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Remember: **FFF** (Fact Finder First), product second.

The logo features a red "LATEST NEWS" stamp on the left. In the center is a white square containing a silver microphone icon. To the right of the microphone is the word "Open MIC" in large, dark blue serif letters. Below "Open MIC" is the text "powered by" followed by the "Annuity.com" logo, which includes a small icon of a person with a briefcase and the tagline "Planning. Safety. Retirement."

Our brand can be your brand”



If you ever get the chance to visit a truly wonderful place, go to **Vashon Island** in Puget Sound. It is only a couple miles from either Tacoma or Seattle by ferry. It is a unique and interesting place to visit, to say the least. The story goes.....In 1950, a boy leaned his bike against a tree while visiting his grandparents. (seems a little fishy to me)

It was lost for years until the tree grew around it and the “bike tree” was discovered....just off the main road about 100 feet. Folks come from all over to see it....BB



Fiduciary Update

It looks like we know which lawsuit is going to get heard first. Follow the link below to learn more.

A Topeka, Kan. court will hear arguments **Aug. 24** on insurance agency Market Synergy Group's lawsuit to stop the Department of Labor fiduciary rule.

The Market Synergy lawsuit in U.S. District Court for the District of Kansas is one of three lawsuits seeking a preliminary injunction. As it stands, it will be the first appeal to be heard.

A lawsuit filed in District of Columbia District Court by the National Association for Fixed Annuities has an **Aug. 25** hearing date. Three lawsuits filed by several plaintiffs in U.S. District Court Northern District of Texas were consolidated by the court.

<http://insurancenewsnet.com/innarticle/first-docket-market-synergy-v-dol-fiduciary-rule>

More:

If you are a securities based salesperson, here is what you have to look forward to. BB

More Fees, Fewer Commissions For VAs

JULY 11, 2016 • KAREN DEMASTERS AND CHRISTOPHER ROBBINS

Advisors may soon have more fee-based variable annuities to offer clients.

Until now, most VAs were sold on a commission basis, according to **Jack Marrion**, a research fellow at Webster University in St. Louis, Mo., and CEO of Advantage Compendium, a research and consulting firm that specializes in annuities. But the new Department of Labor fiduciary rule, which extends fiduciary standards to retirement accounts, is making retirement plan providers, broker-dealers and advisors take a second look at their offerings and how they charge for them.

Fee-based variable annuity sales have hovered around 4 percent of VA sales for the last couple of years, according to Morningstar. But the new DOL rule is expected to make VA commission sales more cumbersome and therefore more expensive for firms.

Some variable annuity providers are going to continue on a commission basis by using the **best interest** contract exemption (BICE), which allows those advisors who meet the requirements of acting as a fiduciary for the client to continue to sell on a commission basis. But some are thinking of providing fee-based products by the April 2017 deadline when the DOL rule goes into effect.

Fidelity Clearing and Custody Solutions has interviewed its broker-dealers to see what they are planning and has found that most firms that currently sell variable and index annuity products plan to continue selling such products on a commission basis by using the BIC exemption. Firms are considering the types of controls and process appropriate for the best interest standard environment, Fidelity says.

Some firms are considering a level commission approach across annuity products. Even those that are going with the exemption will continue to explore their options, including no-load, low-fee variable annuity products in a fee-based, managed-account model, Fidelity says.

Others, such as TD Ameritrade, Vanguard, Nationwide and Schwab, already have been offering VAs on a fee basis, with the fees determined by the amount of assets.

Judson Forner, vice president of investment marketing at ValMark Securities Inc., an independent broker-dealer based in Akron, Ohio, agrees. "I think **fee-based** variable annuities are the future of the variable annuity space."

Fee-based variable annuities aren't anything new. RIAs tend to use them primarily for tax deferral and low contract costs, rather than for any sort of living benefit features readily available in the commission market, Forner says. Because they have until now made up a small fraction of total VA sales, insurers have not focused much on product development in the fee-based realm, but that is changing.

Annuity behemoth **Jackson National** Life Insurance Co., the largest seller in the market by far, is developing its first-ever fee-based variable annuity product, which offers a hint as to where the annuity market could be headed.

"Based on Jackson's ongoing conversations with our broker-dealer partners, we think the legal/compliance costs of managing a commission-based platform under the DOL rule will **result in more demand for fee-based variable annuity products**," says Elizabeth Kosar, spokeswoman for Jackson.

More: Last week I did a piece on the coming shortfall on SS, now Medicare....BB

Medicare's tenuous financial situation

The latest annual report from the trustees of Medicare's trust fund confirmed that Medicare's costs continue to climb. Total program expenditures were **\$648 billion in 2015**, and the trustees believe that the trust fund that covers hospital insurance costs will be **depleted by 2028**.

Once that money runs out, tax revenue will **cover only 87%** of expected Part A costs, and that could spur action from the government to create reforms.

Other parts of Medicare get their funding from the overall federal budget, and so they aren't as directly exposed to financial pressures. Nevertheless, Medicare is projected to become an **ever-growing portion of overall federal expenditures**, and that poses a long-term threat to the nation's financial stability unless policymakers find ways to control healthcare costs more effectively.

Number 7 on this link: <http://www.fool.com/retirement/2016/07/10/7-facts-about-medicare-every-retiree-should-know.aspx>



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KUDOS
TO YOU!

Anthony,

I wanted to let you know that the work you did for me on those Prudential Variable Annuities paid off. I went over the chart you did up for me and gave him Bill's piece on the problems of Variable Annuities.

This client has an extensive portfolio and well worth over \$2m and lots of experience with the market. He just turned 56 and wanted to start his more conservative portfolio build up. I know his broker was pushing him real hard on the Prudential Variables. Called him last week and let him know that Athene was dropping rates. We met Thursday Afternoon and signed the app and he gave me a **check for \$200k**.

Friday am I called Athene to make sure on how to do the web site download and received a policy number in advance to put on the policy and check for later matchup, it went off without a hitch.

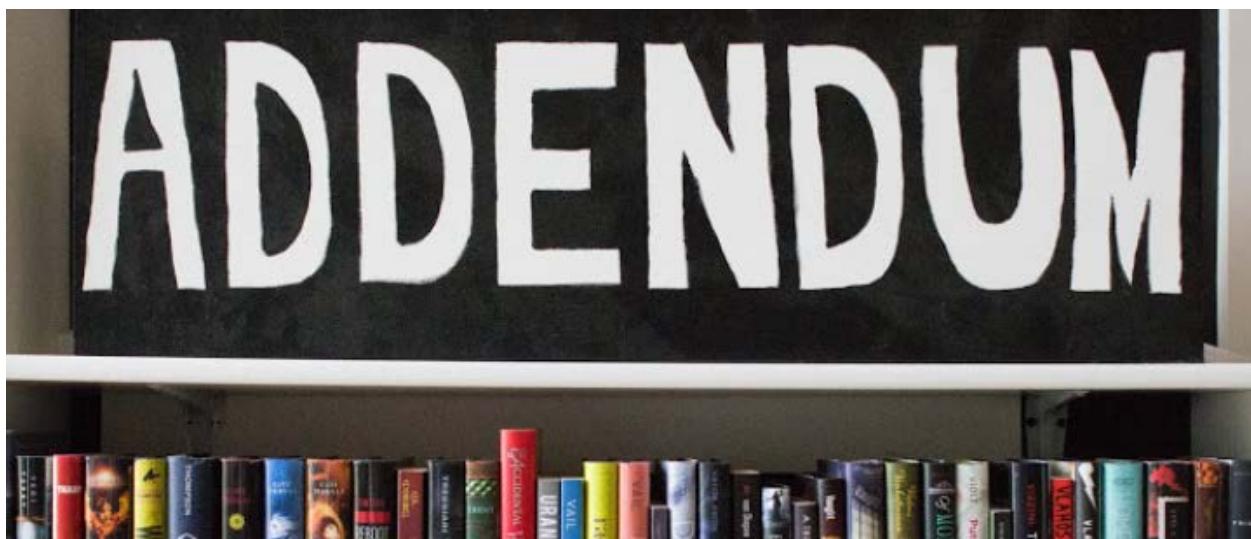
By noon they had the app and acknowledged the same, I overnighed the check and they had Monday morning.

I just wanted to let you know how it went and to thank you both for the support and help. I wish I had had you guys for support 20 years ago.

I mean it when I say I wish you guys were around in 88 when I started in this business. Montana is tough but a lot easier than it used to be thanks to all of you.

Thanks again Tony and Bill

Rick



Rick works in a small market, Polson MT. BUT.....he is smart enough to know marketing when he sees it.... here is his custom **Brexit** piece:

Click on this link: http://trtplanning.retirevillage.com/download/rick-taylor/NEWS01_BREXIT.pdf

Our first guest today is Wade Eldridge, regional vice president for American Equity. He will be telling us about the new online app process.....and other things....BB

American Equity's ReadyApp™ Tutorial



Learn how to start using ReadyApp today!



Here is the link:

<https://www.youtube.com/embed/Bc2kH61z3-s?rel=0>

Wade Eldridge

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Big Truck Brothers



Last week Anthony shared with us how laddering income streams provides a great service to our clients and prospects as well as increasing our professional approach to annuity selling. Here are some highlights.

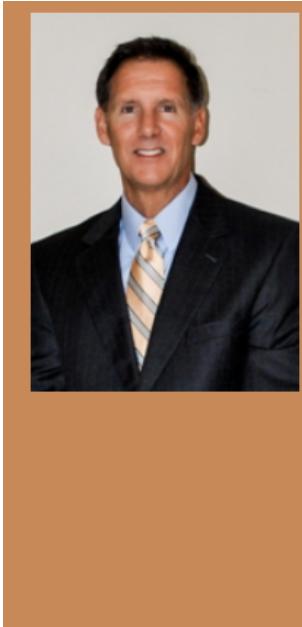
What are the benefits of laddering vs. product selling?

- You are selling **solutions to problems not product** for premium. Solving a problem is much more compelling than selling product. If you solve problems, you will have higher closure ratios and much higher average premiums because you will sell 100% of the suitable money (i.e. \$700k out of \$1 million vs. \$100K out of \$1 million).
- Laddering helps you to create solutions for wealthy clients. \$1 million plus cases are very difficult to close unless you can prove you are solving a problem. The flexibility of adjusting hypothetical inflation gives you the opportunity to increase the required premium to solve an income need.
- You will also be **DOL compliant** even though we don't have to worry about that yet. DOL or no DOL, requirements to justify your recommendations will increase through regulation one way or another. Learn how to sell the right way and you won't have to worry about regulations.

- Swinging for the fences sometimes lands you on third base instead of checking your swing and getting struck out.** I can't tell you how many times I have had agents call for quotes on \$100 or \$200K for someone that has \$2 million. I force the agent to do a full fact finder, we ignore the clients request for a "dip your toe in the water" illustration of \$100k, and do case design for a solution that requires \$1.5 million of the client's funds. We end up selling a \$900K annuity. If you offer a \$100K annuity to someone that has \$2 million you will be lucky to even get a \$100k sale. If you offer a solution and they only pull the trigger on a portion of that you end up with a chance to land the entire deal or a major portion of that.

The ***swinging for the fences*** term is an actual case written by our second guest, **Tom Malone**. Tom is sharing with us how he wrote this case.

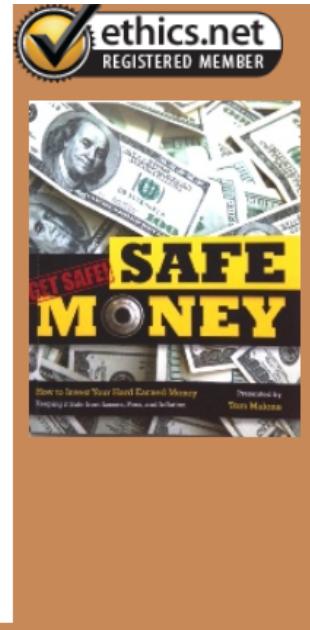




Red Clay Financial is a financial services firm committed to helping retirees and pre-retirees. Specializing in **Safe Money** retirement income planning and qualified plans, e.g. 401(k) rollovers and IRAs.

Our goal is to create customized solutions that will provide safety, growth and a guaranteed lifetime income regardless of market conditions.

Safe Money & Income Radio Show Saturdays 2-3 pm



<http://www.redclayfinancial.com/>

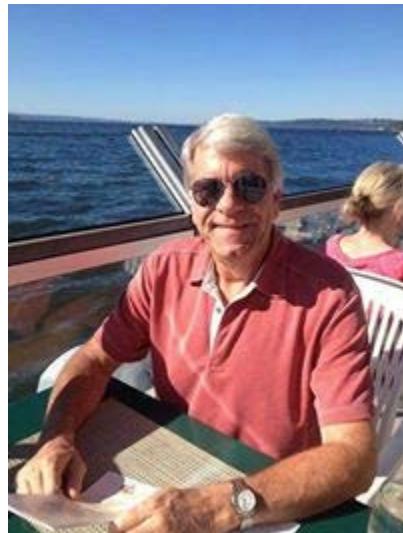
Here are a few points about the case.

- Husband and wife IRAs
- Total \$910K
- Financialize lead
- IRA transfers from RBC
- Wanted safety and income

Tom Malone

Product Information:

Hello from David Townsend



succession planning materials, grab and go promotions to help you grow your business and more in this week's newsletter.

[View in Web Browser](#)

ISSUE DATE:
July 11, 2016

Annuity.com

David Townsend

Grab and Go Promotions Save You Time in Growing Your Business

We have a complete promotional program called "Campaign in a Box" that provides what you need to educate, train and prospect to clients to increase sales. The first topic in this program is "[Life Insurance Retirement Planning](#)" (LIRP).

[253-381-2328](#)

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New Business Succession Planning Kit

Nationwide now has yet another way to simplify business succession planning for you. Their new business succession planning kit is ready to order and includes an advisor guide, business owner guide and fact finder. [Advisor guide](#). [Fact finder](#). [Planning guide](#).

The link below is fantastic information...it allows you a quick overview to state estate tax laws, bankruptcy and asset protection....BB

Know the Law: Interactive State Map

John Hancock's [Know the Law tool](#) has been updated to reflect 2016 changes. This interactive state map is a great tool that can be used to explore some of the laws that vary between states, including: income tax rates, estate taxes, and creditor protection.



Beneficiary Designations are Critical to You and Your Clients

When it comes to beneficiary designations, I'm sure we would agree that they are important, but how do you impart that to your clients? There are numerous reasons why your clients may want to review their beneficiary designations, and many reasons why you may want to make this an initiative within your practice. [Read more](#).

LTC vs. Chronic Illness Rider Explained

The differences between long-term care (LTC) riders and chronic illness riders changed in late 2014. This [whitepaper](#) can help advisors educate themselves and talk to clients about this important decision.

Annuity.com
David Townsend

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

NEW ANNUITY CARRIER UPDATES

American Equity

American Equity is changing the Participation Rate on the Choice 10 product. It is going from 45% to 40% effective July 14th. To receive the current rate of 45%, original applications along with cash or 1035/Direct Transfer paperwork must be received in their office by 4:45 P.M. (CT) on Wednesday, July 13, 2016. Transfer funds must be received in their office by 4:45 P.M. (CT) on Wednesday, August 10, 2016. Transfer funds received after August 10, 2016 will receive a new rate. Call your First Annuity advisor for more details.

North American

North American is decreasing their rates on most of their FIA products, please follow the provided link for the latest rate changes.

Also, North American has announced that their Income Pay Plus and Income Pay riders are no longer available on the Charter Plus FIA. These riders will be available on the RetireChoice annuity, but only if the Additional Benefit Rider is NOT selected.

Please click [here](#) for the new rates and rider availability from North American.

ONGOING ANNUITY CARRIER NEWS

Allianz Life

Effective July 5th, Allianz will lower rates on several of their top selling annuities including the Allianz 222, 360 and 365i. Please click [here](#) for additional details.

Athene Annuity

Effective July 2nd, Athene will be decreasing rates on the Athene MYG, Performance Elite and Target Horizon product series. These changes will affect all surrender charge periods. In order to secure current rates, applications must be received at the home office by 4:00 pm CST on July 1st. Please [click here](#) for additional details.

North American

Effective July 6th, North American will be decreasing rates on the Guarantee Choice II MYG. This change will affect all surrender charge periods.

To receive current rates, all application must be received at the Home Office by 5:00 pm CST on July 5th. Please click [here](#) for additional details.

Voya

Effecting July 6th, Voya will change the rates on the Wealth Builder Plus and Secure Series. The bonus on the Secure Opportunities Plus will also be impacted, changing from 5% to 3%. Please see the following links for additional details. [Voya Fixed Annuities](#), [Voya Fixed Index Annuities](#), [Voya Wealth Builder Series](#)



The Short List: Articles of interest for the working agent

The declining retirement age is dead

Over the last 100 years in the United States, the average retirement age has declined dramatically from 76 in 1900 to 64 in 2010. The same is true globally, according to a recent BofA Merrill Lynch Global Research report. The average [...]

Fixing A Retirement Course

Indexed annuity sales are setting the market-pace, revealing some new consumer buying habits by Andrew Murdoch Mr. Murdoch, a CFP, is president of Portland, OR-based Somerset Wealth Strategies and senior vice president of market research at Annuity FYI, an online resource [...]

MassMutual Closes on Acquisition of MetLife US Adviser Force for \$165 Million

SPRINGFIELD, Mass. – Massachusetts Mutual Life Insurance Co. said it has completed its acquisition of MetLife's U.S. retail adviser force, a move a company executive said makes MassMutual a "distribution powerhouse and pacesetter for the industry." MassMutual bought MetLife Premier [...]

Don't confuse Dave Ramsey's confidence with smarts

About a year ago, I was sitting by myself at the back of a bus filled with advisors and insurance agents. A few rows ahead of me, a guy proclaimed to the group: "I love math!" Someone else, taking up [...]

InvestmentsNews' The 2016 40 Under 40

Meet 40 young leaders in the financial advice industry, and learn how the power of their personalities helps them succeed. Click [HERE](#) About 40 Under 40 The editorial staff at InvestmentNews began this year's 40 Under 40 project in February by [...]

Top financial advisers focus on client heirs: Jefferson National survey

Retaining assets of clients after inheritance is more of a priority for successful advisers. Successful financial advisers are more focused than most on retaining client assets after that money is passed along to heirs, a recent survey found. Advisers [...]

House passes bill to protect advisers reporting elder financial abuse

The bill also addresses training for advisers on how to spot elder financial abuse. The House of Representatives Tuesday night unanimously approved legislation that would protect financial advisers from liability when they try to stop the financial exploitation [...]

Report: life insurance policy lapse rates at a 20-year low

Lapse rates on ordinary life insurance products, which were between 5.3 percent and 5.9 percent in 2012-2015, represent the lowest rates in nearly 20 years, according to a new report. An A.M. Best Special Report, "Anemic Yields Put Spotlight on [...]

Change is coming to the field of financial advice, and it's going to be disruptive

That's according to the "J.D. Power 2016 U.S. Financial Advisor Satisfaction Study," which found that traditional investment advisory services are likely to be transmogrified in a confluence of retiring advisors, the rise of the robo-advisor or automated investment-picking algorithm, and [...]

The Fixed Annuity: It's Like Buying a Pension

Annuities can deliver (nearly) guaranteed fixed income streams that can make your retirement more secure. Learn more about them. In the old days, many people looked forward to pension income in retirement, but few private-sector companies offer pensions any more. [...]

Retirement income calculators: What to know about their projections

Not all retirement income projection tools are the same. In fact, the modeling tools, which are becoming default features on record-keeping and retail advisory platforms, generate wildly varying interpretations of how retirement savings will translate into income when the golden [...]

Where are all the women in financial services?

Women comprise only 15 to 20 percent of financial advisors in the U.S. There's a gender gap between demographic trends and the financial advisory business. Women have an increasing share of income and wealth in the United States and globally, [...]

Looking Ahead To Fiduciary Rule: Two Advisors Tell Their Tales

A year ago, financial services interest groups of every stripe pushed hard to sway Department of Labor regulators who were in the midst of drafting new conflict of interest rules governing the sales of financial products into retirement accounts. Warnings [...]

Americans turn to annuities for reliable income

Financial experts say annuities may be the better option for a dependable, long-term means of retirement savings. A closer look at annuities Annuities have long been considered one of the most secure, versatile instruments for retirement. Annuities involve far less [...]

What millennials are doing right — and wrong — about retirement

(Bloomberg) — Millennials may be overly confident about their investing skills, but many are handling their 401(k)s with savvy, a new study by Wells Fargo Institutional Retirement & Trust suggests. More than a quarter of younger workers — 28 percent — have [...]

Basketball Legend Magic Johnson Hosts Picnic for His Iowa Employees

WEST DES MOINES, Iowa — A basketball legend was in Iowa for a picnic Friday. Basketball Hall of Famer Magic Johnson is the owner of the insurance company EquiTrust, which has an office in West Des Moines. He has been part [...]

We Recommend:

www.annuity.com/agenttools

If you are not using this "Free" resource you are missing out....did I mention it is free?

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



Annuity Search and Comparisons



Term Life Quotes and Comparisons



Forms Search for Life Insurance



Product Information for Life Insurance



Disclaimer:

David Townsend and I own Annuity.com, but we have a lot of marketing friends, friends that you might be better off if you knew them. Sherilyn Orr at Retire Village and Infofuel, Anthony Owen at Annuity Agents Alliance, Kevin and Allison at FinAuction, Carl, Darin, Tom and all the crew at First Annuity....and many more.

My opinion and/or numerous sources complied by me are used in preparing Open MIC.

I obtain information from many sources, print, internet, agent gossip and other media. I always try and provide the original source or the link but my note taking habitually is lacking.

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Our competitors will copy Open MIC anyway so I might just as well give it away, saves so much mental anguish and sleepless nights.

Although we may promote and/or recommend the services offered by third party vendors, agents are ultimately responsible for the use of any material or services and agree to comply with the compliance requirements of their broker/dealer or registered investment advisor, (if applicable), and the insurance carriers they represent.

More Legal Stuff...

Be responsible... we cannot know your individual situation, always do your own due diligence before responding to any offer or investing any money.

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And, although all of the articles have been selected for their content, however in the interests of balanced reporting we often publish articles we may not agree with, the publishing of such articles within Open MIC notes does NOT constitute a recommendation of the products or services mentioned or advertised within those articles.

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

We make no compensation for the publishing (or hosting) of Open MIC Notes.....in fact it costs us for the phone "call in" system...oh well...



Boots on the ground September 3:
https://en.wikipedia.org/wiki/Camino_de_Santiago