



Life Insurance as an Assets Under Management (AUM) Retention Strategy

How integrating life insurance into wealth planning protects AUM through generational wealth transfer

When gathering the most credible and widely-cited research in the wealth management industry, one conclusion is clear and defensible: advisors who integrate life insurance and estate planning — and intentionally involve spouses and beneficiaries — materially improve AUM retention across generational wealth transfers.

The Structural Problem

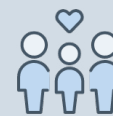
We are at the early stages of what Cerulli Associates projects to be an \$84 trillion generational wealth transfer — the largest in history. Without deliberate action, advisors risk losing a significant share of AUM not because of performance shortfalls or fee competition, but due to one structural gap: the absence of meaningful relationships with beneficiaries before wealth transitions. The data is striking.

What the Research Shows

Three authoritative, leadership-credible research sources tell a consistent and complementary story. Each is independently respected within the wirehouse and wealth management industry.

Life Insurance Marketing Research Association (LIMRA) research (validated by Northwestern Mutual's integrated advisor model with thousands of advisors and millions of client relationships) demonstrates a clear and measurable retention advantage for advisors who combine investments with life insurance and annuities.¹

Cerulli Associates is the most widely cited and trusted research firm inside wirehouses and large wealth management organizations. Their annual advisor metrics report, considered the industry standard for practice management benchmarking, consistently finds that only 20–27% of beneficiaries retain their parents' advisor when no prior relationship exists. The primary reason beneficiaries leave is not dissatisfaction with performance but the absence of a relationship with the advisor prior to a wealth transfer event.² Cerulli explicitly states that advisors who proactively involve beneficiaries in estate and protection planning have a materially higher probability of retention.



20–27%

of beneficiaries retain their parents' advisor

A separate Cerulli study focused on spouse and family involvement in wealth planning quantifies the upside of early family engagement. The study finds that through beneficiary designations, trustee conversations, and liquidity planning, life insurance is the single most common and repeatable reason spouses and beneficiaries attend planning meetings. This makes insurance not a product, but a relationship-expansion mechanism.³

While not a direct study on life insurance, the Bank of America/Age Wave Legacy Study also provides critical behavioral context. It confirms that:

- Clients want advisors to be involved in legacy and end-of-life planning
- Very few clients have comprehensive legacy plans in place
- Families feel more confident and loyal to advisors who help coordinate legacy planning.⁴
- This provides advisors with a self-affirming narrative: their clients already expect them to lead these conversations and they are currently under-delivering on that expectation.

How Insurance Specifically Enhances Client Retention

Life insurance isn't just about protecting clients; it's also a critical tool for protecting an advisor's practice. Long-term AUM retention is heavily influenced by the strength of the advisor's relationship with the next generation. Beneficiaries who haven't experienced meaningful value from their parent's advisor are far more likely to transfer assets elsewhere. Conversely, advisors who engage families early and demonstrate relevance significantly improve the likelihood of multi-generational retention.

Integrating life insurance, particularly through planning-driven conversations, creates natural opportunities to strengthen those relationships. It brings the entire family into the planning process, positions the advisor as a trusted guide during life's most important moments, and ensures clarity and stability when wealth transitions occur.

Simply put, everyone benefits: the client's family is better protected, and the advisor meaningfully increases the probability of retaining assets across generations.



Recommended Actions for Advisors

The research is clear but improved retention requires action. Below are three scalable steps to make life insurance a structural AUM retention tool across the advisory platform:

1. **Process** – Embed insurance reviews into the advisory process and recommend annual life insurance and beneficiary reviews.
2. **Education** – Provide advisors and their teams with training on multi-generational engagement to help advisors develop frameworks for engaging spouses and beneficiaries.
3. **Measurement** – Track insurance integration as an AUM retention metric and include life insurance conversations, beneficiary involvement, estate reviews, and beneficiary updates.

Bottom Line

Life insurance is more than a product solution. It is the most scalable, repeatable tool available to advisors for developing beneficiary relationships that help prevent AUM outflow before wealth transfer events occur. Key findings:

- **LIMRA:** Integrated planning advisors retain five points more AUM.
- **Cerulli:** 73–80% of beneficiaries leave advisors without a prior relationship.
- **Age Wave:** Clients expect advisors to lead legacy conversations.

Contact your Crump specialist today about turning insurance into an AUM retention strategy!



¹ LIMRA / Northwestern Mutual — Integrated Advisor Model Study, LIMRA Distribution & Marketing Conference

² Cerulli Associates — Advisor Metrics: Managing & Growing a Practice (Annual Industry Report) Cerulli Associates — U.S. Wealth Transfer & Philanthropic Giving Study (2023)

³ Wealth Transfer Planning Vital for Advisers to Retain Client Assets (2025)

⁴ Bank of America / Age Wave — "Leaving a Legacy: A Lasting Gift to Those You Love" (2019)

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