a broker/dealer; these products and sales practices are regulated by FINRA, in addition to state regulators. Representing variable products means you are bound to following state insurance regulatory guidelines but also FINRA guidelines and examinations.

To help educate consumers, FINRA offers individuals the opportunity to look up an affiliated broker or registered representative through their online BrokerCheck® portal. BrokerCheck® is part of FINRA's ongoing efforts to help investors make informed choices about the brokers and brokerage firms through which they may wish to do business, as well as to provide the public with access to information about formerly registered brokers. This will include a report for the last 10 years that summarizes an affiliated broker's credentials and qualifications, licenses, current and prior employment history, disclosures regarding client disputes, disciplinary actions, criminal history, bankruptcies, and more. Information made available through FINRA's BrokerCheck® is populated from the Central Registration Depository (also called the CRD®). The CRD collects information from a broker's registration and licensing forms that they are required to complete. In addition, regulators report information to the CRD regarding certain disciplinary events involving brokers and brokerage firms.



# THE INSURANCE INDUSTRY JURISDICTION

**SECURITIES AND EXCHANGE COMMISSION (SEC)** -This regulatory body further oversees securities products and the practices of Registered Investment Advisers (RIAs). Registered Investment Advisers are entities that provide investment advice or financial planning services for a fee. Clients of an RIA pay a fee directly to the RIA for services such as investment management or financial advice. The mission of the SEC is to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation. The SEC is primarily concerned with protecting investors and consumers against investment fraud. As part of the SEC's oversight, there is the Office of Insurance Products (OIP). This division is responsible for the regulation of variable insurance. Depending on the assets under management or nature of the investment advice offered by an RIA, the RIA may be regulated by their state vs. the SEC directly.

**THE FEDERAL RESERVE** - The insurance industry is of significant importance to the economy; therefore, we will also discuss the role of The Federal Reserve. The responsibilities of the Federal Reserve include influencing the supply of money and credit in the U.S. economy. It further regulates and supervises financial institutions, serves as a banking and fiscal agent for the U.S. government and monitors banks, credit unions, and savings and loans. As such, the Federal Reserve is a consolidated supervisor of some insurers. The Federal Reserve participates together with state insurance supervisors, the NAIC, and the Federal Insurance Office (FIO) in the setting of international insurance processes. Many of the internal cash values of permanent insurance policies offered through carriers are heavily dependent on changes to interest rates made by The Federal Reserve.





# THE INSURANCE INDUSTRY JURISDICTION

## INSURANCE LICENSING

- **STATE LICENSING** - When a financial professional wishes to write insurance or annuities or participate in the compensation of these transactions, they will need to pass their state life and/or health insurance exam for licensing. Further, if the financial professional wishes to write insurance cases in a state where they are not domiciled, they will also need to secure a non-resident insurance license. If you or your firm will be completing an application directly with a client, or on behalf of a financial professional, you will need to have an insurance license.

- **SECURITIES LICENSES/ VARIABLE PRODUCTS** - Anyone who sells or writes variable life insurance policies or variable annuity contracts is required to have a securities license through FINRA, in addition to an insurance license. This includes the Series 6 (investment company and variable contracts representative license) and the Series 63 (multistate license, also referred to as "Blue Sky Laws") or the Series 7 (general securities representative license). In addition, the person needs to affiliate with a FINRA licensed broker/dealer. Some broker/dealers also require a registered representative to secure a securities license if they are writing indexed universal life policies.

- **SELLING AGREEMENTS** - Selling agreements are important because a registered representative of one broker/dealer cannot sell variable contracts through another broker/dealer unless (1) such broker-dealer is a FINRA member, and (2) there is sales or selling agreement in effect between the parties. Some RIAs and financial advisors may not earn a commission on insurance products, instead, they may charge a fee for insurance advice. This may require an insurance license, depending on their state, along with other RIA licensing requirements.

Licensing is a crucial component that a BGA helps manage for its affiliated financial professionals. When writing an insurance policy, your firm must confirm if the financial professional is currently licensed with the appropriate insurance carrier in the state where the case was sold. If not, that professional needs to be. It is not usually a long process, but your firm will want to avoid any delays in getting commissions paid, and commissions cannot be paid to a non-licensed professional.

Usually, the process of licensing and appointing a financial professional with an insurance company takes place concurrently with the underwriting of the case, though some companies wait until the case is ready to be placed before they incur the cost of licensing the individual. This is just a simple reflection of placement ratios: not all issued cases get placed by the writing professional, but the insurance departments do keep every fee sent to them. Some states have laws that require financial professionals to be appointed by the company before presenting a proposal or taking an application. Still, others require that a professional be appointed before a commission is paid. It is important to know the licensing regulations which apply in each state in which your BGA transacts business.



# Telephone and Email Etiquette

Your contact with financial professionals, clients and/or carrier home offices may involve several communication methods. As easy and efficient as an email might be for communication, there is a personal touch that comes with using the telephone.

## THE RIGHT PRACTICES FOR USING THE TELEPHONE

There will be times when it is more important to call a Client or a carrier vs. relying on email. For example:

- If a person seems angry on an email or has an upset tone, pick up the phone and call them.
- If a case has been declined by an underwriter or comes back "other than applied for," you need to deliver this news to the financial professional and/or client by phone to discuss options. The financial professional may have illustrated the case more favorably, and you need to call them, not just to let them know the case came back "other than applied for," but also to talk through options with the case.
- Surprises or unexpected findings during the underwriting process. For example, the carrier may have identified alcohol or drug use in the client's blood work or urine test, and they are asking for an alcohol questionnaire. This should be discussed over the phone with the Client.
- You want to call more frequently if the financial professional (Grinder or Finder) or their assistant is new and is getting used to your processes. They may need more explanations and training.
- To explain complex issues or requirements. If it will take more time to type out an explanation regarding a case issue or requirement due to the complexity of it, pick up the phone. Chances are, if you send an email, it will result in the financial professional having questions and additional emails. A phone call can alleviate a back-and-forth exchange over email or frustrations that can occur as a result of explaining complex issues or requirements.
- There is a general rule: call the client or the carrier if they are not responding to your emails. If you have sent the same email more than once, pick up the phone and call them.
- If a financial professional or client is not responding to your calls or emails, you may need to let them know you will have to close the case if they do not respond back to you by a certain time.



# Telephone and Email Etiquette

## EFFECTIVE TELEPHONE USE

The telephone is a key factor in fostering a relationship of trust and mutual respect. In this discussion, we will review some of the personal qualities that will help you effectively and efficiently use the telephone for conducting business.

• **ABILITY TO ASK QUESTIONS** - Confidently asking questions is the only way to ensure you understand a person's situation and needs. The same is true in your dealings with the home office. Whether on the phone or in person, asking appropriate questions can be the quickest way to get the information you need to effectively do your job. If you are unsure about something or want to clarify a point, just ask. It is important not to guess when an answer could be as simple as a telephone call away. Do not worry about bothering the client or appearing to not know what you are doing. Asking questions shows people you want to do your job well.

• **ABILITY TO LISTEN** - Listening is critical to understanding. Likewise, understanding is critical to providing exceptional service to others and to being responsive to the needs of your clients and partner advisors.

• **EMPATHY** - The most important function of Cornerstone is to be of service to the financial professionals and clients who come to us for their insurance needs. The best way we can be of service is to understand and appreciate a person's situation, perspective, and needs. Empathy is just that: mentally and emotionally being able to put ourselves in another person's situation. This is symbolic of the individualized attention Cornerstone provides to financial professionals and insurance companies as well as their clients.

• **THICK SKIN** - Sometimes things can be said by a financial professional, contact at the home office, or a client that really hits a tender spot with us. Naturally, there is a temptation to react in a defensive manner. Resist the temptation to do so in every instance. Not only will defensive reactions portray a lack of personal professionalism; they can endanger the important relationship Cornerstone strives to maintain with its clients and insurance companies. Adopt those intellectual mechanisms that help you respond civilly to challenging or offensive situations. One effective way to do this is through self-talk. For example, you might simply tell yourself that you are being paid to be understanding. That, plus a dose of selfdiscipline, will help you control how you respond in moments of conflict or anger.



# Telephone and Email Etiquette

## TELEPHONE TECHNIQUES

Chances are you have already mastered the personality traits that will aid you in using the telephone to do your job. If you had not, you probably would not be reading this manual as a new advisor! This section outlines a number of very basic, but helpful, telephone etiquette techniques that will help you in your daily job function, including:

- Speak directly into the mouthpiece. Do not rely on the speakerphone because it is easy. You also want to avoid speakerphones in times of discretion.
- Identify yourself immediately.
- Check the volume, speed, and clarity of your voice. For example, if a caller asks you to repeat something, it may be an indication you are speaking too softly, too quickly, or too indistinctly.
- Allow yourself to pause. If you want to stress a point, pause after you have said it. If the other person is taking notes on something you say, you should anticipate the time it takes and pause when you think it is appropriate. Or simply ask, "If you are taking notes, let me know if I am speaking too fast."
- Be positive. Try to avoid negative words such as "We don't," or "I can't." Instead say, "Here is what we can do for you."
- Try to let the caller hang up first. Not only is this polite; it gives the caller a final chance to ask a question or add a comment.
- Be careful not to make promises that could create unrealistic expectations. Reliability, rather than over-promising, gives you credibility.
- Take your time; do not be hurried. Take as much time as you need to get or give the information you require and make sure it is accurately received.
- Avoid distractions. Do not let others in the office distract you. If someone insists on talking to you, excuse yourself, place the call on hold, and return to the call as soon as possible. Express your regrets to the caller and continue.
- Develop your listening skills.
- Give the caller your full attention.
- Be prepared with everything you need before placing the call. Have your files or notes ready beforehand.
- Do not interrupt unless it is important to do so. Also, a pause does not always mean the other person has finished saying everything they wanted to say.
- Make interjections. An occasional "yes," or "I see," shows the person or home office employee you are still with them and that you understand what is being said.
- Listen for overtones. Quite often, the tone of someone's voice will tell you things their words do not.
- Take notes. This allows you to wait to interject a comment or ask a question and helps you keep the details of the conversation in perspective.



# The Importance of Field Underwriting

Field Underwriting is what the financial professional and your partners should do before submitting a formal application. It helps facilitate the most advantageous underwriting outcome. In most cases, the writing professional is the only person in contact with the applicant. They are the eyes and ears of the underwriter because they are able to observe the applicant and related parties.

Collecting data about a proposed insured's known risks is an important step in the field underwriting process prior to formally submitting a life insurance application. Field underwriting allows the underwriter to better assess a proposed insured's medical history and help determine what underwriting classification a person will qualify for. The writing professional's ability to ask preliminary questions about current or past medical history, financial circumstances or avocations and lifestyle are crucial in steering a case to the right carrier. They are also able to help prepare their client for the underwriting process.

During field underwriting, you are helping to uncover pre-existing conditions that may adversely affect an applicant's risk class or rating prior to submitting the case. Knowing the risks and severity in advance helps you best shop a case to the right carrier, which expedites underwriting, decreases case cycle times, and increases placement ratios.

## PLACEMENT RATIOS AND CASE CYCLE TIMES

Placement ratio in the insurance industry refers to the ratio of cases submitted to placed. If cases do not get issued or placed in force because of poor field underwriting or other factors, then the client is not insured, and the financial professional, and Cornerstone, do not get paid for their efforts. Further, the proposed insured may have a decline on their MIB for insurance.

**PLACEMENT RATIO** - In regard to placement ratios, insurance carriers are looking at financial professionals and Cornerstone as either profitable or not profitable parts of their distribution force. Cornerstone also looks at the business being submitted by financial professionals to see if it is profitable. Cases that are not placed are not profitable for anyone involved. The industry average of cases that are not placed is between 25 and 35 percent.

**CASE CYCLE TIMES/ CASE LIFE CYCLE** -The second key performance indicator is the number of days in the Case Life Cycle. This is often very dependent on the type of application submission process used and staying on top of all requirements. If cases are submitted with Drop Tickets, e-Apps, or using simplified underwriting, that may speed up the case life cycle time vs. a paper application or unnecessary full underwriting.



# The Importance of **Field Underwriting**

Reducing the case cycle time means reducing the number of days the case stays in underwriting and getting it to issued and placed status. Depending on the case type and type of product, full underwriting may be necessary. It is each advisor's job to work as expeditiously and accurately as possible to reduce delays in the process. That being said, we are also not trying to submit a case to multiple carriers upfront in the hopes that a carrier will provide a favorable offer. You need to choose the carrier upfront wisely. As an example, if you attempt to submit an application with four carriers, this will severely impact your placement ratio. You may only choose one carrier's offer, and now you have only a 25% placement ratio.

You need to steer a case to the right carrier upfront, and that only happens by doing proper field underwriting upfront and working with financial professionals to get all the needed details from the applicant upfront - even if it is sensitive information. The more you know upfront, even if it is an unfavorable risk, this will work to your advantage down the road. If something is not disclosed upfront and gets uncovered by the underwriter later, that will not be looked upon positively.

## **HOW TO HELP PREPARE A CASE FOR A FAVORABLE OUTCOME:**

### **FIELD UNDERWRITING BEST PRACTICES**

The following are some general best practices for positioning and preparing a case in advance to help facilitate the best possible underwriting outcome. Cornerstone and the financial professional writing the case can often get business issued faster and maximize favorable outcomes by preparing a case correctly for the underwriter. Underwriters are looking to do all they can to help the advisor's secure coverage for a client. The goal is the same for all parties: to write good, sound business.

No one likes to say "no" when a "yes" is possible. There are times, however, when an underwriter cannot accept a risk or must come back with a table rating or flat extra to preserve the company's product and financial integrity. If you can improve an offer on a case by presenting it fully and correctly, it is certainly your job to do so.

There are many times that a full explanation can help an underwriter in their decision making. For example, if you know that financial justification of a business case will be difficult due to recent unusual happenings within the business, you should request a letter of explanation and justification from the business's financial officer. A company brochure or even newspaper articles about the company may be helpful to the underwriter in understanding the financial justification for a case.



# The Importance of Field Underwriting

If you know a proposed insured always has high readings as part of their blood work-up, and that a physician has said these readings are of no concern to the client, you should get an APS letter from that physician early in the case to explain the situation to the underwriter.

To help place the "unusual" or "impaired risk" case, you must package the case carefully and thoughtfully. You might want to include a letter from the proposed insured describing self-care, lifestyle (exercise and diet), or even a photograph. On the other hand, it is up to you to know the underwriting standards of your carriers and to try to match the risk to the right carrier correctly. Sending an impaired risk case to a preferred risk carrier does not make good use of your time or the carrier's.

What if you are not sure if a proposed insured is appropriate for the insurance company or plan requested? Is the company competitive on this type of impairment? Are there any special requirements for this type of risk (a questionnaire or a special test)? If you have specific questions about a case, call or email your underwriter. All underwriters want to help assure that cases are submitted correctly- it avoids wasted effort on everyone's part.

Sometimes things happen while an underwriter is looking at a case. What if the case came in first as a trial inquiry, then a formal application was submitted because the company gave the best tentative quote? If the requirements end up showing the same things as outlined on the trial papers, the formal offer will generally be the same. If some of the facts are different, the formal offer could be better or worse than the tentative quote. Some negotiations would have to take place if the offer were worse. The applicant might be expecting one premium, for example, and get a much different one. If the final offer is more expensive than the original quote, the financial professional and their client are going to be upset and expect explanations. Advisors should temper tentative quotes with warnings that the quote may change as additional evidence is received.

Another way successful advisors work with their underwriters is by notifying the underwriters about what they need to prepare the case. If you know that the proposed insured will only accept a standard rating, then put that fact upfront on the summary sheet or in the discussion. If you know you need a premium below "X" dollars, let the underwriter know so they can do everything possible to meet that goal. Often the impaired risk company is not the first one to see a case. If your case is being shopped and you already have an offer for Table 2 and need to meet or beat that, let the underwriter know. The underwriter can more quickly see if they can compete with the prior quote (on a premium or rating basis) and thus help propel the case's momentum toward issue.

Another way to prepare the underwriter is to provide any information you have about how well the proposed insured takes care of themselves. Some cases do fall between ratings, and judgment calls must be used on the part of the underwriter. If the person is on a particular diet, give details. If they exercise regularly, provide details of how, when, and for how long. If, after reviewing all the medical evidence, the underwriter is still caught between two ratings, lifestyle factors may be enough to earn a better rating.

There is an industry story about how a writing agent always sent in a Polaroid snapshot/ photo of the proposed insured. This professional knew that every week an underwriter looks at hundreds of case files - cold facts, reports, and words - but the underwriter never sees who they are underwriting. A picture paints a thousand words. By adding a photograph of all his clients, the agent made his cases stand out in the pile. He added a bit of warmth and reality to what can be a cold, scientific process. We do not know if his placement rate was any better than anyone else's; we do know his cases were noticed.





# The Importance of Field Underwriting

While many of the things that underwriters look at to determine insurance premiums cannot be changed, such as age or occupation, financial professionals can take steps to control a few things - like the proposed insured's preparation for a medical exam. They will want to avoid any chance that their client's health profile is not accurate because of a temporarily elevated blood pressure rate or eating a heavy, fatty meal the night before a required medical exam. Second, the financial professional needs to ask the client during their financial fact-finding process about pre-existing medical conditions or prior histories that could affect their health or lifestyle rating. Important aspects of risk identification that a financial professional should try to capture as part of field underwriting include:

- **DIAGNOSIS** - Diagnosis is one of the most vital parts of underwriting. A proposed insured may have a straightforward diagnosis such as high blood pressure or high cholesterol; other impairments may require more detail. Diabetes can be of different types - Type I and II, for example. Multiple Sclerosis may be Primary-Progressive or Relapsing-Remitting.
- **ONSET OF A DIAGNOSIS** - This is often an important part of underwriting rate assessment and must be collected. For example, diabetes, in part, is rated by how long an individual has had the disease.
- **CANCER** - This varies case by case. Underwriting cancer requires knowing more than just the general name and location of the disease. Pathology description, size, the exact type, and site of cancer are important factors in underwriting. For example, some cancers may require simple excision, while others may need additional treatment such as radiation and/or chemotherapy. This difference may affect the rate class. Underwriting a cancer diagnosis, past or present, can vary from carrier to carrier.
- **SEVERITY** - The severity of the impairment is important for accurate underwriting. It is acceptable for a financial professional to ask their client about the general perception of severity, but very important to ask for further details where possible. The clinical assessment of severity will depend on the impairment. For example, diabetes is evaluated primarily by glucose testing; sleep apnea largely by sleep study testing results; cancer by pathology report; etc. Financial professionals should ask clients if they are aware of recent test results that measure the severity and control of the impairment.

These questions may be uncomfortable for some financial professionals to ask, particularly if insurance planning is not their core expertise. However, it is far more difficult to deliver an unfavorable rating to a client if the client was not properly prepared or expectations were set too high by the financial professional. Fortunately, there are many formal tools to assist you in asking the right questions in advance. Among these tools are field underwriting questionnaires.



# The Importance of **Field Underwriting**

## UNDERWRITING QUESTIONNAIRES

As previously mentioned, supplemental information forms called underwriting questionnaires are used to uncover specific risks such as a proposed insured who has diabetes, asthma, cancer history, coronary history, or participates in unusual or high-risk professions or avocations, such as scuba diving, racing, skydiving, flying private planes, mining, etc.

It is a best practice to utilize underwriting questionnaires before submitting an application to a carrier if you are aware that the proposed insured has known risks. The answers to these questionnaires help you determine which carrier might best underwrite a case based on important details or known risks. They are an invaluable part of field underwriting, prior to formally submitting a case to a carrier. They help expedite the process by determining the severity of pre-existing risks and how, or if, to best shop a case for the most advantageous potential offers from carriers.

## COVER LETTERS

Particularly with cases going through full underwriting, the best way to help secure an accurate underwriting rating and make the process smooth and efficient is to submit a cover letter along with the application. When a financial professional submits a cover letter with the application, it articulates the upfront facts about the applicant's situation. It provides a summary that helps elaborate on the applicant's circumstances. As many case managers will say to a financial professional, "if you can convince me, I can convince an underwriter." Explaining an applicant's life circumstances with solid information will always get the best results. Never be afraid to give too much information if it builds a stronger case. Underwriters are there to make judgment calls, so providing them with any and all pertinent information in a cover letter will be of great assistance.

### Key components of a detailed cover letter should include:

- Who is the client/the proposed insured? What do you know about them? How long has the financial professional known them?
- Premium tolerance
- How the death benefit was determined
- Insurable interest, financial justification
- Occupation details, social habits, and activities
- Related applications and/or past and present insurance activity
- Sensitive factors that will impact underwriting: criminal history, alcohol, or drug use
- The underwriting offer desired or what was quoted
- Financial details for a buy-sell or key person business case

All of these components help the underwriter understand why the applicant is looking for insurance and why they should be considered for it.



# The Importance of Field Underwriting

## INFORMAL INQUIRIES

Cornerstone has built its reputation on finding the most advantageous underwriting and product solution for a client. This often involves assessing underwriting offers from other carriers when an applicant may have a substandard, or impaired risk rating. Carriers that specialize in impaired risk underwriting can sometimes find coverage for an applicant who was rated or declined coverage by another carrier. This could be because the applicant had a medical condition, avocation, or financial situation that was highly rated or declined by another underwriter. The financial professional can come to Cornerstone and our partners for help with these tough cases. An advisor's response is important not only for that case, but for future business and referrals from that client.

Instead of filling out a formal application for Company A and waiting to see what offer, if any, that company might make (and maybe then going to Company B, then Company C looking for the best offer), Cornerstone and TruChoice will "shop" the case on an informal basis to one or more of its impaired risk carriers. Cornerstone and TruChoice provides information to the underwriting departments of several select carriers to determine what each company's offer might be if this case did come in as a formal application.

Informal inquiries are not just used when an underwriting offer was already declined by another carrier. In some cases, the financial professional may want to test the waters with a carrier prior to submitting a formal application for insurance. You may wish to informally discuss an applicant's potential underwriting rate class or circumstances, particularly when there are known risks. This allows you and your partners to determine if a proposed insured's situation might bring them a standard rating, or better, or determine if they will be substandard or table rated.

In short, informal inquiries allow you to review an applicant's risks or issues, prior to submitting an application. If the applicant has a likelihood of being rated, they may wish to make improvements in their lifestyle prior to submitting an application, especially if there are known issues that might have an adverse impact on their risk class. If the financial professional and client decide not to pursue coverage, you can simply withdraw the informal inquiry. This type of informal inquiry may help you best shop a case with the right carriers early on or make a preliminary determination that is in the client's best interest.

Note: An informal inquiry does not guarantee a specific underwriting class and does not bind any coverage or offer from a carrier. Although there are benefits to informal inquiries, if the client decides to hold off on insurance, they will not have the coverage they need. There are instances where you may want to submit an application with a binder to try and secure necessary coverage and not leave the client exposed by not having insurance coverage. In general, the carrier will require a formal form to be completed and HIPAA authorizations to initiate the inquiry.



# The Importance of **Field Underwriting**

## **GAINING PERSPECTIVE**

A tentative quote is only as good as the information given to the insurance company. If the information on the formal application is different from that given during the trial process, the tentative quote will not hold. Also, note what makes a quote the "best" one. A quote is a combination of the underwriting rating, the products available, the insurance company itself, and the performance of the products. As such, the best quote is not always the one closest to a standard rating; you need to run illustrations to measure potential product performance. Only after these factors are examined can you decide what the best quote is. Again, quotes are always subject to current underwriting requirements.

