



Personal Lessons Learned by 9/11 Expert

In remembrance of the 2,977 who were killed in the 2001 September 11 attacks I thought it appropriate to write about an article that appeared in the New York Times in 2015, written by Kenneth Feinberg, the expert who decided how much should be paid to individual victims and their families. The lessons he personally learned in the 30 years he has been charged with putting a value on the lives of people already dead serves as a reminder of the important role the financial professional and life insurance plays. As we near the end of the COVID pandemic and the loss of over 1 million lives that it caused the lessons learned by Kenneth Feinberg are worth reviewing.

How 9/11 Influenced Feinberg's Personal Financial Decisions

In taking on the task of determining how much to compensate families for their loss, Kenneth Feinberg learned a number of financial lessons. Following are 3 lessons mentioned in the article:

- **Seek advice of a financial planner and estate planning expert.** The article noted that only 78 of the 5,300 eligible claimants took advantage of the free financial advice offered to all claimants receiving compensation and less than half of the victims had wills. The article describes situations experienced by Mr. Feinberg where members of the victims' families "declared war" with one another over distribution of the millions in the victim's compensation fund because of the lack of a will and where claimants wasted the compensation received. Up until 9/11 Mr. Feinberg managed his own planning. After 9/11, having witnessed what happens when people don't get expert financial advice, he sought the advice of a planner and went to a law firm specializing in trusts and estates.
- **Purchase substantial additional life insurance.** It is no surprise to those of us in the life insurance industry to learn that over half of the victims had no life insurance. It is unfortunate that life insurance is usually not on the 'front burner' when people review their financial affairs. Investment products and retirement plans get far more interest and attention than life insurance, yet these financial products can take decades to reach the point where they begin to fulfill their purpose. The sad truth is that the victims of 9/11 ran out of time, and died too soon before plans were complete. The article noted that Mr. Feinberg purchased a mix of term and permanent insurance.
- **Change your investment style.** Finally, the article mentions that hundreds of 9/11 victims failed to set aside sufficient funds to provide for their families believing that future earnings would be available to make up the shortfall. Of course, the attack cut short such plans. As a result of this experience, Mr. Feinberg became a firm believer in saving a larger part of his annual income as a hedge against unknown future events – what he called the "cushion" theory of investment.

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