……15 Years and still rolling…….

Open MIC is open for anyone.

9:00: AM Pacific Thursday 800 504-8071 Code is 2554567

IF YOU WOULD LIKE TO FIND OUT MORE ABOUT US

CALL OR EMAIL

ANTHONY OWEN

888-74AGENT (24368)

tony@annuityagentsalliance.com

OR VISIT OUR WEBSITE

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Real Help From Real Agents.

Open MIC is free and available to all: <u>Our 25th Year</u>.

"Industry and Marketing news you can use to make more sales!"

We can all breath a collective sigh of relief until July 1, 2019. This should give the SEC time to propose their own Fiduciary rule and hopefully, and permanently, remove the risk of class action lawsuits and **FIA's from the BICE.**

http://www.thinkadvisor.com/2017/08/29/omb-approves-18-month-fiduciary-rule-delay?

ALERT - OMB Approves Delay "with changes"

The Office of Management and Budget (OMB) has responded quickly to the Labor Department's request for a delay in the full BIC applicability date.

The Department submitted to the Office of Management and Budget proposed amendments to three exemptions, entitled:

1. Extension of Transition Period and Delay of Applicability Dates From January 1, 2018, to July 1, 2019;
2. Best Interest Contract Exemption (PTE 2016-01); Class Exemption for Principal Transactions in Certain Assets Between Investment Advice Fiduciaries and Employee Benefit Plans and IRAs (PTE 2016-02); and
3. Prohibited Transaction Exemption 84-24 for Certain Transactions Involving Insurance Agents and Brokers, Pension Consultants, Insurance Companies, and Investment Company Principal Underwriters (PTE 84-24).

What the "change" referred to in OMB's review conclusion is not yet clear.

More:

https://insurancenewsnet.com/innarticle/dol-fiduciary-rule-lawsuit-angle-will-likely-mooted#.Wabs2bpFyUm

http://www.thinkadvisor.com/2017/08/22/thrivent-fights-dol-fiduciary-rules-anti-arb-claus?

In addition to the Thrivent case there is another DOL case still pending. The larger 9 plaintiff case is still in the appeals court and pending a ruling next month.

http://www.thinkadvisor.com/2017/08/25/latest-dol-fiduciary-fight-zeros-in-on-advice-vs-s?eNL=599de96b160ba0de0f257b67&utm_source=TA_Compliance&utm_medium=EMC-Email_editorial&utm_campaign=08252017

I received a few questions since the delay came out asking "what do I do now"? The answer is the same today as it was before the delay. Nothing has officially changed yet. You are still a Fiduciary, you still need to document as if you had to defend your choices for the client (this should be the case regardless of the DOL Rule), and you still must get a PTE 84-24 signed on qualified money cases.

Anthony R. Owen

Quantitative Easing: Long Term Consequences

- Asset Inflation
- Wealthy Winners
- US Government re-mortgages debt

America has successfully refinanced its national debt from higher interest rates to lower interest rates. **88.5%** of all national debt is now 10 years or shorter. This is good for us as a nation, less interest that needs to be paid means less federal budget restraints.

Inflation could damage fixed interest retirement plans (which could damage those dependent on annuities). There is a time in our life when inflation becomes less of a concern. the older we get, the less fear we have of inflation. *Quantitative Easing* put in place by the Federal Reserve is an example of how inflation could become a factor. *Unintended Consequences of (past) Quantitative Easing.*

Read this article and be more informed.

http://www.thinkadvisor.com/2017/08/22/unintended-consequences-of-quantitative-easing?

Use Social Media to Game Leads.

(this is a marketing piece offered by a competitor of ours, they will help you generate leads via social media, before you do, learn the facts)

Their plan is simple:

- Create a Facebook Business page
- Start a paid advertising campaign
- Reach thousands in your target audience in mere minutes
- Sit and watch the leads come pouring in

Right?

Wrong. So very, very wrong.

Facebook is home to BILLIONS of accounts. All of whom are flooding the platform with content, trying to get the same attention you are.

Ready to do some research, here are the links:

- **82%** of baby boomers belong to at least one social media site, with Facebook leading in popularity.
- Baby boomers spend **27 hours** per week online.
- **Baby Boomers** are more likely to share content compared to any other generation.

Learn the difference between a website that **receives** traffic or one that **goes and gets** traffic. (Retire Village)

Here is the best marketing tip you will ever receive: **Outsource your marketing**

Here is why it is so important to use an annuity to guarantee lifetime income. Your important retirement money may not last depending on where you live. Build your retirement **income pyramid** like this:

- Social Security
- Pension
- Annuity conversion of an IRA/401(k)

(Balance of assets to help inflation concerns.)

Health care is a massive concern: Health care costs for retirees will rise an average of 5.5% over the next decade. Inflation from 2012-2016 had an average inflation rate of 1.9%

This report from *GoBankingRates* helps measure how far a $1,000,000 will last. http://www.thinkadvisor.com/2017/08/22/how-far-does-1-million-go-in-retirement?

More:

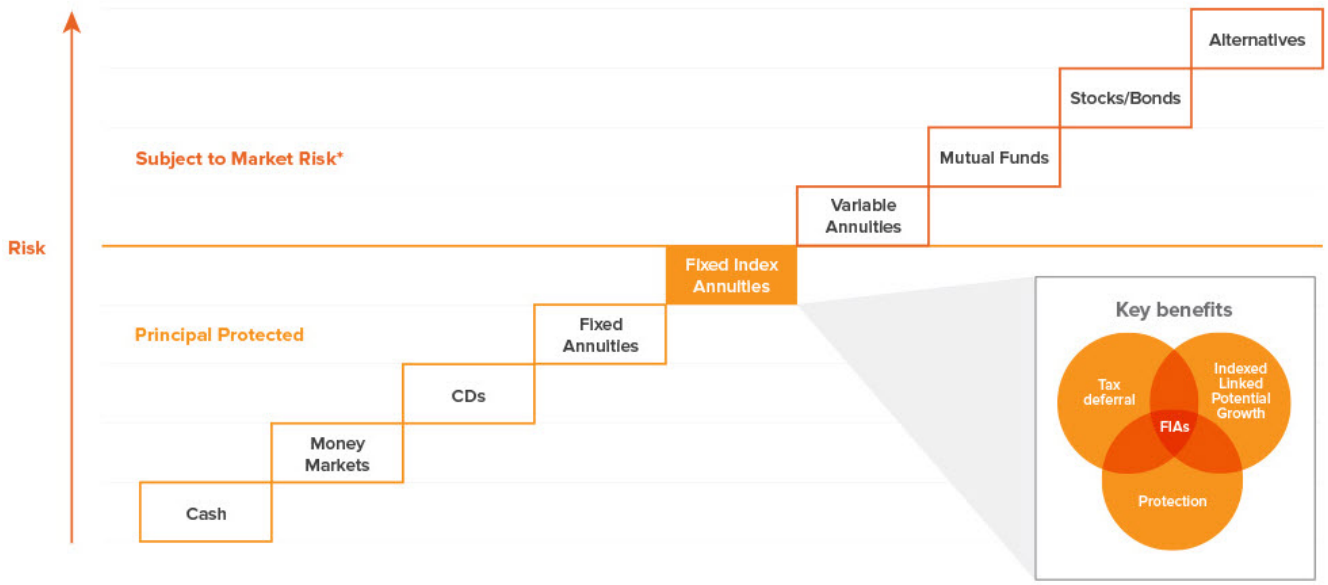
http://www.palmbeachpost.com/marketing/income-riders-use-them-lose-them/LOhyQFDR86XFkQ6Ou1DQNP/

http://www.prudential.com/media/managed/ili_video/ili_video_addmoreLife_v10.html

http://www.investmentnews.com/article/20170823/BLOG09/170829977/despite-misleading-ads-annuities-can-be-critical-for-lifetime-income

A picture can be worth a **1000 words**....very true.

Explaining risk to a prospect can be difficult. The graph enclosed here is a simple visual tool to help put investment sectors into perspective.



Q: Bill, can you give me some pointers on selling against variable annuities?

A: Here are things to bring to the discussion.

Assets held by a variable annuity company are NOT at the VA, they are invested in separate accounts at the actual investment. To earn income, the VA company must charge fees. The fees are based on the overall value of the amount invested at the sub account. These fees range from .25% to as high as 2% based on the investment.

In addition, the company charges for the actual annuity, these charges are a percentage of ALL assets in the annuity.... generally, 1.4%.

ADD THE TWO LEVEL OF FEES AND YOU HAVE THE BASIS FEE STRUCTURE.....normally 3% of annuity value or so.

Now add rider charges such as income rider. The fee will vary, but generally about 1%...depends on the actual contract. The VA company will "generally" guarantee an interest rate for the income side of the VA...say 6% (or higher).

This is a meaningless guarantee because what is NOT guaranteed (our FIA contracts do fully guarantee) is the payout percentage. That is calculated by the company at the time income is desired BASED on the value of money (at that time).

That reason alone is why VA cannot possible compete with our **Guaranteed Income Riders**.

Focus on fees and you will get this case. The VA will focus on the 6% (or whatever) but their weakness is the actual calculation is never guaranteed

More:

Variable Annuity Fee Quick Reference Guide.

Variable annuity contracts are generally more expensive than mutual funds. The richer the guarantees carried by a contract, the higher the corresponding costs will be. Fees are charged on account value.

Deferred variable annuity contracts will generally charge:

An administrative fee *(typically from 0.10 to 0.25%)*. This fee covers reporting, generating reports, online security and account access. Administrative fees may be waived for accounts with initial balances of more than $1 million.

Mortality and expense fees *(typically ranging from 1.0% - 1.5%)*. These fees are used to provide insurance death benefits if the contract holder passes away and to compensate the insurance company for risks associated with holding the contract.

Mortality and expense fees will vary based on how much the insurance company has promised to pay at the death of the owner. Simple death benefit options, such as promising to return the current account balance to the contract owner at death, will have lower mortality and expense charges (0.5 – 1.0%) than those promising more sophisticated death benefits (such as a multiple of the contract premium), or elaborate calculations taking into consideration the highest contract value on specific contract anniversary dates (1.0% - 2.0%).

Fees for any additional optional benefits. These benefits, such as guaranteed minimum returns or sustainable lifetime withdrawals, will add to the cost of a contract. While additional features vary widely by insurer, they can generally be pooled into "income" related features, "death" related features or "access" related features.

Income features guarantee that a cash flow stream from the contract will continue uninterrupted regardless of market fluctuation. Income features vary dramatically by insurance companies but generally range in annual cost between 0.5 – 1.5%. Consumers who do not currently need withdrawals from the annuity contract should consider their options carefully before purchasing this type of benefit.

Death features are generally wrapped into the mortality and expense charges of a contract. The simplest death benefit is a return of the initial premium paid to the insurance company. More complicated features promise an elevated death benefit of some sort. Death provisions can be complicated and are often not needed by consumers using annuities as an investment and retirement tool.

Access features, such as being able to withdraw account dollars free of any early withdrawal penalty in the event of a terminal illness, disability or long-term care need, are common in today's annuity contracts. Access features may be standard in some contracts but may carry additional cost in others.

In addition to these fees, variable contracts will also charge direct or indirect asset management fees. All totaled, a deferred variable annuity will typically range in cost between **1.75%** annually, for a contract with few bells and whistles, to over **3.25%** annually, for a contract with income and death benefit guarantees. Understand the exact purpose of each fee and compare fees across insurance companies before you purchase a variable annuity.

Here is a video about fees and expenses in variable annuities:

https://www.youtube.com/watch?v=unuwdbieZ5Q

Our guest today from our marketing partner: Tom Bradley

Tom will be discussing Income Riders!

Here are some basics.

Almost all Fixed Indexed Annuities allow for this "special" rider to be added to be parked on top. This rider offers three key features to allow the retiree financial stability and sufficient income.

1. **Guaranteed Interest:** The rider has a guaranteed yield of 4-7% based on the company and specific rider. This means your funds are guaranteed to grow (on the income side) by these percentages. Year after year after year. (Company contracts can vary) A deposit of $100,000 will be contractually guaranteed to grow by a fixed percentage until the funds are accessed for retirement income.

2. **Guaranteed Worst Case Scenario:** With this rider, you know exactly how much income you will have at any future time period. It is contractually guaranteed.

3. **Income:** Regardless of how long you live, the funds in an annuity using the special rider will continue to provide an income. There is no end and no viable way the funds can die before you die. Guaranteed!

We are agents too!

Like all agent, we also need leads. Our approach has always been building and developing marketing systems. We strive for new and better ways to get in front of "target" marketed prospects.

Our systems are tried and true, they work.

Annuity.com Planning. Safety. Retirement.

Safe Money Radio Marketing

RetireVillage Partners with Annuity.com

Disclaimer:

David Townsend and I own Annuity.com, but we have a lot of marketing friends, friends that you might be better off if you knew them. Sherilyn Orr at *Retire Village* and *Infofuel,* Chad Owen at *Eagle Shadow*, Anthony Owen at *Annuity Agents Alliance*, Carl, Darin, Tom and all the crew at *First Annuity*….and many more.

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Bill Broich