

# How Financial Advisors Grow Their Clientele with ValChoice

*With insurance becoming an increasingly larger drain on your clients' income, clients need your help. Finally, there is a tool available to guide clients on how to reliably insure against risks, in a cost-effective manner.*

The logo for ValChoice features a grey swoosh above the word "Val" in a grey, sans-serif font. The word "Choice" is in a bold, dark blue, sans-serif font. A registered trademark symbol (®) is located to the upper right of the word "Choice".

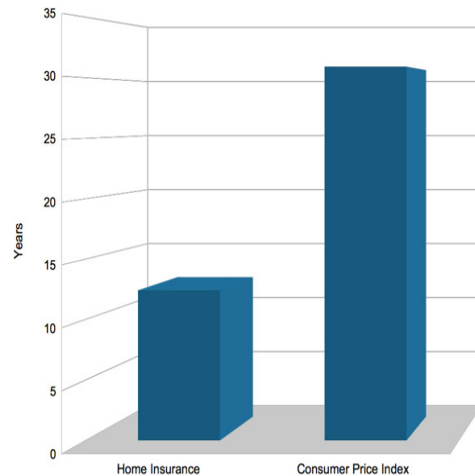
**ValChoice<sup>®</sup>**



## Insuring Against Risk vs. Wasting Money

Your clients are smart, which is why they are working with you and planning for the future. Your clients also know the cost of their insurance continues to escalate at an accelerating pace. As a financial advisor, your goal is to help clients to avoid wasting money but also make sure they are in a strong financial position.

Here's how financial advisors fit in when it comes to consumer insurance. As a financial advisor, you understand the impact of compounding on long-term costs. Over the last 15 years, home insurance has increased in price at 2.5 times the rate of increase in the Consumer Price Index (CPI)<sup>1</sup>. This is why the typical millennial age consumer, that over time has an average size family<sup>2,3</sup>, average cars<sup>4</sup> and an average home<sup>5</sup> will spend over \$850,000<sup>6</sup> just on home and auto insurance in their lifetime.<sup>7</sup> This has a dramatic impact on the financial position of your clients, and there's nobody advising them how to best spend their money on insurance.



Years to a doubling in price; Home insurance (12 yrs.)<sup>8</sup> vs. Consumer Price Index (31 yrs).

Clients buy insurance to protect their assets, but the insurance industry does not provide any metrics showing which insurance provides the best coverage for the price, which companies are the most reliable about paying claims, or even which companies provide the best service.

For the families spending \$850,000 on auto and home insurance in their lifetime, they need your help. If that money were spent more judiciously it could lead to a more comfortable lifestyle and retirement. Instead, that money disappears. The money is not in a retirement account...it's just gone.

## Why an Insurance Grading System?

ValChoice is working to help the entire insurance industry – from consumers buying insurance to the agents selling insurance and companies offering insurance products – to better understand and represent those offerings. By using ValChoice's independent grades, people can immediately see the value delivered, measured through a detailed analysis of critical purchase criteria: price, protection and service. ValChoice provides consumers with summary information for free. Agents, advisors and insurance companies can tap the power of ValChoice rankings via ValChoice subscription services. As part of a ValChoice subscription, agents and advisors can generate custom reports for



their clients showing how various companies compare. Insurance companies can use ValChoice rankings to communicate the value of their current products and to further improve their future offerings. The following details how ValChoice addresses the critical needs of financial advisors.

### The Power of Independent Analysis

With ValChoice tools, you have an independent; quantitative analysis based on industry financial and complaint data from insurance companies. You don't need to be a licensed insurance agent to advise your clients on whether their insurance company offers a good value or whether their insurance asset is properly placed?" [Click here](#) to see pricing, features and benefits, or a video demonstration of our easy-to-use tools.

### A Service Your Clients Will Both Appreciate and Value

Your clients don't know if the insurance they buy is worth the price. By providing an independent analysis, your advisor services will be differentiated and customer interaction will be more frequent, enabling you to build stronger customer relationships. You no longer have to worry about losing customers to insurance companies because now you're answering their most important questions – and your answers are backed by solid industry financial and complaint data from the insurance companies themselves.

### What Consumers are Saying:

*"With four young children, I need to know I'm protected if anything happens to me or my family. Thanks to ValChoice, I found out my insurance company was rated extremely low, prompting me to move my business to a better provider in order to ensure my family's future." Mike M., Bedford, New Hampshire*

*"I had no idea how my long-standing insurance company compared. ValChoice showed me that they ranked near the top. And with that information, I had the confidence to continue with my current provider." Matt K., San Ramon, CA*

### Components of the ValChoice Score

#### Price

The Price portion of the ValChoice score analyzes financial data and shows how each insurance company compares based on the coverage they offer for the price. The analysis is displayed with a fuel-gauge-style image so users can easily tell how any given insurance company performs. For example, in the gauge to the right, this insurance company has excellent performance.



Mid-point on the gauges represents industry average performance.



### Protection

The protection grade is based on examining all forms of losses. The analysis is presented in an easy-to-understand image showing how good the company's claims payment performance is in the state where the client lives. This analysis is also portrayed with a fuel-gauge-style image.



Compared to peer group companies.

### Service Quality Grade

The Service Quality component of the overall score is based on complaints filed with insurance commissioners. With a large database of formal complaints, ValChoice analysis identifies which companies are the best, and the worst. The data is presented in an easy-to-understand, star-rating format.



### The ValChoice Score

The ValChoice Score is a combination of the three subcomponents: Price, Protection and Service. Clients can decide which grade is most important to them, or decide which insurance to buy simply based on the ValChoice Score. Like the Price and the Protection grades, the ValChoice Score is represented with a fuel-gauge-like image with the center (yellow) being industry average. [Click here](#) for a video overview of the ValChoice subscription services that are available to advisors.



Industry First Insurance Value Grade

### A Service that's Easy to Offer Your Clients

As a financial planner, you have two options for how ValChoice can help you and your clients. You can become a ValChoice affiliate, directing your clients to the ValChoice service. As an affiliate, you get the personal satisfaction of knowing you are not only helping your clients get the best value in insurance, but you are also helping drive transparency into the insurance industry. While our standard policy is that we do not pay commissions, if high volumes of traffic originate from your website then we will happily enter into a commission arrangement. [Click here](#) to register as an affiliate. Alternatively, you can become a subscriber and provide reports tailored to your clients



needs, complete with your name, logo and contact information. Your firm can also be listed on the ValChoice website as a user of our tools so clients know if they want direct information based on credible, quantitative analysis, you can provide that information. [Click here](#) to request a personal demonstration of our subscription services.

## About ValChoice

ValChoice® is the only company to provide consumers, agents and advisors with information on which home and auto insurance companies offer the best price, protection and service. The company's advanced analytics platform collects and analyzes millions of financial and complaint data points and delivers the results in an easy-to-use service that Forbes Magazine describe as "Carfax for insurance." Using ValChoice, consumers are finally able to shop for insurance based on value rather than making decisions blindly based on price or advertising campaigns.

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<sup>1</sup> U.S. Bureau of Labor Statistics, <http://www.bls.gov/cpi/home.htm> data republished by, <http://www.usinflationcalculator.com/inflation/current-inflation-rates/>

<sup>2</sup> The average age for getting married is assumed to be 28, [http://en.wikipedia.org/wiki/Age\\_at\\_first\\_marriage](http://en.wikipedia.org/wiki/Age_at_first_marriage). The average number of kids is 1.86,

<sup>3</sup> [http://www.answers.com/Q/How\\_many\\_children\\_are\\_in\\_the\\_average\\_American\\_family](http://www.answers.com/Q/How_many_children_are_in_the_average_American_family) and the average wait after getting married is three years before having children, <http://www.bustle.com/articles/79792-how-long-after-getting-married-do-couples-have-kids-apparently-the-answer-is-different-in-each>

<sup>4</sup> Drivers are assumed to have a maximum of one insured vehicle beginning at age 18 and 2.08 vehicles after getting married. An average annual insurance expense is assumed throughout their lifetime. Average insurance expense is based on Insurance Information Institute (iii.org) data.

<sup>5</sup> The first home purchase is assumed to be 31 years old per the US News, <http://money.usnews.com/money/personal-finance/articles/2012/12/10/first-time-home-buyers-are-missing-out-on-housing-recovery>. The average insurance expense is based on information from the Insurance Information Institute (iii.org).

<sup>6</sup> Lifetime cost figures calculated based on using current average price information from the Insurance Information Institute (iii.org) and compounding based on average escalation rates over the last fifteen years. Average escalation rates also from iii.org. The III.org data available for the auto industry is for 2000 to 2014, showing an average escalation rate of 1.6%. The III.org data available for the home insurance industry is for the years 2000 to 2012. This was supplemented with 2013 and 2014 data from Perr & Knight in order to have a full fifteen years of history. The escalation rate for home insurance over this 15-year period was 5.8%. Examples of locations where the lifetime cost of auto and home insurance is more than \$1,000,000 include: The Florida, Louisiana, Mississippi, New York, Oklahoma, Rhode island and Texas.

<sup>7</sup> Average life expectancy is assumed to be 79.8 based on Wikipedia, [http://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_life\\_expectancy](http://en.wikipedia.org/wiki/List_of_countries_by_life_expectancy)

<sup>8</sup> The years until home insurance doubles in price came from the Insurance Information Institute, III.org, for the years 2000 to 2012. This was supplemented with 2013 and 2014 data from Perr & Knight. The escalation rate for home insurance over this 15-year period was 5.8%.