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Better Paths to
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The
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Pioneering Better Paths to Financial Well-Being

By Kathy Hunt

With the multitude of investment, insurance, and benefits plans in today's market, selecting the best one for businesses or individuals can be overwhelming. If figuring out the differences in terms and conditions takes more time and expertise than you have at hand, contact the independent advisors at the Conestoga Group, Inc. (CGI), 601 Swedesford Road in Frazer. In business for 39 years, the firm offers unbiased financial and insurance guidance to individuals and small businesses. Generally, the ideal size for a Conestoga Group small-business client ranges from 2 to 250 employees. CGI also works with both high net worth individuals as well as average income workers and those just starting their careers or families. The many changes have created a "New Norm" for effectively using investment, insurance, and employee benefit products.



Brad Palmer
Founder & President
The Conestoga Group, Inc.

THE NEW NORM

- New Products
- New Legislation
- New Technology
- New Communication
- New Service Needs
- New Wellness Programs

CGI's mission is "to pioneer better ways for businesses and individuals to buy insurance, investments, and employee benefits while providing the service necessary to make ownership a satisfying experience." No matter whether you are looking into retirement plans such as a 401k, personal wealth management, or group insurance, you can expect independent, objective, and high-level service from CGI, said Brad Palmer, founder and President of the Conestoga Group.

Palmer began his career in financial and insurance services at Equitable, which was established in 1859 as the Equitable Life Insurance Society of the United States. After several years with Equitable, he opted to strike out on his own, founding a new advisory firm. This gave Palmer the ability to better serve his clients by delivering high-quality services and offering an array of products from almost any financial services provider.

Independent, objective advice

Independence and objectivity are essential to CGI. Palmer pointed out that, as independent Registered Investment Advisors (RIAs), CGI's 401k and personal wealth management advisors must be fiduciaries, who act in their clients' best interests, follow a prudent process in developing recommendations, and avoid conflicts of interest that negatively impact their clients. RIAs report directly to the Securities and Exchange Commission, not to the Financial Industry Regulatory Authority (FINRA) as most financial advisors from large broker-dealer firms do. This fiduciary philosophy has also helped to establish CGI's approach to non-investment products such as their group insurance advice.

Keeping independence and objectivity in mind, CGI advisors will work with any financial company that offers a quality product. "One of our primary responsibilities is to do an RFI (request for information), listen to sales pitches that any insurance or investment company has, and then decide if it's a product worth selling to our clients," Palmer said.



PHOTOS BY STEVE LAJNER PHOTOGRAPHY

“We are committed to transparency, reliability, and personalized service. From the initial consultation to the implementation of your solutions, and every step thereafter, we’re with you.”

Among the health insurance providers with which CGI works are Independence Blue Cross, Aetna, United Healthcare, Cigna, and Individual Coverage Health Reimbursement Arrangement (ICHRA) programs. Under ICHRA, businesses give their employees a monthly allowance of tax-free money that the employees use to purchase their own health insurance. Established by the federal government in 2019, ICHRA programs are a new form of health insurance that can be helpful to employers with workers scattered throughout the country or who have different plan preferences. The CGI group advisor can explain and discuss whether it is appropriate for a client.

CGI’s investment advisors can also assist clients in navigating the complex world of mutual funds. The financial education website Investopedia defines a mutual fund as “a financial vehicle in which shareholders put their money together to invest in securities (e.g., stocks, bonds, money market instruments). A fund manager chooses the best investments, and every investor shares in the profits if the investments do well.”

Palmer noted that mutual funds have different share classes about which investors might not be aware. These classes are based on how much a person must invest and how much their fees will be.

“Some of the really popular mutual fund families have as many as 19 different share classes,” Palmer said. “The fees may include the investment management fee as well as sub-TA (transfer authority) fees, which aren’t itemized. You have to do the math to see how much is being charged by the fund in addition to the investment management fee. Higher expense share classes reduce the rate of return an investor receives,” he said. “It’s getting much more complicated. That’s one of the things that we do — we dive in, look at the share classes, find out what, if anything, is hidden, and which share class has the highest rate of return for our clients.”

To help with researching and monitoring investments such as mutual funds and exchange traded funds (ETFs), CGI utilizes the online research platform Morningstar Direct. The platform contains data on over 35,000 mutual funds, enabling CGI investment advisors to deliver advice built on data, analytics, and full transparency to the client. CGI has established its own sustainability score, which rates a mutual fund according to its return on investment as well as risk exposure and danger of losses.

Palmer added that, unlike CGI, large investment companies may tout products that favor the big companies. “They have adopted the mentality of doing what’s best for the company, devising more sophisticated ways to benefit themselves and their shareholders, not their clients,” he said. “Our objective is to benefit clients.”

(Continued on page 8)



Doug Palmer
President
CGI Plan Advisors, Inc.

NEW TECHNOLOGY

- Online Benefits Administration
- Payroll Integration with Online Benefits Administration
- Mobile Applications & Online Portals

NEW COMMUNICATIONS

- Videos vs PDFs
- Compliant Electronic Communications



Fredonna Smith
Senior Administrator
The Conestoga Group, Inc.

NEW SERVICE NEEDS

- Delayed vs Denied Claims
- Beneficiary Tracking
- Prescription Coverage Understanding

WELLNESS PROGRAMS

- Benefits Education & Understanding
- Wellness Assessments (Health & Finance)
- Healthcare Advocacy Service
- EAPs (Employee Assistance Programs)

Providing pathways for small businesses

Realizing that not every person stays on top of changes in the financial and insurance markets, Palmer and his advisors are committed to providing “pathways to understanding” investments, employee benefits, and insurance. These pathways are set up to reflect the client’s perspective, be it as an owner, a financial decision maker, an HR person, or individuals and employees. Furthermore, to ensure that clients’ distinct needs and concerns are met, CGI has created three separate corporations, one for each of its three areas of expertise.

As its name suggests, CGI Wealth Advisors handles wealth advisory services for individuals and consists of a Registered Investment Advisor and support staff while CGI Plan Advisors also manages 401k and other qualified plan services through an RIA and staff. The Conestoga Group itself oversees group insurance plans and provides additional human resource (HR) support so that small businesses don’t have to incur the expense of expanding their HR departments. Its HR services include access to Personify Health, a healthcare advocacy service that can aid in resolving claims, finding a provider, understanding a diagnosis or treatment, and planning for the care of an aging parent. The group also provides access to Mineral, an HR resource center possessing a live HR call center, document preparation advice, and a library of forms, templates, and other resources.

Palmer characterizes the initial meeting between a prospective small-business client and a CGI advisor as an open discussion about the client’s interests and needs. During this time, the advisor presents background information on CGI, including how it has evolved to combine old-fashioned service with modern technology and its continuous due diligence on products, service providers, and legislation that may affect its clients.

“We want to make sure that people have confidence in us and also verify our credibility,” Palmer said. “Then, we explain how we aim to do at least one of three things for our business clients — reduce costs immediately, control costs long-term, or maintain and/or improve employee appreciation of benefits.”

After determining which of the three is most important to the client, the advisor outlines how they can achieve this goal together. “If it’s lowering cost, we go through several steps that will help lower cost. If you want to control your cost long-term, that’s more about establishing a philosophy about indexing benefits,” Palmer said. Palmer has observed that some clients want to be known as one of the top companies in the area for employee benefits. Others aim to simply be better than average in their benefits offerings while some merely seek catastrophic protection for their workers. Educational enrollment meetings can help employees better understand and appreciate their benefits. CGI has developed Wellness presentations, a “New Norm” that helps with the knowledge level and thus the appreciation of overall benefits.

After evaluating various strategies as well as client feedback, the advisor creates a final recommendation. It includes differentiating factors supporting the recommendation, steps to implement the solution within a desired time frame, and how results are tracked. No fees are charged unless the recommendation is accepted.

“Our goal is to provide clients with the knowledge, tools, and service they need to make informed decisions and enjoy their investment and insurance selections.”

Forging pathways for individual clients

From determining needs and goals to recommending and setting in place solutions, CGI's individual clients follow a similar path to its business customers. The difference between the two types arises around objectives. Individuals may be looking for guidance on what to do with an inheritance or a financial windfall or how to manage a 401k or IRA plan.

“We have our personal financial advisor if they're looking for that kind of help,” Palmer said. “If a 401k or 403b participant is wondering how they should manage their account, our 401k advisor will hold a one-on-one meeting at no charge and do a quick calculation of what they need to do to reach their retirement planning objective,” he said, adding that, participants with other assets or those near retirement may ask CGI's personal financial advisor to take over their investments.

Along with these services, an advisor will break down the complexities of Social Security, explaining yearly audits, of the taxes that fund Social Security, and the overall health of the whole Social Security program. Palmer advises people not to create a retirement plan without factoring in at least some Social Security. “Under the current taxation system, almost 80 percent of Social Security benefits will still be available according to the most recent audit, so you should include that 80 percent in your calculation,” he said. “Adding Social Security will reduce the amount needed to be saved to meet your retirement objectives.”

To assist clients with financial investments, the CGI utilizes the Black Diamond Wealth Management Platform. Part of SS&C Advent and SS&C Technologies, the software platform gives, as the CGI website states, “Conestoga clients a complete picture of their wealth with custom, streamlined communications that help them better understand their account's performance and make more informed investment decisions.”

Increased understanding about insurance, investments, and market volatility

To further ensure that clients possess enough information to understand and make sound decisions, CGI has created a series of short, insightful videos. These focus on its three categories of expertise: group insurance; personal wealth management; and 401k, 403b, and other retirement plans.



Aaron Harken
President
CGI Wealth Advisors, Inc.

Among the topics covered are health insurance rate calculations, the pros and cons of self-funded insurance plans, what types of stock funds a 401k should offer, managing risk, and shares-based investing. The videos are available on Vimeo and on the CGI website, <https://cgiadvisors.com/>. On the homepage's four user tabs, mouse over the one that describes you and click on “Learn More.” This will lead you to a page with drop-down menus for each of the three categories.

The group recently completed a video addressing market volatility and how to deal with it before it actually happens. Palmer said that it is essential for people to be highly diversified and have their accounts set up for automatic rebalancing.

“Whenever there's a big drop in the market, all we ever hear about is the Dow Jones Industrial Average or S&P 500,” Palmer said. “If you're diversified in other markets — bonds, stocks that are large-cap, mid-cap, small-cap, value, growth, foreign, domestic, and other strategies — and there is a drop in one category, there will likely be other categories that are doing fine.”

Regarding how to approach market fluctuations, Palmer advises keeping a positive attitude towards a downturned market. “The best way to look at a drop in the market is that it's not really a loss unless you sell, and the fund that just dropped in value can now be perceived as on sale,” he said. “Since 1926, over 90 percent of drops in the stock market have been followed by recovery within three years. Buying more while it's at that low market drop price means that, based on 100 years of history, it's likely to come back in three years.”

NEW PRODUCTS

- Back Door Roths, Guaranteed Retirement Income, ETFs, CITs, TDFs
- ICHRAs, QSERAs, Self-Funded Group, Level-Funded Group, Reference Based Pricing

NEW LEGISLATION

- Rollover Disclosures
- Fiduciary Responsibilities
- Automated 401k Enrollments

Fixed fees and no “fee creep”

Following the mandate of serving the client's best interest, CGI advisors are accessible at all times. Initial consultations are free and with no obligations.

“Our objective is to always charge fees that are below average. Plus, our fees are based on either a fixed calculation that we recalculate each year, or a declining scale as assets grow,” Palmer said. “When your fees are based on a constant percent of assets and not recalculated each year, there is a ‘fee creep.’ A lot of times, in small business 401ks, the owners and higher-ranking employees have the majority of assets, leaving them paying high fees that offset the maximum contribution they're allowed to put into the 401k plan.”

Knowledgeable, experienced advisors known for looking out for the client's best interests. Well-researched, objective, independent, and transparent advice. No hidden fees or “fee creep.” With so much on offer, the Conestoga Group is an obvious choice for small businesses and individuals contemplating insurance, investments, and employee benefits. To learn more about CGI or schedule a free consultation, call 610.889.9500 or visit the website <https://cgiadvisors.com/>.

