Volume 1, Issue 11 | December 2006

clique™

ACCESS TO LOCAL AND GLOBAL OPPORTUNITIES

CHAPTER BUSINESS

GREENWICH CO-CHAIRPERSON

Tony Fagella
Deutsche Bank Alex.Brown
Financial Services – Investment and Wealth Management
Member Since: September 2006

The late '90s may have been all about high-tech, but according to Deutsche Bank's Tony Fagella, the clients he works with these days are mostly real estate-oriented customers. Find out what Fagella sees happening over the next 10 years in the industry, and discover what makes clients continually turn to Deutsche Bank for their wealth management needs. **More...**

GREENWICH CO-CHAIRPERSON

Edward Tafaro
Exceptional Risk Advisors, LLC
Consulting – Business Risk Management and Investigations
Member Since: October 2006

Having wealth does not mean having a lot of free time. Ted Tafaro understands that affluent individuals are very busy, and that's why his firm works to simplify his clients' lives by acting as their personal risk management professionals. Tafaro explains his company's unique selling point and reveals some of the complicated issues he faces with clients. **More...**

MEMBER NETWORKING

Kent Pearce – Merrill Lynch

Financial Services – Investment and Wealth Management

Kent Pearce is all about putting his clients' minds at ease. Pearce, who manages The Pearce Group Private Wealth Management Group at Merrill Lynch, shares some of the key elements to having a balanced portfolio designed for asset protection and comprehensive risk management and discusses the changes he has witnessed in the industry throughout his career. **More...**

Daniel Blickman – Klehr Harrison Harvey Branzburg & Ellers LLP

Attorney – Tax (Structuring, Controversies, ESOPs)

Tax law is constantly evolving and requires tax attorneys to be dedicated to researching, understanding and creatively applying the law. Dan Blickman is a man passionate about his work in the corporate group of Klehr Harrison Harvey Branzburg & Ellers, LLP. Read about Blickman's background as a classics professor and find out what his firm offers that is unique to the Philadelphia area. **More...**

Brian MacArthur – Deloitte & Touche LLP

Accounting – Auditing/Taxation – Middle-Market Companies

Sarbanes-Oxley brings a smile to Brian MacArthur's face. MacArthur, a tax partner with Deloitte & Touche, now has relationships with companies that were very difficult to get into five years ago. MacArthur discusses how his industry has changed drastically since the Act was put into place, and tells about some of the challenges he faces as a result. **More...**

BUSINESS FORUMS INTERNATIONAL

Michael Peloquin, Publisher

Jeff Hester, Reporter

Subscription – $975 /12 Issues
Call for Enterprise Pricing

1930 Century Park West
Los Angeles, California 90067
(310) 789-5702 • (800) 718-5634
Contact membership@businessforumsinternational.com

Volume 1, Issue 11 | December 2006

clique

GREENWICH
CO-CHAIRPERSON

Edward Tafaro
Exceptional Risk Advisors, LLC

Professional Category:
Consulting - Business Risk Management and Investigations

Member Since:
October 2006

"A perfect referral for Exceptional Risk Advisors is an introduction to a successful wealth management or financial advisory firm that caters to high-net-worth clients. In the ultra affluent market, we seek introductions to family offices.

“Exceptional Risk Advisors manages a Group Personal Umbrella Liability Program that enables corporations to use their institutional buying power to provide deeply discounted rates, coupled with a best-in-breed product. This coverage is sold on a ‘no underwriting’ basis with limits up to $50 million per person. We use this program successfully for hedge funds, private equity firms, law firms, and any other employer with a high concentration of affluent employees. Introductions to decisionmakers or benefit managers within these firms are great referrals.”

Ted Tafaro is the CEO of Exceptional Risk Advisors, an outsourcing partner to trusted advisors, providing their affluent clientele with the expertise and resources to effectively manage complex personal property and liability exposures. He recently joined Business Forums International as the co-chair of the newly launched Greenwich chapter. Ted met with *clique* to discuss his new business venture and highlight his networking goals.

clique: Ted, I know you recently started Exceptional Risk Advisors, LLC, but before we discuss your current position, perhaps you can give us a little information on your background.

Ted Tafaro: I’ve been in insurance since 1991, where I ultimately came to co-own and run a business called The Hanleigh Companies, and what Hanleigh did, and does to this day, is they specialize in underwriting insurance for professional athletes, entertainers and highly compensated executives. So I’ve built products from end to end where I’ve done everything from the reinsurance all the way through to the policy wording and policy issuance, with complete binding authority in-house. It was great experience for me for a number of different reasons, but ultimately I wound up building this nice network of trusted advisors around the country, as well as relationships in all different facets of the insurance industry. We sold that business to BISYS, which is a public company, in 2002, and I worked for them for three and a half years. Then, in May of 2005, out of need for a change and a little bit of frustration, I left to form Exceptional Risk Advisors, LLC.

clique: Can you tell us what Exceptional Risk Advisors does?

Ted: In essence, we’re an outsourcing firm that caters to trusted advisors, mainly financial advisory firms and wealth management firms. We provide their affluent clientele with the expertise and the resources needed to effectively manage complicated personal property and liability exposures. So, effectively, we act as the personal risk management professionals for affluent individuals and families.

clique: Is it like a full-service firm where you’re managing their assets as well as you’re looking at tax and liabilities?

Ted: No, the opposite. We actually are a plug-in outsourcer that goes to firms that do that. You tend to have people in the financial advisory community that are in two different businesses: they’re usually in the asset under management business and the life insurance/estate planning business.

At the same time, they’re the trusted advisor in the picture. And they’re entrusted with their clients’ overall financial health and well-being, including making sure their clients have a proper insurance portfolio in place. The reality is that very few of these financial advisory firms or wealth management firms are licensed to sell property and casualty insurance, and even fewer of them are capable of creating any real value relative to this aspect of their client’s insurance program.

We partner with these advisors to provide their wealthy clients with a unique service. In property and casualty insurance the talent tends to gravitate towards commercial, because that’s where the money is. But the reality is that when you are dealing with wealthy individuals and families, those accounts have a lot of moving parts, and they become very much like commercial insurance risks.

continued on page 14

“What we’ve done is built the A-Team around dealing with the sophisticated personal insurance exposures.”

clique

CHAIRPERSON'S corner

continued from page 13

And, what we've done is built the A-Team around dealing with the sophisticated personal insurance exposures.

clique: What types of clients are you looking to attract?

Ted: Ultimately, our organization is looking for relationships with the trusted advisors. The relationships with the families themselves are great, and they always come, but we're looking for that center of influence, and our typical relationship is the financial advisor/wealth management firm. We're like working with the independent, boutique wealth management firms that deal with individuals in the $5 million range up. Essentially, high-end financial advisory firms, family offices and wealth management experts are our best clients, and we can add the most value to their practice and client relationships.

clique: Do you do a lot of your business on the east coast, or do you have clients nationally?

Ted: We're licensed in over 30 states. Essentially, if you're serving the affluent, you need to be prepared to deal with that wherever it is. So if they have a primary residence in New York, and a secondary in Florida, and a ski lodge in Colorado, we need to be licensed in all three states to effectively serve that client.

clique: Any thoughts about going beyond the U.S. market?

Ted: No, not in terms of our sales and marketing strategy, but we do see our fair share of exposures outside of the U.S., whether it's a villa in Tuscany that a wealthy person owns, or, today's problem was a gentleman that keeps a couple of yachts up in the northern part of Canada. We have to be able to deal with that, because the wealthy people really view the globe as their playground. But, strictly from a client perspective, no, we've got plenty to accomplish in the U.S. for the next few years.

clique: What would you say is the unique selling point of your firm?

Ted: The unique selling point for us is that we're focused on personal lines only for the wealthy. Most affluent people are busy, and mistakenly view personal insurance as a commodity. This is far from the reality when dealing with complicated personal insurance exposures.

Second, we're focused on an outsourcing model for advisors, so we provide the advisors that we serve detailed information about their clients. We have their clients sign releases that enable us to share that private information with the advisory firms. We provide our advisors with electronic versions of all of the insurances that we transact for their clients. We really simplify their life, try to make them look smart for their clients, and we do a good job at making sure their clients are well-protected.

clique: Looking back on the past 10 years, have you seen a change in the issues facing wealthy individuals?

Ted: The issues facing the wealthy are getting more and more complicated. Whether it is finding the right and adequate liability insurance protection for entertainers, athletes or just wealthy individuals, or whether it's dealing with issues like worker's compensation or employment practices liability insurance for domestic employees. Those issues were largely disregarded in the past, and now there are actually much better product sets and solutions to protect wealthy families.

clique: What do you see as the greatest benefit for your business as a member of Business Forums International?

Ted: It's the ability to build the business faster. I say that in conjunction with the fact that wealthy people are very private by nature, and finding their advisors is not always the easiest thing to do. To the extent that the Forum can help me be introduced to trusted advisory firms that deal with the affluent and the ultra-affluent markets, I'm looking for ways to get there quicker.

clique: Can you sum up for us some of things that you want to make sure people understand about you and your business?

Ted: The one thing that I'd like to hammer home is that generally speaking, affluent people are very, very busy people and they mistakenly view their personal insurance as a commodity.

And the practical reality is far different than that. The more affluent they are, the more moving pieces and the more complicated the insurance portfolio design. Ultimately, one of the things we like to say is "it's not just the insurance company, it's more the advisor that puts it together", and there are very few talented advisors in the insurance space that are dedicated to personal insurance that can do that.

If you want to contact Edward Tafaro about Exceptional Risk Advisors, LLC or the Greenwich chapter, call (201) 512-0110 or e-mail him at ted.tafaro@exceptionalriskadvisors.com.

"The unique selling point for us is that we're focused on personal lines only for the wealthy."