

# Generating extra income

**Wills and asset protection are often overlooked but with over two thirds of people without a will this could be a lucrative growth area**

**It was 2007**, the property boom was at its height and like many mortgage brokers, Toby Clement couldn't process the mortgage applications fast enough. The phone was ringing non-stop, money was rolling in and business couldn't have been better.

Then everything changed. At the start of 2008 the economy faltered, the housing market crashed and the banks started shutting their doors. By the middle of 2008 the mortgage market had effectively ground to a halt and Toby's phone had stopped ringing. As with all other bankers, the sudden and sharp cut in Bank rate was the final straw.

Almost two years on and nothing much has changed. Despite a few green shoots, the mortgage market is still a shadow of its former self and who knows whether the current rise in activity will last? But something has changed. Toby is now making more money than he was back in 2007 when the mortgage market was at its height.

## **TIME TO DIVERSIFY**

So how has Toby managed to survive and prosper while other mortgage brokers struggle to make ends meet? Simple, he diversified.

Brokers can't wait in the vain hope that the housing market will recover in time to save their businesses. The good ol' days when mortgages were a licence to print money have gone, possible forever. Just as we have a new



age in politics, so a new age in financial services has also begun where brokers need to be proactive and look for new revenue propositions. Ideally those that dovetail seamlessly with their existing mortgage business and which they can start making significant returns from in a very short time.

## **ASSET PROTECTION**

Asset protection is the process of protecting an individual or family's wealth across generations, not only legally but from HM Revenue & Customs. It's one of the few financial services growth markets at present.

The reason for this is that more than two thirds of people do not

have a will, while a significant percentage of those that do will have an out-of-date or incorrectly drafted will. The result in many cases can be catastrophic – both personally and financially.

Similarly, the vast majority of life insurance policies that your clients hold will not be written in trust, which cannot only result in assets falling into the wrong hands but may mean unnecessary inheritance taxation.

In all likelihood, beyond pure mortgage protection cover, a large number of your clients will have no additional life assurance in place at all, exposing all remaining family members upon death.

In short, there's a high potential

market for brokers to move into and one that, as yet, remains largely untapped. Best of all, brokers will soon discover that their clients are highly amenable to this new service. It's the softest of sells.

## HOW MUCH CAN I EARN?

Asset protection offers brokers a simple and low cost way to start making a very good income out of a growth market. Brokers already doing this with their clients are generating average case earnings of around £2000. Typically £700 of income is generated from each client's will and trust requirements, payable within 14 days of the paperwork being submitted. And with around £50 per month of protection premium typically generating £1,200 commission, a very strong additional revenue stream can quickly be created.

## HOW DO I GET STARTED?

Of course you can't get into this without knowing what you are talking about. Comprehensive study is required but once trained, brokers can start contacting their clients immediately. They do not write the wills or trusts themselves and are not expected to become experts. A third party legal provider will be responsible for all technicalities involved in will and trust creation and its PI cover will protect all advice given.

Also, it's important to point out that no formal qualifications are required, as wills and trusts are not regulated by the Financial Services Authority. This means paraplanners and others within your firm could be commissioned to focus exclusively on this area of the business.

## ANY OTHER BENEFITS?

Putting in place a comprehensive will and trust package for your

clients isn't just a differentiator for your business and a door opener to revisit your existing clients. It is also a highly effective way to acquire new clients.

The reason for this is that creating wills and trusts requires the appointment of trustees, executors and guardians who become involved in the process, and will then often realise they also need better estate planning themselves. And because those individuals will generally be more successful or professional friends or family members it leads to better quality clients.

In summary, while the mortgage remains a pale shadow of what it used to be, brokers can still make money – and lots of it. They just need to be open to additional revenue streams that compliment their existing business and all evidence suggests that asset protection is one of the most rewarding. ■



**Toby Clement is 36 years old and has been a financial adviser and independent mortgage broker for 15 years. He works from an office attached to his home in Hampshire, with his wife, who is also a financial adviser, and two employees.**

**"For the majority of those**

**15 years, I specialised in mortgages," explains Toby. "Business was booming and my wife and I enjoyed a substantial six-figure income. Then at the start of 2008, the bottom fell out of the property market and our circumstances changed almost over night."**

**At that time, 90% of Toby's business was arranging mortgages and the impact of the economic slowdown was sudden and dramatic. "Business dropped by more than 50%" laments Toby, "and by the middle of 2008 the mortgage work had all but dried up. We were in a desperate situation because we were so heavily geared towards mortgages. The mortgage industry as we knew it had come to an end, and we had a difficult decision to make – either to leave the profession and look to retrain in a new career, or to find a different way of making money within the same industry."**

**Toby had heard about The Asset Protection Strategy and knew Danny Bloomfield, one of the founders. Danny suggested that Toby and his wife attend one of the workshops they were running. "I'd never really thought about wills and trusts before as a revenue stream," admits Toby. "Occasionally I would receive marketing material from companies through the post explaining how I could make**

**some extra revenue be referring wills work to them but the mortgage market was extremely buoyant at the time, and it didn't strike me as worth the time for what seems liked such a small return."**

**In September 2008, Toby and his wife attended the course. "It is not an over-statement to say that going on that course pretty much saved our business," admits Toby. "It opened our eyes to the revenue opportunities around wealth protection, and I could see the enormous potential straight away. Best of all, it wasn't a hard sell."**

**Toby started offering asset protection advice to his existing clients immediately. Toby said "The very next client who called to arrange a remortgage, I suggested that we should meet up because I had something important to tell him. That was my first case and has probably been worth £10,000 to me to date. I'm also still working with referrals off the back of that one case."**

**Toby concludes "With earnings so far this year over £60,000 from using The Asset Protection Strategy, our business is now bringing in as much money as it was before the mortgage work dried up and a significant percentage of that revenue s through asset protection work. Now, less than 50% of our business is mortgages and I'm almost certain if we'd waited like many mortgage brokers for the market to recover, we wouldn't have a business now."**

**"We also spend a lot more time having face-to-face meetings with clients, building relationships, getting to know them and their financial situation better – which makes the work much more rewarding and crucially, our clients are willing advocates for our services."**