

Identifying clients in your book of business that have or need a trust is a great way for advisors to retain and deepen hard earned relationships. It's important to learn which clients are eligible for a trust in addition to identifying families that need help leaving a bad trustee relationship. Understanding clients who are involved with a trust can sound technical and because of this, many advisors never bring up the topic with clients. Not being involved in the trust portion of your client's estate opens you up to the possibility that the trust could end up in the hands of a bank or lawyer who recommends that the investments are removed from your book of business, thus ending a relationship you have spent years building. By starting a conversation about the benefits of a trust and an independent trustee, you protect your role as asset manager.

The question we often get is how to start these important and sometimes sensitive conversations? Independent Trust Company has built its business helping financial advisors identify and capitalize on trust opportunities in their book of business. In over 20 years of working with financial advisors, we have learned a thing or two about how to help advisors see the trust opportunities hidden in their book of business and it starts when advisors ask The Golden Questions to identify and effectively land new business. These questions open the door for advisors to start the trust conversation and potentially earn sustainable business and can be asked when advisors become aware of life events.

- Do you feel that your trust's investments are performing well?
- Are your distributions, statements and tax return timely?
- Is the trustee an individual or bank?

The death of a relative, sale of a business, retirement, and the birth or marriage of a child are examples of life events that trusted financial advisors usually know about when they happen. These events present opportunities to start the discussion about your client's involvement with trusts in order to determine if their current trustee relationship is satisfactory and, if not, how you can get involved. Additionally, regular account reviews and client meetings are chances to identify trust opportunities and deepen already existing relationships. Below we are sharing the Golden Questions that will aid in starting these important conversations.

GOLDEN QUESTIONS:

Are you or your family involved in a trust in any way?

If so, are you happy with your trustee?

If the answer is no, now you know that an opportunity exists for you to advise on getting a trust set up or a more appropriate trustee. Opportunity can also sound like, "Well, yes, my husband has a trust" or "We don't but my wife's family has been using our local bank as trustee for years." Now the game is afoot. The next questions should be something like:

- Do you feel that the family's long-term goals for the trust are being realized?
- If I could show you a way for us to more effectively invest your trust's assets, would you be interested?

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The purpose of these questions is to help you recognize clients with trust opportunities by inviting your clients to share concerns they have about their future, their current Trustee and potential effects on their family. When asking The Golden Questions, keep in mind that your goal is to understand the impact of the trust's influence on the family and ways you can be a support and add value. When acting as the trustee, Independent Trust Company takes responsibility for the highly technical aspects of trust administration. Advisors who qualify continue to add value by accepting delegation for day to day management of the trust's investments. ITC works with advisors to be a reliable source for their trust families by offering personal, understandable trust solutions that put the interests of the trust first. This interaction deepens relationships with the families who trust you. It demonstrates that you have their best interests at heart and puts you in a position to grow or retain your book of business. If your client has already drafted an estate plan, there is one last Golden Question for you to ask:

GOLDEN QUESTION:

Who did your lawyer appoint as trustee and executor or personal representative for your trust and estate settlement?

Many attorneys name the local bank or a family relative as Trustee and executor or personal representative for the estate.

Unfortunately, when a local bank takes over as Trustee, the Financial Advisor who has worked with a family for years to build the family's wealth is too often pushed out so that

the bank can invest the assets. This means that a relationship you have spent years building is gone because you didn't ask The Golden Questions that could have helped you retain the relationship by offering a solution for the trust.

When it comes to the Trustee being an individual (individuals are estimated to be trustee of approximately 80% of all the trusts out there), they are chosen largely because the people who name them feel that they understand the family's culture and they want that culture preserved. Unfortunately, most individuals don't understand the technical requirements of settling an estate, tax ramifications or keeping proper accounts for the trust. This often sets most individuals— even highly sophisticated professional advisors like CPA's and attorneys— up for failure. Poor record keeping, and distribution documentation opens the door for family disputes simply because the person appointed did not have the necessary tools to do the work of the Trustee or executor.

You and your clients have worked for decades to build wealth to pass down to their children. Caring enough about your clients to ask The Golden Questions expands your relationship of trust and can prevent unintended consequences for families. It also helps preserve your relationship with your client families. The Golden Questions can help your clients see the value in bringing their trust's investments to you. Ask for a copy of the family's trust document and most recent trust asset statement— ITC will review and create a plan to help you land the business free of charge. Understanding how to spot a client who needs trust support and how to start that conversation will not just deliver service to your client but also keep the assets under your management. Trusts are a solution and Independent Trust Company is in the solution business.