

What's Inside

Producer Profile: Michael Hartzman

Decoding the MIB

Tax Reform Priorities and Procedures

AALU: Tax Reform Update

The Brief



Producer Profile: Michael Hartzman

Michael Hartzman, CFP® is the President of Bristol Financial Services in Jericho, NY. He specializes in tax planning, asset allocation, risk management, retirement/estate planning and long-term insurance planning. Michael took a few minutes to discuss his business with Meredith Garcia-Tunon.

I understand you own your own broker-dealer. Can you give me a quick synopsis of what that looks like?

My business is primarily investments and financial planning. Between my partner and me, we have about \$650 million under management. I am a Certified Financial Planner and I used to teach retirement planning at the C.W. Post Campus of Long Island University. I only stopped because they do not offer the program any more.

It is really a financial planning practice. I joke around with [my Crump Regional Director] Ben [Basile] that I stumble across insurance opportunities.

What do you do once you stumble across them?

I used to write simple term policies. I took over a 50-year-old business, so there is a lot of loyalty and opportunity. It has been a general progression of me better understanding the opportunities and asking better questions.

What kinds of questions have you found help get insurance into the conversation?

I ask estate planning questions, or offer insurance reviews if people have older policies. I work with one accountant in particular who works with artists and entertainers, and help with the estate planning opportunities that present themselves in that market.

I had an opportunity about a year ago with an accountant who was unwinding a defined benefit plan, and we needed an annuity that the accountant could not find. I knew that was not my strength—but I can give Ben a call. Ben got [Crump Annuity Wholesaler] Bernie Casey on the phone and the next thing I knew, we were able to help that client. I do not turn down the opportunities; I just get Ben on the phone and ask him if we can help a client.

When you are speaking about insurance with your clients, do you have any kind

continued on page 2

Decoding the MIB

Paul Holland, FALU, FLMI, Underwriting Consultant, Crump

The Medical Information Bureau (MIB) is a membership corporation organized in 1902 and owned by approximately 430 member insurance companies in the USA and Canada.¹ Pertinent underwriting Information is exchanged² between MIB and member companies after being coded for privacy. These codes act as alerts to identify areas that may need scrutiny during underwriting. Applicants³ can request their MIB profiles⁴ directly from MIB and can dispute any inaccuracies as well. Codes are listed in one's report for seven years, after which they are removed by MIB.

Formal Applications for Life Insurance

Timing: Generally, an underwriter checks MIB once at the beginning, and transmits codes once at the end of an application. However, codes may be exchanged at any time and any number of times during underwriting. A case pending for an extended period, for example, may be checked for codes just prior to approval. Additionally, MIB offers a follow up service that provides codes for two years after a member company first checks for codes. Member companies that subscribe to this service could essentially get codes from MIB during an in-force policy's contestable period.⁵

Information Coded: MIB codes may be medical or non-medical, positive or negative, admitted or

continued on page 3

Producer Profile, Continued

of “elevator pitch” that you use to explain insurance in general?

No. I joke around that I am really terrible at this! I am really an investment guy. But I’m in tune enough to know when the insurance opportunities present themselves.

I just brought on a new client the other day and the client gave me \$1 million to manage. Somewhere in the discovery process, I asked the client about long term care. I know enough to have the conversation.

For the more complicated cases, I have gotten very comfortable working with Ben and [Underwriter] Greta [Albright]. For me, the elevator pitch with accountants and larger clients is the pre-underwriting. The TimeSaver® is the differentiator that I count on with Crump, and has been the key to all the larger cases that I have placed with you guys.

How long have you been doing insurance in your business?

I have been doing it the whole time—20 years. But the difference is while I still write those small term policies like I did when I started—such as a 35-year-old buying a \$1 million 20 year term policy—what’s really happened in the last five to 10 years is me uncovering the larger cases.

Do you have any sales tactics that you find are working for you?

I am talking to clients all day long—from different ages, different income strata. I do not really have any sales strategy other than to keep an open mind and an open ear and identify the opportunities when they present themselves.

Is there a particular type of client that you would expect to see increased insurance opportunities with in the future?

I have many clients who are in their 40s, 50s, and early 60s who will inherit some money or have estate planning issues somewhere in

their futures. For example, I have a client now who is going to be selling a large property in Manhattan that is probably worth \$14 million. So I have already talked to her about some estate planning issues as well as planning for her daughter. There are plenty of opportunities like that where I have already planted some seeds.

Anything I have missed that might be of interest to your fellow producers?

Crump knows what I do not know. I am not reluctant to lean on Crump to see if there is a solution that I am not aware of. I am not afraid to admit that something is not my specialty. The way I look at it, I have the client base and you have the solutions. 🤖

Would you like to contribute an article or be interviewed for *The Brief*? Please contact Meredith Garcia-Tunon: meredith.garcia-tunon@crump.com, 717.736.7969.

Tax Reform Priorities and Procedures

H. Lillian Vogl, JD, CFP®, Director, Advanced Sales, Crump

Current Outline of GOP Tax Reform Proposal

A Joint Statement on Tax Reform was released July 27 by House Speaker Paul Ryan (R-WI), Senate Majority Leader Mitch McConnell (R-KY), Treasury Secretary Steven Mnuchin, National Economic Council Director Gary Cohn, Senate Finance Committee Chairman Orrin Hatch (R-UT), and House Ways and Means Committee Chairman Kevin Brady (R-TX).¹ The key features are:

- To “protect American jobs and make taxes simpler, fairer, and lower for hard-working American families.”
- NO border-adjustability tax
- Lower rates for small businesses
- Lower rates for C-corporations
- “Unprecedented capital expensing”
- To encourage repatriation of assets and jobs currently kept outside the U.S.

- To “protect American jobs and the U.S. tax base”
- Priority for permanence

Note that repeal of the estate tax is not on this list. Taking away the “border adjustability tax” from previous proposals loses a lot of revenue, which makes it even harder to offset cuts. It may well be that the Republicans have decided repeal of the “death tax” isn’t worth fighting for under the circumstances.

On August 30, President Donald Trump gave a speech² about his “America-first” tax reform plan. It is consistent, although less specific, than the Joint Statement. Trump’s latest outline of tax reform goals emphasizes simplifying the tax code, creating jobs with a globally competitive tax code (i.e. cutting the corporate tax rate), giving tax relief to the middle class, and “bring[ing] back trillions in wealth that’s parked overseas.”

Procedural Status

The Joint Statement claimed that the authors expected the legislation to move through Congress in “regular order,” which would involve:

1. Introduce a bill in the House, then “markup” in the Ways and Means Committee
2. Pass the bill on the floor of the House
3. Send the bill to the Senate, where it is assigned to the Finance Committee for another “markup”
4. Pass the bill on the floor of the Senate, with 60 votes required to break a filibuster
5. Referral to Conference Committee to resolve differences between House and Senate
6. Another vote on the final bill in both the House and the Senate.