
# Open MIC is open for anyone.

## 9:00: AM Pacific Thursday 800 504-8071 Code is 5556463

**Questions?**

**Anthony Owen at Tony@annuity.com**

**(Joe is at his doctors for his annual physical. Let's listen in!)**


"The handle on your recliner does not qualify as an exercise machine."

# Hot News and Other Helpful Info

- **Variable Annuity Sales records:** http://www.annuitynewsjournal.com/top-two-annuity-providers-see-over-1-billion-in-variable-annuity-sales-2/
- **US Bank Corp Article:** http://www.huffingtonpost.com/l-randall-wray/post_1564_b_807877.html
- **Genworth Leaves Variable Annuity Business:** http://www.insurancenetworking.com/news/Genworth_variable_annuities_life_insurance_financial_crisis-26888-1.html
- **Healthcare Reform Problem:** http://www.insurancenewsnet.com/article.aspx?id=243378&type=newswires&inl=1
- **The Street Annuity Article:** http://www.thestreet.com/story/11016396/1/annuities-evangelists-target-financial-advisers.html?cm_ven=GOOGLEN

- **Obama Health Care Goals Article:** http://insurancenewsnet.com/article.aspx?id=165645&type=newswires&inl=1

---

**Our new "scrubbed" lead system is working like a charm, if you are not doing this you are making a mistake. These leads fit beautifully with our seminar system and Safe Money Radio. Plus, you only pay for them as you receive them....solid deal and they make sales.**

**The leads themselves are golden. The prospect has asked for the information, you know what they need and want and they are waiting for your call. Use these leads and use Retire Village....**

**Call any of us...Here is an example about the leads.....It is not just the big producers making these leads work for them, it is agents form all levels of production, experience and goals.**

Marilyn started her insurance career in 1979 and has always loved working with individuals on a one to one basis. Her free spirit attitude led her to become an independent agent where she can and does represent various insurance companies in order to provide the best products for her clients. She is not promoting one company or one idea. Marilyn implements the "keep it simple" motto with her clients. Too many times she has seen folks who have been confused and frustrated about their money matters because they did not understand what they had or were concerned about losses and did not know what to do about it. She considers herself a problem solver and a "go to" gal for those who want no nonsense and honest answers.

## Our friend Marilyn Clark sent me this update on her internet leads....Marilyn works as a sole proprietor in the Olympia area, she does her own calling, makes her own appointments and does her own paperwork....BB

HI Guys,

Received 2 more **"internet scrubbed"** leads this morning, one in Arlington with a woman who is retiring and wants to put her **$200,000** into income and growth for the future with a guaranteed annuity.
She is a widow and 62 now.

Second lead is a guy in Yelm, 63 and He has about **$200,000** wanting to put into a fixed annuity account.

So far I have added all of my leads to my ERMS (www.retirevillage.com) drip and I put them on immediately before doing anything else. While I always have been strong on the phone, after last week's meeting, I am handling my first call very differently. I also have 3 more leads which I haven't met with but who are very much talking to me and eager to get the information.

The sense that I am getting so far in talking to these folks is that they have **reached someone who can help them** and they are not shopping with several agents.

This one lady I just called has her 403b plan which is going to be rolled, and the other is what she calls the defined benefit which is a different account than her 403bb. The 403b has **$220,000** in it. She said the school district has an annuity they can offer her too but she thought maybe an outside company would be better.

In January I got 4 leads. The first one was sold and that is the one that just paid a week ago with Great American for I think it was **$118,000**. The second half of that is the one I put through AE and it is a spia which will fund March1, **$88k** or thereabouts. They also each bought Medicare supplements from me.

The second lead will not have his 401k for 2 more years. He has about $250k. He's also on my drip but have no idea about him as I can't make the same connection for some reason.

5 leads came so far this month. One will not return my call or answer my e mail. I am puzzled about this one but keep trying.

The last two are ones I am seeing in March. All 3 of these are strong and I have good and open communication from and with them and those dollars are about $**300k** combined and the last one is a guy in Centralia who wants to put 50k into something besides a cd.

There should be close to **$600k** here once I get with these folks.

I am tracking everything so as soon as I get them listed in word or something, I can send these to you monthly.

Ok, thanks.
Marilyn

Marilyn K. Clark

360-628-8837
206-551-5013 cell
annuitymarilyn@gmail.com
clarkmarilyn@comcast.net

---

**Article From [www.insurancenewsnet.com](http://www.insurancenewsnet.com)**

**Dear fellow crew members...please email Sheryl (address at bottom) and thank her for standing up helping us fight back.....BB**

# Hey, Wall Street: You Can't Handle the Truth

**By Sheryl Moore**
**AnnuityNews.com**
**Feb.21, 2011 –**

For too long, indexed annuities have been the "red-headed stepchild" of the insurance industry. Scandals over surrender penalties, commissions and lawsuits have plagued this business since it existed.

Much of the "scandal" has been misinformation or isolated incidents of agents behaving badly, which have been fueled by the media. Who runs financial services media in this country? Wall Street -- and it is in their mutual fund advertisers' best interests that indexed annuities come out smelling not-so-rosy. Well, Wall Street, I'm here to set the record straight.

You may not be able to afford losing your clients to insurance agents, those who can protect them from loss in the event of market downturn, but you need to face the truth.

**Truth No.1**
Indexed annuities are not investments. Variable annuities are the only type of annuity that can be called an "investment," as these products place the purchaser's principal and gains at risk due to market volatility. Stocks, bonds and mutual funds are also investments. The Securities and Exchange Commission is responsible for the regulation of such investment products. Fixed and indexed annuities, by contrast, are insurance products -- similar to term life, universal life and whole life. Insurance products are regulated by the 50 state insurance commissioners of the United States (collectively referred to as the National Association of Insurance Commissioners, or NAIC). Insurance products do not put the purchaser's money at risk; they are "safe money products," which preserve principal and gains.

Investments, by contrast, can put a purchaser's money at risk and are therefore appropriately classified as "risk money products;" they do not preserve principal. The NAIC does not permit the use of the word "investment" when referring to indexed annuities, as such.

**Truth No.2**
Indexed annuities *used to* be called "equity-indexed annuities" or "EIAs." They aren't anymore. They have not been called "equity-indexed annuities" or "EIAs" by those in the insurance industry since the late 1990s. The insurance industry has been careful to enforce a standard of referring to the products as merely "indexed annuities" or "fixed indexed annuities," so as not to confuse consumers. This industry wants to make a clear distinction between these fixed insurance products and equity investments. The interest potential of these products is limited, unlike equities investments. In addition, it is the safety and guarantees of these products which appeal to consumers, particularly during times of market downturns and volatility. If everyone could stop using the word "equity" when referring to these products, it would help in avoiding any such confusion in the future.

**Truth No.3**
Indexed annuities don't have "costs" or fees. Some optional benefits may have an annual charge, but the only "cost" that the client pays on an indexed annuity is **time**, via a surrender charge. *The surrender charge on a fixed, indexed, or variable annuity is a promise by the consumer not to withdraw 100 percent of their money before the end of the surrender charge period.* This allows the insurance company to make an informed decision on which conservative investments to use to make a return on the

clients' premium (i.e. seven-year grade "A" bonds for a seven-year surrender charge annuity or 10-year grade "A" bonds for a 10-year surrender charge annuity). Investing the consumer's premium payment in appropriate investments allows the insurance company to be able to pay a competitive interest rate to the consumer on their annuity each year. In turn, it also protects the insurance company from a "run on the money" and allows them to maintain their ratings and financial strength.

**Truth No.4**

Dividends are never included in the index calculation of indexed annuities, for good reason. The insurance company never receives the benefit of the dividends on the index on an indexed annuity, because the client is never directly invested in the index. The insurance company invests the indexed annuity purchaser's premium payment in the general account, which protects them from declines in the index. *The premiums are never invested in a pass-through account, which would provide the benefit of the dividends, but also expose the client to risk should the market decline.* For this reason, the dividends cannot be passed on to the consumer.
By not directly investing in the index (which would pass on the dividends), the insurance company is protecting the purchaser from losses. **So, you see -- this is a benefit to the indexed annuity purchaser, not a disadvantage, folks.** And while it is true that annuitants will not "benefit from dividends in an indexed annuity," they also won't risk losing their money as a result of market volatility.

**Truth No.5**

Indexed annuities are not intended to perform comparably to stocks, bonds, mutual funds or the S&P 500 because indexed annuities provide a minimum guarantee where investments do not. Indexed annuities are priced to return about 1 percent to 2 percent greater interest than traditional fixed annuities are crediting. In exchange for this greater potential, the indexed annuity has a slightly lesser minimum guarantee. So, if fixed annuities are earning 5 percent today, indexed annuities sold today should earn 6 percent to 7 percent over the life of the contract. Some years, the indexed annuity may return a double-digit gain and other years it may return zero interest. However, what is most likely to happen is something in between. Were the indexed interest not limited, the insurer could not afford to offer a minimum guarantee on the product, and that is a variable annuity, not an indexed annuity. On the other hand, the client is guaranteed to never receive less than zero interest (a proposition that

millions of Americans are wishing they had during that period of March 2008 and March 2009!) and will receive a return of no less than 117 percent worst-case scenario on the average indexed annuity. **In addition, no indexed annuity owner has ever lost a penny as a result of market downturn.** This is a strong value proposition that cannot be offered by any securities product with unlimited gains.

**Truth No.6**

Companies like Met Life and New York Life do not sell indexed annuities and are not going to be able to offer credible information on the products. These companies sell variable annuities -- lots of them. When the stock market declines, sales of variable annuities drop overnight. Likewise, when the market declines, indexed annuity sales increase. I would hardly consider companies that compete against those selling indexed annuities to be a credible source of information on the products. Now that you have the truth -- what will you do with it? My guess? Go out and buy an indexed annuity...

***Sheryl Moore is president and CEO of AnnuitySpecs.com, an indexed product resource in Des Moines. She has more than a decade of experience working with indexed products, and provides competitive intelligence, market research, product development, consulting services and insight to select financial services companies. She may be reached at sheryl.moore@annuityspecs.com.***



---

# Questions This Week

**This question is from an agent's client.**

## My Question is about annuities and Taxes?

I have retired on my union disability pension plan 5 years already early at a low rate salary benefit and i have social security disability also. I have been working for over 40 years on my job unfortunately i became disabled and was forced to retire early before 62.

My private annuities is at a major bank it is not a from my employers investment retirement plan they don't have one it is my already taxed cash money that i put in my bank accounts over many years. Then i moved the moneys from my regular bank accounts into a fix annuity account 8 years ago before i became disabled in to a fixed investment annuity account at the same major bank.

I'm 58 years old now and my investment annuities account will mature this year in June 2011 and also i will be 59 May of 2011.

My question is if i touch the principle on my private investment account when i reach 59 and a half. My Question is would i have to pay full income tax on the principle as income and how much would the percentage be by the dollar when i file my taxes in next year.

**Answer: Basis on an annuity is never taxed but you must remove the accumulated gain first which is taxed. (Unless pre-1982) If you receive the funds over a fixed time period (say 10 years) then you may extend the tax liability over the 10 year benefit payout period. BB**

(Exclusion ratio info and other annuity tax issues)

# Annuity Taxation

A tax deferred annuity is a plan in which income tax on an original deposit of invested income is not charged during the investment period. The tax liability is postponed until the annuity's owner or beneficiary begins to receive (or accesses funds) periodic payments of earnings from the invested funds. This benefit is known as "tax deferral.'

One of the most attractive features of a taxation annuity is a tax advantage known as tax deferral. Tax deferral is allowed as long as the funds in the annuity are kept intact and not touched by the annuity owner. The interest or earnings credited to the annuity grow and accumulate, tax deferred, until the funds in the annuity are accessed, either by the annuity's owner or their designated beneficiary. The accumulated funds in the annuity can then be accessed as needed as a pension or supplemental income for the owner or beneficiary's income needs.

The original deposit or deposits, the last funds to be removed from an annuity, are never taxed, as the tax liability is only assessed on the accumulated tax deferred portion. Tools can assist the annuity owner in managing the future tax liability of a tax deferred annuity, and using these tools, the annuity owner can shelter tax liability and use the future accumulated value as an income option. If the funds are merely removed, the full tax liability of the funds is due. A partial removal of the tax deferred annuity results in appropriate tax liabilities on the amount removed. But when the annuity owner uses the funds in a tax deferred annuity as income with a fixed payment option, the tax liability can be managed and spread over a time period chosen by the annuity's owner.

**This method of spreading the tax liability over a chosen time period is known as the "exclusion ratio", or income option, and allows the annuity owner control over the tax liability.** The actual amount of taxable income and tax free income (the refund of original deposit) is calculated by the insurance company when the annuity owner initiates a fixed payment period option. The amount of actual tax liability

varies, based on the amount of the original deposit, the accumulated earnings and the income option selected by the annuity owner.

In the event an annuity is inherited by a beneficiary, the full tax liability of the accumulated interest in a tax sheltered or deferred annuity passes to the beneficiary. If the funds are removed in a lump sum, 100% of the tax liability is realized, but the IRS allows for a delay of up to five years in the beneficiary's receipt of income from the annuity, which allows for tax planning fitting the beneficiary's specific needs and situation.

# Second Question

## I got this email from an agent (not crew member) and thought it might help make our point....BB

### I Don't Need to Collect the Names and Addresses or E-mail Address of My Prospects or Clients, I already know all about them and it would be invasive to keep bugging them.....Ralph

This is a huge business-killing myth. Very few people buy after just one contact. **Eighty percent of the sales** are made after **8** or more follow-up contacts.

How are you going to follow up with your prospects a minimum of eight times, if you don't collect their follow-up information? You can't, and you will lose 80% of your sales potential.

Follow-up with your customers is crucial if you want to maximize your sales from them. They already know, like and trust you. They are the easiest sales to make.

## Remember VTR (value, trust, relationships)

To keep customers coming back to buy again and again, you need to proactively remind them of your business and your products/services, benefits and special offers. **'Out of sight, out of mind,'** applies perfectly to your customer list. Neglect them and you may be giving your competitors the perfect opportunity to lure them away.

# Retire Village Update

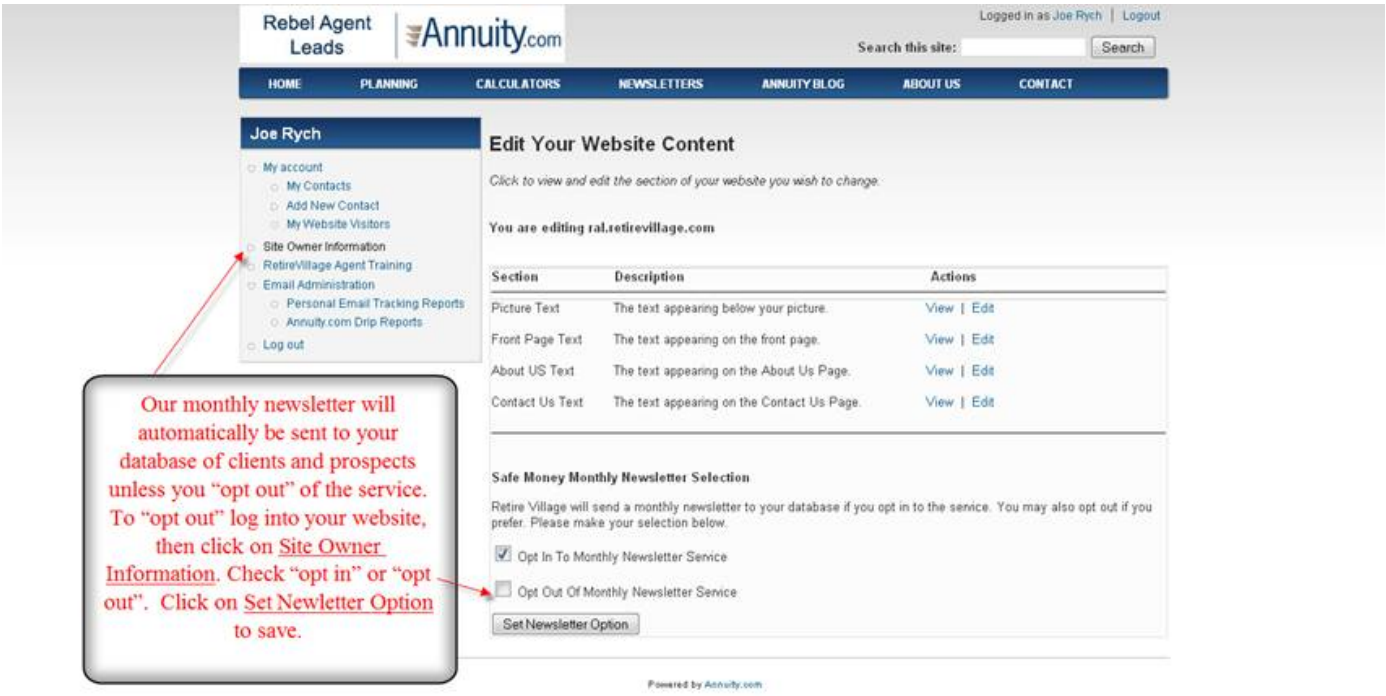
## Out of sight, out of mind….if your prospects are out of sight, you are out of their mind

Starting March 1st our monthly newsletter will automatically be emailed to your database of clients and prospects unless you "opt out" of the service. To "opt out" log into your website, then click on Site Owner Information. Check "opt in" or "opt out".

Ps. Regarding yesterday's e-mail a few questions have come up ~ here are the general answers:

1) The newsletter that will be e-mailed to your database, unless you "opt out", will look just like the newsletter on the site (attached) ~ it will not have your picture at this point ~ the e-mailed newsletter will come from you with your name and site information ~ the newsletter will not be available to be pre-screened by you at this point ~ it will have the same content as the monthly newsletters that we have been sending to you each month ~ just as before, you will continue to get the monthly newsletter to edit and send out hardcopy, even if you "opt out" on your site.

If you want to send e-mails from your website, such as your own newsletter follow the instructions below.



For those agents who work a younger market....maybe toss into Open Mic

**Subject:** RE: Income Rider Recommendation Request

**North American**: has an income rider that grows at **8%** compounded for 20 years and will start at age 40.

**Aviva:** Income Edge Plus rider can be added at age 40 and grows at **6%** compounded. Policy owner can continue the rollup for 20+ years. (Income doubling feature if confined to qualified care facility).

**Aviva/Annexus:** Income Advantage Rider can be added at age 40 and grows at **6%** compounded. Policy owner can continue the rollup for 18 years ( cost of rider is taken from interest earned on the accumulation value. No interest earned, no cost for the rider for that year. Income doubling feature if confined to qualified care facility).

**Allianz:** Simple Income Rider can be added at any age and grows at **8%** *simple* interest up to age 90.

**American Equity:** LIBR can be added at age 40 and grows at **5%** compounded. Policy owner can continue the rollup for 20 years only. No external cost for this rider.

Policy owner cannot exercise lifetime income from any of these riders until they reach a minimum of age 50. However IRS early withdrawal penalties apply prior to age 59 ½.

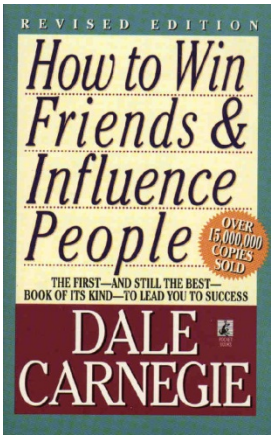
**Common sense article but worth a review….have a look…BB….From senior market advisor, I left links in.**

# Advisor listening skills: Stop doing these things

**BY JAN VERMEIREN**
Published 2/20/
Listening is the most important skill you need to network. Through listening you build a bond of trust. Through listening you gather information to see how you can help someone else and how you or your network can be helped. Here are several things to stop doing when listening to people:

- Stop judging.
- Stop talking. It is difficult to listen and speak at the same time.
- Stop thinking you already know what will be said.
- Stop hanging on to your own opinion and your desire to be right.
- Stop focusing on what you are going to say next.
- Stop thinking listening is the same as not talking.
- Stop thinking you can't be a good listener.

"




**A professional networker is someone who attentively listens … to a subject he knows everything about … told by someone who knows nothing about it." –Dale Carnegie**

**This could be something that will affect our world, bother personal and professionally. The power Facebook has is awesome. BB**

# The Facebook Tax

- Posted by JJ Hornblass on February 17, 2011 at 9:30am

**Bankers, you have a problem and it is called Facebook**.

Allow me to present this vision of the not-too-distant future: Bankers work out the security challenges of transacting within Facebook. The 500 million active Facebook users realize it is far easier to top up their debit cards via Facebook than trudging over to an ATM for tired old cash or click and validate over to their bank's clumsy online banking platform to exercise a bill payment.

The dollar value of the banking transactions on Facebook start climbing: from a few billion dollars to several billions to trillions. Our good friend Marc Zuckerberg, like any respectable landlord, takes notice of the value of his property to banks and announces that he'll take a point off every banking transaction, thank you very much. Or maybe he'll be greedy like **American Express and take three and a half points**. And the bankers will pay it, because they have no choice -- just as merchants have no choice but to pay American Express. **Call it the Facebook Tax.**

The only way out of the Facebook Tax is for Facebook to implode MySpace-style. And even then, if it is not Facebook.com, it will be some domain other than BankXYZ.com that will command a tax for facilitating a financial transaction on its site. Perhaps every messaging platform will demand a tax: Gmail, Yahoo, Hotmail, etc. Intuit is particularly well-positioned to command this tax.

As financial transactions move from bank domains, banks will increasing be at the mercy of others. Will this be a debilitating tax? No, but it will hurt the bottom line, and it will be imminently traceable to the screw-the-customer attitude banks have shown for the last 10 years by absolutely shunning all forms of interoperability.

**The Facebook Tax will be payback for all those years of benign neglect, for restraining the abilities of consumers to make choices.**

And Marc Zuckerberg will be happier than ever.

---

**I no longer include agent screw-ups on Open MIC but this one had a point I would like to make....My advice is to be transparent...BB**

# Pennsylvania Insurance Department Revokes Agent's License, Issues $10,000 Penalty

**February 17, 2011 | NewsRx**


Source:NewsRx
156

The Pennsylvania Insurance Department has revoked the license of Jay Cohen, formerly of Bryn Mawr, imposed a $10,000 civil penalty and ordered Cohen to pay more than $13,000 in restitution for conduct unbecoming an insurance producer, acting Insurance Commissioner Michael F. Consedine said.

"Consumers seek advice and information from trusted, reliable insurance professionals, but Cohen used his position as a licensed insurance agent to prey on vulnerable older adults for his own financial gain," Consedine said. "Simply put, Cohen cannot be trusted with the bank accounts, finances and personal information of his customers."

The department found that Cohen duped older Pennsylvanians by offering services described in promotional materials as "non-legal, financial and

estate-planning services" and **claimed he was an accredited "certified senior advisor."**

Once payment was received, Cohen **failed to disclose** that he collected commissions and fees from these insurance transactions, some of which were obtained even though agreements existed prohibiting the collection of such fees.

**Being transparent is a solid way to build to build trust.....BB**

## Transparency As a Marketing Tool For Annuity Sales

Provide your prospects with help in conducting Their Due Diligence.....be transparent. Have you ever considered transparency as a marketing tool? As a relationship building tool?

Sometimes a prospect will ask me this? "What exactly do you do? Are you a financial planner? Are you an estate planner? My answer is always the same.....

**I am an annuity salesman!**

Since I am so direct about it, why not use that directness in a transparent way?

---

## Might be something here which could be useful….BB

# Time for some very interesting numbers:

Are you better off today than you were two years ago? Numbers don't lie, and here are the data on the impact D.C. has had on the lives of Americans:

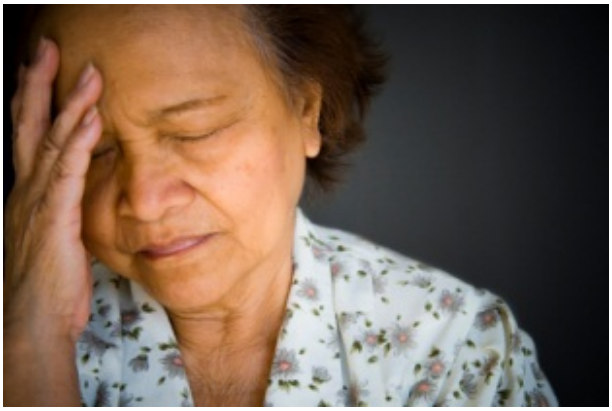
| | January 2009 | TODAY | % chg | Source |
|---|---|---|---|---|
| Avg. retail price/gallon gas in U.S. | $1.83 | $3.104 | *69.6%* | 1 |
| Crude oil, Europe an Brent (barrel) | $43.48 | $99.02 | *127.7%* | 2 |
| Crude oil, West TX Inter. (barrel) | $38.74 | $91.38 | *135.9%* | 2 |
| Gold: London (per troy oz.) | $853.25 | **$1,369.50** | *60.5%* | 2 |
| Corn, No.2 yellow, Central IL | **$3.56** | **$6.33** | *78.1%* | 2 |
| Soybeans, No. 1 yellow, IL | $9.66 | $13.75 | *42.3%* | 2 |
| Sugar, cane, raw, world, lb. fob | $13.37 | $35.39 | *164.7%* | 2 |
| Unemployment rate, non-farm, overall | 7.6% | 9.4% | *23.7%* | 3 |
| Unemployment rate, blacks | 12.6% | 15.8% | *25.4%* | 3 |
| Number of unemployed | 11,616,000 | 14,485,000 | *24.7%* | 3 |
| Number of fed. employees, ex. military (curr = 12/10 prelim) | 2,779,000 | 2 ,840,000 | *2.2%* | 3 |
| Real median household income (2008 v 2009) | $50,112 | $49,777 | *-0.7%* | 4 |
| Number of food stamp recipients (curr = 10/10) | 31,983,716 | **43,200,878** | *35.1%* | 5 |
| Number of unemployment benefit recipients (curr = 12/10) | 7,526,598 | 9,193,838 | *22.2%* | 6 |
| Number of long-term unemployed | 2,600,000 | 6,400,000 | *146.2%* | 3 |
| Poverty rate, individuals (2008 v 2009) | 13.2% | 14.3% | *8.3%* | 4 |
| People in poverty in U.S. (2008 v 2009) | 39,800,000 | 43,600,000 | *9.5%* | 4 |

| | | | | |
|---|---|---|---|---|
| U.S. rank in Economic Freedom World Rankings | 5 | 9 | *n/a* | 10 |
| Present Situation Index (curr = 12/10) | 29.9 | 23.5 | *-21.4%* | 11 < /div> |
| Failed banks (curr = 2010 + 2011 to date) | **140** | **1 64** | *17.1%* | 12 |
| U.S. dollar versus Japanese yen exchange rate | 89.76 | 82.03 | *-8.6%* | 2 |
| U.S. money supply, M1, in billions (curr = 12/10 prelim) | 1,575.1 | 1,865.7 | ***18.4%*** | 13 |
| U.S. money supply, M2, in billions (curr = 12/10 prelim) | 8,310.9 | 8,852.3 | *6.5%* | 13 |
| National debt, in trillions | $10.627 | $14.052 | *32.2%* | 14 |

Sources:

(1) U.S. Energy Information Administration; (2) Wall Street Journal; (3) Bureau of Labor Statistics; (4) Census Bureau; (5) USDA; (6) U.S. Dept. of Labor; (7) FHFA; (8) Standard & Poor's/Case-Shill er; (9) RealtyTrac; (10) Heritage Foundation and WSJ; (11) The Conference Board; (12) FDIC; (13) Federal Reserve; (14) U.S. Treasury

## Worry, stress, concern etc....a big deal in our target market....I left some of the links in....BB



# Boomers 'Overwhelmed' by Retirement Worry

February 16, 2011

Source:Business Wire, Inc.

## Allianz Life Study Identifies Financial Personalities as Baby Boomers Enter Retirement

MINNEAPOLIS--(BUSINESS WIRE)-- A huge number of America's 76 million baby boomers fall into the "Overwhelmed" category when it comes to retirement – they're worried that they won't be able to afford the lifestyle they want and they're not sure how to improve their prospects. That's just one of the conclusions drawn from the *Reclaiming the Future Study** conducted by Allianz Life Insurance Company of North America (Allianz Life®).

Based on its survey of more than 3,200 Americans, Allianz Life has identified five distinct boomer financial personalities, each with different needs as they approach retirement. Nearly one-third of respondents fell into the "Overwhelmed" category, reporting that they are unprepared for retirement and lack confidence in planning for retirement. The other personality types derived from the study are Iconic, Resilient, Distracted and Savvy.

"These personalities can be extremely useful for boomers, helping them to identify with peers and letting them know they are not alone," said Katie Libbe , vice president of Consumer Marketing and Solutions for Allianz Life. "Realizing that there are others who share the same concerns is an important step for boomers in their retirement planning process – whether that leads them to reevaluate their current strategy or connect with a financial professional for the first time."

Allianz Life's *Reclaiming the Future* study polled 3,247 Americans, ages 44-75, with a minimum household income of $30,000. Via a statistical technique called cluster analysis, consumer segments were identified based on attitudinal, behavioral, psychographic and demographic characteristics. Five distinct financial personalities emerged as the respondents' demographic data were analyzed and correlated with their responses about economic resilience, concerns, attitudes and financial needs.

**(these are very important, use this information when you are conducting a fact finder, it will help you classify your prospect….BB)**

## A Closer Look at the Five Personalities

**Use this code to remember in fact finders:**

**ORISD….know more about your prospects and their personalities….BB**

**Overwhelmed – 32 percent** of respondents
The largest segment of respondents, "Overwhelmeds" feel unprepared for retirement and lack confidence in their ability to put together a strategy for their financial needs in retirement. They have the highest level of credit card debt and low asset levels. They are **depending heavily on Social Security** for their retirement.

**Resilient** – 27 percent of respondents
**Pragmatic and grounded**, this group was hit hard psychologically during the recession. "Resilients" have finally woken up and now recognize the need for better planning – while also restoring their battered portfolios. They are most concerned with outliving their income and realize they may have to work longer than expected to achieve retirement goals.

**Iconic** – 20 percent of respondents
"Iconics" can be thought of as "role models" – "true blue" retired Americans who've worked hard and lived within their means. They're **middle class**, live mostly on a pension, and are extremely disciplined and **traditional in their viewpoints and values**. "Iconics" may have reduced some of their spending recently, but they have a clear understanding of their retirement expenses.

**Savvy** – 14 percent of respondents
Those in the "Savvy" category are financially sophisticated, affluent boomers who pride themselves on having **prepared well for retirement** and being informed about most financial concepts. This group is living comfortably in retirement and appears to be the best-prepared of the five personalities. They are financially independent and comfortable taking risks.

**Distracted** – 7 percent of respondents
The youngest of the segments, "Distracteds" are caught up in the complexity of modern life and tend not to focus on planning for retirement. They have the **highest income of any segment** and tend to spend freely – with family and home expenditures taking priority over saving for retirement. Although they have substantial assets, they may still be **worried that their savings won't be adequate for retirement** and have no real plan for growing those savings.

**"Despite recent financial turmoil that may have negatively affected their retirement savings, a key takeaway from our research is that a majority of boomers now understand the role that guaranteed lifetime income can play in their retirement strategy," added Libbe.**

For more detail on each of the five personalities and a series of videos that bring those personalities to life, visit www.allianzlife.com/reclaim.

---

**Many thanks to David Braun for sharing with us his terrific approach to selling our products. There are PDFs attached……Be patient and we will walk you through it….BB**

Here is the left side of my Safe Money Information Kit:

1. Goals

2. Red Money / Green Money discussion

3. American Equity "What's Your Risk Tolerance?" chart (shows Red Money
options on the left and Green Money options on the right)

4. American Equity's "New Math" - emphasize how difficult it is to make up losses.

5. Benefits Annuity. Description of Fixed Annuity & "Indexed" Annuity (laying out just what the characteristics are).

a. Half way down is a box describing "Indexed" Annuities, further explained on the next page.

b. At the bottom is a brief description of the Guaranteed Lifetime Income Rider (further explained on the 2nd page following)

6. Fixed & Indexed Strategies. Further explanation of the difference between a Fixed and a Fixed "Indexed" Annuity.

7. LIBR diagram. A chart for discussion, illustrating (with American

Equity numbers) how the Lifetime Income Benefit Rider works, and how it is
separate from the main Contract Value

8. American Equity "Real Benefits" chart - showing how it works in a volatile market.

9. Then I include an example or two, based on the available assets of that particular client, usually run on American Equity's LIBR calculator.

10. Then I include my references page.

11. Finally, the Confidential Information form (which I have redone from the one you provided).

David D. Braun, ChFC, CLU, LUTCF

Office: 800-303-8674

Mobile: 909-921-1661

Fax: 909-212-0295

# The Other Side of the Table

## …..it's all based on your view……

**Sometimes it is how you look at things that can make the difference. The other side of the table is all about that….how you look at things!**

**<u>Good and thorough Fact Finding means extra sales….BB</u>**

**Oh by the way (just ask one more question)**

**<u>The Prospect</u>**
This case is a female widow, age 71, who had enough income for her retirement income. The income was from social security, invested assets and a pension. She still lived at home, still healthy and active. She had two grown children and three grandchildren. Children on their own and independent.

**<u>The Appointment</u>**
Following a fact finding session and learning about her various assets, an annuity options made sense. She purchased a $100,000 fixed annuity, and scheduled a second annuity purchase within the next three months.

**However, the appointment did not end there…**
**One Important Question**

Once the agent completed the paperwork for her initial annuity sale, he asked this simple question:

"It appears that your current income meets your retirement income needs.

***"Do you have any additional funds, perhaps in a CD or elsewhere, that you will probably never need to touch and intended for your children?"***

She said she had approximately $175,000 in CDs set aside for her children and grand-children. Risk was not anything she wished to be exposed to, so she chose the bank route.

**I said**: What is the purpose of the CDs and what do you wish them to accomplish?

**I said:** "If that's the case, may I show you about "leverage?" How by repositioning your CDs you can leverage them to better benefit your children and grandchildren? She listened and I explained....

**The Second Sale:**

- She bought a Single Premium Whole Life with $175,000 premium
- The policy had a **Guaranteed Death Benefit of $285,114**
- In one week she **increased her estate** for her heirs by **more than $100,000**
- ***The entire $285,114 would be passed to heirs Income Tax Free and free of probate issues and expenses. (generally)***
- If her need for money in the future grew, she could access to her original premium
- Underwriting is simple and issuing was easy.
- **The compensation was just over $17,000.**
- **Always do a complete and thorough fact finder, and always ask the question....**
- **What is the purpose of the (CD) and what would you like it to accomplish?**

## Happy Client Win-Win

**Run into a case like this? Call Tony or me and we will give you a hand….BB**