

CASTLES & MOATS



Insurance, Investment,
and Life Planning
Simply Explained



BRIAN CARDEN



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BRIAN CARDEN is a thirty-nine-year veteran of the ever-changing insurance and investment industry. He represents his clients through a decade-long alliance with Elite Insurance Solutions and with his registration with Madison Avenue Securities, LLC. Brian began his career in the industry in 1983 after responding to a flyer placed on his apartment door by a recruiter. Over time, his new job systematically morphed into an occupation, then into a career, and eventually to a calling where he guides others through the many changes throughout the insurance and investment industry. He's seen investment markets rise and fall and has guided clients through the good times of a bull market and the challenging times of a bear market. Where most of his peers focus on either insurance or investments, Brian's approach involving both domains differentiate him as a true, comprehensive advisor and planner. Today, Brian views his career as a calling to serve and views himself as a "professional explainer," particularly as it relates to separating fact from fiction surrounding all things insurance and investment planning. Brian has been published in the *Nashville Business Journal*, *Denver Business Journal*, *Boston Business Journal*, and on *Horseshmouth.com*. He also writes a regular blog for several thousand subscribers on "all things insurance and investment."

LEARN MORE ABOUT BRIAN AT
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AMERICANS ARE CONFUSED about the who, how, what, when, and why of managing their finances, insurance needs, and overall life planning. And oftentimes, it's what we *think* we understand that blows up in our faces. Like Mark Twain said, "What gets us into trouble is not what we don't know. It's what we know for sure that just ain't so." These are called *financial myths*, and your life is probably full of them!

In the 1980s, Americans didn't have all the insurance and investment options available to them that they do now. Nor did they have the constant barrage of advertisements, seminars, and financial entertainers. Back then, money wasn't the do-it-yourself project it has become today. Instead, consumers had insurance and financial professionals available to them who could help them make prudent decisions.

The point-and-click, self-serve nature of the Information Age has robbed us of the personalized face-to-face relationships that once led us into good financial decisions. Today, we're drowning in *information* ...but we're starving for unbiased *education* without a sales pitch attached. We need a "professional explainer" to come alongside us, unpack all the different options, and help us chart a course to the financial future we've always dreamed of and worked so hard to obtain. Brian Carden has been that "explainer" for his insurance and investment clients for decades, and in *Castles & Moats*, he will do the same for you.

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Introduction



AFTER THIRTY-NINE YEARS IN THE INSURANCE AND investment business—and after gaining a lot of wisdom and experience in the financial world (often the hard way)—I’ve come to some realizations. The biggest one is that most Americans are totally confused about the who, what, when, where, why, and how of managing their finances, insurance needs, investments, and their other assets. Sometimes we feel like we don’t know anything. Sometimes, we do. And, of course, there are the times when we *think* we understand something, but it turns out we don’t. That’s where we usually get into the most trouble. Like Mark Twain once said, “What gets us into trouble is not what we don’t know. It’s what we know for sure that just ain’t so.”

When I started in the financial and insurance industry in the early 1980s, there was little knowledge of the then-new Individual Retirement Accounts (IRA) or 401(k) plans. There were no “financial planners.” You put \$2,000 into an IRA or savings account, and they gave you a toaster! Yes, they actually did that. Mutual funds were just becoming available to the average person. Whole life insurance was still

considered a valuable tool for protecting families and growing cash values. People saved money in three ways: savings accounts or Certificates of Deposit (CD) at the bank, payroll deduction for US Savings Bonds, or cash values in their life insurance policies. Only rich people bought stocks, and they could only buy them through a stockbroker. There were no college savings plans. Instead, we worked summer jobs or worked part-time while taking classes. People worked at the same company for forty years and then retired with a monthly pension check they would receive for the rest of their lives.

Things are a lot different today. You can find virtually every financial product, concept, or tool you could ever possibly imagine with a quick Google search. Hey, if it's on the Internet, it must be true, right? You can also get your fill of information from all the "financial entertainers" that are all over the airwaves, the media, podcasts, and the Internet. There is a ton of financial *information* ... but virtually no *education* on how these financial tools work or how we should use them in our personal financial planning.

If you don't believe me, Google "financial planning" and you'll get at least 2.9 billion hits. "Mutual funds" returns 2.94 million hits. Again, lots of information but minimal education.

When I was a kid, Mom and Dad had insurance agents, stockbrokers, and bankers to go to with their financial questions. Believe it or not, these people *still* exist! Our immediate access of point-and-click, self-service options on the Internet has not replaced them—not yet anyway. And that's a good thing. We still need these professionals to help us reach our financial

goals, to help guide us through the minefield of our personal finances . . . and to help us build our castles and dig our moats.

Why Me?

The title of this book—*Castles and Moats*—is a metaphor I’ve used for years, and it’s the foundation for my belief system of how all of your insurance, investment, retirement, and life planning should work.

Simply put: if you’re going to build a castle of financial wealth, you better build a moat of protection around it!

Just to be clear about why I’m writing this book, I assure you it’s not because I like to hear myself talk, and it’s not an item on this sixty-something-year-old guy’s bucket list. I’m writing this because I’ve had basically the same handful of conversations over and over and over with friends and clients for nearly four decades. I have said that, in my purest form, I am a “financial psychologist.” I have a business degree, but most of my work is emotionally based, helping people make good decisions with their finances.

One of my Realtor friends, who often overhears me on the phone when I’m working in his building, once asked, “Brian, don’t take this the wrong way, but how many times a day do you have that exact conversation with prospects and clients?” We laughed . . . but I took it as a compliment that I said the same thing to so many people so frequently that he could recite it from memory.

So no, this book isn’t an ego trip, nor is it a bucket list item. It’s a tool to help my current and future clients, along with you, the reader, understand the method to my madness.

It's a resource that will answer your basic "castles and moats" questions and help you understand how to best use the financial products, professionals, and resources at your disposal.

Competing Voices

Imagine you are standing at the head of a large conference table, surrounded by all the people you have a professional relationship with. This could include:

- Financial advisor for investment management
- Insurance advisor for life and disability insurance
- Insurance agent for home, auto, landlord, and business coverages
- Real estate agent
- Mortgage broker
- Banker
- Human resources/corporate benefits representative
- CPA
- Attorney
- "Financial entertainer" (because you believe what they say)
- Your dad (because you've always trusted him)

You begin the meeting by saying, "I've invited all of you here today because I have a relationship with each of you and I want you to help me organize my finances and build a financial plan for me and my family."

Sounds simple enough. I mean, these are (mostly) professionals who spend much, if not all, of their time working with

people's income and assets. Surely this meeting would go smoothly, right?

Probably not.

Most likely, there would be a lot of heated debates and arguments around the table, with each professional presenting his or her own opinion of what you should do. Even though you trust each of these people, everyone has a bias in their chosen field. The insurance guys think you should buy more of their products. The financial advisor wants more of your money to manage. The HR director thinks you should put as much as you can into your company-sponsored retirement accounts. They each have a vested interest in what you do, and they each are convinced that *their* way is the *right* way. But they can't *all* be right, can they?

In previous years, I taught a class I wrote called "Conducting Your Financial Symphony." It's a way of explaining the conference table scenario above. Let's say each trusted professional plays a different instrument and the sound they make is them focusing on their individual instrument. Hopefully, you've been to a symphony before and know what I'm talking about.

So, what happens when the conductor takes the stage? Things get quiet and he or she leads everyone as a finely tuned orchestra making beautiful music together. Herein lies the question: Are you qualified to conduct your own financial symphony? If not you, then who?

If you see this as I do, then we're off to a great start toward optimizing this book.

I'm not professing to know everything. Actually, I'm learning more daily. However, I do know a lot about each of these options and, more importantly, I know how the professional financial planning game is played. Every financial services representative generally has a bias in favor of the type of work they do. If they work for an investment firm, then they're biased in favor of asset management. If they work for a life insurance company, then they're biased in favor of life insurance. They may call themselves "comprehensive financial planners," but they're not. Plus, if they work for one of the big household-name companies you are familiar with through advertising, branding, and funny commercials, they're almost certainly what's called a *captive agent*, meaning they can only sell that one brand-name company's products. Ever felt that sales pitch from someone who only has one product to sell? I've been on the other side of the table as that salesperson, so I totally understand how it feels!

In my career, I've been a captive agent on the property and casualty side and also on the financial and life insurance side. Today, though, I am an independent insurance and financial advisor. This means I have the freedom to represent multiple companies for multiple product lines. I get to shop around among all the different companies, products, and services to create a customized plan that perfectly meets my clients' needs. If I don't have it, I go find it!

Now, in my fifth decade in the business, I think this is the best option for the consumer, and it's how I'm going to present the material in this book. The good news is that you'll learn how to piece together the plan that's right for you; the

bad news is that you can't get it all from a single stop-and-shop provider. You'll need to build a team. This way, you can prioritize, organize, strategize, and stress-test each financial decision to ensure the best outcome. Plus, you'll avoid wasting money on products that won't work well for you. By recapturing those lost dollars and redeploying them toward other, more fitting options, you'll have a much better result.

How to Use This Book

Even though I've titled this book *Castles and Moats*, I will address the moats first and the castles second. Why? Think about what a moat does: it's there to protect the castle from invasion or attack. So, when it comes to our finances, the moat represents the layer of protection we put around our finances *today*, and the castle represents our wealth-building *tomorrow*. That's how we'll approach the topics.

For starters, this isn't your typical sit-down-and-read-cover-to-cover book. Instead, it's designed to be my professional explainer's tool. Each chapter is its own module. If you are buying your first home, condominium, or investment property, there are specific chapters on those. If you're wondering if you have enough auto insurance (tip: you probably don't), there are a couple of chapters for that. Whatever need you're facing, I give you permission to skip around throughout the book, grab a pen, and please feel free to make a lot of notes in the margins and wherever I ask you to fill in some blanks regarding your personal plans. In each chapter, you'll find the same conversation I've had with my clients an infinite number of times as they've faced that need themselves.

Now, while you can (and should) skip around based on your needs, I did arrange the chapters in order of priority. If you're a young adult just starting out in life, consider chapter 1 your *Step 1*. Chapter 2 is *Step 2*, and so on. This gives you the invaluable opportunity to build your castle with intentionality from the ground up. For example, most people today immediately start contributing to their company 401(k) when they should be setting money aside for short-term needs, college debt payments, consumer debt reduction, and so on. There's nothing more frustrating than doing the right things at the wrong time only to realize the repercussions of your decisions after it's too late.

I should also say that my goal here is not to educate you on *every* aspect of these important topics. This isn't a graduate-level course on every insurance and investment product and strategy under the sun. Rather, my goal is to expose and break down the misinformation around the areas of insurance and wealth-building and arm you with the knowledge you need to make the right decisions for your family. I'm not interested in showing off how much I know. Unless you want to become a broker yourself, you don't need to know everything I know about this stuff. You just need to know what *you* need to know to make good decisions. So, I'll try to keep things short, sweet, and thoroughly unintimidating. I've actually given talks to groups entitled "Stuff That Makes Me Fun at Parties!"

The chapters will be fairly quick reads with no fluff. I could explain most of these individual topics in five minutes or less over coffee with a friend or client. I've learned that

most people can absorb only so much info. Too little, and you might not understand or feel confident to make a decision. Too much, and you might feel overwhelmed; so again, you don't do anything. I always aim for the middle—enough to educate and get my client to act, but not so much that their eyes glaze over.

That's the plan, and I'm ready to get started. I've always said I am a "professional explainer" of insurance and financial concepts. I guess it's time for me to live up to it!

EVERY CASTLE OF FINANCIAL WEALTH

Needs a Moat of Insurance Protection

In *Castles & Moats*, Brian Carden helps you understand, prioritize, organize, strategize, and stress-test each financial and insurance product and strategy to help you create a more favorable outcome. You'll learn how to avoid buying products or strategies that might seem good when you buy them, only to find out about the pitfalls later in your life. By recapturing those lost dollars and redeploying them toward other, more tailored solutions, you'll increase your chance of financial independence with more predictable outcomes.

Unpacking all the ins and outs of insurance, planning, and investment strategies, Brian Carden gives you an unbiased, practical, and easy-to-understand guide you can use to make better, more-informed decisions. In this book, he will equip you to build your glimmering castle of wealth and surround it with a moat of protection.



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BUSINESS & ECONOMICS / GENERAL

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ISBN 978-1-637630-45-7 \$25.00 U.S./\$34.00 Can.



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PRINTED IN THE U.S.A.