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Happy Days!....Dave's daughter Danielle is greeting her fiancé Joe May on his return from a year in Iraq...welcome home Joe!

(Danielle also serves in the Armed Forces)

Worthy Quotes....

"Nothing important happened today."

-Diary entry by King George III on July 4, 1776

*"It's one of the great ironies of finance... **Money always flows in accordance with headlines.** When something is popular, people want to invest. That's why we had the tech bubble and the housing bubble. Eventually, prices have run too far and no one's left to buy."*

Porter Stansberry

Editorial

The secret to success in business is cash flow. The secret to cash flow is marketing.

Pia Zadora, Rick Riklis and the Middle Fork of the Salmon River in Idaho

Pia Zadora is a minor movie star with film credits such as *Santa Claus Conquers the Martians, Hairspray and Butterfly*. She was also the spokesperson for Dubonnet Liquor. She did star on Broadway where she did win a *Golden Globe* award. If you want to know more about her Google would be a logical choice.....

Her husband for a number of years was an international finance guru named Rik Riklis. Among his many successes he also invented a new form of investing....know known as the **leveraged buyout**.

He accomplished these buyouts with his creation and invention....he invented **"junk"** bonds. They were his vehicle of choice used to buy and sell many companies.

Among the companies he owned were **Elizabeth Arden Cosmetics, The Riviera Hotel in Las Vegas, Beatrice Foods, Faberge, Samsonite** and numerous others.

Whether he was a good business man or not, that is not what this article is about.....it is about 7 days spent with him in 1982 in the wilds of Idaho completely away from the outside world and all forms of communication.

The **Middle Fork of the Salmon River** is a remote isolated place full of beauty that most people will never get to see. It is magnificent and awe inspiring (I have made 2 trips down the river, the second with Annie when she was 12)

Rik Riklis, his son, a friend and his lawyer floated the **Middle Fork of the Salmon River** on the same trip a friend and I made in 1982. The group was small and over the course of that week we all became friends and **"comrades in arms"** fighting against the wild river. (actually it was a guided trip with others doing the very hard work).

Every night after dinner (gourmet) we would gather around the campfire and talk of the day's events, the incredible scenery, our personal lives and our business's. Here I was with one of the most influential financial figures of our time and every night I get to visit with him and try and learn some of his secrets.

How did he acquire such wealth? How did he convince stockholders to vote for him and his plans? How did he get NY Banks to loan him the money? How did he work? Here was my chance to learn things most others never get a chance to learn.

It was sort of like an **MBA** on the banks of the river and earning it from a man who was not just a "player" but a giant person of business.

Many nights the talks were mostly about fish, water and the wonderful out of doors, **but one night the talk turned to business** and his secrets of how he accomplished his success.

I asked him directly, ***"What is the one secret of business success?"***

Could it be leveraged buyouts, could it be banking relationships, could it be stockholder confidence...what is the most important secret of any business?

Rik, smiled a little at me, leaned forward and said, "**Bill, I will tell you the secret, a secret only a few people really know and really understand."** He waited a few minutes staring into the campfire and then turned to me and said. **"The secret to any business is not banking relationships, not debt management, not trade unions, not advertising....the secret and the only thing important to any business venture is one thing and only one thing."**

“Cash Flow”

With cash flow you can accomplish anything, borrow any amount of money, solve any business problem. Cash flow is the secret to any business.

The he said**.....”Cash flow can only come from one place, and there is no substitute.”**

“Cash flow can only come from marketing.”

“If you focus on marketing, cash flow will follow. With cash flow you can make any business possible and then he said....it doesn’t have to be just positive cash flow, it has to only be cash flow. Every other part of business can be adjusted once you have cash flow.”

That was my lesson, my glimpse into true business acumen. Now I share it with you.

If the secret to business success is **cash flow** and the secret to cash flow is **marketing** then it would stand to reason that we could control our marketing success with a balanced **marketing budget**.

Right? Yes the answer is right.

So let’s do all this in reverse and set our marketing budget based on what we want our end success to be.

Here is my scenario:

As an agent, I want to gross $300,000 a year in commissions. To earn $300,000 I would need to sell about $5,00,000 in annuity premium.

Since I know my average annuity premium sale is **$108,000**, (our average from our "scrubbed" lead system is higher, $214,000 premium per sales) I would need to make 45 sales in a year to accomplish my goal.

My goal is $5,000,000 in premium and $300,000 in compensation.

Question, How many leads do I need to make 45 sales?

The answer is 400 leads or 33 new leads per month.

400 new leads will be 40 sales and Retire Village should provide the additional 5 sales.

How do we get 400 new leads and how much will they cost?

If you use a combination of radio and scrubbed leads the goal should be reached. Combine the marketing with Retire Village and the database management will provide the end result.

Monthly Budget:

Radio	$2, 500	20 leads
Scrubbed Leads	$1,800	12 leads
Retire Village	$ 50	1 lead (should grow and provide an excess)
Total	$4,350	33 leads

$4,350 times 12 months = $52,200 in marketing annual expenses.

$300,000 in compensation = marketing percentage of 17.4%

If you can and will spend **17.4%** of your gross income on marketing you will have a better rate of return than these companies:

Let's look at marketing costs in general....

What goes in a marketing budget?

A marketing budget typically covers costs for **advertising, promotion and public relations.**

Each amount varies based on the size of the business, its annual sales and how much the competition is advertising. Depending on the industry, marketing budgets can range from as low as **1% of sales to over 30%.** New companies may spend as much as **50% of sales** for introductory marketing programs in the first year. Smaller business may just try to match the spending of their direct competitors.

The overall marketing budget should include:

- print and broadcast advertising
- design and printing costs for all print materials, such as newsletters, brochures and press releases, direct mail costs
- Web site development
- public relations
- trade shows
- any other special events needed

In our industry we have the ability to focus our marketing on only one thing....lead generation. Our industry allows for more pin point effort in target marketing and is much more efficient in spending the marketing or lead generation dollars.

17.4% plus the increase in the value of prospects being moved along in your Retire Village account.

Now use the national average of not $108,000 (mine) but $214,000. The numbers really make massive sense then.

If you set your budget for $4,350 a month, you should be able to increase your annuity premium between $5 million and $10 million....

The Middle Fork Secret.....?????

Cash Flow

The Secret to Cash Flow.....??

Marketing

The Secret to Marketing?????....a Marketing Plan!

Crew Share

Email me… (bbroich@msn.com) your sales success and experiences and share with the Crew….will always be anonymous.

A Few Comments From Emails This Week About Leads and Selling Experiences….Both Good and Bad

(From 8 emails)

- AW leads really humming…..this is a $500K prospect…
- Bill, I lost a nice 500k case to the broker on this one. Any words of wisdom that I might reply back to this couple and salvage any $ into an annuity? (yes!…next….BB)
- Guys, why are the A.Com leads not real time?

Hot News and Other Helpful Info

- **Lawrence Summers Article**: http://www.ft.com/cms/s/2/b3c143b6-952d-11e0-a648-00144feab49a.html?ftcamp=traffic/email/monthnl//memmkt/#axzz1PXo4XMbG
- **Conservative Republicans Move to Isolation Article:** http://pewresearch.org/pubs/2027/foreign-policy-conservative-republicans-isolationism-afghanistan-libya
- **Social Media Article:** http://pewresearch.org/pubs/2025/social-impact-social-networking-sites-technology-facebook-twitter-linkedin-myspace

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- **Madoff and Higher Compliance Costs for BD:** http://www.investmentnews.com/article/20110619/REG/306199963/-1/INIssueAlert01
- **AVIVA and the Church STOLI Mess article:** http://www.investmentnews.com/article/20110617/FREE/110619946

Hold your breath…maybe just maybe!!!!!!!!!!!!!!!.....BB

US Treasury set to offer guidance on income products

By Liz Skinner
June 19, 2011 6:01 am ET

Aiming to curb the number of individuals who are likely to outlive their retirement savings, the Treasury Department soon will offer guidance on lifetime income options that 401(k) plan participants should have available when they retire.

J. Mark Iwry, deputy assistant Treasury secretary for retirement and health policy, said that the department will issue administrative guidance "very shortly" on **annuities** and other options that would offer retirees a flow of income rather than a lump sum. He declined to give specifics.

"It will seek to encourage not just annuities, but income streams generally," Mr. Iwry told advisers and plan providers at this year's SPARK national conference in Washington last week. "It will not favor one type over another."

The Treasury Department and the Labor Department requested comments on the issue of lifetime income in February 2010; about 800 groups and individuals offered thoughts.

The Labor Department is still considering what steps it can take "to encourage the offering of lifetime income options to participants and beneficiaries of defined-contribution plans," said Phyllis C. Borzi, assistant Labor secretary for employee benefits security.

"We anticipate issuing our first set of relevant guidance or rules in this area later this year," she said.

The Labor Department's first proposed rules are expected to show how a potential income stream from an account balance should be illustrated in a participant's pension benefit statement.

In September, the government also hosted a hearing where insurers urged for the expansion of **"safe harbor"** rules for the plan sponsors **that select annuities.** Those rules would protect employers from fiduciary

liability with respect to insurers' future financial condition, as long as the plan sponsor met certain requirements when choosing the provider.

The Obama administration wants to “make options for income more attractive than lump sums,” Mr. Iwry said.

The guidance will address how to make it easier for plan sponsors to have annuities as options in their plans. Additionally, it will address income options offered by financial institutions that don't guarantee income for life, but rather a stream of income with a high probability of continuing, Mr. Iwry said.

The guidance will address simpler forms of income streams at the outset and then ask for additional input on more-sophisticated features and products, he said.

The goal is to provide a range of “features that help people manage the financial risk of retirement,” Mr. Iwry said.

An estimated 47% of Americans born between 1948 and 1954 may not be able to afford basic expenses and uninsured health care costs through retirement, according to the Employee Benefit Research Institute.

More……

Almost daily mainstream media is mentioning the virtues of annuities …..here is one from the WSJ…..BB

THE WALL STREET JOURNAL.

- WSJ.com

- JUNE 20, 2011

Live Very Very Long and Prosper : As more people live into their 90s and beyond, financial planning becomes even more important—and trickier

By SUZANNE BARLYN

The possibility of living into my 90s seems like a gift on most days—one that, if I'm lucky, I've inherited from my long-living ancestors. But it can also feel like a burden.

At age 45, I can still call my grandmother to hear stories about the Great Depression. She turned 97 this year. More than half a dozen close relatives have lived into their 90s, and that's just going back to my great-grandmother.

A long life, of course, can be a blessing. But financial advisers typically use a more-daunting term: longevity risk. It's the reason that many develop retirement plans that assume their clients will live to at least age 93, reflecting the growth of the country's oldest population. The number of Americans who live to age 100 or greater increased 43% between 2000 and 2010, to 71,991 from 50,454.

The concept of planning for my financial well-being in 50 years is so overwhelming; it's easier just to ignore my family history. But there are tricks to thinking so far ahead. One is to break long- and short-term goals into smaller parts, so each seems more doable, says Lisa Kent, a Princeton, N.J.-based vice president and wealth-management adviser for Merrill Lynch & Co., a unit of Bank of America Corp.

What follows are some of the parts that go into planning for a very long life:

Don't Play It So Safe

Investors typically retreat from stocks in the years before they retire, slowly shifting their portfolios from growth and income stocks to more conservative fixed-income bond portfolios. Some future retirees, for example, may decide to allocate at least 60% of their portfolios in high-grade bonds by age 60.

Funding a retirement well into my 90s, though, could require investing more in equities until age 70, says Vivian Groman, senior adviser at Starmont Asset Management in San Ramon, Calif. How much risk I accept should depend on how much I've saved, my lifestyle and the health of the economy at that time, Ms. Groman says.

Building a portfolio of fixed-income investments with laddered end dates is another option, says Ms. Kent. An 80-year-old investor, for example, can "ladder" short- and

long-term securities, such as bonds, so that something comes due to generate income every year for 15 years until age 95.

Those same investors should also take on some risk by combining laddered bonds with a longer-term, diversified global equities portfolio that can generate higher returns. Just make sure you know the tax consequences of the overall portfolio.

Target-date funds, which mix stocks and fixed-income investments in allocations that shift as investors age, can work, too, with some caveats, says Jim Ludwick, founder of MainStreet Financial Planning Inc. in Odenton, Md. The funds, which are designed for investors who plan to retire around a certain date (say, at age 65 in 2031), typically become more conservative over time. Live long, however, and the fund could become conservative too soon. For people in my shoes, Mr. Ludwick recommends picking a target-date fund that matures about 10 to 15 years after a traditional retirement age. My overall portfolio will influence the date I choose, since I should combine my target date fund with other income sources, like income funds and annuities.

Longevity Insurance

Longevity insurance, also known as a deferred fixed-income annuity, is gaining traction among some advisers. This is effectively giving a lump sum to an insurance company in exchange for monthly income that can start at age 85.

Here's how it can work: A 54-year-old male pays $10,000 for an annuity. He then pays $3,103 per year for the next 29 years, until age 83 (putting a total of about $100,000 into the annuity). He'll receive $52,300 per year, beginning at age 85, based on current prices. Making additional payments toward the annuity along the way increases the payout later.

Other fixed-income annuities start paying at 65. Your monthly income, however, will be lower than if you buy an annuity that starts paying at age 85.

Many planners warn that certain annuity and insurance products carry high fees and other expenses that can eat into an investor's bottom line. But those concerns are typically more relevant to variable annuities, whose value changes depending on underlying investments.

Fixed-income annuities don't have explicit ongoing fees and expenses, according to Chris Blunt, executive vice president in charge of Retirement Income Security for New York Life Insurance Co. You can keep more of your own money, however, by shopping around for the best payouts from insurers. An insurance company's potential financial health in 30 years may be another concern, so find companies with triple-A or double-A claims paying ability ratings.

There are, however, downsides to consider, says Kevin Kautzmann, a certified financial planner for EBNY Financial LLC in New York. You're giving up control of your cash and liquidity, he says. Stashing away money to earn a payout equivalent to, say, 4% interest also may not seem appealing if rates have risen to 7% when the payouts begin, he says. As an alternative, Mr. Kautzmann says, certain short-term bonds and dividend-paying blue chip stocks can also generate long-term income while offering more flexibility.

Ms. Barlyn is a reporter for
Dow Jones Newswires in New York. She can be reached at
suzanne.barlyn@dowjones.com.

More.....From Fox Business

Annuities the Next Big Retirement Option?

By Jennie Phipps

Published June 17, 2011

Many baby boomers will be retiring on savings, without the secure pension checks that their parents enjoyed. As more boomers embark on this adventure, it is becoming increasingly clear that getting through retirement by living off investments is too difficult and unpredictable for most of us.

This uncomfortable conclusion is driving the government, employers and particularly insurers to come up with an alternative -- something that works a lot like an old-fashioned defined benefit pension plan.

So far, the likeliest candidate is an **annuity** within a 401(k) plan. Last September, the U.S. Department of Labor's Employee Benefits Security Administration and the Treasury Department sponsored a hearing on these lifetime income options. At the end of the sessions, it seemed clear that annuities within 401(k)s were a concept that employers, the government and -- especially insurance companies -- were happy to embrace.

Enthusiasm doesn't trickle down

There is just one big problem. Most employees are somewhere between stone cold and lukewarm to the idea. The Department of Labor asked for public responses to its proposal to approve annuities as "safe harbor" investments within retirement plans. The average response among the 800 received wasn't too far away from this one by Ross L. Webster, a retired Marine from North Carolina:

"Do you think Americans are IDIOTS? You would like to take our hard-earned money in IRAs and 401(k)s that WE CONTROL and promise a lifetime annuity that we can trust YOU to pay in the future?"

Despite public skepticism, some employers and retirement plan sponsors are already offering annuities or annuity-like products in 401(k)s. Prudential Financial says it has about 6,000 401(k) plans that have made its Income Flex plan an option for its employees. Phil Waldeck, a vice president who leads Prudential's pension plan risk management, says the key is to provide a plan that guarantees a minimum payout while providing participants with potential increases if the market is good and their savings grow.

New and improved annuities

"When you say annuity, people think single balance that converts into a fixed-income payout that is flat and irrevocable. People don't want that. What we're offering is a variable solution with a minimum withdrawal benefit with upside potential. That is starting to be embraced," Waldeck says.

Most participants in the Prudential plan, Waldeck says, choose to move their money into the accumulation phase of the Income Flex plan when they are around age 50, the youngest age at which they can secure a

guaranteed minimum amount. That gives them time to increase contributions so they can lock in as high a payment as possible at retirement. Once they move their money to the plan, participants know the minimum that they will receive monthly no matter what happens to the market as they approach retirement.

When they reach retirement, if their nest egg has grown significantly, plan participants have the opportunity at specific times to revise the guaranteed payment amount upward. But if the economy falters during the accumulation phase like it did in 2008, they can be confident that their monthly checks will continue to be no lower than the minimum they had been guaranteed.

Other models for turning a 401(k) into **an annuity operate outside** participating plans. For instance, Hueler Investment Services offers its plan sponsors an annuity purchase platform. Employees of its member companies can post their information on the platform, including their age and amount of savings, and annuity providers bid.

Director Kelli Hueler says her company's program forces insurers to operate on a level playing field that is transparent and displays costs upfront. It also relieves employers of the concern that they could be considered plan fiduciaries and held responsible for bad investments or failures.

"Participants can put any amount of money there. If they are concerned about outliving their assets, there are plans that will help them. If they are afraid of dying early, we can structure the annuity differently. We put employees in the driver's seat," Hueler says.

Hueler adds that no matter how good she thinks this option is, it can be a tough sell because for so long annuities had had a deservedly poor reputation. "So many people have had bad experiences being sold something they didn't need or they were offered something anybody would walk away from," she says.

Needs federal guarantee

Alicia Munnell, director of the Center for Retirement Research at Boston College, says annuities within 401(k) plans won't be widely accepted until the federal government offers some kind of reinsurance. At this point, every

state provides some sort of **annuity guarantee**. Nearly all max out at either $100,000 or $300,000. If you have more in an annuity, you risk losing it if an insurer goes belly up.

Here is the link: Read more: http://www.foxbusiness.com/personal-finance/2011/06/17/annuities-next-big-retirement-option/#ixzz1PpUZP38v

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I only added this to Open MIC notes because it points out how so many different investments are offered based on so many different scenarios....target market gets hammered constantly....be aware....BB

Another seller of alternatives goes under

By Bruce Kelly
une 19, 2011 6:01 am ET

Yet another small brokerage firm that **sold illiquid alternative investments** closed its doors last week.

MCL Financial Group Inc. of Santa Ana, Calif., which had 44 registered representatives, filed its broker-dealer withdrawal form Tuesday with the Financial Industry Regulatory Authority Inc., making it at least the sixth such firm to close this year.

Small and midsize firms have struggled for a variety of reasons.

Many that sold **illiquid private placements and real estate deals** have seen a huge rise in legal costs due to litigation filed by investors. In addition, retail investors' lack of trading activity, coupled with historically low interest rates, has hammered a number of broker-dealers.

According to its annual Focus report filed this year with the SEC, MCL generated 26% of its revenue last year from the sale of real estate investment trusts and 15% from the sale of limited-liability companies, which often take the form of private placements.

According to its profile on Finra's BrokerCheck system, MCL had no recent regulatory actions against it or big losses from Finra arbitrations.

Last year, however, the receiver for **bankrupt real estate syndicator DBSI Inc. sued MCL and more than 90 other broker-dealers, seeking to claw back commissions generated** from the sale of wildly popular tenant-in-common exchanges.

In the March Focus report, the broker-dealer said that it didn't expect the resolution of claims against the company to have an adverse affect on the financial position or results of the firm. At the end of last year, MCL had $90,671 in net capital.

E-mail Bruce Kelly at bkelly@investmentnews.com.

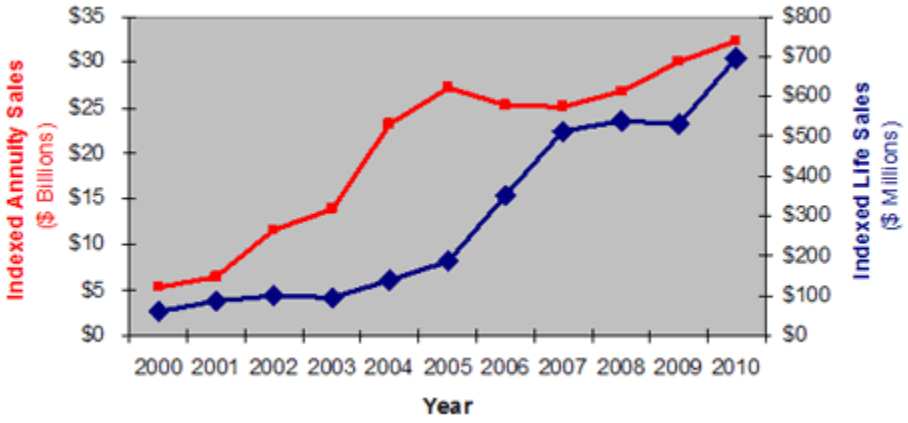
From one of my favorite sources
www.insurancenewsnet.com I urge you to subscribe and be an "insider" for current industry information

BB

Indexed Annuities or Indexed Life: Top Producers Use Both

June 15, 2011

By Brian D. Mann
AnnuityNews.com
June 15, 2011 -- Take a look at this chart from AnnuitySpecs.com that shows industry sales volumes of indexed products, and it is clear why agents would want to be selling indexed annuities and indexed life insurance. During a decade where sales of traditional fixed or variable products have bounced up and down from year to year, both types of indexed products have seen a remarkably steady rise in popularity.



These rising sales trends are due to the attractive combination of guarantees and enhanced interest crediting potential that indexed products offer to our clients. But while indexed annuities and indexed life insurance share a common way of crediting interest, they also have some significant differences that make one or the other a better fit for each particular client.

Many agents sell indexed annuities, but not indexed life insurance, or vice versa. But since there are situations where one is clearly superior to the other, to serve your clients best, you should know how – and when – to sell each.

When Indexed Life Insurance Fits Best

Indexed life insurance products offer some compelling advantages:

- They have very high index participation relative to annuities.
- They offer not only tax-deferred cash value accumulation, but also the potential for tax-free distribution via contract loans.
- They provide an income tax-free death benefit that is far in excess of the premiums paid.

Here are some situations where **indexed life insurance** fits the client's needs better than an indexed annuity.

- Younger clients:

  Younger clients benefit from the combination of relatively low cost-of-insurance rates and very high index participation. Plus, they are usually healthy enough to qualify for the insurance without much trouble.

- No lump sum: Many clients see the need to put money aside for future needs, but they haven't saved up enough to meet the minimum premium requirements of an annuity. Indexed life insurance can accept a low monthly premium without requiring an up-front lump sum.

- Inadequate retirement savings: Even if your client has a high enough lump sum to purchase an annuity, that lump sum may not be nearly enough to assure a comfortable retirement. Indexed life insurance can't solve that dilemma for the contract owner right away, but it can immediately provide for the owner's beneficiaries should the insured owner happen to die before having the chance to accumulate a comfortable amount of retirement savings.

- Concerned about tax rate increases: Under current tax law, values in an indexed life insurance contract can be accessed via contract loans on an income tax-free basis, as long as the premium pattern has not violated the modified endowment contract limits. If your client believes that tax rates are going to go up, the prospect of tax-free distribution is particularly appealing.

When Indexed Annuities Fit Best

Indexed annuities also offer some compelling advantages:

- They are relatively simple to purchase and easy to understand.
- They have no cost of insurance or other charges, other than surrender charges, which can be avoided by simply not taking any excessive premature withdrawals.
- They have the ability to accept qualified money in a tax-free transaction.

Thus, there are certain situations where an indexed annuity fits client needs better than indexed life insurance.

- Qualified money: Clients can put their traditional and Roth IRA money into an annuity. They can also move money from an employer's qualified retirement plan into an annuity without triggering taxation.

  Every year, about half of annuity sales involve qualified money – money that cannot go into a life insurance contract.

- Desire for simplicity: Some people prefer a nice, simple product that they can easily understand without the need for an illustration to figure out its benefits and that does not have charges that vary from year to year. Plus, clients don't go through a lengthy underwriting process when they purchase an annuity.

- Chronic health conditions: Clients can qualify to purchase an annuity regardless of their health conditions.

- Older clients: Older clients who can qualify for life insurance often find the cost of insurance charges expensive, so they like the fact that annuities have no explicit charges other than surrender charges.

Therefore, Use Both

To serve your clients best, you need to know how to sell both types of indexed products, annuities and life insurance.

If you don't, there are carriers and marketing organizations that make free training available to you. I strongly encourage you to take advantage of that opportunity. It's worth your time, and your clients will be glad you did.

Brian D. Mann is the executive vice president and chief marketing officer at Partners Advantage Insurance Services. He is a multi-million dollar personal producer, coach and mentor for insurance professionals. Partners Advantage is a national insurance marketing organization that serves as a one-stop shop to more than 20,000 independent insurance agents, financial planners, and broker-dealers.

Dave….Product for Indexed Life….PDF attached to notes

The big get bigger....BB

Capital One and ING Direct Become One

From JJ Hornblass Blob

Much of the blog coverage of yesterday's announcement that **Capital One Financial Corp. will purchase ING Direct** lauded the $9 billion deal, or at least didn't knock it.

The reviews should be far more positive. Cap One is going to knock this deal out of the ballpark.

A read through yesterday's coverage essentially boils down to this: Cap One is a great marketer, and therefore it will market ING Direct well.

But I could find no article that mentions the fact that Cap One is, to my knowledge, the only major financial services company in the world that is now on its second purchase of an internet-only financial services venture. In September 2001, Capital One acquired PeopleFirst Inc., a revolutionary, online-only auto finance company, for about $150 million. PeopleFirst eventually became the cornerstone of Cap One's auto finance business, which today ranks in the Top 20 in the US.

Here is the link:
http://www.bankinnovation.net/profiles/blog/show?id=2216016:BlogPost:68153&xgs=1&xg_source=msg_share_post

Sounds like preaching to the choir to me….BB

Advisors Are More Concerned With Lead Generation Than The Economy in 2011

Centennial, CO, – ***Senior Market Advisor***, published by Summit Business Media, announced the results of its **Advisor Survey** in the March 2011 issue.

The second annual Advisor Survey asked subscribers, licensed insurance and financial advisors serving the senior market, to provide their thoughts on their practice and the state of the industry. Questions included issues that keep them up at night, what marketing strategies are working, and not working in the current economic climate, how new technology has changed the way they do business, whether or not advisors' relationships with their longtime clients and prospects have changed, as well as the fears their clients are facing.

"We had a fantastic response to our second annual Advisor Survey, with more than 800 advisors participating," said *Senior Market Advisor* Editor Daniel Williams. "We received valuable data from advisors and obtained great insights on their challenges, how they are adapting to a changing marketplace, and how they're finding success with new lead generation techniques."

Highlights of the Advisor Survey include:

- The **#1 thing keeping advisors up at night is Lead Generation**, taking the attention away from the economy in last year's study.

(See this week's editorial, all about marketing….BB)

- 59% said that community involvement was their most effective strategy to gain new clients in the current economic climate.
- 49% of advisors say that new technology has increased productivity, while 32% believe it has taken away the personal touch.

Results were featured in the March issue of *Senior Market Advisor*, and complete survey results are available online at SeniorMarketAdvisor.com.

Click through and read the survey....very interesting and informative....BB

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3 factors to set your brand apart

- BY JEAN M. GIANFAGNA

Published 6/15/2011

A **strong brand** differentiates your company from competitors, conveys the highest value you deliver, and serves as an implicit promise to your clients of what your organization stands for.

Does your "brand" set you apart from other advisors in the eyes of your clients and prospects? Top advisors often have a strong brand that can be described very simply - your brand is what people say about you. Your brand is not your logo, your tag line or your "elevator speech." Your brand is how someone else describes you, your firm, your staff, your offerings. And, your brand exists whether you like it or not.

The good news is that you can control how people describe you and your brand.

In the media
When a newspaper, magazine, radio or TV station quotes you or uses your press release or article, you've established one of the most valuable aspects of branding, your credibility.
Let the world know about awards you've won, charity and community involvement, your new designations or events, or your reaction to the current events or market conditions. Use a press release template that allows you to easily craft a release.
Once you're in the media, market your clips and coverage back to your clients and prospects. Include your press releases (whether they were printed or not) in your prospect packet. Include online links to your media coverage. Let them see your credibility.

Your community involvement
Being an active member of the community establishes name recognition and positive awareness. It's no coincidence that top agents and advisors are also very active in their communities. It's almost like magic, but when you give back and develop a positive brand as a good member of the community - business comes your way.

Your online presence
Have you done a Google search on yourself, as vain as that might seem on the surface? Do you know what's out there on the Web about you? Today, most people will search for you online and check out your Web site before coming into your office - even if they were referred. And when they find you, does your online image help or hurt you? Use real pictures, real video of you and your staff with real staff voices. Your Web site is your voice and should be a reflection of who you are. It is your brand.

Your clients describe your brand
Your clients are the leading source for what your firm is all about. Controlling your brand through your clients is done almost entirely through your communication. Impactful communication with your clients leads to confidence and trust. Your communication will differentiate you, make your clients feel important, give them something to talk about, and bring you the referrals you deserve.
The reality is there are hundreds of thousands of agents and advisors for your clients and prospects. Ultimately it will be your brand that will determine your year. The stronger your brand, the more credible, and visible you are, the easier it becomes to do business with you.

But what's the difference between a good brand and a truly great one? Here are three factors that separate the best brands from the rest, and examples of marketers who are using these factors to set the bar for branding success.

1. **A clear identity**: The marketer's brand stands for something unique to the client, something clearly different from any other competitor in the company's marketplace. What Apple and Mercedes-Benz represent, for example, is so distinctly different that no competitor can match them.
2. **Trust:** The client trusts that what the marketer says is true, because the client knows from experience they can believe what the marketer tells them. When you ship with FedEx, your package will arrive on time. When you buy from L.L. Bean, the product is guaranteed for your entire life.
3. **Value:** The brand delivers something the client wants, needs, and appreciates, and the client believes they get a fair deal for their money. Target sells consumer products of very high quality at modest prices. Tiffany clients pay top dollar for jewelry, but the value of a Tiffany's piece, from the quality of the product to the beauty of the distinctive blue package, is perceived to be worthy.

You don't have to be a FORTUNE® 500 company to do branding well. Any company can use these same factors to create a unique, memorable, and meaningful identity that establishes an effective presence in the marketplace.

This was in last week but Jeff had the same idea about visual advertising…his are at the bottom….BB

I know what you are thinking…Bill has lost it…..

I was on my way home Sunday from Boise where I spent the weekend with our grandson…in front of me was a car which had signs painted on it which said….

I sell Mutual of Omaha…call me for best rates.

It was on the back and side of the car….I thought what an idiot and then it occurred to me…..

How many people would see the signs? And…he is not embarrassed to sell insurance and be called an insurance salesman….

So I did a little research and found out that a 20 by 35 magnetic sign was only $40….here is my design…

Would you be embarrassed to drive around with a sign on your car? I ordered mine today.

Here are Jeff's


M8
Redwood Valley Interests
Safe Money Radio
Jeff Rodd
t-Preusse
DY SHOP
dwood Falls, MN


BRUNS
Racing
Putting SIDS to Sleep Since 2008
SAFE MONEY RADIO
JEFF C. RODD
507-640-1019

Why does this not surprise me? I have 97% of all my personal retirement assets in what I sell...annuities! You?...BB

Portfolio managers should eat their own cooking

Morningstar: Just 40% invest in their funds

June 19, 2011 6:01 am ET

If a mutual fund manager won't invest in a fund that he or she is managing, why should anyone else?

It isn't a rhetorical question.

According to Morningstar Inc., only about **40% of fund managers** invest in their own funds. Of that minority group that is **"eating its own cooking,"** about 60% are equity managers.

"It's a little baffling to me why we see so many portfolio managers with zero money invested in their own funds," said Laura Lutton, editorial director at Morningstar.

On the fixed-income side, where investment by managers tends to be lower than in equity funds, there is some justifiable leeway given to managers who run certain short-term-bond strategies or -single-state municipal-bond funds.

But overall, it is difficult to understand why a portfolio manager can't invest even $1,000 in his or her fund, if only to replace the zero investment figure on public filings.

Beginning in 2005, the Securities and Exchange Commission required fund manager investment status to be filed under a statement of additional information.

(sometimes I carry my own annuity statements with me to show prospects....BB)

Beyond the symbolic benefits of showing investors that a manager has some skin in the game, there are real and measurable advantages to having the portfolio manager in the investor pool.

According to Morningstar's continuing stewardship research on funds and fund companies, on average, the more money a portfolio manager invests in a fund, the better the fund does.

Of the funds at the highest manager investment level of more than $1 million, the average star rating is 3.5 and the average manager tenure is more than 12 years.

On the opposite end of the spectrum, including funds where the manager has no money invested, the average star rating is 2.9 and the average tenure is 4.6 years.

Morningstar includes portfolio manager investment data in its overall stewardship analysis, which will be part of the forward-looking analyst fund ratings that will make their debut this year.

Of course, not everyone gives the same value to portfolio manager investment.

“I don't have an answer as to why a manager wouldn't invest in his own fund, but we don't think it's a major red flag,” said Todd Rosenbluth, mutual fund analyst at Standard & Poor's Financial Services LLC. “It's something investors should care about, but I don't think they should exclude a fund because the manager doesn't invest in it.”

One reason that Mr. Rosenbluth has heard as to why a manager doesn't invest is related to the risk of personal bias.

“As a manager, you might be less likely to take profits if you're also an investor,” he said.

Most fund companies don't have formal policies regarding manager investment in funds they manage, but some firms clearly make it a priority.

Ms. Lutton cited Royce & Associates LLC, a $40 billion small-cap-value firm, as “a very good example.”

Lead managers at Royce are required to invest at least $1 million of their own money. For co-managers, the minimum requirement is $500,000, and for assistant managers, $250,000.

In addition to a salary, Royce manager compensation also is based partially on fund performance.

“We think it's important that our managers align their interests with those of the shareholders,” said Jack Fockler, Royce's managing director.

VANGUARD GROUP

In terms of fund companies where manager investment isn't a priority, Ms. Lutton highlighted The Vanguard Group Inc., a $1.4 trillion fund complex. Of the 114 distinct Vanguard funds tracked by Morningstar, **81 have zero investment from the portfolio manager.**

Vanguard spokesman John Woerth described the analysis of portfolio manager investment as “sort of misleading” and “an imprecise mechanism for evaluating a fund.”

Vanguard does have manager incentive and penalty compensation structures on most of its funds as a way to align manager interests with those of the fund investors, he said.

In some cases, managers will opt to invest in a separate-account version of the fund, which doesn't show up in the SEC filing, Mr. Woerth said.

However, while the separate account might put the manager and the fund investor in the same general universe, Ms. Lutton noted that separate-account investors aren't subjected to the same taxable events or fee structures as mutual fund investors.

Donald Butler, who is listed as lead manager on four Vanguard funds that combine for nearly $150 billion, is invested in only one of those funds.

According to Morningstar, he has between $10,000 and $50,000 invested in the $1.8 billion Vanguard Tax-Managed International Fund (VTMGX).

Mr. Butler said that he “invests 100% in Vanguard funds” and that he is mostly invested in the Vanguard total-stock and total-international funds. He does not duplicate holdings in different funds.

In addition, one of the funds that Mr. Butler manages, Vanguard Institutional Index Fund (VINIX), has a $5 million initial-investment requirement, and Vanguard doesn't waive minimums for employees. If he were to invest in that fund, it would lead to a lot of exposure for him to the one fund.

There will always be reasons for managers not to invest in funds that they manage, but it is tough to dodge the stigma of not owning a fund you are managing.

As Morningstar's president of fund research, Don Phillips likes to say:

“Nobody ever washes a rental car.”

Questions, observations, stock tips? E-mail Jeff Benjamin at jbenjamin@investmentnews.com.

Buy what you sell....BB

“Big Truck” Sales Tips

Chad and Tony Owen

A weekly annuity sales tip

The theme this week seems to be marketing and investing in yourself.....Chad and Tony Owen invest in their business and deeply into marketing....have a look at how a “professional” annuity selling team works it....BB

Hello Partners,

How do you sell millions in annuities? How do you grow your business?

Annuity sales is not a sprint, it's a marathon.

Establish a **marketing budget** and increase it constantly. Even if you start out modestly, say $1,500 per month and increased your budget by $100 per month your budget would more than double in two years to over $3,900. $3,900 in most cases would be enough money to run a Safe Money Radio show and six qualified leads or two Annuity.com lead orders.

The point is to always grow your marketing and reinvest your capital. Marketing capitalization works just like compound interest; a small increase in your marketing dollars can have a huge impact on your gross revenues. If you look at 2009 to 2010 you will see only a .6 increase in his lead count. This would have been even higher except for the lack of Annuity.com leads in 2010 but regardless his sales increased by over 5 million. In 2011 his lead count has increased by 3 leads per week and he is on track to grow his volume by at least another 5 million. If I went back to 2008, 2007, and 2006 the trend would continue; less leads and less sales.

You will also notice that we are constantly adjusting our lead marketing to get maintain our lead counts. The most expensive lead is the one you don't have. Look at your business constantly and shift and/or increase your marketing dollars for what brings the highest return on investment but more importantly brings you a consistent flow of leads.

Growth is an exponential formula made up of the following components:

- ☐ **Consistency: Never turn it off.**

- ☐ **Incremental Increases: Too little is better than nothing**. Too much and you will blow your budget. The key is always to be increasing your marketing.

- ☐ **Reinvestment: Pay your business first**. Strip every luxury out of your life if needed and feed your business.

- ☐ **Faith: This isn't for cowards**. All successful businessmen are made up of risk takers. You need to spend your money and trust in your abilities to cover the cost.

- ☐ **Purpose:** There has got to be more to this than **just making money.**

- ☐ **Data:** If you don't **know the numbers** you don't know where you have been or where you are going. At the very least keep track of the number of your leads, how much it cost you, and how much revenue you produced.

- ☐ **Effort: Show me your calendar**. If your calendar beats our calendars, watch out, success is around the corner. There is no such thing as a 9-5 business when you are the owner.

- ☐ **Time:** This **doesn't happen overnight** but if you follow these steps you will be amazed quicker than you can imagine. Also, if you are an annuity salesman then you are in college for life. Always be studying products, strategies, sales concepts, etc., etc.

- ☐ **Relaxation: Smell the roses** along the way. Schedule mandatory vacations even if they are simple and low cost. You need to recharge if you are working as hard as we do.

- ☐ **Small Things:** Don't make the mistake of stepping over a **dollar to pick up a dime**. I still have partners that don't have their Retire Village website set up or don't use the Safe Money Book or kit. Are you serious?

Marketing, a Marketing Budget, a Plan and Effort

Here are Chad's lead counts for 2009: 285 Safe Money Radio Leads and 183 Annuity.com leads = 468 (9 per week)

Annualized Production: $9,258,000+

Week	SMR Leads			A.com Leads		
	Leads	Appts	Sits	Leads	Appts	Sits
01/02/09				2	1	1
01/09/09				5	4	3
01/16/09				4	3	2
01/23/09				7	5	4
01/30/09				4	3	2
02/06/09				2	2	1
02/13/09				7	4	3
02/20/09				8	4	3
02/27/09				9	4	3
03/06/09	10	4	3	12	3	2
03/13/09	10	7	6	7	4	3
03/20/09	13	7	6	5	5	4
03/27/09	15	8	7	1	5	4
04/03/09	7	0	0	6	0	0
04/10/09	15	3	2	2	2	1
04/17/09	7	6	5	3	4	4
04/24/09	14	9	8	3	1	1
05/01/09	2	4	2	4	2	0
05/08/09	4	3	2	6	1	1
05/15/09	4	4	3	5	4	4
05/22/09	10	3	3	1	2	2
05/29/09	6	2	1	3	3	3
06/05/09	7	1	1	0	0	0
06/12/09	3	0	0	3	0	0
06/19/09	4	0	0	4	0	0
06/26/09	6	2	1	1	0	0
07/03/09	2	2	1	3	1	1
07/10/09	1	4	4	3	1	1
07/17/09	3	0	0	3	0	0
07/24/09	1	4	4	4	1	1
07/31/09	4	5	5	5	0	0
08/07/09	3	3	3	2	0	0
08/14/09	9	0	0	4	0	0
08/21/09	4	3	3	2	1	0

08/28/09	2	1	1	5	1	1
09/04/09	9	4	4	2	2	1
09/11/09	4	5	3	2	1	1
09/18/09	4	6	5	0	0	0
09/25/09	5	1	1	3	1	1
10/02/09	4	0	0	2	0	0
10/09/09	6	2	1	1	0	0
10/16/09	5	1	0	1	0	0
10/23/09	4	3	3	6	3	3
10/30/09	12	6	3	2	6	4
11/06/09	6	5	3	4	1	1
11/13/09	9	2	2	3	2	2
11/20/09	8	0	0	1	0	0
11/27/09	6	0	0	1	1	1
12/04/09	11	0	0	3	0	0
12/11/09	9	3	2	2	1	0
12/18/09	8	7	5	3	0	0
12/25/09	9	3	2	2	1	0
TOTAL	285	133	105	183	90	69

Here are Chad's lead counts for 2010: 472 Safe Money Radio Leads, 19 Annuity.com leads, and 9 Prequalified Annuity Leads = 500 Leads (9.6 per week)

Annualized Production: $15,390,000+

Week	SMR Leads			A.com Leads			PQAL Leads		
	Leads	Appts	Sits	Leads	Appts	Sits	Leads	Appts	Sits
01/01/10	6	3	3	0	0	0			
01/08/10	7	2	2	0	0	0			
01/15/10	6	6	5	0	1	1			
01/22/10	5	3	0	0	0	0			
01/29/10	6	7	6	1	0	0			
02/05/10	12	6	5	0	1	1			
02/12/10	12	4	3	0	1	1			
02/19/10	16	0	0	0	0	0			
02/26/10	14	6	5	0	1	1			
03/05/10	16	6	6	1	0	0			
03/12/10	14	4	3	0	0	0			
03/19/10	6	8	5	2	1	1			
03/26/10	10	1	1	0	2	1			
04/02/10	6	7	4	0	0	0			
04/09/10	6	9	4	0	0	0			
04/16/10	5	13	9	0	0	0			
04/23/10	17	9	1	0	0	0			
04/30/10	6	0	0	0	0	0			
05/07/10	10	3	1	1	1	1			
05/14/10	10	7	6	0	0	0			
05/21/10	13	5	2	4	1	1			
05/28/10	11	6	3	1	1	1			
06/04/10	6	0	0	0	0	0			
06/11/10	10	2	2	0	1	1			

06/18/10	10	0	0	0	0	0			
06/25/10	4	6	2	2	0	0			
07/02/10	11	4	2	0	0	0			
07/09/10	7	8	6	0	1	1			
07/16/10	7	4	3	2	0	0			
07/23/10	5	0	0	0	0	0			
07/30/10	15	0	0	0	0	0			
08/06/10	9	0	0	1	0	0			
08/13/10	4	4	4	0	0	0			
08/20/10	5	6	4	0	1	1			
08/27/10	9	3	2	1	0	0			
09/03/10	8	4	4	0	0	0			
09/10/10	9	0	0	0	0	0			
09/17/10	7	4	2	0	0	0			
09/24/10	0	5	3	0	0	0			
10/01/10	0	1	1	0	0	0			
10/08/10	11	5	4	0	0	0			
10/15/10	11	5	3	1	0	0			
10/22/10	3	1	0	0	0	0			
10/29/10	10	7	6	2	1	1			
11/05/10	12	3	2	0	0	0			
11/12/10	13	6	5	0	0	0			
11/19/10	18	2	0	0	0	0			
11/26/10	10	3	1	0	0	0	1	0	0
12/03/10	11	2	1	0	0	0	1	0	0
12/10/10	10	4	1	0	0	0	2	1	1
12/17/10	10	1	0	0	0	0	0	2	2
12/24/10	8	0	0	0	0	0	3	0	0
12/31/10	5	1	1	0	0	0	2	0	0
TOTAL	472	206	133	19	14	13	9	3	3

Here are Chad's annualized lead counts for 2011: 540 Safe Money Radio Leads, 45 Annuity.com leads, and 120 Prequalified Annuity Leads = 705 Leads (13.6 per week)

Annualized Production: $20,000,000+

Week	SMR Leads			Annuity.com Leads			PQAL Leads		
	Leads	Appts	Sits	Leads	Appts	Sits	Leads	Appts	Sits
01/07/11	4	4	3				12	4	4
01/14/11	7	2	2		1	1	1		
01/21/11	11	3	2		1	1	3	1	1
01/28/11	7	6	4		1	1	1	4	4
02/04/11	8	12	9				2	1	1
02/11/11	23	9	5	1			2	3	3
02/18/11	12	4	0				2	3	2
02/25/11	19	2	2				1	1	1
03/04/11	13	7	6				4	2	2

03/11/11	13	1	0				2	2	1
03/18/11	10	11	9				2	3	1
03/25/11	8	5	4				1	3	3
04/01/11	15	8	4	1	1	1	1	1	1
04/08/11	12	10	9	2			2		
04/15/11	7	11	4	2	1	1	2	4	2
04/22/11	10	7	4	1				2	2
04/29/11	6	4	4				2	1	0
05/06/11	8	9	5	1			1	1	1
05/13/11	6	4	2	3			2	1	1
05/20/11	17	5	5		1	1	1	3	3
05/27/11	8	8	6	5			4	1	1
06/03/11	8	7	5	4			4	2	2
06/10/11	7	9	3		2	2		3	3
TOTAL	239	148	97	20	8	8	53	46	39

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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!

I read this incredible article from Edward Klink about our Nation's Independence and it so correlated with our business that I found it stunning.....my notes are in RED....BB

His writing can be found at www.hoursesmouth.com

By Edward E. Klink

The American Revolution was a gambit underpinned by iconoclastic ideas, **unwavering principles, and tenacious effort.** This July Fourth, let the example of the founding patriots inspire you to your own success. Kick off your holiday with this Horsesmouth Independence Day classic.

"Nothing important happened today." *-Diary entry by King George III on July 4, 1776*

Ah, George. Little did he know what was brewing across the Atlantic on that fateful day. For most of us, the Fourth of July promises the opportunity to relax, a few days on which to do precisely "nothing important." It's a time for sizzling burgers on the grill, spiking volleyballs at the beach, and shouting our approval as fireworks blast colorful patterns in the night sky.

There's nothing wrong with taking advantage of a well-earned day off and relaxing with family and friends. But there are lessons to be learned from Independence Day, great lessons that underscore the courage and commitment upon which this country was founded-lessons about *success*.

When it comes to motivation and training, you'll often hear advice thrown about, such as **"Be a leader," "Act decisively," and "Never give up."** We've heard these ideas so often, they've become cliché that have lost some of their meaning. So let's use this July 4 as the perfect time to look at such advice operating in a revolutionary context. Here are just seven of the lessons the founding citizens of this country can still teach us today:

1. A lesson in boldness

(We need to be bold in our business and marketing plan....BB)

"Gentlemen, I make the motion that these United Colonies are, and of right ought to be, free and independent States, that they be absolved from all allegiance to the British Crown, and that all political connection between them and the state of Great Britain is, and ought to be totally dissolved."

The delegates of the Second Continental Congress in Philadelphia were stunned by these words from **Richard Henry Lee**. The war had commenced with the battles of Lexington and Concord the previous year, but since then events had progressed far beyond addressing colonial grievances. The delegates were now considering the mind-boggling audacity of pursuing complete independence from King George III. In the 18th century, that was the type of talk that led right up the creaky steps to the gallows.

But nevertheless, in full consciousness of the risk they were taking, in the summer of 1776, **56 prominent men** from throughout the 13 colonies affixed their signatures to the Declaration of Independence, which was adopted by the Congress on July 4. "We must all hang together, or assuredly we shall all hang separately," Ben Franklin famously said. The actions of these men-all of whom had much to lose-is the very definition of boldness.

We might ask of ourselves, "Where is our resolve, our boldness to dream and demand change? What do we believe in?"

2. A lesson in honor

(be proud of what we do, "I am an annuity salesman!" ....BB)

Long before the image of Samuel Adams was pasted onto a bottle of beer, the man himself had failed as a brewer and dedicated himself instead to politics. A skilled writer and pamphleteer, he was responsible for stoking the fires of rebellion among the colonists. The crown was well aware of Adams's growing influence and attempted to neutralize the outspoken patriot with the methods that tend to break most men: intimidation and bribery.

Massachusetts Governor Gage dispatched Colonel Fenton to personally "persuade" Adams to cease his revolutionary activities. As you're sipping a Sam Adams Summer Ale over the holiday, consider this remarkable exchange, as set forth in *Think and Grow Rich*, by Napoleon Hill.

Colonel Fenton: "It is the governor's advice to you, Sir, not to incur the further displeasure of His Majesty. Your conduct has been such as makes you liable to penalties for which persons can be sent to England for trial for treason. But, by changing your political course, you will not only receive great personal advantages, but you will make your peace with the King."

Samuel Adams: "Then you may tell Governor Gage that I trust I have long since made my peace with the King of Kings. No personal consideration shall induce me to abandon the **righteous cause of my country**. And tell Governor Gage it is the advice of Samuel Adams to him, no longer to insult the feelings of an exasperated people."

OK, here we have Adams essentially telling the officer, the governor, and the King himself-the most powerful man on the planet-to take a royal hike.

How many of us have such unshakeable principles, and the inner strength to back them up?

3. A lesson in communicating

(communication is the key to understanding how a prospect feels Retire Village communicates...BB)

\Many of us lament the daily interruptions to our work from e-mail, faxes, and phone calls. We sometimes see these means of connection as little more than roadblocks to productivity. In the 18th century there was no Internet, and no fax machines or cell phones, but the leaders of the rebellion placed a high priority on staying connected and spreading the word. ("The British are coming, the British are coming"-does that pithy jingle ring a bell?)

One of the keys to the revolutionaries' success against England's might was their "mastermind alliance." **Patriots such as Ben Franklin** tapped into the power and influence of collective creativity by networking with other progressive-minded thinkers. They didn't always agree on the details, but they did help one another toward their common goal: freedom from tyranny.

Adams organized the "committees of correspondence" along with John Hancock and Lee to pound the pavement and **circulate news and information** throughout the colonies via handwritten letters. The Boston Tea Party was such an effective publicity stunt-cum-political act that it inspired copycat events throughout the colonies. Paul Revere and two compatriots sped through the Massachusetts night to spread the alarm of British invasion. Thomas Paine's pamphlet *Common Sense* was widely circulated and turned the tide of public opinion toward independence: No more technology than a printing press to that, but talk about an effective communication strategy.

What do we do to generate buzz and excitement about our ideas and beliefs? How willing are we to spread the word about the causes that we support?

4. A lesson in perseverance

(be like Chad Owen, be like David Braun, be like Herb Hickmore, be like Andrew Rafal, be like Dan Barnard, be like Jeff Rodd....the list goes on and on....BB)

Though independence was declared in 1776, it would take six trying years before the dream of freedom from English rule would be realized. During that time Washington would lose more battles than he'd win. His own men would border on desertion. His most valuable general and trusted friend, Benedict Arnold, would betray him and the cause. And of course, thousands of lives would be lost and untold property destroyed. There were many opportunities to give up. Arnold gave up. But Washington and his compatriots did not. Arnold took the path of less resistance. Washington and the others refused to be defeated by power and tradition. And it was they who changed the course of history.

How resilient are we in the face of obstacles? How do we deal with setbacks and hardship?

5. A lesson in sacrifice

(pay the price...but work smart, what does it take to write $10 million a year in annuity premium? Answer that question!....BB)

Beyond the soldiers facing death on the battlefield, many other Americans helped bring the dream of July 4th to fruition, people who toiled behind the scenes, such as Abigail Adams.

While her husband, John, traveled and labored to build the fledgling state (as a circuit judge, delegate to the Continental Congress, envoy abroad, and elected officer under the Constitution), Mrs. Adams, like women throughout the colonies, oversaw the daily workings of the family farm, managed the finances, and raised and educated five children (including the future president John Quincy Adams).

Like most women of her time, Mrs. Adams had no formal schooling, so she educated herself. She became a prolific reader and letter writer, leaving behind a correspondence of some 2,000 letters that give us an interesting window into how she viewed politics and society, her contributions to the war effort-and her station in life.

On the eve of independence, Mrs. Adams wrote to her husband: "I long to hear that you have declared an independency. And, by the way, in the new code of laws which I

suppose it will be necessary for you to make, I desire you would remember the ladies and be more generous and favorable to them than your ancestors."

How do we balance work, civic responsibilities, and family life? How do we redress the accepted infringements of liberty still present in our time?

6. A lesson in professionalism

(study, learn, join the life underwriter's, take classes, be better than the other agents...BB)

While **Thomas Jefferson** has received the lion's share of accolades for the Declaration, John Adams also served on the writing committee and was instrumental in bringing the Declaration about. Jefferson called Adams **"the Colossus of that Congress**-the great pillar of support to the Declaration of Independence, and its ablest advocate and champion on the floor of the House. "After the war was won, political differences caused these patriots-in-arms to become adversaries for many years.

But finally Jefferson wrote a letter to Adams, and the two embarked on a friendship and correspondence that lasted for the rest of their lives. **Strangely enough, Jefferson and Adams both died on July 4.** On July 3, 1826, Jefferson lay on his deathbed. Perhaps realizing the significance of passing on the 50th anniversary of his magnum opus, he uttered his last words to the attendant "This is the Fourth?" To comfort him, the man replied that it was, whereupon Jefferson smiled and fell into a sleep from which he would never awaken.

Adams had resolved to live until the 50th anniversary of the Declaration; when his servant asked him that morning if he knew the date, the 90-year-old said, "Oh, yes, it is the glorious fourth of July. God bless it. God bless you all." Adams would die later that afternoon, with the final words "Jefferson still survives." He didn't know that Jefferson had died just a few hours earlier at Monticello.

How will each of us greet our last day? With the regret of unfinished business and unresolved conflict? Or with the pride of a life well led?

7. A lesson in legacy

(leave a legacy, charity, helping other agents, your church, your country....BB)

One amazing aspect of the Declaration of Independence is that Jefferson's words capture an idea and a spirit that predate them.

"But what do we mean by the American Revolution?" asked John Adams. "Do we mean the American war? The Revolution was effected before the war commenced. The Revolution was in the minds and hearts of the people."

True, the notion of freedom lived in the hearts and minds of the colonists for a long time before it was finally committed to paper. But once written down, once codified in words, the idea gained clarity-and strength. Once written down, this touchstone of the democratic ideal could harness the power of the will of the people to be free.

Building on Thomas Paine's *Common Sense*, the 33-year-old Jefferson drafted a document that became a powerful call to action, a blueprint that would not only inspire but support the hard work to come. He penned the ultimate mission statement of the country:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness."

Do we know what we are working toward in life? Do we know what legacy our work will leave for those generations that follow us? Do we have our own personal mission statement?

God Bless America....BB

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Understanding
Indexed Universal Life

AVIVA

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You may be surprised about what indexed universal life insurance can help **you** do.

It can help you...

- provide financial security for your family.
- build financial security for your business.
- supplement your retirement income – tax free!
- pay off credit cards, car payments, student loans, or other debts.
- cover mortgage payments.
- send your kids to college.
- address emergencies if and when they arise.

Yeah. It can do that!

Products issued by Aviva Life and Annuity Company.

What is indexed universal life insurance (IUL)?

There are two basic kinds of life insurance: **term** and **permanent.**

Let's take a look at the question **"What is IUL?"** within the context of these two types of life insurance.

A term life insurance policy provides a death benefit for a specified period of time, such as one, ten, or twenty years.

Term life insurance does not have a cash accumulation value. Rather, it serves the sole purpose of providing a death benefit to beneficiaries in the event of the death of the insured.

A permanent life insurance policy provides a death benefit AND has a cash accumulation value.

The cash accumulation value is available to the policy owner through withdrawals or loans.

One type of permanent life insurance[1] is univeral life insurance. There are three basic types of universal life insurance: traditional universal life, indexed universal life, and variable universal life. Interest is calculated and credited to each type of policy in a different way.

Type 1:

Traditional universal life insurance (UL)

- With universal life insurance, a **fixed rate of interest** is credited to the policy on a periodic basis as declared by the issuing insurance company.

Type 2:

Indexed universal life insurance (IUL)

- With indexed universal life insurance, you have **a choice of fixed rate strategies and/or indexed strategies that are based on the upward movement of a stock market index or indices.**
- The cash value of an IUL policy is **not** invested directly in the stock market.
- Many people do not want to risk their cash accumulation value to market fluctuations. IUL gives you the opportunity to participate in index increases. It also provides protection from decreases with a minimum guaranteed interest rate.

Type 3:

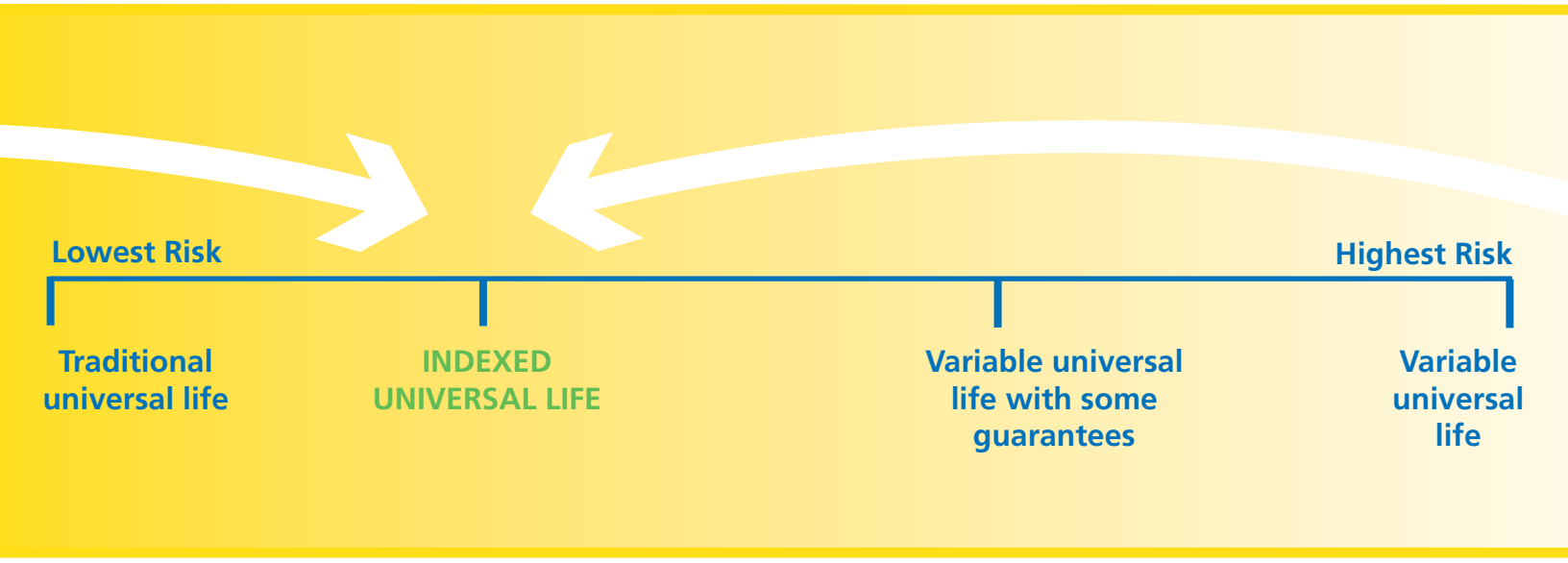
Variable universal life insurance (VUL)

- With **variable universal life insurance**, the cash value is usually invested in subaccounts that are linked **directly** to the stock market.
- The value of a variable universal life policy is susceptible to the ups and downs of the market.
- While there is the potential for significant gains, premiums are more susceptible to losses that can have a negative impact on the life insurance policy's death benefit and/or cash value.

[1] Whole life insurance is another type of permanent life insurance. The scope of this guide does not discuss the advantages and disadvantages of whole life insurance.

Which type of universal life insurance is right for you?

Appetite for risk is shifting toward products that include both protection and guarantees. Indexed universal life insurance meets these needs.



When can indexed universal life be a good choice for you?

An indexed universal life insurance policy provides you with a greater potential for interest and a safeguard against market downturns. That's because indexed universal life products credit interest based on the upward movement of a stock market index, subject to a limit called a cap rate.

Plus there is a minimum interest rate guarantee of 2 percent on the account value. This means that when your policy is surrendered, or when cash value segments mature, its performance is evaluated. If your policy has not earned at least 2 percent compound interest per year, it will be credited retrospectively with a 2 percent minimum guaranteed interest rate.

Over time, and particularly during periods of low fixed interest rates, an IUL policy has the potential for greater interest crediting than a traditional universal life insurance policy.

This can give you the potential for more cash value, more supplemental retirement income, or lower total premiums if you decide to discontinue premiums and use the policy's cash value to support the policy's internal expenses.

When you purchase an IUL policy, you can decide within policy guidelines:

- The amount of insurance that's right for you.
- The amount of premium(s).
- The timing or frequency of planned premiums (monthly, quarterly, annually).
- Whether you want the death benefit to remain level or to increase over time.

What are your interest-crediting choices?

With indexed universal life insurance, you decide how your policy earns interest by selecting one fixed strategy, one indexed strategy, or a combination of these strategies.

A fixed strategy uses a fixed rate of interest that's declared by Aviva for a certain amount of time. Aviva IUL policies offer you a choice of two fixed-term strategies. Premiums remain in this strategy until the end of the one-year or five-year term, at which time the segment matures and the allocation process begins again.

An indexed strategy uses a formula that calculates interest based on the movement of a stock market index or indices. There are up to five interest-crediting methods, or strategies, from which you can choose. While indexed products credit interest based on the upward movement of an index, these products are not securities. Your money is never invested directly in the stock market.

Let's take a closer look at indexed strategies.

What is an index?

An index is a statistical composite that measures changes in the financial markets.

What are the indices used in Aviva IUL policies?

The majority of the interest-crediting strategies use the S&P 500© Index as the basis for interest crediting. However, three different indices are available and vary by strategy.

Standard & Poor's 500© Composite Stock Price Index[2]

This index is often regarded as the standard for broad stock market performance. It is used to measure the average stock price changes of the 500 most widely held companies representing over 100 specific industry groups. The S&P 500© represents approximately 70 percent of the total domestic U.S. equity market's capitalization.

NASDAQ-100 Index[2]

This index represents 100 of the largest domestic and international non-financial companies listed on The NASDAQ Stock Market based on market capitalization. It reflects companies across major industry groups, including computer hardware and software, telecommunications, retail/wholesale trade, and biotechnology.

Dow Jones Industrial Average (DJIA)[2]

This index is probably the best-known and most widely followed index in the world. It consists of 30 of the largest publicly traded firms in the U.S., including retailers, oil, technology, pharmaceutical, and entertainment companies. The DJIA accounts for approximately 29 percent of the investable U.S. market, as measured by the Dow Jones.

[2] See the back cover of this booklet for complete disclosure information regarding the indices.

How is interest calculated and credited?

When you apply for your policy, you choose from the available interest-crediting strategies. Then your premiums are allocated in the following manner:

Step 1

When you pay your Indexed Universal Life insurance premiums, Aviva puts your net premium[1] payments into your account value and temporarily allocates your premiums to the **Basic Interest Strategy**.

Step 2

Aviva calculates the amount to fund approximately one year of **policy charges and cost of insurance**. These funds remain allocated to the Basic Interest Strategy until they are needed to pay those charges throughout the year.

Step 3

Twice per month on preset days, the remaining money is allocated into **segments** of one or a combination of fixed strategies or indexed strategies, that you selected, for a specified amount of time, or **segment term** (1, 5, or 6 years depending on the strategy).

Step 4

At the end of the **segment term**, the segment dollars mature and are placed back into the Basic Interest Strategy, along with any new premiums, to begin working for you again.

[1] Net premiums are your paid premiums less a percentage charge that varies based on the product selected.

Basic Interest Strategy
The section of your policy that will hold net premium payments to fund approximately one year of policy charges and the cost of insurance before premiums are directed into other interest-crediting strategies.

Segment
A segment is created each time excess dollars are directed into a fixed-term or indexed strategy. Each segment has its own participation rate and cap rate.

Segment term
A segment term is a one, five, or six-year period of time that begins when a segment is created. The segment term varies by strategy. Funds cannot be redirected to another strategy until the segment matures at the end of the segment term.

Interest-crediting period
This is an amount of time that's measured from the segment creation date and every segment anniversary thereafter throughout the segment term.

Policy charges and cost of insurance
Policy charges are deducted monthly and include a flat administrative fee, a coverage charge per $1,000 of face amount, cost of insurance charges, and charges for any riders. These charges vary based on your individual policy.

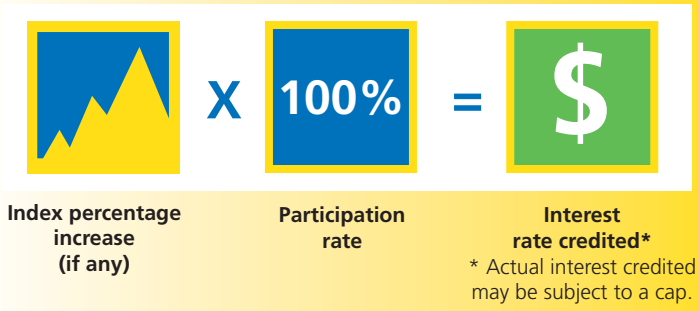
How do indexed strategies work?

Indexed interest-crediting strategies are formulas or methods used to measure the movement of the applicable index during a certain timeframe, up to a certain limit or **cap rate**.

Participation rates and **cap rates** are two important components of IUL indexed strategies. These features determine, and set limits on, the amount of interest that can be credited to your IUL policy.

Participation rate

The participation rate determines how much of the increase in the index's value applies to your IUL policy. **Aviva guarantees that the participation rate of all of its indexed life insurance products will be at least 100 percent for the life of the policy.**



Cap rates

The cap rate is the top amount of interest that Aviva will credit to an IUL policy. Cap rates vary by strategy and may be reset at the beginning of an interest crediting period at the discretion of Aviva.

Interest credit cannot exceed the cap*

For example, if the annual cap rate on the 1-Year Point-to-Point is 12 percent and the index increase is 13 percent, then 12 percent would be credited to your IUL account value.

* Some strategies apply the cap rate first.

The effects of participation rates and caps

	POLICY 1 - Aviva	POLICY 2 - Other Company
SCENARIO 1 **Market Index increases 20%**	**Aviva** 100% Participation | 12% Cap ▼ **12% Credited**	50% Participation | No Cap ▼ **10% Credited**
SCENARIO 2 **Market Index increases 10%**	**Aviva** 100% Participation | 12% Cap ▼ **10% Credited**	50% Participation | No Cap ▼ **5% Credited**

These scenarios are illustrative only and are not intended to be a predictor of actual results. Participation rates and caps are assumed to be constant in this example. For purposes of this comparison it is assumed the policies are identical except for the participation rates and caps.

Why are limits placed on the amount of interest credited to your policy?

Simply put, with Indexed UL you are giving up some of your upside potential in exchange for the downside guarantees.

What are your indexed strategy choices?

Here's an overview of the indexed strategies.

Note: The credited rate can never be less than zero even if the percentage change in the index is zero or negative.

Minimums for Participation Rates and Cap Rates describe the lowest rates Aviva contractually can set these percentages. Caps will likely be higher than the contractual minimum. Minimum cap rates vary by state.

Indexed strategy	Index used	Design	Participation rates (P) and Caps (C)	How it works
One-Year Point-to-Point	S&P 500© Index	Annual reset point-to-point	**(P)** 100% minimum floor **(C)** 4% minimum	Once a year, Aviva measures the growth of an index from the start of one segment period to the end of the segment period. This growth is then multiplied by the participation rate and credited up to the stated cap rate.
Two-Year Point-to-Point	S&P 500© Index	Biennial reset point-to-point	**(P)** 100% minimum floor **(C)** 8% minimum over the 2-year period	Every two years, Aviva measures the growth of an index from the start of one segment period to the end of the segment period. This growth is then multiplied by the participation rate and credited up to the stated cap rate.
One-Year Multi Index	S&P 500© Index, NASDAQ-100, and DIJA	Monthly averaging annual reset	**(P)** 100% minimum floor **(C)** 6% minimum	Each month, Aviva calculates the annual growth in three indices utilizing a monthly averaging formula and weights the results based on their performance. These values are then added together up to the stated cap rate, then multiplied by the participation rate to determine the credited rate for that year's segment period.
One-Year Monthly Cap	S&P 500© Index	Monthly reset point-to-point	**(P)** 100% minimum floor **(C)** 1% minimum monthly cap	Aviva measures the movement of the index on a monthly point-to-point basis. We note the percentage change, which can be positive or negative. Positive changes are subject to a cap, negative changes are not. At the end of the year, the 12 monthly changes are added together to determine the credited rate for that year's segment period.
One-Year Monthly Average	S&P 500© Index	Monthly averaging annual reset	**(P)** 100% minimum floor **(C)** 4% minimum (currently no cap)	Once a year, Aviva measures growth by comparing the average index value for an interest period in comparison to the initial index value. The percentage of growth, up to the stated cap rate, is multiplied by the participation rate to determine the credited rate for that year's segment period.

Strategy availability varies by product, state, and product issue date.

Regardless of which indexed strategy you choose, your IUL policy is protected from negative index performance.

When the market index rises, your IUL policy will receive interest credits based partly on the upward movement of the index, subject to any applicable caps and/or participation rates.

When the market index declines, your IUL policy is protected by contract guarantees. You may not receive any interest credits for that contract year, but you lose nothing based on a falling market.

These conceptual examples do not represent actual movements of a market index. Cap rates and participation rates vary by product and/or strategy. A downward movement in an index for a particular interest-crediting period could result in zero interest being credited for that contract year.

Additional features of the indexed strategies

Interest lock-in

Dollars directed to the indexed strategies (other than the Two-Year Point-to-Point) create a new five-year segment. Interest is calculated and credited every 12 months on the funds in a segment.

In effect, we lock in any interest every 12 months within a segment and protect it from potential future downturns in the index.

Dollars directed to the Two-Year Point-to-Point Strategy create a new six-year segment. Interest, if any, is calculated and credited each 24 months on the premiums in a segment.

Interest is locked in every 24 months within a segment and protected from potential future downturns in the index.

Dollars directed to a new indexed strategy will result in a newly created indexed segment with a new starting point, participation rate, and cap, if applicable. Over time, you will generally have a number of distinct indexed segments within the policy.

Resetting the index measurement

One of the advantages of the indexed strategy methodologies is that the index is reset at regular intervals for the purpose of measuring the movement in the index. In the case of the One-Year Monthly Cap Strategy, the index is reset at the beginning of every month during the interest-crediting period. For all other indexed strategies, the index is reset at the beginning of each interest-crediting period. This means that if the index declines over an interest-crediting period, you do not have to wait for the index to return to its previous level before you start participating in any subsequent index increases.

How does Aviva support your IUL policy?

Aviva indexed universal life policies are like any other fixed universal life policies in that they are backed by the company's general account. No separate account is established for IUL. Aviva does not directly invest in the stock market to support the product.

As it does with other general account products, Aviva chooses investments that closely mimic its liabilities. With an IUL product, this means that Aviva purchases assets to cover both the minimum guarantees of the contract, as well as the upside potential brought about by the index features. Bonds, mortgages, or other fixed-income assets may be purchased to support the minimum guarantees, while options or other equity-based securities may be purchased to support the upside potential. While there are several variables that go into establishing cap rates, they are in general, based on the costs of these investments.

For more information, please consult the Aviva financial strength brochure.

Why Aviva for indexed universal life?

We own the patent.

The patent involves Aviva's unique risk management processes related to the minimum guarantees on our indexed universal life insurance products, allowing Aviva to offer you IUL products with minimum rate guarantees that have greater benefits at lower costs.

We were among the first insurance companies to offer IUL.

And we know that the original is better than the copy!

Our illustrated rates have integrity.

Our knowledge and expertise of IUL helps us design products that will provide value regardless of actual index returns. In addition, we understand what a reasonable illustrated rate should be for these products.

We offer upside potential with guaranteed rates.

With a guaranteed 2% minimum interest rate, you know your policy has a solid foundation.

Our IUL products are battle tested.

During two of the worst bear markets in recent history (early 2000s and 2008-09), none of Aviva's IUL policyholders lost any accumulated value in the policies due to the declining stock market.

Our IUL products are flexible.

Aviva's portfolio offers multiple death benefit options, premium payment options, interest-crediting strategy choices, loan options, and several riders.

Our financial strength.

Guaranteeing our customers a minimum interest rate requires a strong financial backing. We are a highly rated company with a remarkable history.

Nobody has the experience and expertise of Aviva for indexed life insurance. **We are the industry leader!**

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