

An aerial view of a city skyline at dusk, with a blue overlay. The skyline features numerous skyscrapers, including the Empire State Building on the left. The text is centered over the image.

Norton Consulting

**THE "PLUG-&-PLAY" INSURANCE
PLATFORM FOR RIA'S**

The Opportunity

Unless you've been living under a rock, you know that the RIA business has become hyper-competitive. Clients are demanding and busy. And with multiple needs to fill, they don't have time to work with different advisors. They want one firm to handle both their wealth and insurance needs.

THIS IS A PROBLEM.

Because while insurance is a very lucrative product, it's traditionally been very difficult to setup, sell and manage.

Predictably, most RIA's avoid it altogether.

This creates an even bigger problem. Insurance is not only valuable to your clients, but it's also a highly lucrative revenue stream for your firm, paying you on both the front and back ends. And if you can't offer it, you'll lose more than clients and revenue. You'll also lose your best talent, because they'll jump ship in search of higher commissions.

For RIA's, this a serious dilemma. On one hand, if you want to survive, compete and grow, you must be able to sell insurance. On the other, figuring out how to do it is both time- and cost- prohibitive.

The process is complicated, time-consuming and dominated by middlemen who take up to 40% of your commissions.

This deck is dedicated to showing you setup your own, in-house insurance business, so your firm brings in more revenue, with less time, less effort and more control.

The Challenge: RIA's Need More Revenues

Too many advisors sell only fee-based investment advice. And this is a mistake, because without additional sources of revenue like insurance, you'll lose more than income. You'll also lose talent and clients.

Here are the 6 pitfalls of not having a high-revenue insurance practice.



LOSING CLIENTS TO OTHER FIRMS

Today's clients are too busy to deal with multiple firms. Instead, **they want a one-stop shop which provides everything they need.** If you're not offering insurance, you'll lose clients to other firms who do.



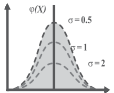
LOSING CLIENTS' HEIRS TO OTHER FIRMS

It's not just your clients who are valuable; it's their families, too. And when an older client dies, their heirs typically onboard with whomever was holding the life policy. And when they leave, so does all of their investment capital.



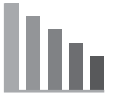
DIFFICULTY ATTRACTING AND RETAINING TALENT

The best advisors are motivated by their bottom lines. **They go to where they can make the most money.** If you're only offering them limited income potential, they'll take both their talents and their valuable clients to a firm that will.



THIN MARGINS

Every advisor in your firm must bring in a minimum amount of business in order to justify the cost of employing them. The less they sell, the lower your margins – and the higher your risk. **More revenue streams equals greater efficiency, more certainty and wider margins.**



LOST REVENUE

The simple truth is this: there's only so much money you can make in fee-based investment advice. **Your revenue is automatically capped, unless you find other sources.** Insurance pays you on both the front and back ends - for 10 years after you sell it.



LOW MULTIPLE WHEN TRYING TO SELL YOUR FIRM

The RIA business is in constant flux, with firms continually being acquired or taking on additional partners. If you want to realize a high return on a full or partial exit, **you must have additional revenue streams to justify your valuation.**

Insurance is a Lucrative Business

When you sell insurance, you can add millions to your bottom line.
And unlike active investment management, you'll get recurring commissions without any additional work.

\$3.95m

YEAR 1 REVENUE

\$6m

YEARS 2-10 PASSIVE COMMISSIONS

\$9.95m

TOTAL 10-YEAR REVENUE

Revenue based on sales to 50 clients. Includes Term Life, Permanent Life, Disability, Long-Term Care, Property & Casualty and Annuities.

The Problem: The Industry is Dominated By Middlemen

If you want to compete, you must offer insurance. But in between are dozens of middlemen who siphon your commissions, waste your time and erode your bottom line.



INSURANCE CARRIERS

The large insurers (MassMutual, New York Life, Principal, etc.) are only concerned with underwriting policies and hedging their risk. Carriers never sell direct. Instead, they use two groups of middlemen...



IMO's: Independent Marketing Organizations

The primary middlemen for the carriers, the IMO's are the conduit to every major carrier in the country. For every policy they sell, they siphon off a commission BEFORE it gets to you. Even worse, there are no standard commission structures, so what you get is what you can negotiate...



BGA's: Brokers General Agents

Boutique versions of IMO's, they only work with small RIA's. They're 100% commission-based, so whatever you secure through them will be chopped down even further.



RIA (you)

At the end of the line is your firm. No matter how many policies you sell, you'll always be giving up a huge chunk of your commission just to pay their bills. If you think this is a bad deal, you're right.

THE AFFECT ON YOUR BOTTOM LINE

Lower Commissions: Your "street comp" is up to 40% lower when working through IMO's & BGA's.

No Standardization: There's no set commission structure. They must be negotiated individually.

No compliance setup: IMO's & BGA's can't help you setup a compliant practice, leaving you at serious regulatory risk.

Doing it Yourself is Complicated

You can go it alone, but with no one to guide you, the process is difficult and confusing. And despite your efforts, **it will still take 2-3 years to find out if you've done it correctly.. or wasted both time and money.**

1 FIND THE RIGHT IMO OR BGA TO WORK WITH

There are 72 carriers and hundreds of IMO's and BGA's. **Locating the right one is like finding a needle in a haystack.** If you're lucky, you'll get a referral. Even then, be prepared to vet at least 10 firms. The process takes months.

2 NEGOTIATE CONTRACTS & COMP STRUCTURE

Even if you find the right middleman, their commission structures are different for every RIA they work with. Which means **you'll have to figure out both contract and comp structures before you can even begin to negotiate your cut.**

3 SETUP A COMPLIANT INSURANCE ENTITY

As a fee-based RIA, you can only sell commissioned-based insurance through a separate entity. To set one up, **you'll have to learn the proper structures, find experts to create and insure it,** and make sure your staff is properly licensed.

4 LEARN HOW TO SELL THROUGH TO YOUR CLIENTS

Selling insurance isn't the same as selling investment advice. It requires a different set of strategies, tactics and marketing materials. Doing it yourself means learning this all from scratch – and then testing, refining and implementing it.

5 TRAIN YOUR STAFF HOW TO SELL INSURANCE

Once you've got your sales structure down, you have to train your advisors how to sell. Otherwise **you'll end up with low close rates, an inefficient process and wasted time.** If you don't have a training process, you'll spend even more time and money building one out.

6 RECRUIT & ONBOARD NEW ADVISORS

The law of numbers doesn't lie: as your insurance business gets rolling, **you'll need to replace underperforming staff and replace them with better advisors.** Recruiting talent to sell different products requires a different level of expertise.

A Compliance Nightmare

A commission-based insurance business is completely different from a fee-based RIA.

Setting it up within regulatory guidelines requires specific expertise that takes years to learn.

To setup a regulatory compliant insurance business, you have to do some specific things:

FIND A LAWYER TO STRUCTURE IT

FIRST, you have to find an attorney who specifically knows the difference between an Insurance entity and a fee-based RIA.

GET IT INSURED

NEXT, you need to insure against liability claims, errors & omissions and claims against directors and officers.

SETUP YOUR BACK OFFICE

THEN, you have to build out your accounting, advisor licensing, reporting and other critical back office functions.

ADMINISTER CLIENT HEALTH RECORDS

AFTER THAT, you have to find a trusted resource to handle all client medical exams and health records.

BUILD OUT PAYMENT STRUCTURES

NEXT, you must make sure that the payouts to each advisor match your negotiated contract rates.

IMPLEMENTATION

ONLY THEN, can you begin to market to clients, train your staff, sell insurance products and collect your commissions.

What happens if you don't have a complaint insurance entity?



First and foremost are the regulators.

Taking insurance commissions through your RIA is a violation and will get you fined. The last thing you want is a black mark on your record, where any client can see it.



Then there's your own risk. Selling insurance creates liabilities your RIA's policies don't cover. The only way to protect yourself is with a separate entity.



And finally, there's time. It takes 2-3 years to even figure out if you've setup your insurance arm the right way. This costs you resources, money and lost opportunities.

An aerial view of a city skyline at dusk, with a semi-transparent white box containing text. The text is in yellow and white. The background shows a dense urban landscape with many skyscrapers, including the Empire State Building on the left. The sky is a mix of blue and orange, suggesting sunset or sunrise.

The Norton Group solves these problems.

We build dedicated insurance platforms specifically for RIA's, so you don't have to waste time, money and lost opportunities figuring out how to do it yourself.

How It Works: “Insurance-in-a-Box”

The Norton Group’s proven, 5-step system delivers high revenue, turnkey insurance business, specifically tailored for the unique needs of RIA’s. **Over the last 8 years, we have generated hundreds of millions of dollars in revenues for our clients.** Here is how it works for you:

1 STARTUP, STRATEGY & INSURANCE MODEL

Every RIA is unique, so we structure every engagement specifically to your firm.

We quantify your current business model, including total number of clients, AUM and what you’re currently selling.

Next, we assess your advisors. Who are the top producers? What are they selling? How is everyone being paid?

With this information, **we build an insurance model specifically suited to your firm’s objectives, client base and talent resources.**

2 CONTRACT SOURCING & COMMISSIONS

We take the pain of sourcing and negotiating contracts out of your hands.

The Norton Group has long-standing relationships with the top IMO’s and BGA’s, allowing us to get you full commissions on policies from every major carrier in the country.

We source the best IMO or BGA for your firm, and negotiate all of the contract rates, saving you years of time and untold amounts of aggravation. **Our negotiated comp rates are 30-40% higher than you’ll get if you try to work direct.**

3 SETUP OF COMPLIANT INSURANCE ENTITY

Next, we setup your insurance entity, so you’re compliant with existing regulations.

If you need attorneys, accountants and compliance officers to handle this, we provide them. If you have in-house resources, we work with them to make sure everything is done properly.

We ensure the correct corporate structure, licensing, liability coverage, accounting and back office integration. And then we plug you into your IMO’s dashboard, so you can seamlessly sell through to your clients and manage your payouts.

How it Works: A Turnkey Platform for Sales & Recruitment

Once you've setup your insurance arm, the next step is to sell to your clients, train your advisors and recruit top talent. And we've got you covered there, with a proven platform for both.

4 NORTON CLIENT SELLING & ACQUISITION SYSTEM



Selling insurance is completely different than selling fee-based investment advice. And one of the biggest challenges RIA's face is how to effectively sell through to their clients and achieve both high close rates and maximum compensation.

We provide you with a turnkey-system for the entire sales process - from initial outreach, product marketing, policy-to-client matching, pitching, and closing.

And we don't stop there, because our system also shows you how to acquire new clients into your firm. We show you how to identify the ideal clients, how to generate leads, acquire and close them.

5 NORTON ADVISOR TRAINING & RECRUITMENT PLATFORM



The only way to effectively scale your business is to ensure that your sales process is both efficient and repeatable.

Our Advisor Training Platform standardizes this process so that all of your advisors know exactly what to do in order effectively sell to their book.

Next, we help you identify your top performers, so you can elevate them, support them and achieve maximum commission payouts for your firm.

And because your company now offers much higher earning potential, we show you how to identify, recruit and onboard the best new talent. **You'll be able to vastly scale your business lines and revenues, with far less time and effort than you've ever imagined.**

Contract Types

We do a deep dive into your business and then match the right types of insurance to your client base. Then we negotiate the deals, secure your comps and get you up and running.



TERM LIFE INSURANCE

Today's clients are too busy to deal with multiple firms. Instead, **they want a one-stop shop which provides everything they need.** If you're not offering insurance, you'll lose clients to other firms who do.



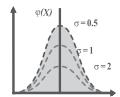
LONG-TERM CARE

It's not just your clients who are valuable; it's their families, too. And when an older client dies, their heirs typically onboard with whomever was holding the life policy. And when they leave, so does all of their investment capital.



PERMANENT LIFE INSURANCE

The best advisors are motivated by their bottom lines. **They go to where they can make the most money.** If you're only offering them limited income potential, they'll take both their talents and their valuable clients to a firm that will.



PROPERTY & CASUALTY

Every advisor in your firm must bring in a minimum amount of business in order to justify the cost of employing them. The less they sell, the lower your margins – and the higher your risk. **More revenue streams equals greater efficiency, more certainty and wider margins.**



DISABILITY INSURANCE

The simple truth is this: there's only so much money you can make in fee-based investment advice. **Your revenue is automatically capped, unless you find other sources.** Insurance pays you on both the front and back ends - for 10 years after you sell it.

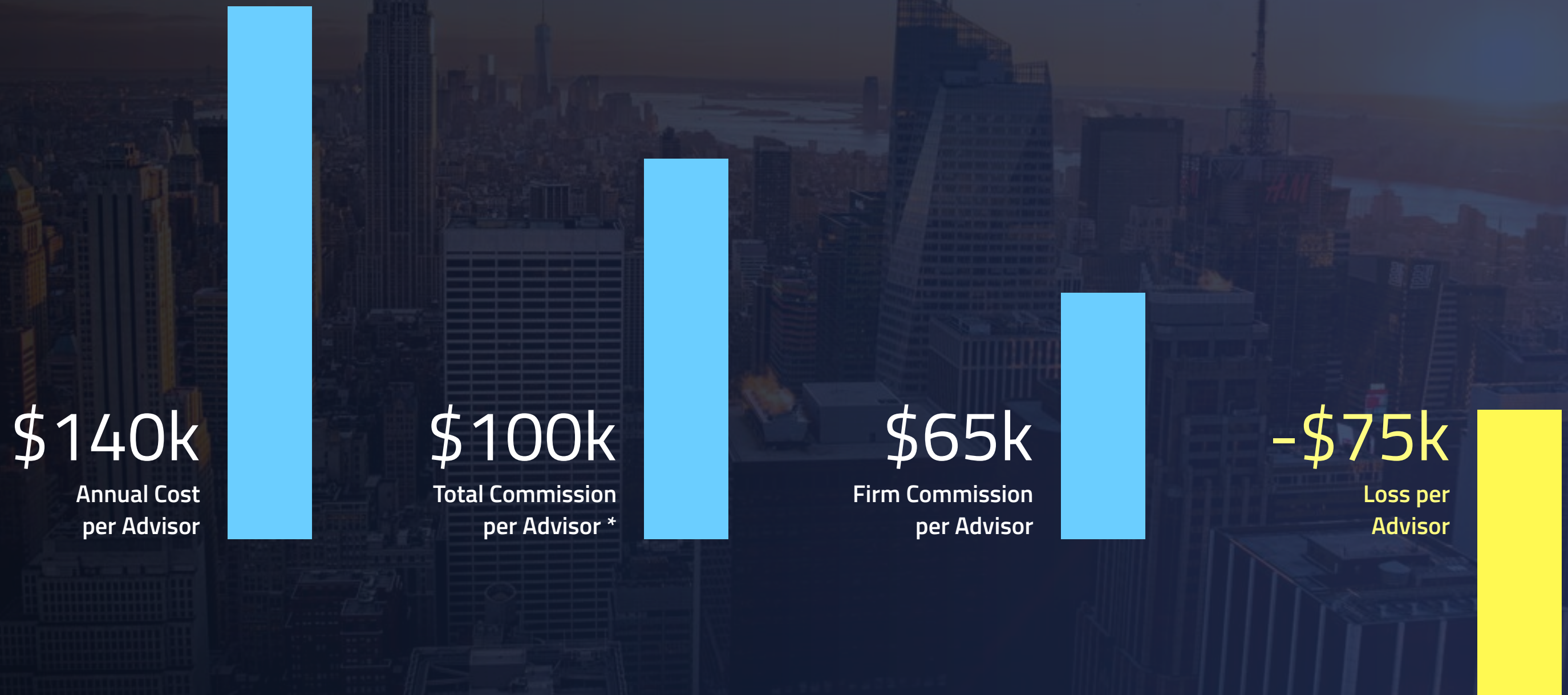


ANNUITIES

The RIA business is in constant flux, with firms continually being acquired or taking on additional partners. If you want to realize a high return on a full or partial exit, **you must have additional revenue streams to justify your valuation.**

New Advisors Are Underwater from the Start

The dirty little secret of the advisor business is that most reps don't produce. The average rep produces \$10m AUM, but many fall well short. Even worse, 50% of your workforce will wash out before you ever profit from them.



* Based on a 1% commission of the average advisor's \$10 million AUM

Insurance Transforms Losses into Profits

Insurance changes the game, because it's easy to piggyback on your existing products and pays much higher commissions. And even if a rep leaves your firm, you still get commissioned for 10 years on their sales.



* (1) Based on a \$10,000 policy sale to 50 clients, for \$500k total Year 1 sales.

(2) Year 1 is commissioned at 105%, for a \$550k Year 1 payout.

(3) Your firm takes first money out to break even on costs (\$75k), and splits the remaining \$475k with the advisor rep.

Membership Has Its Benefits...

Norton Group delivers the two things that matter most: more money in less time.

1 Increase Revenues & Monetize Your Staff

On average, each advisor you employ needs to generate \$10m AUM just to break even. Insurance fills this gap, allowing you to monetize your staff faster and easier.

2 Compress Time

Could you do all of this yourself? Yes. But it will take years of trial and error. And in this business, time really is money. We compress several years into 30 days, so you can start earning now.

3 Increase Client Retention

Like all of us, today's clients are incredibly busy. They want all of their financial needs filled by one firm. Even if you offer great service and high returns, many clients will opt for convenience over performance.

4 Retain Your Clients' Heirs

HNW clients always have life policies, which pay out when they pass. But here's the catch: if another firm holds those policies, the beneficiaries won't stay with you - they'll go to whichever firm is managing the distributions.

5 Sell More to Current Clients

If you want to make more money, your choices are simple: find more clients or sell more to the ones you have. Selling new insurance products to existing clients significantly reduces sales cycles and overhead, while increasing revenues.

6 Retain Your High Performers

The best advisors will always go to where they can make the most money. If you don't offer insurance, you're capping their commissions. And once they realize they can make more money somewhere else, they can - and will - jump ship.

7 Become a Destination for the Industry's Best Talent

The best talent wants two things: more money with less effort. Insurance checks both boxes, because it offers much higher commissions per client, with payouts that recur passively after the first sale.

8 Increase Your Margins Across Your Book of Business

Selling new insurance products to existing clients increases your revenue per man hour across the board. With higher revenue-to-cost ratios, you'll increase your firm's margins across the board.

9 Higher Multiple if Selling Your Firm

The math is simple: the more revenue streams you have, the more your business is worth. And because insurance pays passive, recurring commissions, it automatically increases your firm's value.

Norton Group Vs. IMO's & BGA's

Year 1
Revenue

\$3.95m THE NORTON GROUP

\$2.35m IMO'S / BGA'S

Years 2-10
Passive
Commissions

\$6m THE NORTON GROUP

\$750k IMO'S / BGA'S

Total Revenue
10 Years

\$9.95m THE NORTON GROUP

\$3.1m IMO'S / BGA'S

Revenue based on sales to 50 clients. Includes Term Life, Permanent Life, Disability, Long-Term Care, Property & Casualty and Annuities.

About the Norton Group

You can go it alone, but with no one to guide you, the process is difficult and confusing. And despite your efforts, **it will still take 2-3 years to find out if you've done it correctly... or wasted both time and money.**

ABOUT THE NORTON GROUP

The Norton Group helps financial advisory firms maximize their revenues by building out highly profitable insurance businesses.

Our vast experience and unparalleled track record transforms an opaque and complicated process into a turnkey system for fully monetizing both your client base and workforce.

We take a deep dive into the heart of your firm, so we can identify your challenges and transform them so you can maximize leverage across your business lines. Our services include:

- A comprehensive review of your current revenues and client base
- Contract negotiation and compensation structures
- Setup of compliant insurance practice
- Recruiting, marketing and point-of-sale training
- Staff management and oversight
- M&A consulting for exits or acquisitions.

ABOUT PAT NORTON

Pat Norton defines the term, "self made". As a former UCLA football player, he broke the mold, earning three degrees before graduation.

Once his career ended, he cut his teeth at one of the **world's biggest insurance carriers, taking one of their divisions from \$15m to hundreds of millions in revenue – in just 14 months.**

After seeing how the 2008 financial crisis ravaged the industry, he started the Norton Group to build sustainable insurance models for advisory firms, helping them protect their assets and grow their firms.

True to the motto from his playing days, "Work harder than everyone else, and play fast", Pat is well respected for his authenticity, accountability and ability to quickly identify and solve problems.

Pat brings much more than just his insurance expertise. His world-class network includes some of the most successful business people in the country. And his access to resources is simply unparalleled.

An aerial view of the New York City skyline at sunset. The sky is a mix of orange, yellow, and blue. The city is densely packed with skyscrapers, with the Empire State Building being a prominent feature on the left. The Hudson River is visible in the background, and the overall scene is bathed in the warm light of the setting sun.

For more information, contact:

Pat Norton

pat@patnortonconsulting.com

949-237-8858