

# Team Approach

Insurers are matching producers with financial experts to meet the demands of the high-net-worth market.

by Ron Panko

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## Key Points

- Access to the high-net-worth market comes almost exclusively through a trusted-adviser relationship.
- Ownership of the client relationship is best for a financial-services company, but is hardest to achieve.
- Many insurers do not own the client relationship, but welcome the opportunity to provide product.
- The most successful strategies provide clients access to a team of specialists.

# M Financial: Targeting the Ultra Rich

**I**ronically, many advisers in the high-net-worth space got their start with insurance companies. As they succeeded, they became more independent and eventually built their own firms. In fact, registered investment advisers have become the fastest-growing intermediary channel in the high-net-worth market, said Mark Halverson, head of Investment Management Services at Accenture.

Perhaps the most successful of these work at advisory firms that cater to the ultra high-net-worth, clients with household assets of \$25 million and up. Four co-founders in 1978 set up M Financial, headquartered in Portland, Ore. Its member firms, which also serve corporate markets, currently populate 36 states. To improve its product offerings, M Financial has alliances with John Hancock, Lincoln Financial, Nationwide Financial, Pacific Life, Prudential Financial, Sun Life, Unum,

Genworth, ING, and Lincoln Benefit Life.

The group has even formed its own reinsurance company, M Financial Re.



Andrew Graves

The buying power of all of the independent member firms results in lower prices and better in-force management, meaning that the product performs well. "If we can do better than expected in performance, we like to pass that back to our clients so they can participate on the upside," said Andrew Graves, vice president of business development. "We have very strong persistency in our business. We sell something today that is sustainable for the long term."

Group member firms have been in business on average for 20 years or more. As one might expect, these firms use a team approach through relationships with other financial-services and legal professionals, and they work with clients' professionals. The



**Strategy:** Some 110 firms that focus on the ultrawealthy are currently members of the M Financial Group, an organization that promotes its ability to provide better products and services to its members for their clients.

**Producers:** The group leverages the buying power of all the independent member firms to develop strong relationships with life insurers and reinsurers to build better products for clients.

**Business Growth:** In 2006, M Financial recorded premiums of more than \$1.1 billion, the vast majority of which are recurring life insurance premiums. The privately held company's compound annual-growth rate was 17% over the past decade. Member firms have more than \$107 billion of face value in force and manage client assets of more than \$32 billion. About half of its business is with corporate clients, mostly small to medium-sized companies.

group also works to improve information technology for member firms. Members, of course, supply the clients, which they almost always acquire through referrals.

M Financial Group is one of the nation's premier financial services design and distribution companies, serving ultra-affluent individuals and Fortune 1000 companies through an exclusive network of over 110 of the nation's most successful and innovative independent financial services firms.

To learn more about M Financial Group and view a complete list of Member Firms, please visit [www.mfin.com](http://www.mfin.com).