.....15 Years and still rolling.....

Open MIC is open for anyone.

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

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tony@annuityagentsalliance.com

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Leads, lead management, product support, selling support, marketing support:

Open MIC is free and available to all: Our 26th Year.

(Geri McArthur)

Sun rising behind Mt. Rainer throwing shadow in the clouds and reflection back on Puget Sound. Photo taken in Grapeview WA, New Year's Day.

When my business plan gets of the tracks, this is how I am refocusing.

"I've missed more than 9,000 shots in my career. I've lost almost 300 games. 26 times I have been trusted to take the game winning shot and missed. I have failed over and over and over again in my life. And that is why I succeed."

Michael Jordan

2018: It is a new day dawning for our industry, and the DOL "rule" has been kicked to the curb until next year.

It is time to get back in the annuity business! Write your business plan and get with it.

I try and learn as much as I can from others, hopefully you do also. *Adam Blye* used this term and I have borrowed it:

A goal without a plan is just a wish!

It makes so much sense. Just after the New Years, I received a few calls about leads and marketing. It seems to happen each year, agents all set and ready to go and yet no plan, no budget and disaster about ready to roll in.

Start Here: If you haven't set up a marketing plan, start with *Retire Village*. Are you getting tired of me beating that drum? I am a believer because I know it works.

Recently, a new report from internet marketing authority, *Hubspot Marketing*, disclosed that **"lead nurturing"** is far more effective that new lead generation. In fact, an email sent to someone you know is ***3 times*** more effective than an email marketing effort sent to a targeted list.

Jupiter Research also added this fact, "relevant" emails are 18 more-times revenue than an email blast to a list.

Have a look at mine: https://billbroich.retirevillage.com/

What are others saying about 2018?

https://insurancenewsnet.com/innarticle/2018-bring-life-annuity-industry#.WlO7gUxFyUl

- Digital underwriting will grow
- Mass marketing of life insurance is coming
- Amazon and Google will set new standards for customer service in the insurance industry. https://www.financial-planning.com/news/can-amazons-alexa-be-my-financial-planner
- AM Best maintains a negative outlook for 2018
- Fitch Ratings say "stable" for 2018

- Low interest rates will lead to more mergers

2018 for agents: Marketing is king!

My New Year's Resolution: Normally I repeat almost weekly about investing in marketing, staying on course, building your business.

This year I am taming that way down, you all know how to do it.

Constantly nagging will do no good.

So instead, I am sharing my **4 Secrets** with you, this is how I did it:

http://www.annuity.com/4-secrets/

Below are articles I found of interest, the links are live if you would like to do research.

DOL Fiduciary Rule:

http://advisornews.com/innarticle/fiduciary-rule-may-take-sec-influence

https://www.looktowink.com/2017/12/eyes-uniform-fiduciary-rule-skeptics-abound/

http://www.benefitspro.com/2017/12/22/dol-rule-slowed-not-stopped-variable-annuity-sales?slreturn=1515437786

Tax Info:

http://www.thinkadvisor.com/2017/12/26/how-trumps-tax-act-could-affect-annuity-issuers

Annuity Info:

https://www.looktowink.com/2017/12/fia-marketing-tide-shifts-accumulation/

https://www.looktowink.com/2017/12/voya-financial-exit-individual-annuities-business/

Life Insurance Info:

https://www.looktowink.com/2017/12/7-new-peeks-inside-life-insurers-underwriting-machinery/

https://www.looktowink.com/2017/12/baby-boomers-still-consider-life-insurance/

Agents: Marketers: WE face a double-edged sword; our industry needs interest rates to rise (10-year yield US Treasury) to add more room for insurance companies to build portfolios with higher yields. But, that is not happening. Instead the equity side is growing almost without a care in the world, what will happen next is not really a guess, it is based on a mathematical equation and a good look back at history.

The annuity business may suffer in the short term, but not long term. If the bond segment does not increase its yield, the stock market cannot flourish.

I am telling my personal clientele to split their asset allocations to 50% 1-year pt. to pt. S&P 500. And 50% to monthly S&P 500.

Q: Bill, what about the stock market, how can it keep going?

A: As I have said, the PE Ratios are too high. The market cannot sustain this level of growth without the danger of inflation lurking about. I found this article from Bloomberg that echoes my feelings. I marked highlights in read, the link is at the bottom. Bloomberg is a quality source in my judgement.

One very positive thing for us on the safety and security side, when the market does start to turn, think about how much MORE money we will have to place into annuities!

JANUARY 8, 2018

Investors Should Heed Warning from Treasuries

What could blow up next

U.S. equities responded to the Trump presidency with euphoria.

The Dow Jones Industrial Average rose **25% in 2017**, becoming one of the best-performing global asset classes.

It was a different story with U.S. Treasuries: The yield on 10-year notes fell slightly from 2.44% at the end of 2016 to close 2017 at 2.41 percent. And the spread in yield between two-year and 10-year notes, often a signal of slowing growth or forthcoming recession, plunged from 125 basis points to 51.8 basis points at year-end 2017.

As they receive different messages from equities and Treasuries, investors should pay **particular heed to the bond market** in making asset-allocation decisions for 2018. Treasuries have been a better predictor of the two recessions in the 21st century — the first lasted from March to November 2001, and the second from December 2007 to June 2009.

In the case of the latter, yields plunged during the months before the recession whereas equities remained strong well into the first half of 2008 when the economy was already in a downturn. Few of the major sources of earnings uncertainty have much to do with agents or brokers.

There is good reason to believe Treasuries are sending a warning now.

The bond market's sense of caution in 2017 was not assuaged by the successful passage of the tax bill. While the yield on 10-year notes rose to almost 2.50% on Dec. 20 when it became clear the measure would pass and get President Donald Trump's signature, it fell subsequently, closing the month little changed.

The surge in equities stemmed from corporate earnings that exceeded consensus estimates in recent quarters and, lately, the reduction in the corporate tax rate to 21% from 35 percent. **Nonetheless, the decline in bond yields signals that the surge in equities may not be accompanied by faster economic growth or a significant pickup in inflation.**

Narrower spreads between two-and 10-year Treasuries also reflect speculation that the Fed's stated objective of raising the federal funds rate three times in 2018 may not be met. If the economy slows significantly after an initial burst of optimism over the tax cuts, the 10-year yield is likely to fall further even as the two-year yield rises with Fed tightening, eventually resulting in an inverted yield curve. Yield curve inversion was the harbinger of recessions in 2001 and 2007–2009.

While recessions have always been preceded by the two-to 10-year spread going negative, a negative spread has not always ended in a recession. For example, the inversion of the yield curve in May through June 1998 did not deter gross domestic product from rising in inflation-corrected terms by more than 3% in 1999 and during the first half of 2000.

This has led some market watchers to suggest that a potential negative spread should not be a source of concern. There are several reasons I disagree with this sanguine view.

First, wage growth remains anemic despite the quintupling of the Fed's balance sheet since the financial crisis and the still-low interest rates almost 10 years later. This may not be offset by the recent tax package. Nonpartisan institutions such as the Congressional Budget Office have calculated that the benefits of the tax cuts are **tilted heavily in favor of upper-income earners who are not major consumers.**

Consumption accounts for about two-thirds of U.S. gross domestic product.

Second, the new regulations incorporate reduced government spending on health care. This will discourage consumption by low-income and elderly Americans even as lower tax rates are intended to increase spending.

Third, a pickup in economic growth is contingent on companies responding to the lower corporate tax rate by hiring more workers and increasing their wages. Global competition from low-cost producers will limit U.S companies' ability to achieve these goals, and **stock buybacks and increased dividends are the more likely outcome.** That is why the recent surge in equity prices is a logical outcome even as inflationary expectation remain low, resulting in lower bond yields.

In sum, as investors consider where markets are headed in 2018, they should be especially mindful of the message from the bond markets. From their current lofty valuations, equities cannot keep rising for long if bond yields and the economy do not cooperate.

http://www.thinkadvisor.com/2018/01/08/investors-should-heed-warning-from-treasuries?

Q: Bill, help me compete against REITS

Definition: https://www.investopedia.com/terms/r/reit.asp

Real Estate Investment Trusts fall into two main and distinct categories.

1. REITS that invest in mortgages
2. REITS that invest in income producing assets such as apartments etc.

(also private REITS and some public REITS)

To say that a REIT is virtually safe is an error, they are subject to market changes. Think of this example, Fargo ND boomed with fracking growth, thousands of workers were in need of housing, almost overnight new apartment building were built. If a REIT was the owner, what has happened when the fracking boom slowed (or ended)? Oil prices slowed, the cost of fracking went up, companies suspended jobs, workers left. What would happen to the value of the apartment buildings built in Fargo? Drop in value.

Questions to ask:

- REITS are managed and fees and expenses are always charged. What are the fees and expenses?
- Some REITS outsource they management to sub managers which can layer in another level of fees. What are they and what is the total?
- Also, is the REIT liquid?
- Is it traded or does the owner have to sell the REIT share back to the REIT?
- How is the investment monetized and what is the cost?

Here are more questions: https://www.reit.com/what-reit/frequently-asked-questions-about-reits

I am not negative about them, but a realistic approach should be taken, why would your prospect commit so much of their retirement funds to one category?

Not smart.

The same is true in REITS that invest in mortgages, their valuation is dependent on the mortgage continuing, areas where a natural event (earthquake) could disrupt the mortgage and lower the REIT valuation.

I think there is a place for a REIT, but only as part of a category in a portfolio.

More info here: https://finance.zacks.com/percentage-reit-fund-manager-take-10920.html

Bill

How stupid do you have to be to be sucked into this swirl of lies and deceit? Careers will be lost, 8400 investors may lose their money, Greed and Avarice reign.

Agents wanted to believe, investors wanted to believe, but a little exercise called: "Due Diligence" was omitted.

https://insurancenewsnet.com/innarticle/2017-advisor-scams-rip-offs#.WlO80ExFyUk

WOODBRIDGE WEALTH

Woodbridge: Super Scam

Even by the standards of retail advisor rip-offs, bill alleged scheme was bold – as in billion-dollar bold.

Shapiro, of Sherman Oaks, Calif., **bilked** as many as 8,400 investors of as much as $1.2 billion through a group of unregistered investment companies – the Woodbridge Group of Companies, formerly based in Boca Raton, Fla., authorities allege.

"Our complaint alleges that Woodbridge's business model was a sham," said Steven Peikin, co-director of the Securities and Exchange Commission's Enforcement Division, in a news release.

Woodbridge advertised itself as issuing loans to commercial property owners paying between **11 and 15 percent** in annual interest for short-term financing. Woodbridge promised to pay investors **5 to 10 percent** interest annually.

But most borrowers were Shapiro-owned companies with no income and never made interest payment on the loans, the SEC alleges in a Dec. 21 complaint.

Woodbridge used investors' money to pay other investors, and paid $64.5 million in commissions to sales agents who pitched the investments as "low risk" and "conservative."

By the time the scheme collapsed in early December when Woodbridge stopped paying investors and filed for Chapter 11 bankruptcy protection, Shapiro had diverted at least $21 million for his own benefit to charter planes, pay country club fees and buy luxury vehicles and jewelry, authorities said.

Shapiro, Woodbridge and affiliated companies face securities fraud and broker-dealer registration provisions of the federal securities laws.

As most of you know, led by Anthony, we took a hard stand against Woodbridge, advising agents to stay away. And still several of you did leave us for the "greener" pastures of higher (mirage) yields. The agents who left us moved many clients to these high yield products, products that didn't really exist, products that were based on a continual flow of new money to make the "dividends.

Agents involved with this regardless of their knowledge level, will be drug into the investigation, my guess is anyone with fingerprints on Woodbridge are looking at some sort of sanction (possible license loss).

A sad side story, a radio host in our program: *Safe Money Radio*, left a terrific annuity business because the allure of being able to sell higher interest products would make him more successful. The truth? If not loss of license, surely a part of a nasty civil action.

Shameful-----BB

Anthony's comment below is exactly how I feel, not the least bit sorry for the agent, but, what about the agent's family? Spouse? Kids? Friends? Parents? The damage is far reaching.

"I honestly don't feel sorry for anybody that sold this. They deserve to lose their license. If someone can't use a sniff test before they sell investments they shouldn't be in this business."

Anthony R. Owen

More: If it sounds too good to be true……

If you think this was an isolated case. **Metropolitan Mortgage and Securities** in Spokane cost investors $600 million.

We competed against them for several years, they offered and sold promissory notes.

An agent in our crew sold these for several years, interest rates were high and they were easy too sell. Sadly, he is no longer in the insurance business, he got caught up in the failure.

http://www.spokesman.com/stories/2010/feb/24/new-settlement-in-met-suit/

More:

This article mentions insurance agents specifically. This article names several sales people. The last paragraph represents the specific risk to agents.

"Some regulators in other states have taken action. Since 2015, regulators in eight states have filed administrative actions against Woodbridge and other defendants, along with **certain sales agents**, alleging they have engaged in the unregistered offering of securities and have **unlawfully acted** as unregistered investment advisers or broker-dealers, according to the SEC."

http://www.investmentnews.com/article/20180105/FREE/180109958/massive-investment-fraud-fueled-by-slick-marketing-hot-dinners

More:

https://www.sec.gov/news/press-release/2017-235

http://www.investmentnews.com/article/20171221/FREE/171229971/sec-charges-woodbridge-group-with-running-1-2-billion-ponzi-scheme

https://www.sec.gov/litigation/complaints/2017/comp-pr2017-235.pdf

Tip: I tell my clientele that my products are safe, secure and boring. Their answer?

"Bill, that is just the way we like them."

5 questions to boost your life insurance sales, overcoming sales barrier, tax reform update and more

Annuity.com

View in Web Browser

ISSUE DATE:
January 8, 2018

5 Questions to Boost Your 2018 Life Insurance Sales

We've heard the same words every year. They go something like this: Make more calls, talk to more prospects, prepare better proposals, and work harder than ever. While every advisor can benefit from such advice, it may not be enough. Even though advisors may know how to sell life products, they can be more successful if they ask themselves five questions. Read more.

Tax Reform: What it Means for You and Your Clients

The Tax Cuts and Jobs Act was signed into law by President Trump on December 22nd, 2017. What does it mean to you and how may it impact your clients' planning? The Tax Reform e-Notice covers the major provisions of the Act and the planning implications for your clients.

Overcoming Sales Barriers and Getting Back to the Basics

As an industry, we need to change the perception that life insurance is too difficult, too expensive, and not important. Educate clients on the value of life insurance by getting back to basics, and showing them how it can help guard against "the four perils," or risks that can impact a family's financial well-being.

Divorce and Other Disruptors

Aimee Johnson, advanced markets manager for Allianz Life Insurance Company of North America (Allianz), did an interview with Life & Health Advisor on late-in-life planning scenarios and the impact that divorce might have on existing, and often mature, retirement income accounts.

Listen Now: Tax Cuts and Jobs Act of 2017

Global Atlantic is excited to announce a SPECIAL PREVIEW of our upcoming podcast series, Advanced Sales Insider. Our own Randy Zipse, JD, AEP (Distinguished)® will discuss the Tax Cuts and Jobs Act of 2017 with recognized planning expert, Linas Sudzius, JD, CLU, ChFC. Linas is President of Advanced Underwriting Consultants (AUC), a company that provides advanced sales services to its customers. Learn more.

January 8, 2018

Every week, First Annuity sends you an update with any recent, important carrier changes to help you prepare for your week ahead so you'll know exactly which carriers to be mindful of. Only those carriers that have changes are listed. Any interest rate adjustments, product changes and even new state product approvals are included with links to receive complete details.

Important Industry News

DOL Fiduciary Rule Updates

We want agents to be aware of **Athene's** new procedural approach to DOL. Please take a minute to review the following link: **REVIEW PROCESS OF PTE 84-24 FORMS.**

We expect that additional carriers will begin to implement these types of reviews in 2018.

To help you be prepared, First Annuity has put together a suite of resources in our DOL Preparation Kit, which contains a PTE 84-24 Disclosure Form, Statement of Recommendation & Disclosure, and a Personal Money Master.

THIS WEEK'S ANNUITY CARRIER NEWS

Allianz Life

Effective January 3rd, 2018 Allianz Life will **decrease rates** and caps on the Allianz 222. Applications received on or after Wednesday, January 3rd, receive the new lowered rates. Please see link for additional details.

Fidelity & Guaranty

The interest rate on the Fidelity & Guaranty FG Guarantee-Platinum 5 has **increased to 3.25% for 5 years**. The rate is for a **limited time**. Please see the attached brochure for more information,

Global Atlantic

Global Atlantic is offering a **commission bonus up to 1% through February 28, 2018** on the Choice Accumulation, Choice Income and Income 150+. Please see the attached document.

***Please note that the date on the attached is incorrect, the promotion runs through 2/28/2018.

ONGOING ANNUITY CARRIER NEWS

ANICO

ANICO has announced a rate increase effective January 1st, 2018. Click here for more information.

Global Atlantic

Effective 1/2/2018, Global Atlantic will be increasing rates on the 3 and 5 year SecureFore product. Please see the rate sheet attached.

Great American

Rates are increasing for the following fixed-indexed annuities retroactively effective December 21, 2017! Purchase payments received on or after this date will receive the new rates.

- **Index Protector 7 - caps up to 8.25%**
- **American Legend III - caps up to 6.50%**
- **American Landmark 5 - caps up to 6.25%**

Please see the rate chart for details.

Sagicor

Rock the New Year ANNUITY COMMISSION INCENTIVE! December 15, 2017 through Wednesday, January 31, 2018. Please See the attached Highlight sheet for more details.

We are agents too!

You can get current annuity rates and other information

at: www.annuity.com/agenttools

Like all agents, 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.

"Time Invested Marketing"

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