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An original Dodge Charger Daytona, owned by guy here in Calistoga, bought new after returning home safe from VN. Now worth about $500k, car show on main street in Calistoga this week. Still 100% original and kept in his barn.

Here are some words of wisdom:

"This country has gotten where it is in spite of politicians, not by the aid of them"..... Will Rogers, 1932

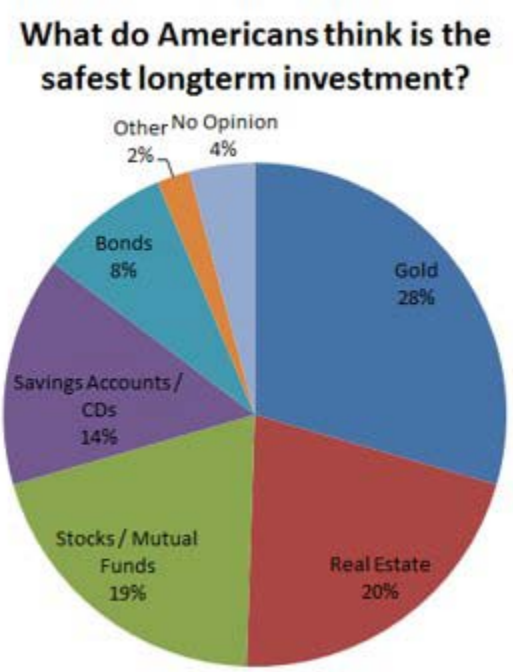
"Please say if you tend to agree or disagree with the following statements about Wall Street."			
	Year	Agree	Disagree
"Most successful people on Wall Street deserve to make the kind of money they earn"	2012	32	64
	2011	31	66
	2010	29	65
	2009	30	66
	2006	40	56
	2003	37	51
	2002	36	58
	2000	42	50
	1999	45	46
	1998	48	47
	1997	51	44
	1996	40	55
"In general, what is good for Wall Street is good for the country"	2012	30	67
	2011	31	64
	2010	33	61
	2009	37	59
	2006	37	60
	2003	39	47
	2002	40	55
	2000	41	52
	1999	42	51
	1998	43	53
	1997	39	57
"In general, people on Wall Street are as honest and moral as other people"	2012	28	68
	2011	26	70
	2010	31	64
	2009	26	70
	2006	41	54
	2003	35	50
	2002	35	57
	2000	35	56
	1999	39	51
	1998	49	47
	1997	51	45
	1996	43	52

Note: Percentages may total less than 100% due to rounding and exclusion of indefinite answers. Source: Harris Poll. Latest data from survey of 1,016 Americans over age 18 in April 2012.

What is your opinion?

Gallup Poll

For the second straight year, an annual **Gallup** poll has found that a plurality of Americans believe gold is the single safest long term investment option. Safer than savings accounts. Safer than real estate. Safer than stocks. A full **28 percent of adults ranked gold** as their top choice, down from 34 percent last year, a drop just outside the five point margin of error. It was most popular among older Americans, those without a college a degree, and individuals who earned between $30,000 and $75,000 a year.



Bill,

Just goes to show how much opportunity we have when we don't even show up on the radar.

Anthony R. Owen

Office: 303-284-3582

Pete Toth found this...thanks Pete.....here is the link:

Look at the pie chart, annuities nowhere to be found.. WOW.

http://finance.yahoo.com/news/24k-nation-americans-crazy-think-190121319.html

Pete Toth

About the Author

Jack Marrion

Jack Marrion is president of Advantage Compendium, a St. Louis-based research and consulting firm. Go to www.indexannuity.org **for more information**

Jack Marrion has had an important influence on our industry....here is a super article about annuities and why we are lucky to be annuity salespeople....BB

Here is the link also:http://annuityoutlookmagazine.com/2012/04/fixed-annuity-trends-experts-reveal-optimism/

Fixed Annuity Trends Experts Reveal Optimism
By Jack Marrion

The last time **bond yields were this low was 1958**, which explains why both fixed rate annuity yields and fixed index annuity caps are lower than ever. What effect has this had on the fixed annuity market and what does

the future hold? Tough questions, for help with the answers I asked industry experts Judith Alexander of Beacon Research and Noel Abkemeier of Milliman where we may be heading. First, let's see where we are.

Current State of Affairs

Normally in the initial phase of a falling interest rate cycle fixed annuity sales get a boost because bank savings rates fall faster than bond yields, therefore fixed annuities look more attractive. This is exactly what happened as certificate of deposit rates began their steady drop from the 4% level in 2007. By the spring of 2009, average five-year CD rates were around 2.2% while five-year fixed rate annuity yields remained in the 3.5% range and fixed rate sales soared. These low bank rates also helped index annuity sales as bond yields still enabled carriers to offer high caps and index participation.

Fixed rate and index annuity sales were also aided by the 2008 stock market crash that caused many consumers to place a higher value on protecting what they had from further stock market loss rather than trying to maximize returns. However, by 2011, this yield advantage had pretty much played out resulting in lower fixed annuity sales.

Today, bond yields are lower than at anytime in the last half century and annuity carrier margins have been squeezed. The result has been reduced commissions, reduced minimum guarantees on policies and reduced rates and caps. Where do we go from here?

Noel Abekemeier says that annuity pricing during 2012 will continue to be driven by the same factors that dominated the previous year. Low investment yields should be expected with the Federal Reserve continuing to keep rates low with the slowly improving economy keeping credit spreads slightly above current levels. This suggests continued pricing spread compression and insurer actions to reclaim some of the compression.

U.S. Treasury rates did bump higher in March, so could this be a turn around? According to Judith Alexander, although rates and the yield curve did go up a bit in the second half of March, they are not expecting much improvement in the interest rate environment for some time. The result: years of increasing difficulty for the fixed annuity industry as portfolio yields gradually decline, spreads narrow, and companies need to increase reserves. One positive she notes in all of this is that volatility has declined so far this year and this will help indexed annuity issuers offer somewhat more attractive cap rates. However, Abekemeier points out that a strong equity market, as we've experienced over the last few months, can increase the attractiveness of variable annuities, at the expense of fixed annuities.

The Bright Spots

Abekemeier says that if equity markets retreat from their hot start, fixed annuities could show growth while a limited opportunity for carriers to increase margins could emerge. Also, Alexander is encouraged by new market entrants and broadening distribution for fixed index annuities. She reminded me that since index annuities offer more generous and less costly guaranteed lifetime withdrawal benefits (GLWBs) than variable annuities that sales could really take off once bank and broker-dealer advisors become familiar with them. In addition, she says that deferred income annuities (DIAs) look particularly promising, especially given the success of New York Life's new product and rumors that several carriers are planning to introduce DIAs themselves.

One trend that we may see accelerate is annuity unbundling, whereby carriers take features that are viewed and priced as standard equipment today and turn them into options. This has already been done with GLWBs. What it does is lower the built-in costs of the annuity permitting higher rates or caps. It allows the annuity buyer to decide whether they wish to give up part of the yield to pay for a stronger death benefit, more generous penalty-free withdrawals or other benefits. Those that don't want these features will be compensated with a higher fixed rate yield or index annuity cap.

Another outcome of this low yield environment is that annuity producers will need to change the way they sell annuities. For over a quarter century annuity producers have primarily sold fixed annuities by talking about the rate they can offer – either actual or potential. However, it's difficult to get consumers excited about today's 1.5% actual or 3% potential annuity return. The story can be made a little more attractive if the rate is compared with the alternatives – fixed annuity rates are still 300% to 600% greater than certificate of deposit rates, but the real answer is the sales process needs to focus on the solutions annuities provide. An oft mentioned fear is running out of money in retirement; only annuities offer ways to guarantee that does not happen. The movements of the stock market since the turn of the millennium have upended long held beliefs that equities are the place for retirement money; fixed annuities assure that bear markets won't eat your retirement lunch.

There are difficult times ahead, but there are reasons for optimism. As Alexander explains, "We're heartened by the growing acceptance of annuities as sources of retirement income. Retirement plan sponsors are increasingly interested in providing income options to participants, and it's getting easier and easier for them to add annuity options for this purpose. This will increase familiarity and acceptance of annuities, and that will help

boost individual annuity sales." The long-term future for fixed annuities is bright.

Here is a little more about Jack.....BB

Jack Marrion
Jack Marrion is president of Advantage Compendium Ltd providing research and consulting services to select financial companies. He has twice been asked to address the National Association of Insurance Commissioners on annuity issues, his insights on the annuity and retirement income world have appeared in hundreds of publications including Business Week, Kiplinger and The Wall Street Journal, and his research is frequently referenced by regulators.

Easy Sale Based on a Fact Finder

This case is so simple in its concept, the resulting sale generated **two things**....a **monster pile of commissions** and exactly what the prospect wanted for the end use of the funds.

(this is a true story, this case was written by a crew member)

Think outside the box just a little and you can **write 1-2** of these every year, you discover the sale during the **fact finding** process.

Simply listen to what your prospect is saying to you. "What is the purpose....."

Mrs. Jones (age 75) has plenty of income, she is retired in good health and has a great outlook on life, a happy person. She does have one flaw, a flaw most of us have, she **HATES** paying taxes.

Here is a summary of here estate:

Home	$400,000
Cash	$150,000

Investments	$700,000
IRA	$600,000

Current income from SS and pension was about $5,200 a month, no debts.

During the fact finder, she repeated she hated paying taxes. When asked what the **"purpose"** of the IRA she said it was for her two children, but knew the tax implication for them, the tax must be paid sometime.

The agent did a terrific fact finder and set the closing appointment.

All he did was reiterate the way she felt about taxes and suggested she change her IRA to a tax free payout. **(important)**

Change the IRA to a 5 year annuity payout beginning in 1 year....(will pay beginning in one year). Remove $100,000 now and have the insurance company withhold the taxes at the source. The net was $75,000.

Set the 5 year payout annuity to pay $100,000 a year for 5 years and withhold the taxes at the source, the net annual payment would be $75,000 for 5 years.

Important: Have the annuity payment assigned to the life insurance company so funds are sent directly with the **receipt** going to Mrs. Jones along with the tax payment receipt.

The 6 net payments after taxes resulted in a paid up life insurance policy for Mrs. Jones with a face value of **$835,000 (tax free).**

The agent made the children the beneficiaries, the funds were fully guaranteed and will be paid without the cost of probate and they are paid.....wait for it.....tax free!

Mrs. Jones was happy, the benefit will help her kids and it is tax free and guaranteed. the taxes were paid without any real pain to her, done as a service by the insurance company, the funds were sent automatically so no hassle at al...She loved it. (she felt like she beat the taxman)

Did the agent love it? Hmmmmm

Annuity commission of $15,000

Life commission of $90,000.

He, his wife, her mother and their kids had Christmas in Maui

Big Truck Questions

Questions for the Owen's Brothers from the Crew

Q. Why have you guys started selling life insurance now when you have been so annuity "only" focused?

Did you check out the drip this week on RV? Killer job! Great stuff.

http://www.retirevillage.com/content?pagename=65&sid=3

Who are you going to call?

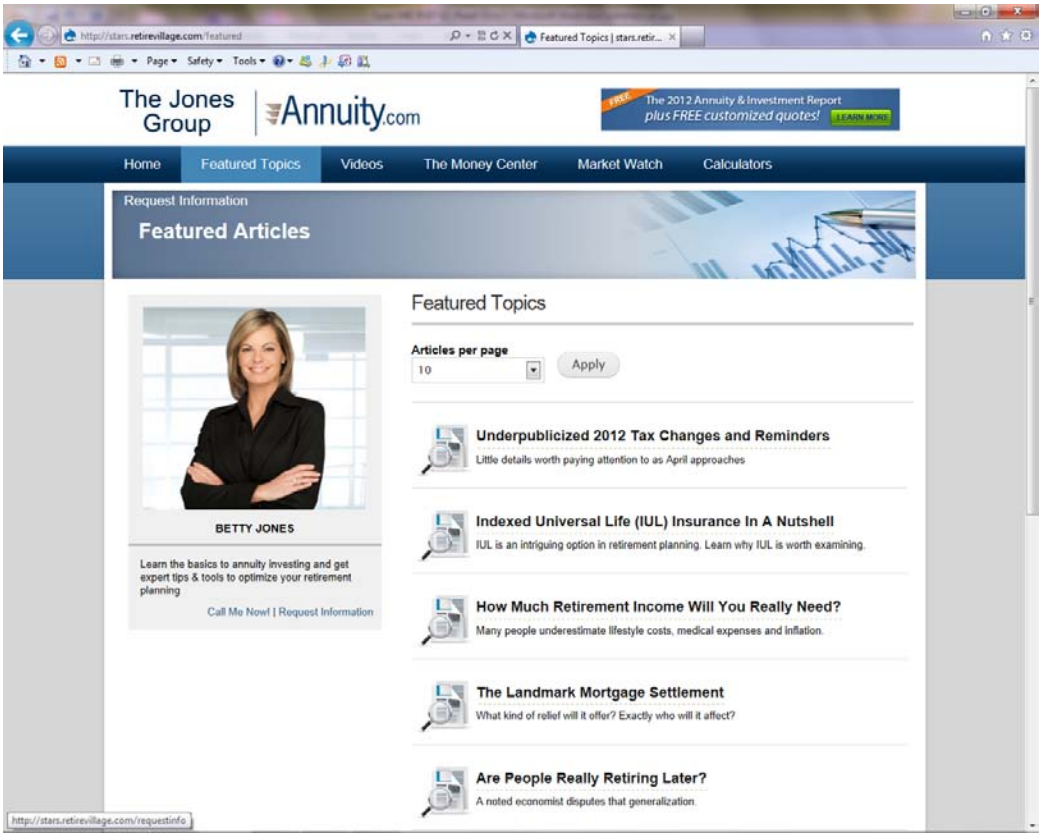
.....Retire Village!

Mark Wood 205 301-0950 mwood@riverhouseit.com

Joe Rych 425 486-5575 Joe@annuity.com

Have A LOOK: http://stars.retirevillage.com/

Joe....Mark? What is on the agenda this week....ready to launch?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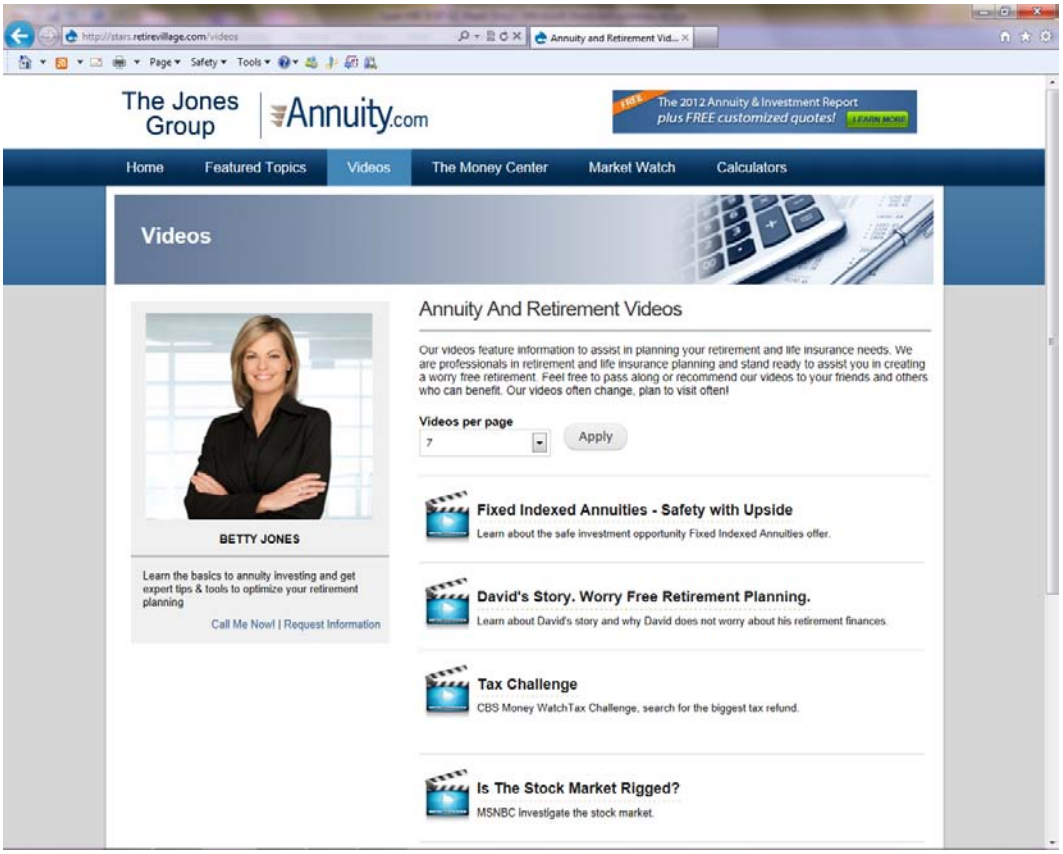
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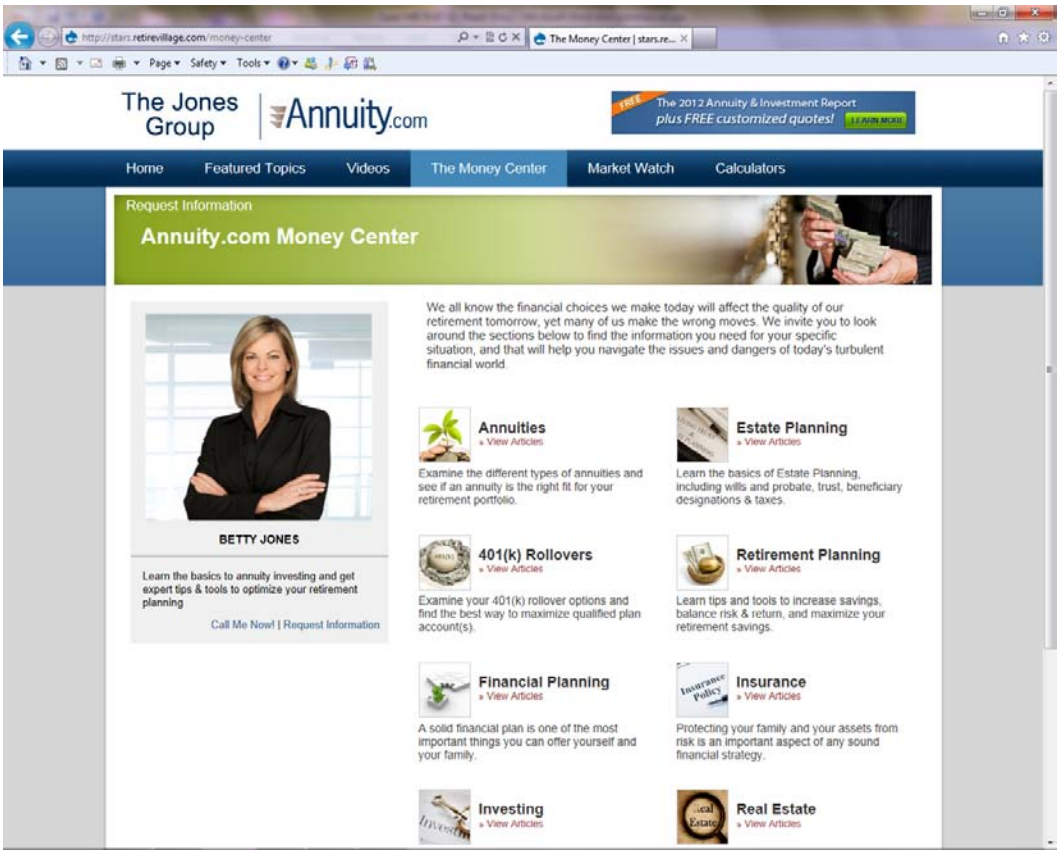
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We all know the financial choices we make today will affect the quality of our retirement tomorrow, yet many of us make the wrong moves. We invite you to look around the sections below to find the information you need for your specific situation, and that will help you navigate the issues and dangers of today's turbulent financial world.
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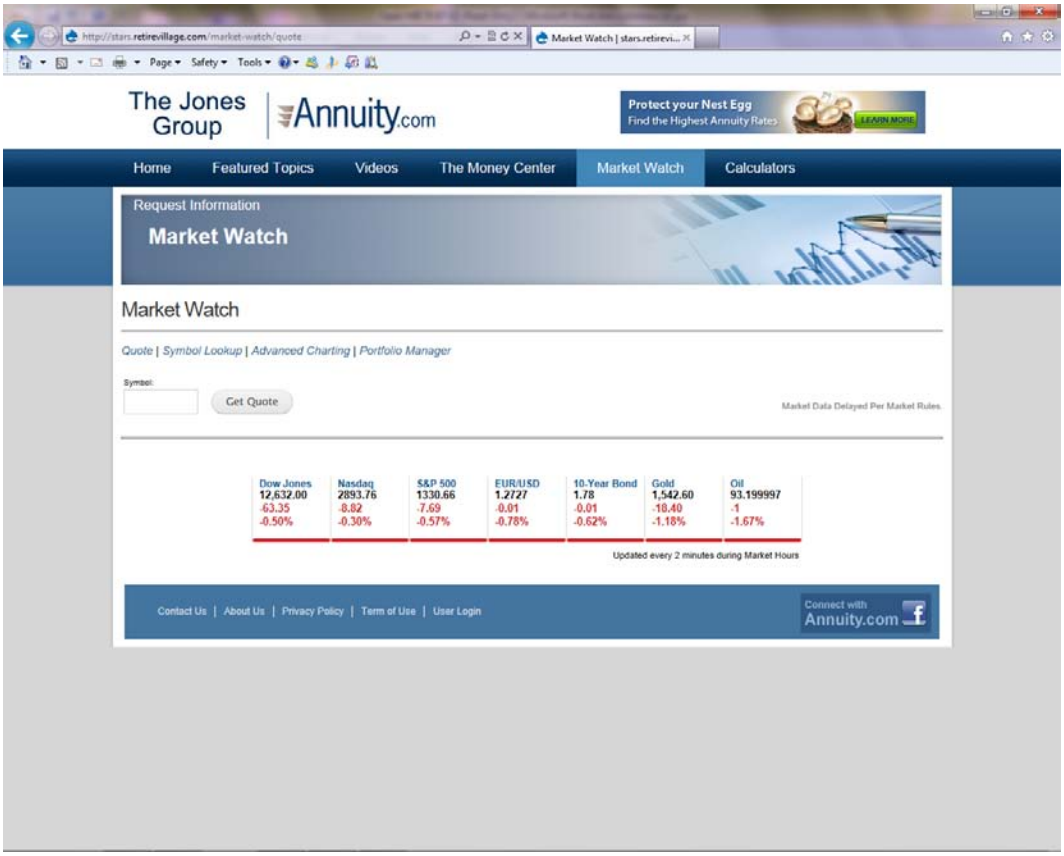
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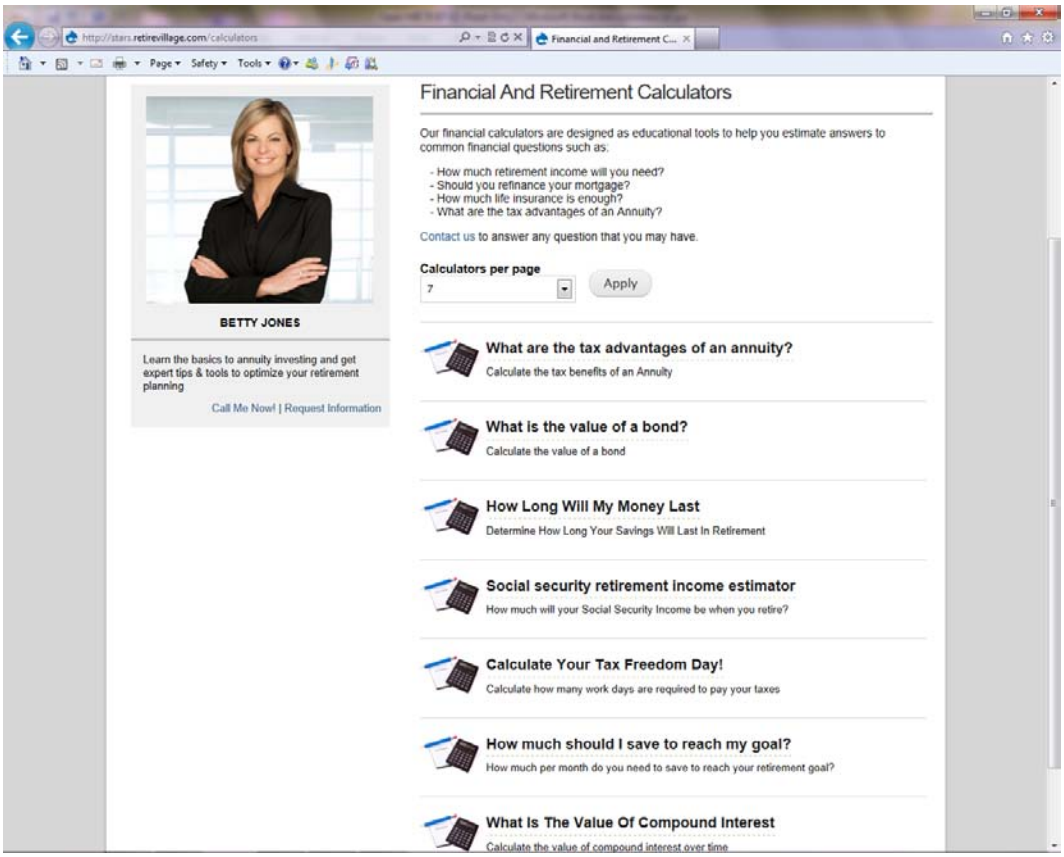

The Off Week Drip:

Every off week of the drip we will send you a good idea for you to use independently for your database. Keeping in touch by offering value is NOT SPAM....

Retire Village Members

Here is a pre-made piece to send yourself to your database between the 2 week drips. This simple yet pointed explanation about an IRA beneficiary will get you calls add responses.

Joe

It starts here, feel free to edit!

Dear drippee

Planning done years ago could now be ineffective, maybe it is time to double check your estate plan regarding your desired beneficiaries.

Ask yourself this: Who are my IRA beneficiaries?

Should you make a change to suit changing times?

Do you have an IRA or a 401(k)? You probably do. You may have both of these retirement savings accounts in your portfolio, or accounts that are similar.

While IRAs and 401(k)s are commonplace, many IRA owners and 401(k) plan participants have a hard time answering a common question. They aren't sure who they have named as the account beneficiary.

Who have you chosen to inherit those funds? Can you imagine what would happen if the money in your IRA or 401(k) went to someone you were estranged from? Or if your heirs found out that you never named a beneficiary in the first place?

This occurs more often than you might think – and a little attention to detail today may help to prevent surprise or disappointment later.

When was the last time you looked at your beneficiary forms? Decades may have passed since you opened that IRA or enrolled in that 401(k) plan. Back then, you presumably filled out a form stating who you wanted those assets to go to if you pass away. Even factoring in the hunt for a beneficiary's Social Security number, it might have taken you all of ten minutes to complete.

In that moment, you may have made one of your biggest estate planning decisions. You need to make sure your decision is still the right one.

What takes precedence - a will, a family trust, or a beneficiary form? In all but rare situations, the beneficiary form comes first. If you die, your IRA or 401(k) custodian (i.e., the investment company that hosts your retirement savings account) will determine who gets the assets in your IRA or 401(k) per your request stated on the beneficiary form. Whatever you state in your will or living trust will be legally irrelevant barring exceptional circumstances.[1]

IRAs and 401(k)s commonly have primary beneficiaries (first in line to the assets) and contingent beneficiaries (second in line, third in line, etc.). The important thing is to have the beneficiary designations up to date.

Plan to avoid IRA pitfalls. Here are two of the worst-case scenarios when it comes to outdated beneficiary decisions.

Here are two fictitious examples which can illustrate the point of the importance of selecting your desired beneficiary:

**Mike and Veronica got married in 1996 and Veronica opened an IRA that year. They divorced in 2002. Veronica would like for her IRA assets to pass to her daughter Yvette when she dies. However, Yvette was not yet born when Veronica opened the IRA, and so Mike is its designated primary beneficiary. She has not spoken to Mike in five years and wants nothing to do with him, yet he is first in line to receive her hard-earned retirement savings should she pass.*

**Harrison opened an IRA in 1998. Today, that IRA is quite sizable – yet for some reason, there has never been a designated beneficiary for it. Unexpectedly, Harrison dies. Since there is no designated beneficiary, the IRA custodian decides how those funds will be distributed per its default policy. The brokerage firm first directs the IRA assets to his wife, then to his estate. Harrison wanted that money to go to his two daughters and even privately told them that he wanted them to receive it, but as he overlooked or never indicated his wishes on the beneficiary form, the outcome is different than what he had in mind.*[1]

Things are a bit less tangled with 401(k)s. If a 401(k) plan participant dies, the spouse is the primary beneficiary – it is federal law. So the spouse will inherit the assets, unless he or she earlier waived rights to them on the beneficiary form or another form. What if the plan participant isn't married? Some 401(k)s will permit the assets to pass to a plan participant's children if no spouse is alive and no beneficiary form can be found.[1]

I'll help you review your IRA & 401(k) beneficiary designations – for free.

It is vital to make sure that your IRA or 401(k) money will go where you want it to go if you pass away. As a free service to the community, I provide beneficiary reviews and explain a lot of the "fine print" when it comes to the timeline of the assets distributions. I also let people know about their options when they inherit IRA funds or 401(k) funds – you have to be very careful, because there can be big tax consequences if you make careless moves. Call me or email me – I'm happy to help out.

Name of you the agent here.

PS: There is no charge for this service, just call me and I will be happy to help.

Citations.

Dave has some product updates…

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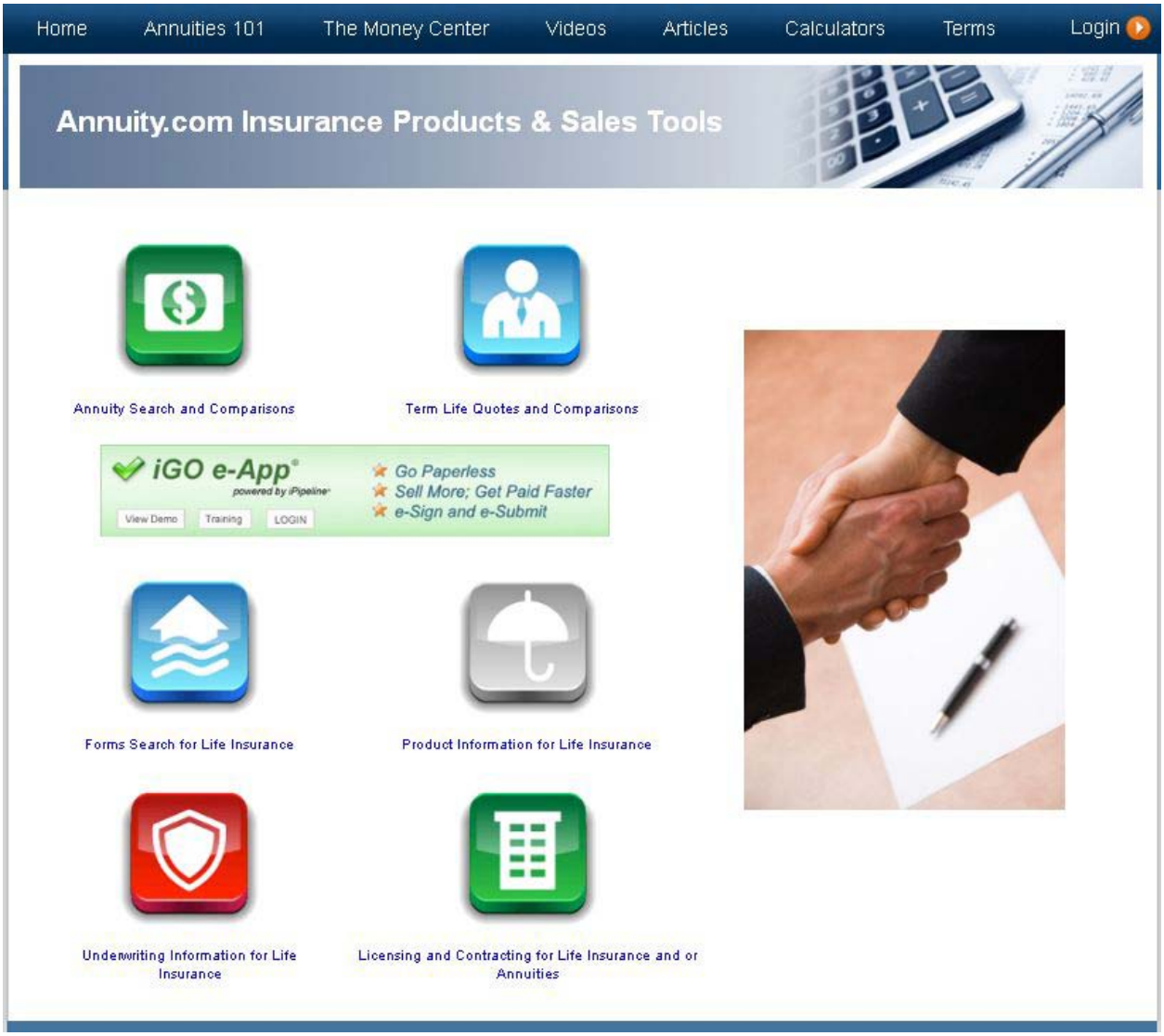
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Product Information for Life Insurance
Underwriting Information for Life Insurance
Licensing and Contracting for Life Insurance and or Annuities

"Happiness is a Stress Free Retirement"

Why not just buy an indexed annuity and avoid the risks?

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+4.94	+1.51	-0.76	+2.90
NASDAQ	+12.62	+3.12	+2.90	+8.33
S&P 500	+7.62	+0.84	-2.02	**+2.83**

Sources: money.msn.com, bigcharts.com, treasury.gov, treasurydirect.gov - 5/11/12[2,5,6,7]

Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly.

These returns do not include dividends.

Why these are the best products available to the Baby Boomers

Jack Marrion is an industry expert, known nationally for his views and opinions.

This is one of his websites.....this is a wonderful explanation for considering an indexed annuity....might be a good idea to let your clients and prospects see it.....BB

http://fixedannuityfacts.com/get-the-facts/articles-insights/article2/

I would like to focus Open MIC on this report, dozens of articles have been written about the pros and cons of fixed indexed annuities but this one has all the important pieces and the points to explain to your prospects. I have made notes and added comments and his important points in red....BB

The Reasons to Consider a Fixed Indexed Annuity

By Jack Marrion

There are five very good reasons to consider a fixed indexed annuity as a component of your retirement income plan. An insurance carrier is able to provide each of these five advantages to you as long as you are able to make a time commitment to the carrier.

Possible reasons to consider a fixed indexed annuity

- **Safety from market losses**
- **Growth potential**
- **Tax advantages**
- **Income guarantees**
- **Beneficiary planning advantages**

The foundation upon which these advantages are provided

- A time commitment during which you will have limited liquidity

Possible Additional Benefits

- Up-front premium bonus
- Return of premium features
- Bailout features

Safety from Market Losses

If you are like many people, your top priority when you are saving your money is safety. No one puts their money in a place where they expect to lose it. We put our money in a place where we expect to get it back one day, hopefully with some nice growth.

The great thing about fixed indexed annuities is that they offer multiple levels of protection, which makes them the gold standard of safety.

1. First, when you decide to place your money with an insurance company, they must set aside a percentage of that money in **"reserves,"** that is, in very safe assets.

1. Second, by contract, a fixed indexed annuity guarantees that your **principal is protected** and that you can get it back again. There can be a penalty for early withdrawals above a certain amount, but as the annuity owner, you can control your withdrawals. So, as long as you are not withdrawing more than the penalty-free withdrawal amounts allowed by the annuity you have chosen, you cannot lose any of your principal.

1. Third, if you have a problem with the carrier that issued your annuity and you want to get a regulator involved, no matter where that annuity carrier is located, the **regulator of that carrier is located in your home state**. Here, annuities even beat money in the bank. Since most banks are regulated at the federal level, your bank's regulator may be in Washington, DC. Your annuity carrier's regulator is much more local. You can learn more about the role your state regulator plays in ensuring that your carrier remains able to meet it obligations at the website of your state insurance department.

With these three levels of protection, there is **excellent safety** in a fixed indexed annuity.

Growth Potential

Once you are satisfied that your money is protected from market drops, your next objective may be to have your money grow. The annuity industry invented fixed index annuities precisely so that they could offer the potential for better growth potential by having the credited interest rate based on the movement of an outside market index.

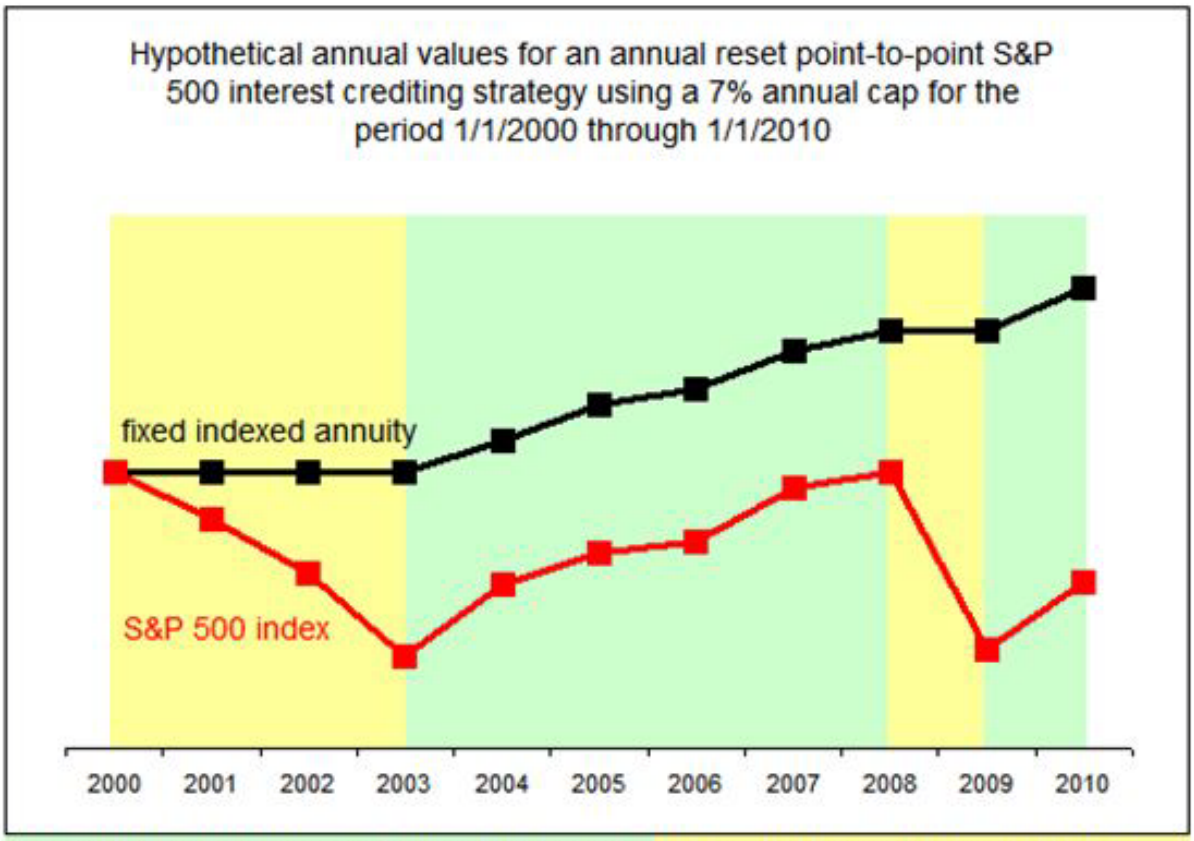
Fixed indexed annuities do this:

- In a year that the index increases in value, they credit an amount of interest that is based on the market index increase. Features such as caps, participation rates, and spreads dictate what portion of the market index increase will translate into credited interest. Thus, the interest credit is typically less than the amount of the index increase, but in general, the more the index goes up, the bigger the interest credit.

- In a year that the **index decreases in value, they hold their value**. Neither your principal nor any of the previously credited interest is lost in a year that the index decreases.

This combination of upside potential and downside protection is very powerful.

The illustration below shows how this combination works on a typical fixed indexed annuity. Years that the index increases in value are shaded in green, and notice that in these years, the annuity credits interest based on the increase in the index. Years that the index decreases in value are shaded in yellow, and notice that in these years, the **annuity does not lose any value.**



In a year that the index increases in value, fixed indexed annuities credit an amount of interest that is based on the market index increase. The interest credit is typically less than the amount of the index increase, but the more the index goes up, the bigger the interest credit.

In a year that the index decreases in value, fixed indexed annuities hold their value. Neither your principal nor any of the previously credited interest is lost in a year that the index decreases.

This illustration is purely hypothetical, is not necessarily indicative of any particular product available during this time period or today, and is not a guarantee of future results.

Tax Advantages

You want your money to grow as fast as possible, and besides having high growth potential, some sort of **tax advantage helps** to accomplish that goal. It often makes little financial sense to pay income taxes on money that you are not using for current income. A tax advantage can be one of the easiest ways to make your money more productive without taking on risk.

Annuities have a tax advantage, and that advantage is **tax deferral**. As long as you don't touch the money in your annuity, you pay no taxes on the interest as it is being credited to your annuity. The recognition of taxable income is delayed – that is, deferred – until you withdraw money from the annuity.

Also, you can use an annuity as the funding vehicle for IRA or Roth IRA money, although keep in mind that the Internal Revenue Code provides tax deferral to IRA's, so there is no additional tax benefit gained by funding an IRA with an annuity. Consider

the other benefits provided by an annuity to determine if an annuity is the right choice for your IRA.

Income Guarantees

A key retirement planning advantage with fixed indexed annuities is that the carrier provides a guaranteed minimum level of retirement income. Over time, as interest is credited to the annuity, and as long as you are not taking withdrawals from the annuity, the amount of that guaranteed income level can only grow, not shrink.

That guaranteed income can be provided in one of two ways.

- The first, more traditional way is called "annuitization," where you essentially trade the cash value of your annuity for a guaranteed stream of payments. Because annuitization is a trade, it provides you with a guaranteed stream of payments, but you lose access to and control over your cash value.

- The other way, a recent innovation in the annuity industry, is through an optional feature called an **income rider**. With such a rider, the carrier provides you with a minimum guaranteed income that you cannot outlive. Every year that you wait to take the first guaranteed income payment, the amount of the guaranteed income grows by a growth percentage that varies by company and is usually in the range of **4% to 8%.** (Keep in mind that this growth percentage only applies to the calculation of guaranteed income, not to the amount available as a lump sum withdrawal.) These riders sometimes have a cost associated with them, usually no more than 0.75% of your annuity's value annually depending on the individual carrier and growth percentage selected. Even after you start taking the guaranteed income payments, you still have the ability to access to your remaining annuity value in the event that you may need it. But keep in mind that any withdrawal above the guaranteed amount will reduce the future guaranteed level of income that is being generated. For more details and disclosures, consult the product brochure of the specific income rider you are considering.

With either option, you have the peace of mind that comes from having an assured, guaranteed income for the period you have chosen. Notice that with an annuity, you can choose to have the carrier guarantee an income that continues for the rest of your life, or for both your and your spouse's lives, giving you a potentially excellent level of financial security.

Beneficiary Planning Advantages

You may be at the point in your life where you are motivated to consider what will happen to your money after your death. Annuities have some advantages that could be

very helpful to some people as they plan for how to pass their money to their beneficiaries at death.

One advantage is speed. With an annuity, as long as you have a properly designated beneficiary, you can normally avoid the sometimes lengthy and expensive probate process. So an annuity can be one of the quickest ways to get money to a beneficiary after your death.

Another advantage is privacy. With an annuity, you get to name a beneficiary and avoid passing assets through your will. This can allow you, for example, to direct money to a particular child who has been very helpful to you as you have aged, while still having your will provide for an equal division of your other assets between all your children.

(often prospects tell me they are using a trust to transfer assets because it is private, the relationship between an annuity owner and the beneficiary is also private, great selling tool...privacy....BB)

The Foundation: A Time Commitment

Most people recognize that liquidity, safety, and growth do not co-exist very well. For example, with a checking account, you get excellent safety and total liquidity, but most checking accounts pay little or no interest. With stock market mutual funds, you get good liquidity and hopefully a good rate of growth over time, but you are sacrificing safety because there is no guarantee that you will even be able to get back what you invested when you actually need the money.

So, with **financial products, there are trade-offs**. You cannot get all of the most desirable features and benefits in one product. They all have a purpose and can complement each other in a well-designed and diversified plan. Since an annuity is going to give you safety of principal and growth potential, it is reasonable to assume that there has to be a trade-off somewhere, and it is with some sacrifice in liquidity.

Fixed indexed annuities require that you make a **time commitment**, and they enforce that time commitment by a surrender charge. When you consider buying a fixed indexed annuity, make sure you are comfortable with the length of the surrender charge, because your access to your principal is limited during the surrender charge period.

Your time commitment can typically range from **3 to 16 years**, depending upon the features and benefits that appeal to you. The time commitment does not mean that you do not have any access to your funds. Many annuity products allow earned interest to be taken after 30 days and others allow up to 10% of your annuity's value to be taken each year after the first year without penalty. Of course, if you do not need your funds, leave them in the annuity to accumulate on a tax-deferred basis until you decide to begin taking income payments**. (one of my favorite lines is "if you do not allow the insurance company to hold your money, you cannot enjoy the benefits an annuity provides"....BB)**

This is contrary to bank certificates of deposit that typically only allow interest to be withdrawn and will impose an early withdrawal penalty for any principal withdrawn. So

to be able to enjoy the unique benefits that annuities provide, you have to allow the insurance company to hold your funds just like you would allow a bank to hold your funds.

With annuities, just as it is with certificates of deposit, there is generally a correlation between the **time commitment that we allow the institution to hold our money and the productivity of our funds.** The longer we commit to letting the bank or insurance carrier hold our funds, the higher the rate of interest or upside potential we can enjoy. A 5-year certificate of deposit will usually pay us a higher rate of interest than a 1-year certificate of deposit. The same principle holds true with a fixed indexed annuity. A 10-year product, for example, will typically offer a higher fixed interest rate and higher indexed-based interest crediting than a 5-year product.

If you take out more than the penalty-free amount (which varies by carrier and product), there can be substantial surrender penalties imposed (perhaps as high as 20% of the annuity's value for a premature withdrawal), so you want to use an annuity as a part of an overall plan where you also own other accounts that have no surrender penalties for your short-term liquidity needs. Use these other accounts for emergency funds and to pursue financial opportunities that arise. Remember, annuities are designed to provide safe growth prior to retirement and guaranteed income streams during retirement. They are not designed for short-term liquidity. You will want to have sufficient funds for that purpose in other accounts, such as checking, savings, and money market accounts.

Choose fixed indexed annuity products for a specific purpose, such as principal-protected growth and income generation, where 100% liquidity is not needed during the surrender charge period. Once the surrender charge period is over, you can withdraw any and all of your money from the annuity at any time without a surrender penalty. Keep in mind that withdrawing money from an annuity will usually result in reporting of taxable income and, if taken prior to age 59½, may result in a 10% penalty tax on earnings.

Possible Additional Benefits

The annuity marketplace is very competitive, and thus carriers often have attractive additional features designed to differentiate their products from the competition. Some fixed indexed annuities have features such as these noted below:

- **Up-front premium bonus**: Some annuity products have a premium bonus that immediately bumps up your contract value. The percentages will vary by carrier. But for example, if you put $100,000 into an annuity that offers a 5% premium bonus, your contract value on day 1 will be $105,000. This premium bonus is available to earn interest right from the inception of the contract. You are not, however, allowed to withdraw the premium bonus right away. The premium bonus is often subject to recapture charges if you take withdrawals above the penalty-free withdrawal amount in the early years of the contract. (In other words, what we said earlier about the time commitment applies to the premium bonus, too.) Keep in mind that premium bonus annuities may include lower cap rates, higher spreads, or

other limitations that are not found in annuities that don't have a premium bonus feature.

- **Return of premium features:** All fixed indexed annuity products have surrender charges, and so with most of them, you actually can lose money if you cancel the contract during the period where the surrender charge applies. (Again, if you abide by the time commitment, the surrender charge reduces over time and ultimately disappears, so you receive your principal plus all credited interest with no risk of loss.) But some carriers differentiate their products by providing that even if you choose to terminate your annuity contract early, you are guaranteed to receive back at least what you paid in.

- **Bailout features:** Some carriers provide for the surrender charges to be waived in case of certain hardships, such as if you are diagnosed with a terminal illness, or become confined to a nursing home, or even if a renewal rate or "cap" rate falls below a certain level on your annuity.

In summary, you can see that annuities offer a lot of positive features **– safety** from market losses, **growth** potential, **tax advantages**, **income** guarantees, and **beneficiary** planning advantages – all built on the foundation of the time commitment that you make to the carrier.

Color front and back, photo, bio and contact info. Ralph and his team will provide set up, formatting and layout, all you need is the photo, bio and contact info.

The book is available in a range of 50 copies and as many as 200, per order.

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