

### 1. **What services do you expect the financial professional to provide, and what approach or process does the financial professional use?**

It is important to discuss the scope of services you require: are you looking for a comprehensive financial plan, are you looking for assistance with insurance for your business, or do you want to purchase a specific product? You may benefit from a comprehensive approach that covers a full evaluation of your needs and situation, appropriate recommendations for your circumstances and risk tolerance, and ongoing monitoring of the plan. Make sure you understand – if you engage a financial professional for limited services – the gaps you may be leaving unaddressed in risk management, retirement planning, or other areas.

### 2. **How does the financial professional get paid, and how much will the service cost you? Are there any potential conflicts of interest?**

Don't be afraid to ask this question and get the details. It's important to know how your financial professional is paid: through commissions on product sales? Through fees on assets under management? For fee-based services? Also ask when your interests might be in conflict with those of your financial professional: will he receive commissions on some products he sells to you and not others? Remember that commissions in and of themselves are not inappropriate, and fee-based services are not always beneficial. Just make sure you understand how the compensation works and how much your financial professional's services will cost you.

### 3. **How is your financial professional regulated, and what code of ethics does she follow?**

Ask what regulators oversee your financial professional: state insurance commissioners? State or federal securities regulators? Credentialing organizations? Make certain you understand which regulators are involved and, importantly, which codes of ethics and practice your financial professional is required or elects to follow.

### 4. **Check your financial professional's credentials.**

Use this site or contact the grantor of your financial professional's credentials to verify that he or she is in good standing, and verify what the credentials represent. In particular, ask if your financial professional has one of the three major financial professional designations: CLU® (Chartered Life Underwriter®), CFP® Certification (Certified Financial Planner™), or ChFC® (Chartered Financial Consultant®).

### 5. **Has your financial professional ever been publicly disciplined for unethical conduct by any regulatory, credentialing, governmental, or professional organization or ever been convicted of a crime?**

FINRA, your state insurance department, the SEC, and your state securities department are all places you may go to check out a potential financial professional to determine if there is any adverse history. You may also check with credentialing organizations if the financial professional has a professional designation. If your financial professional is registered with the SEC or a state securities department, ask for a copy of the Form ADV, Part 2, which includes disclosures that will be helpful to you.

**6. Will you be working directly with the financial professional or with others in the office?**

Find out who will be handling the day-to-day details of your account. If you will be dealing with others in the office in addition to your primary financial professional, meet them and ask questions about their backgrounds as well. Make sure you will have access to the expertise for which you're paying.

**7. Verify references, qualifications, experience, and commitment to continuing education.**

Check with others who have had a long-term, successful relationship with your financial professional. Verify with your financial professional where she went to college, what credentials she has earned, what work experience she has had, and what continuing education she completes each year. Trust but verify.

**8. NEVER take a "hands off" approach to your money.**

Understand where your money is and make sure your financial professional will keep you informed about how it is invested, what fees you are paying, and what returns you are getting. Never disengage from this important issue, regardless of how talented your financial professional seems to be. Make sure that if you don't understand a potential investment or product recommendation, your financial professional will have the patience to answer your questions until you do. Never make a check for any investment or insurance product payable directly to your financial professional.

**9. Check your financial professional's track record: if it sounds too good to be true, it probably is.**

Other than a few top investors like Warren Buffett, Peter Lynch, Sir John Templeton, and a few others, most financial professionals do not beat the market consistently. Do ask about historical performance, but have a healthy skepticism and use common sense when evaluating recommended approaches from your financial professional. If, for example, your financial professional is selling products guaranteed not to go down when the market declines but to still capture the upside when the market rises, check for expenses, penalties, and surrender fees. While guarantees may be worth the price, they are never free.

**10. Ask for any key commitments or information in writing.**

If a financial professional won't give you the information you request in writing, run – don't walk – for the nearest exit. It's important to have your relationship with your financial professional and the services that will be provided clearly understood in writing so that there are no misunderstandings later.