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Captive Insurance Services

## **Aggressive is not Risky!** By Rich Ericson, Denver Co

It's second down and three at the thirty-five yard line going in to score. Your team has been running the ball very well. It is the perfect time to be aggressive and call a play-action pass.

Calling a play-action pass in a football game **AT THE RIGHT TIME** is being aggressive. A play action pass at the right time and situation is not risky. In fact, with proper execution the worst case is an incomplection and no loss whatsoever.

Often times investor's mistake aggression for risk.

Stereotypically, along with the prospect of higher returns, aggressive investments also carry a higher-than-average risk of losing some -- or all -- of the money you invest.

When is the proper time to be aggressive?

1. When the **time** is right. The right timing is 2nd and 3. The wrong time to take risk in your investments is when you are behind by two touchdowns and everyone knows you are going deep.
2. When there is a tangible **reward** for your risk. One of my clients liked risk. He was taking risks based on that reason alone. He was risking his entire portfolio without any real chance of scoring a touchdown. He was throwing deep on 1st down, 2nd down, 3rd down, and fourth down. He threw field position, timing and even potential reward out the window. With the appropriate adjustments, now this client is aggressive, but not risky. He is being rewarded appropriately.
3. When you can afford to lose. When an investor has the majority of his investments safe and secure, then it may be appropriate with a small percentage of his or her investments to go for the touchdown. In fact many successful investors became that way by taking a chance. Not by being risky, but by being aggressive.
4. When you have the right tools. Individuals who have a team full of talented players that are working well together as a team, with a quarterback that makes good decisions, then opportunities to be aggressive in a variety of situations become available to that individual.

Here's a case scenario: A business owner re-allocates existing business assets significantly reducing risk of the business, or formally protecting exposures previously informally self-insured. Protecting what is most important is like adding an extra tight-end and fullback into your offense. Captive insurance sounds risky. In fact, captive insurance reduces risk. Find out why!

Aggressive does not mean risky. It's second down, after faking the ball to the runner, the quarterback then delivers the pass and the tight-end easily catches the ball for a big play. The reward of being aggressive at the right time, while really not taking any risk at all creates success. As an investor, be aggressive, not risky, and create **Your link to Security!**



### **About Richard Ericson**

Rich was born and raised in Salt Lake City, played quarterback for Weber State University and coached football at the Division One level for 10 years at Weber State and Utah State Universities as offensive coordinator. He now coaches individuals on how to invest safely in their retirement plans. Rich's expertise is working with business owners utilizing advanced tax strategies to reduce risk and build tax-favored and tax-free wealth. Rich received his Bachelor's Degree in Communications and his Master's Degree in Education from Weber State University. He is currently licensed to sell Property & Casualty, Life and Health insurance.

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