

Spring Cleaning

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Ah yes, it's that time of year, when it's off with the old and on with the new. Time to clean the house and get ready for summer. A time of renewal. I'd like to take that concept one step further and extend it to your "financial house." Speaking of that, when was the last time you did some spring cleaning and reviewed what you have? I figured it had been a while, so let's grab a broom, mop, calculator and pencil and get to work!

First of all, do you have on one sheet of paper a list of all your insurance policies, the policy numbers, issue dates, insuring company, type of coverage, amount of coverage, premiums, and beneficiaries? If you don't, pick up the phone before you go any further and request that from your agent or agents. I would also suggest that you request that it be sent to you so you can avoid any pressure to purchase more until you have reviewed what you have now. Enough said? You should request this type of information at least every two years so that you have a summary sheet for handy reference.

I will move on and assume (I really hate that word!) that you have this summary and are ready to move forward. Take a good look at this information and now answer the following questions:

1. Are they still doing the job I bought them to do?
2. Do I still need them to do that job?
3. Are the companies "good" companies?
4. Is it time to "change" any coverage?
5. Am I getting my money's worth?
6. Does my overall program make sense?
7. Do I have an overall program or just a bunch of policies?
8. Am I getting the best that my money can buy?
9. Is my agent doing the best job for me?
10. Why did I buy these policies?

That's quite a list of questions for you to get the answers to. The best time to get those answers is now, not after you have a problem and then find out that you have no coverage in that area. You need to get an answer to every one of those questions, and you may need to call your agent/agents to get all the answers. Again, I would request that the answers be sent to you in the mail. You'll need the time to review and evaluate everything before the sales pitch begins.

While you are in the spring cleaning process, let me make some additional recommendations for you to consider. Now that you have this one-page listing all of your insurance policies, why not put that in a three-ring binder along with any mutual fund records that you have. Now you have everything in one place. You can use dividers for each mutual fund and keep the most recent statement plus the year-end one to see how well the fund is doing. Now you have all of your financial information in one location and it's easy to read! What an accomplishment! See, I told you this stuff doesn't have to be hard. I do this little exercise with all of my clients so that they are truly in control of their finances.

While we are on the subject of spring cleaning, maybe it's time too review your advisors too. I'm referring to your life insurance agent, your property and casualty insurance agent, your stock broker, your accountant, your attorney, your financial advisor, and anyone else who is on your "financial payroll." You may not think that you are paying these people but believe me, you are, and you deserve to really get your money's worth. By the way, let's not forget your banker as well.

How do you do this evaluation? There are some differences, but for the most part, the bottom line is pretty simple. Did they do the job? Here are some questions to help you determine that:

1. Have they been responsive to my request for information, or do I have to keep calling to get answers?
2. Have I seen or heard from them since they "made the sale?"
3. Do they keep me posted on changes affecting my situation?
4. Yes or no, are they earning their money and at the same time, making me money?
5. Do I feel that they are looking out for my best interests?
6. Do they answer all of my questions?
7. Do I really trust them?
8. Have they gotten me the "best," or did they sell me the only "brand" they carry?
9. Have I outgrown them?
10. Do I still like them as individuals?

As before, you need to do this review on all of your advisors, and I do mean all. This also needs to be done every year. It's your money, and you need to make sure that you are spending it wisely.

Okay, you have a big job ahead of you, but keep in mind it's worth it, and that it needs to be done. With the outline and questions that I have given you, the job will be a lot easier to accomplish. Let me know how things work out, and if you do a good job, I'll let you help me clean out my garage!

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MAY 1997