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

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David and I have a "news" service that will allert you of sales opportunities, lead news and other issues to help you make more sales. This service is only for the crew (contracted agents). If you would like to be added to the list, email me at bbroich@msn.com.

Editorial

Disclaimer: This editorial is my personal opinion. It may or may not be the opinion and views of others in our organization. If you quote any of the editorial, it must be credited to me only.....BB

More information about fees and expenses in the security industry has caused a curtain to be pulled back (partially). The security industry has been forced to provide transparency and/or assumed disclosure. In the securities world, this has caused many segments of the industry to "lean" up their business. This means that some expenses on many funds have overall decreased. That is the overall view from the regulatory side.

For me, that is nonsense, the only reason fees and expenses have declined is the internet (and information) and Baby Boomers have caused the security industry to become more and more transparent.

I argue my point based on access to information, 20 years ago there may have been an article once in a while in a news publication and that would have been it. Now with the internet, we have almost full and unrestricted access to information, dozens of articles are written weekly about the security side and pressure from us as consumers (and agents) have caused this to happen.

My opinion is this: If left non disclosed or hard to discover, the security industry would **NEVER** have lowered fees and expenses. It is pressure from all sides to become transparent that has caused all this to happen. Remember the fight the security industry put up over 401(k) disclosure rules?

Does it mean that everything is out in the open and now we have full transparency with the security side of the investment business? Does it mean now that trust is possibly restored?

Not a chance.

Wall Street will do everything possible to keep doors closed. The last thing they are interested in is transparency. Why? Simply because the less we know and understand means the more chances for increased compensation can be gleaned from their activities.

In today's Open MIC, I will show you **two** issues that are not easily disclosed and where information is impossible to find. I will show you why we can NEVER trust Wall Street and all the organization associated with them. I will show you why our products are the only trustworthy choice for so many people.

Today we will discuss two areas where additional fees are leveraged. 1. mutual funds 2. Bond compensation

I will show you how you can use this information to compete on a level field to show prospects exactly what is happening and why outsourcing to an annuity company is the real winner.

I do not trust Wall Street, I do not trust their products and I do not trust their distribution system.

BB

The *Motley Fool* is not a just a fool but also wildly misinformed. Their exaggeration of their view of the annuity world continues. Let me share with you a recent article and I will follow that up with a question, the question includes *Fisher Investments*.....BB

http://www.fool.com/knowledge-center/2016/03/27/what-commission-is-paid-on-a-fixed-indexed-annuity.aspx

What Commission Is Paid on a Fixed-Indexed Annuity?

These insurance products often come with hefty fees.

Motley Fool Staff
Mar 27, 2016 at 12:25AM

Annuities can be a useful way to invest in a tax-deferred manner. Figuring out the fees and other costs that annuities charge can be more challenging than with other types of investments, and it's important to understand fully just how much you have to pay to buy an annuity. In particular, **fixed-indexed annuities charge commissions that some complain are excessive and divert money to sales professionals that would otherwise go toward an investor's savings.** Let's look more closely at fixed-indexed annuities and associated fees.

What fixed-indexed annuities are

The idea behind a fixed-indexed annuity is that it provides a link between the annuity's return and the returns on a certain asset class. For instance, one popular fixed-indexed annuity pays a fraction of a stock market index's base return, providing a minimum guaranteed rate even if the stock market goes down or stays flat during the measuring period.

The primary benefit of the fixed-indexed annuity is that it offers investors the best of both worlds. You won't get the full return of a stock index in a rising market, but you'll get a portion of it. At the same time, you don't have to worry about losing money when a bear market hits, because the annuity structure limits potential losses.

The trade-off, though, is the cost involved. Fixed-indexed annuities often come with **fairly high annual fees**, either charged directly or built into the structure of the investment return. **They can also have high commissions.**

Commissions on fixed-indexed annuities

When they first became popular, fixed-indexed annuities earned a reputation for being particularly egregious in their charging fees. Although different products vary, some third-party sources have estimated average commissions for these products topping,

10%

or roughly double the typical commission on regular fixed annuities. Investors aren't able to see what they pay in commissions directly, but it has a negative impact on the returns they get and lengthens the surrender period involved.

More recently, though, there have been efforts to rein in fixed-indexed annuity commissions. In 2014, **Wells Fargo** (more on Wells Fargo in notes below) announced that it would only include fixed-indexed annuities that limited commissions to **4%**.

Surrender periods can't go beyond **eight years**, and the platform permits only a couple of methods for crediting accounts with appropriate returns based on the index's performance. Similar moves could reduce commissions even further.

Before you buy a fixed-indexed annuity, you should know how much of your money will go toward commissions. If your salesperson doesn't want to respond to that question, your next move is a simple one: find a professional who isn't afraid to give you the answers you deserve.

Finally, a way to make your money work for you
There are finer things to enjoy in life than working tirelessly just to make ends meet. Unfortunately, many don't know how easy it can be to put your money work for you. But we think it's simple: Invest in great companies using the stock market. Over the long haul, stocks have beaten savings accounts by a mile. And with just 30 minutes a day, we believe you can learn just about everything you need to know about investing in the stock market (for FREE!). Click here to get started.

This article is part of The Motley Fool's Knowledge Center, which was created based on the collected wisdom of a fantastic community of investors. We'd love to hear your questions, thoughts, and opinions on the Knowledge Center in general or this page in particular. Your input will help us help the world invest, better! Email us at knowledgecenter@fool.com. Thanks -- and Fool on!

See the click above?

Click on it and it will lead you to the real reason Motley Fool exists (and Fisher Investments). They are a lead generation website. Get you interested, sign up and a lead is created. Why do you think Fisher is so against annuities and yet can you think who might be a large investor in Annuity companies?

Go the www.fool.com and REALLY look around, what do you suppose you will find?

The discussion continues later in the notes....BB

More:

If you have **tax questions** about **life insurance**, here is a source:

http://www.lifehealthpro.com/2016/03/24/15-little-known-life-insurance-tax-facts?

If you have **tax questions** about **annuities**, here is a source:

http://www.lifehealthpro.com/2016/03/29/12-little-known-annuity-tax-facts?

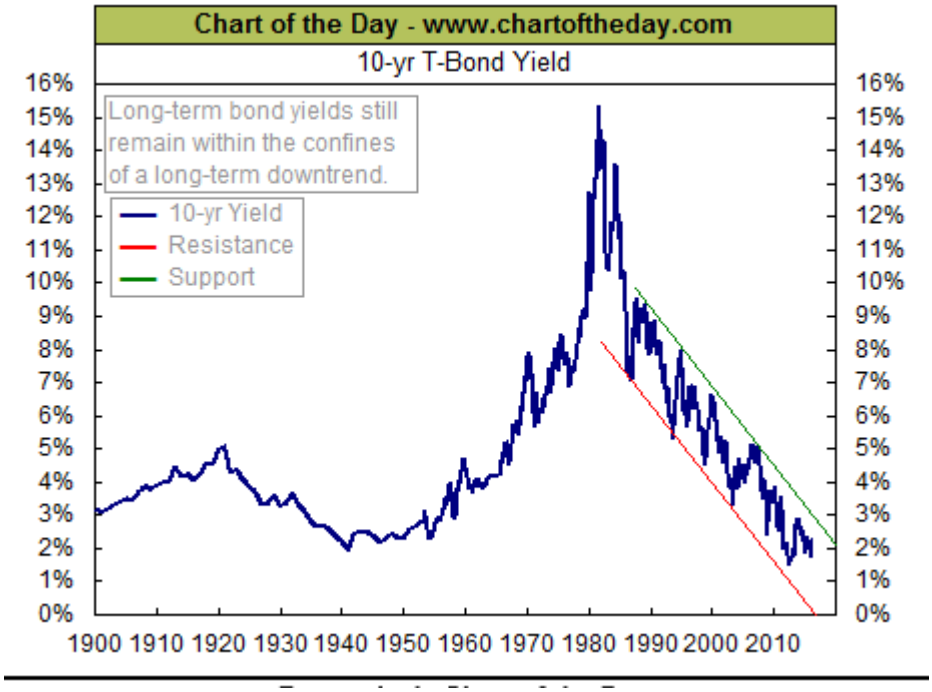
Gold: I get asked often about how to compete against the ownership of gold, here is a website that allows you to look at gold over different time periods in chart form. This may help you compete, you can use the site in front of your prospect and have a look at volatility:

http://www.kitco.com/charts/historicalgold.html

Yellen Urges Caution: Interest Rates

http://www.financial-planning.com/news/industry/yellen-urges-caution-in-raising-interest-rates-2696195-1.html?

Fed Chairwoman Janet Yellen said it is appropriate for U.S. central bankers to **"proceed cautiously"** in raising interest rates because the global economy presents heightened risks.



10-year T Bond yield (Treasuries) are the lowest rate since 1900, now we can understand why insurance companies are reducing their living benefits.

Sales and Marketing

Investment Company Institute

https://www.ici.org/pressroom/news/16_news_trends_expenses

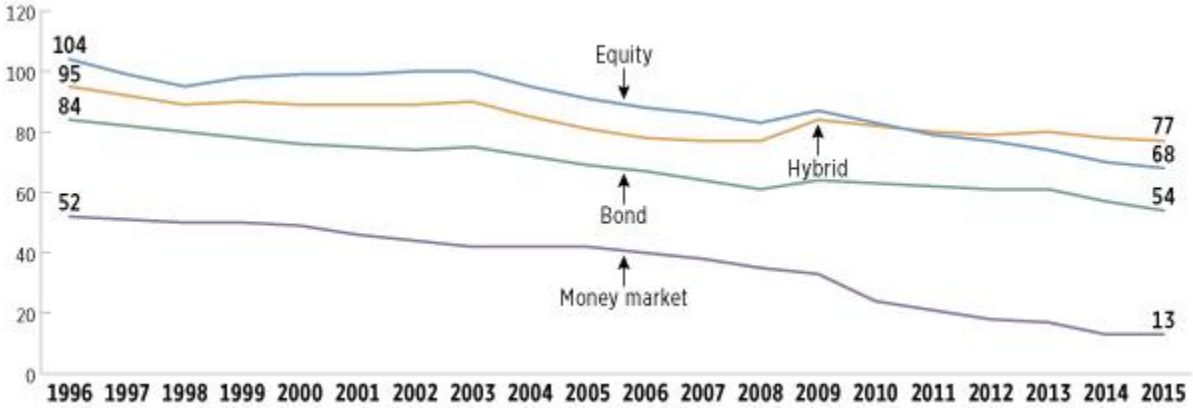
Average Expense Ratios for Equity, Hybrid, and Bond Mutual Funds Hit 20-Year Lows

Washington, DC, March 16, 2016—Expense ratios for equity, hybrid, and bond mutual funds dropped in 2015 to the lowest level in at least 20 years, while money market fund expense ratios remained at their 2014 low, according to data released by the Investment Company Institute (ICI) today. A fund's expense ratio is the fund's total annual expenses expressed as a percentage of its net assets.

"Mutual fund expense ratios have been experiencing an overall decline for many years, driven by increased competition and growth in the fund industry," said Sean Collins, ICI's senior director of industry and financial analysis. "Expense ratios for both actively managed and index funds have seen substantial declines."

Expense Ratios Have Declined Substantially Since 1996

Basis points, 1996–2015



Note: Expense ratios are measured as asset-weighted averages. Data exclude mutual funds available as investment choices in variable annuities and mutual funds that invest primarily in other mutual funds.

Sources: Investment Company Institute and Lipper

Growing Popularity of Index Funds Contributes to Decline in Equity Fund Expense Ratios

Weighted by assets, average equity fund expense ratios fell 2 basis points to 68 basis points (0.68 percent of assets) in 2015. This follows a 4 basis point decline in 2014 and marks the **sixth straight year in which equity fund expense ratios have fallen**. An increase in the share of equity fund assets held in index funds contributed to the decline in equity fund expense ratios: **actively managed equity fund assets fell by $275 billion** in 2015, while index equity fund assets rose by $109 billion.

(fees decline and yet actively managed funds drop in value by $275 billion....BB)

Share of Assets in Costly-to-Manage Categories of Bond Funds Declines

Bond fund expense ratios averaged 54 basis points in 2015. In 2015, bond fund expense ratios fell 3 basis points, in large measure reflecting a decline in the assets of high-yield bond funds, which tend to have higher-than-average expense ratios. **Performance of high-yield bonds suffered in 2015**, pushing down the value of funds' holdings and prompting investor redemptions.

(why do you think yields declined on high-yield bonds the past couple years? Simple, the bonds were called and replaced with lower interest bearing bonds...Remember our sales piece (the back door escape hatch?)

Money Market Fund Expense Ratios Remained Stable in 2015

Money market fund expense ratios averaged 13 basis points in 2015, unchanged from 2014. The current low interest rate environment has limited the expense ratios of money market funds over the last few years, as these funds have **waived portions of their fees** to prevent their **net yields falling below zero**. In 2015, 98 percent of money market fund share classes waived at least some portion of their fees. Fund advisers and their distributors pay for these waivers, which totaled an estimated $5.5 billion in 2015.

(the fact that net yield could be below zero is an alarming issue for MM funds, their perception of safety is on the line, if a MM were to lose value (per share) what do you suppose the investors would do?.....BB)

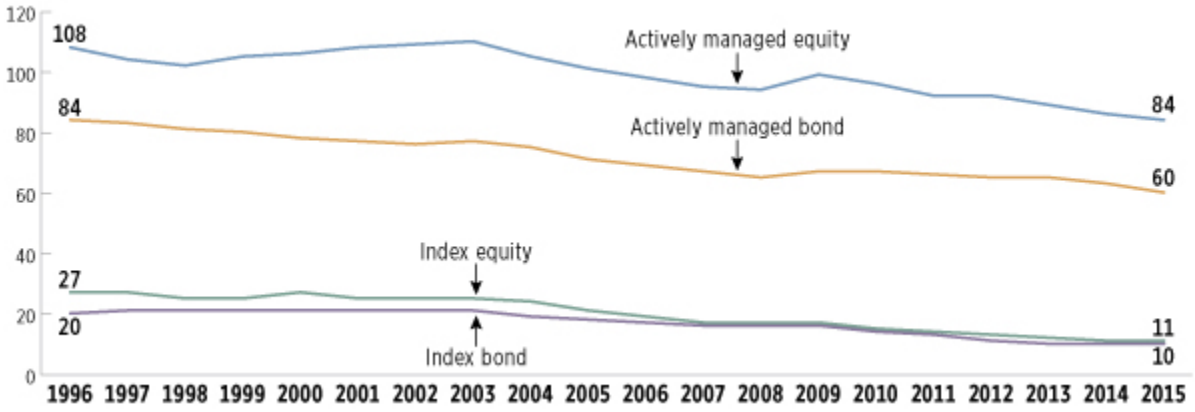
Actively Managed Equity and Bond Fund Expense Ratios Continued Steady Decline

The average expense ratios for actively managed equity and bond funds fell by 2 and 3 basis points, respectively, in 2015, though the expense ratios of index funds have leveled out in the past two years. The declining cost of actively managed funds was due in large part to competitive pressures and investor interest in lower-cost funds. For both actively managed and index funds, this demand for lower-cost funds is evidenced by the concentration of assets in the very lowest cost funds. In 2015, 57 percent of the assets of actively managed equity funds were held in the 10 percent of such funds with the lowest expense ratios. In 2015, 69 percent of index equity fund assets were held in the 10 percent of index equity funds with the lowest expense ratios.

(transparency has caused this to happen, as more investors are learning about fees, questions are being asked, prior to that, the fund industry was shooting ducks….BB)

Expense Ratios of Actively Managed and Index Funds

Basis points, 1996–2015



Note: Expense ratios are measured as asset-weighted averages. Data exclude mutual funds available as investment choices in variable annuities and mutual funds that invest primarily in other mutual funds.

More:

Morningstar Report Mutual Fund Fees:

http://news.morningstar.com/pdfs/2015_fee_study.pdf

(If I were you, I would read every word of this report….BB)

The report below will give you a **huge completive advantage** if you are competing against one of the 11 B/D mentioned in the report. Even if your competitor is not mentioned, I would still sue this until I had worn out the pages, this is a real opportunity. This is one of those "not to be missed" chances to use a **3rd party** paper for your advantage.

I noticed **Wells Fargo** is one of the 11 mentioned in the report, did you see in the news who is making a big move (9.7% of the stock) to controlling the company (and board)? Our friend in Omaha. That should send a big message to all of us where a lot of money is expected to be made……BB

The Real Cost of Fees and Their Effect on Retirement Accounts

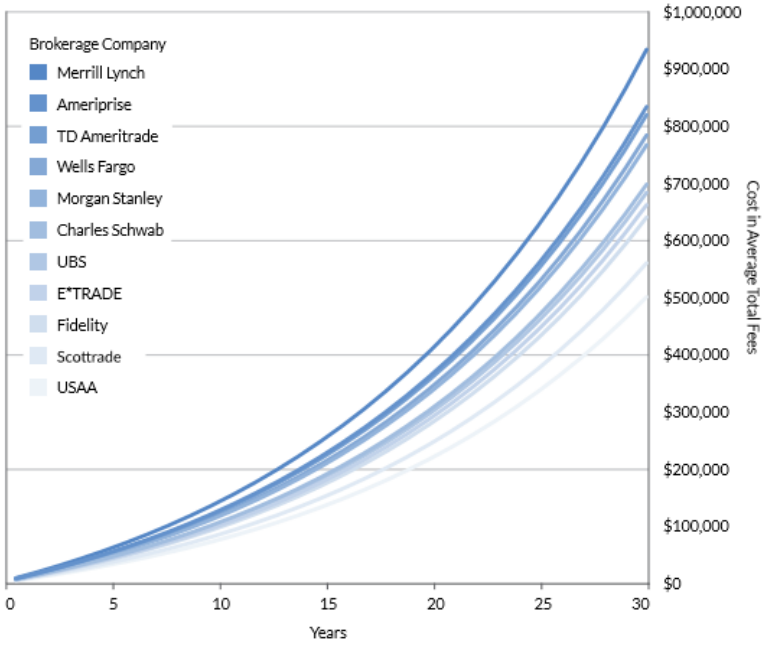
https://www.personalcapital.com/assets/whitepapers/PC_Fees_WhitePaper.pdf

Sources: Investment Company Institute and Lipper

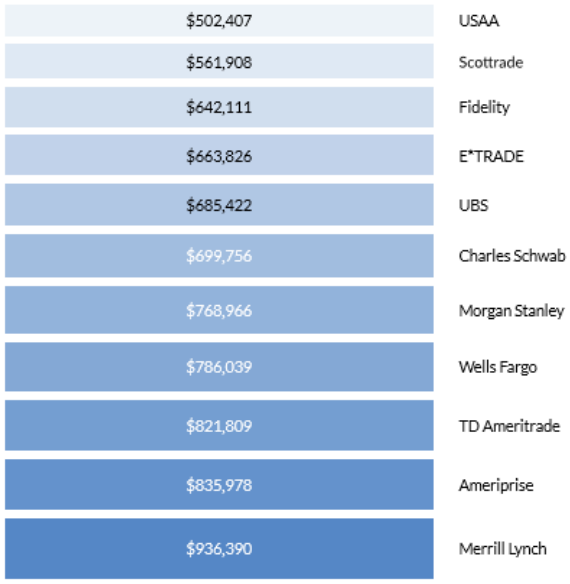
Total Cost of Fees: Nearly $1 Million Over 30 Years

Applying the range of fees documented in this report to an average account of $500,000, the costs to a portfolio over 30 years of investing could span from a high of $936,390 for Merrill Lynch to a low of $502,407 for USAA.

Cost in Average Total Fees Over 30 Years by Brokerage Company



Cost in Average Total Fees After 30 Years by Brokerage Company



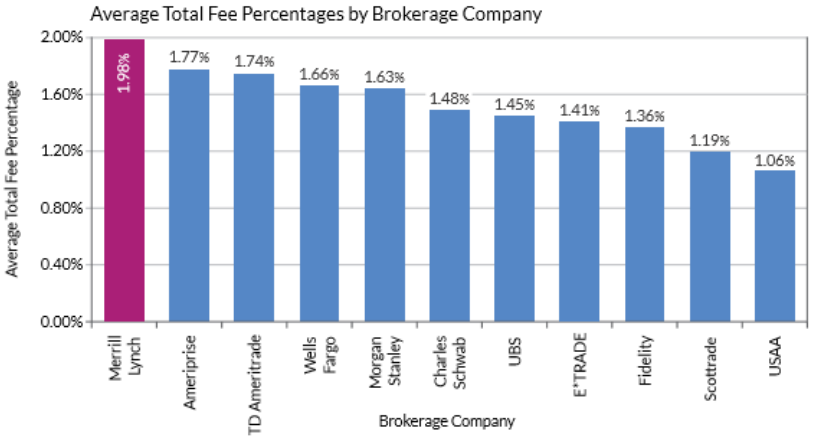
It lists 11 of the top individual brokerage fee averages, have a look, this could be a marketing advantage to you in a competitive situation.

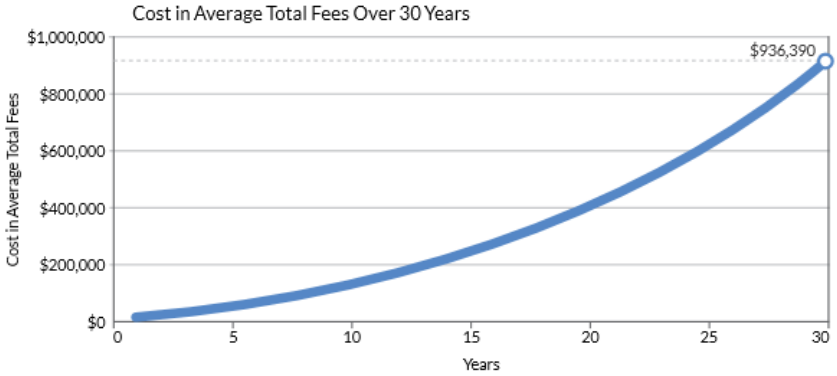
Merrill Lynch

At 1.98%, Merrill Lynch represents the highest average total fee percentage of the eleven brokerages selected. The average advisory fee percentage is 1.30% and the average mutual fund and ETF expense ratio is 0.68%. Merrill Lynch average total fees would cost a $500,000 portfolio holder $936,390 over 30 years.

Merrill Lynch Average Fee Breakdown

Average Advisory Fee Percentage	1.30%
Average Mutual Fund and ETF Expense Ratio	0.68%
Average Total Fee Percentage	1.98%
Average Total Fees after 30 Years	$936,390





Calculation Examples

To uncover fees associated with investments, Personal Capital employed machine learning and human training to calculate both the average advisory fee for managed accounts and average fund related fees. Personal Capital created a dataset for each financial institution and analyzed a total of 9,365 advised accounts and 146,559 accounts with fund related fees across the 11 financial institutions. Data from the 3rd Quarter of 2014 were used to examine the range of each fee type and calculate the average total fee of each financial institution and the data include a 10% trim to remove outliers. The 30-year projected fee metric is based on an account annual growth rate of 7% and average total fees remaining consistent to the derived rates over the 30-year period.

Advisory Fee Calculation Example:

Total Portfolio	= $100,000
Annual Advisory Fee	= $1,500
Advisory Fee % ($1,500 / $100,000 = 1.5%)	= 1.5%

Mutual Fund/ETF Fee Calculation Example:

Total Portfolio	= $100,000
Annual Mutual Fund/ETF Fee	= $1,000
Expense Ratio (unweighted) ($1,000 / $100,000 = 1.0%)	= 1.0%

Total Fee Calculation Example:

Total Portfolio	= $100,000
Total Fee (Advisor + Fund)	= $2,500
Total Fee % ($2,500 / $100,000 = 1.0%)	= 2.5%

Agents: User the tax DIS-advantage of mutual funds to sell more annuities

Use this sales tip AND information to make more sales. These are sitting ducks, **IF** you handle the Fact Finder right.

Many mutual fund investors will be paying taxes on investments in mutual funds that had losses in 2015. This is known and the Double-Whammy.

This tax season could turn out to be particularly uncomfortable one for mutual fund investors and those who sell them. Despite losses or small gains in most major markets last year, many mutual funds distributed capital gains to investors who, in turn, have to pay taxes on those gains even though they made **little or no gain** on those investments and may even have incurred losses.

It has happened before which caused the end to one fund family.

(http://articles.latimes.com/keyword/kaufmann-fund/featured/3)

Tip: Don't Buy Mutual Funds at the End of the Year
Mutual fund distributions are typically issued toward the end of the year, in November or, most often, in December. Those who purchase a mutual fund toward the end of the year may therefore be buying themselves a quick tax bill along with their fund shares.

This might be a good question to ask a prospect who has had a tax liability in a mutual fund. ***"What time of year did your broker sell you the mutual fund?"***

This **"double whammy"** is even more pronounced if the fund distributions were short-term capital gains, which are **taxed** at an investor's **income tax rate** rather than the lower long-term capital gains of 15% or 20% for many investors, depending on their tax rate.

You could still be exposed to tax liability and yet have your account value go decline.

There is a complete disconnect of understanding taxation on mutual funds for most of our prospects and clients.

(We can use this to help sell annuities.)

Here is an example: For one thing, taxes can turn fund gains into losses. Take the example of a $100,000 fund portfolio that gained 0.5% before taxes, or $500, and distributed 10% of its NAV in capital gains (the average distribution was 9.7%, in 2015). That could cause the investor to lose money on the fund value and at the same time be exposed to tax liability.

There is also another expense associated with mutual funds. It is the liability of the **"hidden expense (invisible)"** that advisors and investors should consider when choosing mutual funds.

Our competitors are largely unaware of an important issue when considering mutual funds: **Turnover Ratio.**

The turnover ratio is the percentage of a mutual fund or other investment vehicle's holdings that have been "turned over" or replaced with other holdings in a given year.

Here are **3 randomly** selected mutual funds

- **AC Alternatives (ALHIX)** Turnover ratio is **243%**
  (http://seekingalpha.com/symbol/ALHIX/related)

- **Vanguard S/P 500 Stock Index** Turnover ratio is **4%**

- **Columbia Acorn Emerging (CAGAX)** Turnover ratio is **58%**
  https://www.columbiathreadneedleus.com/investment-products/mutual-funds/Columbia-Acorn-Emerging-Markets-Fund/Class-A/details?cusip=197199623

Would most investors even know the turnover ratio and what it might mean to them and their longer term investments? Turnover means buying and selling, every time an asset is bought or sold, two things occur:

1. Exposure to fees and expenses for acquisition or liquidation
2. Exposure to tax liability.

This **"hidden"** liability can definitely affect the investors goals and tax exposure. The weird thing it this.....**ALMOST** no one knows about it!

AND...the cost of buying and selling is not disclosed AND the expense is deducted **BEFORE** any calculation for other expenses AND before gain or loss is calculated.

http://finance.zacks.com/asset-turnover-ratio-mutual-fund-investments-4901.html
Fees
While it is important to estimate the likely **financial reward of a fund manager's investment strategy**, it is equally important to understand the amount of this reward you will be allowed to keep. The more aggressive a fund's investment objectives, the more likely its turnover ratio will be high. **High turnover drives up the cost** of your fund shares because buying and selling expenses, such as commissions, are deducted from your fund's performance on a daily basis.

Taxes
If a fund sells securities, the sale results in a taxable event for the investor. As a mutual fund owner, you are taxed on the profits earned when mutual fund shares are sold. You are also taxed on the net profits generated by the buying and selling of fund assets by the fund manager. **Taxes are incurred on these profits even if the gains are reinvested in more fund shares**. If the sale is classified as a short-term sale, tax is paid at your marginal federal income tax rate. High buying and selling activity can lead to a capital gains tax liability that is higher than that of an unmanaged index fund, which trades shares less frequently. As a result, an unmanaged index fund may generate less taxable income.

Common sense will dictate this: the higher the turnover rate, the higher the expenses.

There could actually be GOOD turnover, that is when assets are sold for a loss, how often do you think that normally happens in a managed mutual fund?

Simple math would show that longer term held assets are more tax efficient than shorter held assets. Common sense?

The issue is all so unnecessary, with a small amount of work, information can easily be gathered to learn what this **"hidden"** expense is. It couldn't be simpler.

Google (name of mutual fund) turnover ratio

Here are a few simple and yet POWER questions to ask.

"Mrs. Jones, I see you own a mutual fund portfolio."

- *"Do these investments add tax liability to your return?"* (How simple is that statement?)
- *"Mrs. Jones, did you know that every time your fund buys or sells an asset in the fund you are charged a fee?* (see invisible charges below)
- *"Did you know that the fee is subtracted BEFORE any other fees are shown to you?"*

Invisible

These are **Invisible Charges**
Investment experts have speculated that brokerage commissions can add as much as **0.15%** to a fund's annual expenses. However, these costs are **not included in a fund's expense ratio.** They seem to fit the definition of an operating expense but, as of today, are not so considered.

- *"Did you know that the fee shown you is not the only fee?"*
- *"Did you know that it is almost impossible to know what the actual fee is?"*
- *"Mrs. Jones, did you know there is a fee charged you that is not disclosed?"*
- *"Mrs. Jones, do you know what this fee is known as in the industry?*

"The Hidden (or invisible) Expense"

Want another tip?

Over a long period of time, (120 years) stocks have outperformed cash deposits. (http://www.fool.com/School/MutualFunds/Costs/Turnover.htm).

Look at the percentage of cash held in a mutual fund, the more actively traded the fund is, the higher percentage of cash it will hold. Most actively traded funds hold about 8% of their assets in cash.

Asset Allocation [3]

AS OF 12/31/2015; MORNINGSTAR CATEGORY: DIVERSII EMERGING MKTS

	Fund
Cash	10.42%
Convertibles	0.00%
Domestic Bond	0.00%
Preferred Stock	0.00%
Foreign Bond	0.00%
Foreign Stock	83.96%
Others	3.30%
Domestic Stock	2.32%

See the cash percentage on this example? (10.42%) What would you guess the **expense ratio** is on this fund? Why would the fund hold such a high percentage of their investable assets in cash?

A: 2.67%

Mutual fund fee and expense manipulation

Did you know that mutual funds have given themselves the option of adjusting fees and expenses IF they need to for competitive reasons…in other words, we will reduce fees if we cannot compete? The SEC allows these voluntary fee reductions as long as they are in the prospectus. Here they are:

Voluntary 12B-1 Fee Cap
A maximum voluntary fee that limits the amount deducted from fund assets to pay for distribution and marketing costs. Reference the fund's prospectus for more details.

Voluntary 12B-1 Fee Waiver
Represents the voluntary 12B-1 fee amount the fund company waives or assumes in order to keep the fund's actual (net) expenses low. Reference the fund's prospectus for more details.

Voluntary Exp Cap
A voluntary expense cap is a limit that the fund company has placed on the level of the expenses borne by the fund, but that can be removed at any time. Reference the fund's prospectus for more details.

Voluntary Exp Waiver
Represents the voluntary amount the fund company waives or assumes in order to keep the fund's actual (net) expenses low. Reference the fund's prospectus for more details.

Voluntary Mgmt Fee Cap
A maximum voluntary fee that limits the amount paid to an investment manager or advisor for its management services. A fund's management fee will be included in the total annual operating expenses and disclosed in the Fee Table of the fund's prospectus.

Voluntary Mgmt Waiver
Represents the voluntary management fee amount the fund company waives or assumes in order to keep the fund's actual (net) expenses low. Reference the fund's prospectus for more details.

Voluntary Other Exp Cap
This is a limit that the fund company has placed on the level of other expenses borne by the fund. The cap is voluntary and indicates the maximum level of expenses (with certain exceptions) that the fund would be paying at that time. Subject to shareholder approval, the Expense Cap may be terminated or revised, which may lower the fund's yield and return. Reference the fund's prospectus for more details.

Voluntary Other Exp Waiver
Represents the voluntary amount the fund company waives or assumes in order to keep the fund's actual (net) expenses low. Reference the fund's prospectus for more details.

Are you beginning to see the picture, they have strict rules supported and

declared by the SEC, **BUT** if they need to use the waiver to help hold clients and keep money in the fund, they can simply change their fees….LOWER.

If not needed, fees are fully charged.

What is your opinion of Wall Street now?

And the DOL wants the SEC (and FINRA) to manage our industry!

Bonds: *"Make a market"*

Here is one category that transparency will help cost reduction in bond acquisition. A recent ruling from FINRA is now requiring (next year) to disclose margins on bonds held for resale. The secret about this is simple, the "market maker" does not need to hold bonds in inventory, they can buy one minute and sell the next. The margin they earn is their mark-up. When buying bonds on the secondary market, it might make sense to have more than one source.

(The stock market system would not function without market makers)

This is a ***"What the traffic will bear"*** sales tactic.

Did you know that if asked, the brokerage house would have had to told the buyer (secondary market) their acquisition costs?

From Wikipedia: A **market maker** or liquidity provider is a company, or an individual, that quotes both a buy and a sell price in a financial instrument or commodity held in inventory, hoping to make a profit on the bid-offer spread or turn. The SEC defines a "market maker" as a firm that stands ready to buy and sell on a regular and continuous basis at a publicly quoted price.

Final thoughts

When you fully understand the rules in which Wall Street functions, you will see that the cards are stacked in their favor. By choosing an annuity, the insurance company is the one who has to deal with them. An annuity owner doesn't care anything about how much markup there was in a bond purchase, that is the insurance company's problem. The annuity owner clearly knows the benefits of the annuity and the guidelines in which it functions.

By outsourcing to the insurance company, you also outsource the disgusting business of dealing with brokers who understand these details, details that are nearly impossible for the average person to understand.

When you outsource to an insurance company, you are outsourcing stress.

When you outsource to an annuity, you are trading future worries about money management to a professional, a professional who is regulated at a high level.

Ina addition, the annuity buyers also receives assurances from each state department of insurance that someone is watching their back and there is a fund available should anything go wrong.

Is that available in Wall Street? Does the SEC have your back? Who DOES have your back when you deal with Wall Street?

BB

Questions this week regarding leads. BTW…**Thanks for the questions**, they help all of us!

Q: Bill, can you give me an easy way to explain why putting money in an annuity and tying it up for a longer time period than a bank CD would make sense? My prospect says it doesn't make much difference these days between long term and short term, all interest rates are low?

A: I think the important issue here is time horizons, in other words when will the money be needed?

Use an example to show longer horizons

Use Time Horizons to Position Thinking About Annuities.

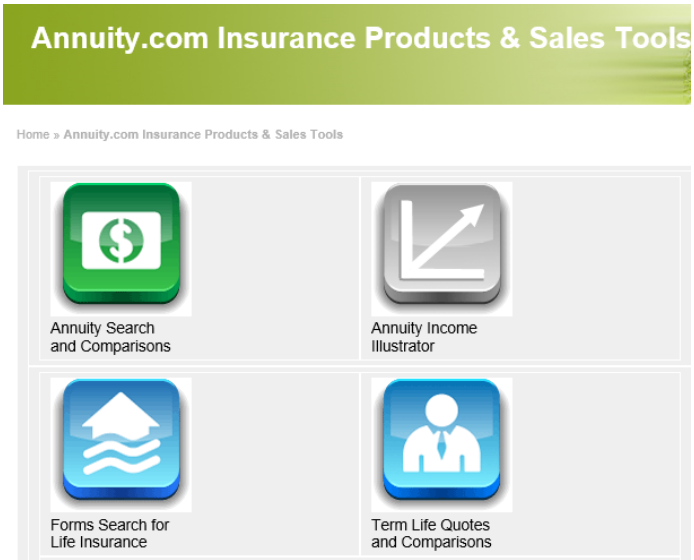
Probably the very biggest error that is made with choosing the time to invest money is the mistake regarding **"time horizons."**

Let's look at the definition first: By definition a time horizon when speaking of financial uses is the length of time a sum of money is expected to be invested. If our time horizon is next year then options are less and if our time horizons are further, options increase.

It is partially human nature because the older we get the shorter we think. As an example if I were to say to a 75-year-old female that she should buy a 15 year bond she wouldn't agree, but based on life expectancy tables it is about right.

So in discussing time horizons I use the example of **US Treasuries**. I point out to the prospect that by looking longer they have more options.

"Mrs. Jones, the very safest place to keep your money is in US Treasuries. But if you don't look longer you will not receive the higher rates. As an example a one-year Treasury may only pay 1% but a ten-year Treasury may pay 3-4%. By looking longer, we have so many more options."



You can also use bank CDs. Today at www.bankrate.com a 1 year CD earns about 1.27% **BUT** a 5 year CD earns 2.15%. It really isn't about today's low interest rates; it is about investing to your time horizons.

If you go to www.annuity.com/agenttools you can easily compare fixed interest rate annuities. A 5 year MYGA earns 3.15% and a 2 year earns 2%. It is easy to segue into an annuity by comparing the 3 types of market risk fixed interest products (banks, treasuries and annuities).

The illustration I used above is easily understood. Once a prospect understands their option in relationship to their goals, selling the right product makes great sense.

Positioning our products in the same category of other safe and secure products allows our prospects a great level of confidence.

Try it; "looking longer" has many more options for your prospect.

Q: Bill, I have recently had a complaint about the increase "cost of insurance" on in force universal life policies I have sold. What is going on?

A: Obviously it is to increase additional revenue to the insurance companies for one of two reasons:

1. Cover costs of paying out benefits promised in the contract
2. Increase the bottom line of the company

Numerous lawsuits are in process, the courts will need to decide, my opinion is simple, these companies will use the contact to increase their margins…good article here: http://insurancenewsnet.com/innarticle/903550

Big Truck Brothers

Hello Partners,

Just a reminder that the payout percentages for Guggenheim are decreasing effective 4/1 but you have until 4/15 to turn in business with the old higher payout percentages as long as the app is dated prior to 4/1 and turned in by 4/15. The TriVysta software has been updated with the new payout percentages but if you call Guggenheim they can still run illustrations with the old payout factors.

If you are meeting with a client after 4/1 just date the app prior to 4/1 and get it turned in prior to 4/15.

Thanks for the biz!

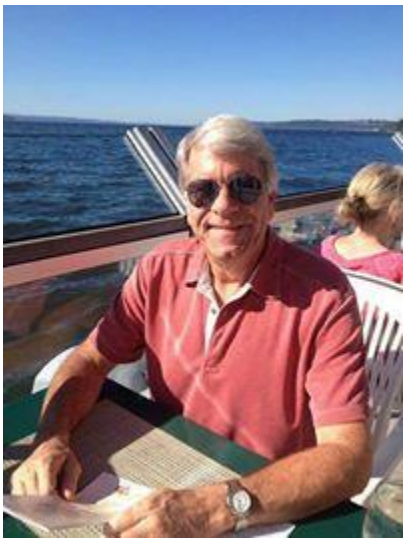
Hello Partners,

Just a reminder that all AIG policies must be faxed or emailed to us for submission. AIG requires us to scrub apps before they are submitted to AIG.

Thanks,

Anthony R. Owen

Product Information:



David Townsend...

View in Web Browser

ISSUE DATE:
March 28, 2016

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Video: Let's Not Make this Complicated

Life insurance can be a versatile player in your clients' portfolios. But some clients may think the purchase process is too complicated. MetLife's Enhanced Rate Plus underwriting program simplifies and streamlines the traditional process for qualifying clients - including eliminating the need for blood and urine samples - to deliver a policy in less than a week. Learn more.

Kiplinger's "3-Step Guide to Smarter LTC Planning"

As part of the financial planning process, it's important to understand the potential impact that needing long-term care may have on assets, family, and the future. This third-party Kiplinger report highlights for consumers the impact of needing long-term care, and provides tips to consider in the planning process. Read more.

Video: Life Insurance for Income Protection

The lost income and household contributions of a breadwinner or partner can be a worry for many families. By offering them the death benefit protection available through life insurance, you can help ease their concerns. North American offers you a complete package of materials to present this concept to your clients, suggest an appropriate death benefit amount and, ultimately, help ensure the financial protection of their loved ones! Learn more.

Social Security Boost

For many individuals, understanding their social security options and planning for their future retirement goes hand in hand. This new John Hancock Solutions module and marketing collateral helps explain the various social security options and also illustrates how life insurance can help with future retirement income. The JH Solutions module offers options and flexibility when looking at future retirement planning, and offers an Advisor Comparison and Client Snapshot.

Clients Getting Divorced?

Divorce can be a difficult transition. Helping your clients be organized and knowledgeable can help. These tools (Consumer Guide and Consumer Presentation) will help inform your clients of some common issues they should consider during a divorce, and help them gather the documentation they'll likely need.

Financial Objectives Discussion Guide

North American's new Financial Objectives Discussion Guide is now available with all of North American's sales concept kits. As its name implies, this worksheet will help guide your discussions with potential clients to help assess their financial objectives. Once you've worked with your client to complete the guide, the materials in North American's various sales concept kits can help you determine the need for death benefit protection and potential life insurance solutions to meet their needs and provide you with tools to help you present those concepts to clients. View guide.

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Connect with Us!

Forward

Every week, we send 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.

NEW ANNUITY CARRIER UPDATES

American Equity

American Equity is adjusting their interest rates on a few products effective April 5th. Click here to view deadlines and changes.

North American

North American is pleased to announce a new technology for submitting annuity applications. E-Application is coming April 4th. Stay tuned for more information about this time-saving feature coming soon!

Exciting news for Lite States! The new Charter Plus 10 with the new Income Pay Plus rider is being rolled with an income doubler is states like FL, WA, UT, MO and MN. This roll-out will be effective April 12th. Be watching for more information from North American in the coming days.

ONGOING ANNUITY CARRIER NEWS

Athene

Effective immediately, Athene Annuity is running a commission special on the industry's #1 accumulation annuity, the Performance Elite Series. From now until April 8th, 2016 earn up to an additional 1% on all qualifying Athene Performance Elite production. Please see here for additional details.

Also,
Effective March 19, 2016 Athene Annuity will be making significant product enhancements to the Benefit 10. First, the penalty free withdrawal amount will be increased to 10% in all years, including the first year! Athene will also be increasing the Enhanced Benefits Rider True-Up Period from 5 to 10 years. And lastly interest rates and caps will be adjusted. Please click here for additional details.

National Western

National Western is lowering their roll-up on their income rider from 4% to 3% on April 11th. They will also be increasing their income rider fee. Applications need to be received by National Western no later than April 10th or the client will receive the lower roll-up and the higher fee.

April 15th is the last day to get applications in as well to receive the additional 1% commission bonus.

The Short List:

Indexed Annuity Sales Hit All-Time Highs for Quarter and Full

PLEASANT HILL, Iowa – Indexed annuity sales reached record highs for the fourth-quarter and full-year 2015, according to a new report by insurance and annuity markets consultancy Wink Inc. Sales in the quarter were $15.5 billion, a more than 30% [...]

Mutual of Omaha jumps into hot indexed universal life insurance market

IUL now makes up the majority of all universal life insurance sales, and more insurers are looking to take advantage of the rising popularity Mutual

of Omaha is expanding its reach in the universal life insurance market with the debut [...]

Protective to Hold Update Meeting

BIRMINGHAM, Ala.–(BUSINESS WIRE)–Protective Life Corporation ("Protective" or the "Company"), a wholly owned U.S. subsidiary of The Dai-ichi Life Insurance Company, Limited (TSE:8750, "Dai-ichi Life"), will host a Company Update Meeting on April 11, 2016 from 12:00 p.m. to 1:30 p.m. [...]

Demand For FIAs Continues To Accelerate

Market conditions, combined with the looming threat of the Department of Labor's fiduciary rule, are driving up demand for fixed indexed annuities, a panel of insurance executives said Monday. FIAs registered a record $14.4 billion in sales in the third [...]

Report: Big Changes Due to Insurance Sales Model

Life insurers, facing low interest rates and anemic premium volume growth, need to change the way they do business in order to maintain profitability, according to a new report. A more intimate customer relationship is one way for agents to [...]

Billionaire wealth is not guaranteed forever

New research conducted over two decades across the 14 largest billionaire markets in the world found stark differences between the billionaires "of old" and today Getting to the top is hard, but staying there is even harder. In the [...]

3 strategies for annuity carriers bracing for DOL fiduciary rule impact

Annuity providers should begin preparing now for potential impacts of the Department of Labor's fiduciary responsibility guidelines that are expected to be implemented in the next several months, according to a report by Novarica. The impact of the ruling for [...]

Genworth rallies after bondholder vote avoids 'devastating risk'

(Bloomberg) — Genworth Financial Inc. shares gained after bondholders agreed to changes sought by Chief Executive Officer Tom McInerney as he reshapes the insurer and seeks to rebound from losses on long-term care coverage. Genworth Financial climbed 8.3 percent to [...]

Principal unveils new corporate logo

Principal Financial Group Inc. today introduced a new corporate logo that the Des Moines-based financial services company said will provide greater unity and consistency in how it presents itself globally. "Our business has evolved a lot since we created our [...]

The real reason Dave Ramsey should be regulated: Opinion

Dave Ramsey has lied to you. It's probably unintentional, and could be rooted in either his lack of fundamental training and licensing or his lack of personal financial diversity. I'm not sure which of these is true, and while it's [...]

Can robo-advisers be fiduciaries?

Responsibility for advice — even that which is incidental to a transaction — cannot be palmed off on an inanimate object What does it mean to be a fiduciary? Putting the best interests of the client first through due loyalty [...]

DOL fiduciary rule will change financial advice, according to a fiduciary

How does a national fiduciary firm view the impending Department of Labor fiduciary rule? LifeHealthPro's sister site, ThinkAdvisor, talked with Billy Lanter, a fiduciary investment advisor at Unified Trust Co., to find out what being a fiduciary means and how he [...]

20 top companies for women in the finance and insurance industries

In honor of Women's History Month, we bring you the top 20 companies in the finance and insurance industries that are perfect for women who value workplace culture, and learning how to develop and grow their careers. Working Mother magazine and [...]

Limra: Whole Life, Indexed UL Policies Boost Premium Sales by 6% in 2015

WINDSOR, Conn. – Individual life insurance premium sales grew 6% last year, carried by whole life and indexed universal life products, according to market research by Limra. That's despite growth slowing in the fourth quarter, said Ashley Durham, assistant research [...]

Limra: Jackson National Leads Individual and Variable Annuities Sales for 2015

WINDSOR, Conn. – Jackson National Life's sale of individual annuities in 2015 led the industry, according to year-end figures compiled by Limra's Secure Retirement Institute. The company's total sales exceeded $24.49 billion, about 10% of the industrywide sales total of [...]

The coming IoT revolution: a 6-point plan for life insurers

In the not-distant future, many of the regular things you use every day — your car, interior lighting, the clothes you wear — will link seamlessly to the Internet. This near-omniscient data connectivity has huge implications, and not just for [...]

Individual life insurance premiums increase 6% in 2015

While growth slowed in the fourth quarter, individual life insurance premium sales in the U.S. increased 6% in 2015, according to LIMRA's Fourth Quarter 2015 U.S. Retail Individual Life Insurance Sales Survey. Individual life insurance new annualized premium increased 1% [...]

2016 Is a Challenging Year to Buy an Annuity...

...But it doesn't really have to be Annuity payouts are being trimmed roughly 10 percent, a trend that will continue this year as insurance companies

adopt new mortality tables showing people are living longer. Because insurers have to offer guaranteed [...]

Lincoln Financial Group Uncovers Sharp Rise in Instinctive Decision-Making Among Today's Retirement Plan Participants

RADNOR, Pa.–(BUSINESS WIRE)–According to Lincoln Financial Group's 2015 Retirement Power® Participant Engagement Study, there has been a dramatic uptick in the number of participants who follow their instincts when it comes to saving within their employer-sponsored retirement plans — accounting [...]

The Penn Mutual Life Insurance Company Expands, Announces New Kansas City Agency

Industry Veteran Scott Stone Set to Lead the Charge as Managing Partner Horsham, PA – March 1, 2016 – Bolstering growth efforts over recent years, The Penn Mutual Life Insurance Company (Penn Mutual) has announced an office opening in Kansas [...]

Update: Phoenix Cos. Posts Fourth-Quarter Loss on Unfavorable Mortality in Universal Life

HARTFORD, Conn. – (Clarifies terms in sixth paragraph) Unfavorable fourth-quarter mortality, impairment losses and external financial reporting expenses resulted in Phoenix Cos. Inc. posting a loss and contributed to a full-year deficit as well, the company said in its earnings [...]

4 areas for insurance to modernize in 2016

Fair or not, many look at insurance as an outdated industry, lagging behind others of similar stature and scale when it comes to innovation. While sectors such as financial services and healthcare have embraced digitization and automation with open arms — whether by [...]

Social Media Use in Financial Services Jumps by More Than One Third in 2015

An international consensus for brand-awareness A new LIMRA survey of financial services companies in 26 countries shows their use of social media

jumped to 88 percent in 2015, compared with 61 percent the prior year. Forty-three LIMRA member companies, representing [...]

DOL Rule Will Mean Cheaper Annuities, More Robo-Advice: Cerulli

Robo-advisors may provide a scalable solution for BDs to work with small retirement accounts, Cerulli says The U.S. Department of Labor's proposed conflict-of-interest rule will likely result in unexpected changes to the retirement and wealth management industries, according to a [...]

LIMRA Lists Top 20 Annuity Sales Leaders For 2015

WINDSOR, Conn., March 16, 2016—LIMRA Secure Retirement Institute announces today the top 20 sales leaders for total, variable and fixed, as well as the top manufacturers of indexed annuities in 2015. "Indexed annuities have broken sales records for the past [...]

We Recommend:
www.annuity.com/agenttools
If you are not using this "Free" resource you are missing out….did I mention it is free?

There is a ton of info here, it requires no password and it is up to date information.

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,* Anthony Owen at *Annuity Agents Alliance*, Kevin and Allison at *FinAuction*, Carl, Darin Tom and all the crew at *First Annuity*....and many more.

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Did you know that since 2000, Boise State is 97-6 at home? In the past 10 years, Boise State is the winningest football team in division 1. 124 wins.

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