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

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Words of Wisdom

“Today’s stock market is a constantly evolving, bewilderingly complex electronic labyrinth. Not even sophisticated traders can say with certainty what happens to their order when they buy or sell shares of stock" --

The Payoff: Why Wall Street Always Wins, by Jeff Connaughton.

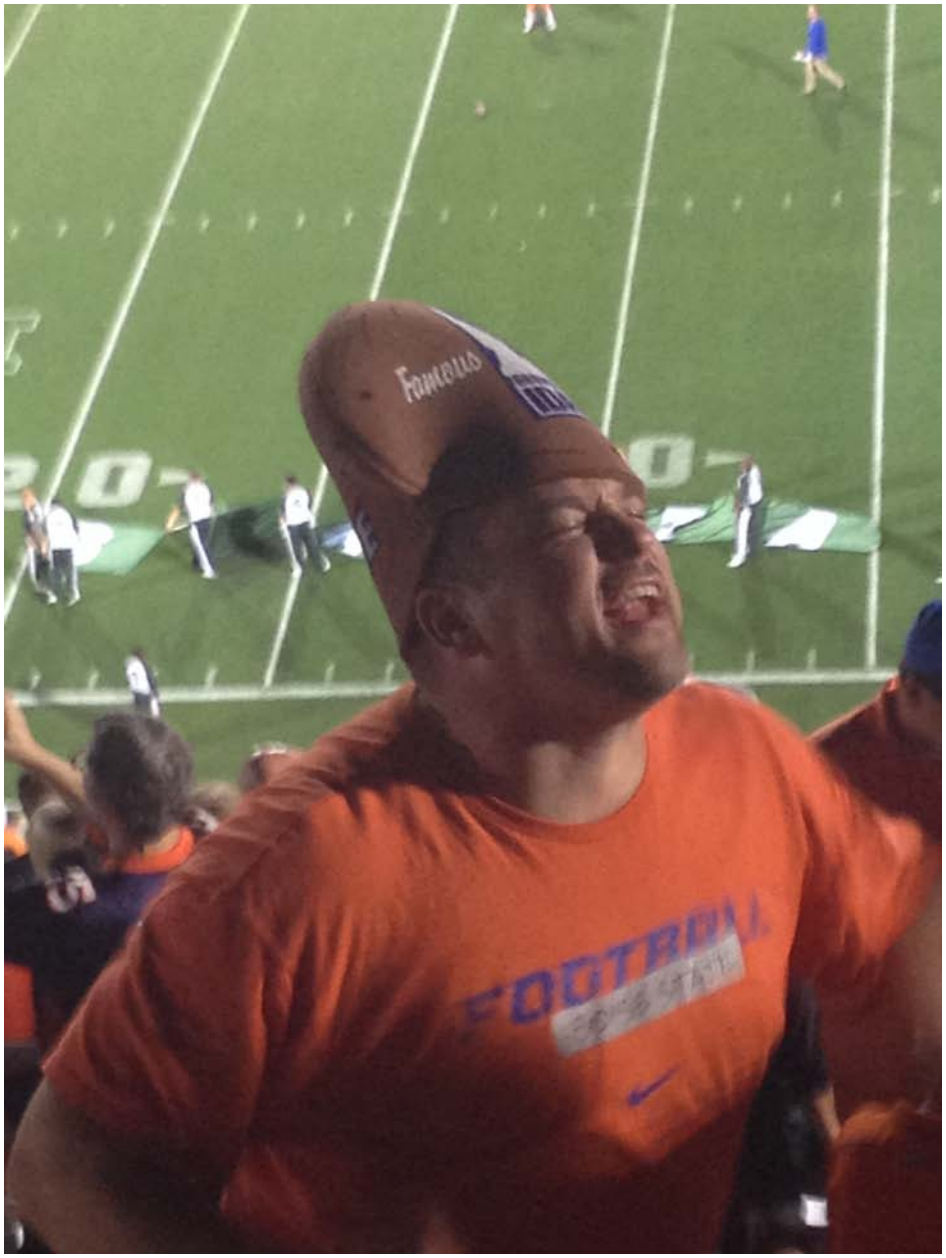
Next week on Open MIC I will be discussing upcoming tax changes and how our annuity world will be changing....hope you can make it.

WooHoo.... one of our crew in CA made a career sale....$1.5 million.

Congrats!

Boise State at Michigan State

Broncos lost 17-13…..



Leo.

How many of us would walk around in front of 78,000 football fans with a potato sack on our heads?

I know I never would, the fan in the photo sat behind me all of the game, he must have shouted **"Broncos"** well over 1,000 times, loudly and obnoxiously.

It was really amazing to watch him and it was also embarrassing...Embarrassing in the fact he was so **"rabid."**

At half-time he stood in front of our section yelling **Boise State** as loud as he could (see photo above) over and over again. I have been to lots of football games but I have never seen anyone so insane as he was....it was amazing and it was embarrassing, all at the same time.

After the game, my traveling partner and "bronco" fan George and I could not stop talking about this really insane fan. (Leo) We chalked it up to too much tailgating and laughed it off.

Fate intervenes...

As coincidence would have it, the **"rabid"** fan was my seat mate for the ride back to Boise from Detroit. During the flight we became friends, talking football and the Broncos. A very cool guy and a very interesting person to visit with, I truly enjoyed him.

I finally asked him, "**What is wrong with you that you would be so intense, so loud, so noisy and wear a potato sack on your head?**"

His answer really summed up so much for me and made me re-think several parts of my business life. (and Bronco fan life).

His answer....

"Bill, I am committed!"

Just think of that answer, would you have stood in front of 78,000 football fans and made a fool of yourself?

Would you have the courage?

Over the past dozen years on Open MIC, I have tried to share with all of you my experiences as an annuity salesperson and as a marketer. The simple fact is this, I am not your coach, nor your personal business advisor, I am just a simple salesperson who has tied to share how I have done it.

Many of you have been far more successful than I ever was, but one thing I always do is **commit.**

If it is a work week, I see 20 new people. I do 4 complete fact finders a week and I pitch annuities nonstop. I have no fear of stockbrokers, financial planners or others who criticize our products, I have no fear of rejection nor failure.

If I can leave you with one simple thought from my new friend Leo, it is this.....commit, commit and do not worry what others think.....be a real fan!

BB

Cleaned, Scrubbed Leads are here and beginning to flow----8 Monday and growing every day.

With your scrubbed leads also comes the notes form the cleaning.....have a look....**all unedited!**

We're going to work that line of text into our script, **"what is your greatest financial concern"** - just getting the kinks out of the system.

Mayra says that she has **$200k** to invest in an annuity from a 401k. She would like to learn more about the different types of annuities and decide which one is best for her. Although she is not in a real hurry to purchase she does want to "wrap this up" by the end of the month. Mayra has a doctor's appointment this afternoon and would like a call after 2 pm on her cell phone.

Dan is getting ready to retire and is looking to **purchase an annuity** to have some monthly income to supplement his retirement. His money is coming from the 401k that he currently has. Dan would like to learn more about annuities and which one would be right for him. He said any time in the afternoon is a good time for a call.

Spoke with **Anwar** who stated he did not know anything about annuities and wants to learn more. His money is coming from an IRA and he has no specific timeframe in which he is looking to buy. He really needs **information on annuities** and would like to speak with Denny to find out if they are right for him. He stated that Denny can call him anytime after 6pm to discuss.

Debra has an old IRA from her previous employer that has never been rolled over. She is looking to get a better return on her money and wants to supplement her retirement when she turns 65 but would also like to leave this money for her children. She has many **questions about annuities** and is unsure what is the best option for her. Debra says that Wednesday's and Friday's are the best days to call her any time.

Spoke with **Sherry** this morning who is looking into her options for an **annuity purchase**. She does not know anything about annuities and would like to learn more and find out which type is right for her. Her money is coming from an IRA and she is now retired. She said that because she is retired Jeff could call her anytime to speak with

her.

Naomi is looking into her options regarding **her current annuity**. She lost her husband 3 years ago and got money from an insurance settlement. During the time she originally got the money she was grieving and didnt want really know what to do. She was talked into buying an annuity with the money but decided that she only wanted to buy a 5 year annuity. Her annuity is getting ready to mature in about a year and she is now ready to make a more informed decision about what to do with this money. She would really like to speak with Jeff about her options. Naomi babysits her twin grandchildren during the day however she said anytime was a good time to call her, with the exception of 3-4pm. That is when she picks up other children from school.

They have an advisor and want to invest in an annuity. His money is coming from someone who owes him money and a little from a 401k. He is retired and was working in the yard when I called. He said that anytime is a good time to call since he is retired. I told him Jeff would be calling him and he said that was great because he wanted to learn about the **different types of annuities** before investing his money.

$195 for crew, $245 for trade...more info at bottom of notes

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http://www.producersweb.com/r/BLIC/d/contentFocus/?pcID=a0158a4e00b4afc7d1d78a30234166b3

Investors say they trust financial advisors over other professions

According to the survey, investors ranked the professions they say they "trust strongly" accordingly:

- Advisors: 84 percent
- **Primary care doctor**: 79 percent
- Accountant: 77 percent

- Contractors: 52 percent
- Bosses: 49 percent
- Real estate agents: 43 percent

Here is an example of what VA companies are doing to shore up their future liability.....

July 18, 2012

SANFORD, FL 32771-6309

Re: Annuity Policy Number

Dear

With all of the changes in the economy these past few years, Western Reserve Life Assurance Company understands that some customers may want to make changes to their financial planning strategies. With this in mind, Western Reserve Life Assurance Company is offering you, as an owner of a variable annuity policy with a guaranteed minimum income benefit ("GMIB") rider, an additional option. In addition to your ability to continue or annuitize your policy and GMIB rider, we are now offering you an alternative lump sum instead of your policy's current cash surrender value. To accept the offer, you must either:

- surrender your existing policy
- trade in your existing policy at the offer amount for a new policy[1] offered by Western Reserve Life Assurance Company, or
- exchange your existing policy at the offer amount for an annuity issued by an unaffiliated company

As of date, the amount of the alternative lump sum offer and your cash surrender value are:

Alternative lump sum offer: [2] $63,364.31
Cash surrender value: $54,933.15

Due to market fluctuation and any activity on your account (e.g., withdrawals, premium additions) these values are subject to change until the date we complete your request for the alternative lump sum offer. You must meet all conditions for the offer on the date we complete your request, and we may suspend or terminate the offer at any time. By accepting the offer, you would give up your existing policy and all its benefits. Surrendering your existing policy may have tax consequences and penalties. Trading in or exchanging your existing policy for a new policy offered by Western Reserve Life Assurance Company or another insurance company may result in higher or lower fees or charges or reduced policy benefits.

Be careful, nothing beats a fact finder and doing what is best for the client....BB

Allianz replacement fraud

Worth a look, agents replaced older policies with new bonus products to earn compensation.

On the surface it looks like common practice to me.

http://www.twincities.com/localnews/ci_21445118/insurance-agents-charged-fraud-allianz-case

AARP article

Negative VA article on AARP Blog

http://blog.aarp.org/2012/08/24/how-the-life-insurance-industry-rushed-to-sell-annuities-to-near-retirees/

Making a sale can cost you in the long wrong....plus analysis paralysis

Busy Body prospect.....

One of numerous emails....

A simple, face value comparison between the two EquiTrust options tells me that the 3% fixed one, at total illustrative value of $238,810 after six years is more attractive than the "walk away" one with the initial 6% credit and lower interest (1.15%) at a total illustrative value of $234,528 after 10 years

Of course both scenarios assume no withdrawals, which is not convenient for me. Both options offer flexibility of taking 10% withdrawals after year one, which I would use.

Of course contract duration is importnat, with the first one being more attractive at six years than the second one at 10. So, at face value, the first option makes more sense. However, the second one has potential to generate more interest, hence the key question -- will the market (I recall you said the S&P 500) grow more than 3% over at least six years?

I am looking for an annuity with capital security guaranteed by a minimum floor that is not too low, and potential to gain interest above and beyond inflation -- let alone US$ depreciation. Thus 3% sounds good, but not over six years, that is why I don't like that one. The initial bonus of the "walk away" looks good, but the 1.15% subsequent interest is way too low.

I would have to take chances on S&P 500 performance over a 10 year period. I appreciate your sharing the chart with possible stock market returns over 10 years; the most likely looks low. The brochure does not mention if there is a cap to the market generated income, in case we get lucky. Is there one and if so, what is it?

Thanks for your kind support.

I have never had a prospect so nit-noid over an annuity. ... especially on $200k.....any thoughts? This is the 3rd email....I already had an office meeting.

From: Our Crew Member

Hi Mr. Agent,

Your assistant called me today; I asked her to keep my file open. Still interested in the 3% EquiTrust annuity. Two questions: If I draw, say, 4% or 5% annually, on a quarterly basis beginning in year two (so that I have a regular income stream), would that affect the total return projected at $238,810 six years later or not? This is well below the 10% withdrawal allowed. Would I have to get an income rider for that or not; and if so would there be a cost?

Right now am considering using 3 options instead of one; i.e. split the 200K into a) the 3.0% fixed annuity with ET, b) a 10 year, no-risk indexed annuity with no cap potential for growth, and c) a seven year FDIC insured super CD issued by a strong global bank, which uses a basket of 10 performing stocks and uses a 6% cap.

Thanks,

Mrs. Jones

Here is my answer: tell him the yield will be what it will be, he can withdraw anything he wishes up to 10% and the income rider is standing by ready to help....all his choices are in front of him...the only risk is the yield....I NEVER deal with this type of prospects...it will only get worse...especially if he buys....BB

Wonder about our economy?

Bernanke's remarks really hit home for me, a lot of things to consider in these short notes. Is the Federal Reserve really buying that many Treasuries? Yes!

Four dangers

Four things could still go wrong, Bernanke conceded.

First: the Fed's policy could backfire if it buys too many U.S. government agency and Treasury bonds, reduces the liquidity of the market for U.S. debt, and compels private buyers to demand higher yields in return.

Second: the Fed could eventually own so many assets that, when the economy revives, it couldn't sell them fast enough to suck excess cash out of the economy and prevent inflation.

Third: the Fed's rate-suppression policy could compel investors to take bigger risks in hopes of higher yields, and thereby de-stabilize the financial system again.

Finally: a sudden spike in rates could cause the assets on the Fed's balance sheet to fall in value and the Fed might lose hundreds of billions of dollars.

But the potential dangers of his policies, the central banker said, were outweighed by their positive effects.

A number of "headwinds" are preventing the economy from recovering faster than it has, Bernanke added. He cited the facts that new construction remains at **low levels**, that hiring and purchasing by governmental entities is down because of **depressed tax receipts**, that uncertainty and anxiety persists regarding the so-called "fiscal cliff" at the end of 2012, that many homeowners and small businesses still find it **difficult to borrow**, and that uncertainty about the Eurozone economy is weighing on Americans.

Will Baby Boomers be ready for retirement?

(link below)

Key Findings

Retirement confidence is high for both generations; 76.2% of Baby Boomers and 78.2% of Generation Xers stated they were somewhat to extremely confident they will have enough money to live comfortably throughout their retirement years.

Yet:

- **Only 51.4% of Baby Boomers** and 40.7% of Generation Xers have calculated how much they will need in retirement savings.
- **21.6% of Baby Boomers** and 40.8% of Generation Xers have less than $50,000 saved for retirement.
- **21.7% of Baby Boomers** and 27.8% of Generation Xers reported having no savings for retirement.

Many members of both generations (40.8% of Baby Boomers and 45.1% of Generation Xers) report they are "not very" and "not at all" knowledgeable about investing in securities.

Annuity owners have higher levels of retirement confidence. Among Baby Boomers who own an annuity, 53.4% are extremely or very confident compared with

31.0% who do not. Among individuals in Generation X who own an annuity, 49.4% are extremely or very confident compared with 31.2% among those who do not.

Annuity owners are more likely to engage in positive planning behaviors.
o Completed a retirement savings need calculation – 69.6% of Baby Boomer and 60.4% of Generation X annuity owners compared with 44.3% of Baby Boomers and 34.0% of Generation Xers who do not own an annuity.

Hello Partners,

One, we have so much room to grow compared to VA's.

Two, unfortunately America has a clueless population when it comes to retirement. The numbers below just don't match the reality of retirement savings in the U.S.

Confidence in Having Enough Money to Live Comfortably Throughout Retirement Years,

Baby Boomers (2012) and Generation Xers (2011)	Baby Boomers	Generation Xers
Extremely Confident	**9.1%**	**8.0%**
Very Confident	**27.1%**	**27.2%**
Somewhat Confident	**40.0%**	**43.0%**
Not Too Confident	10.9%	10.5%
Not at All Confident	10.0%	9.6%
Not Sure/Refused	2.9%	1.7%

Anthony R. Owen

More Links

http://www.limra.com/PDFs/NewsCenter/DataBank/2012Q2AnnuityCoRankings.pdf

https://www.myirionline.org/eweb/uploads/Boomers%20and%20Gen-X%20Final.pdf

BE TRUTHFUL AND THIS WON'T HAPPEN TO YOU....BB

SEC CHARGES ADVISOR, RADIO PERSONALITY LUCIA WITH MISLEADING RETIREES

http://www.fa-mag.com/fa-news/12168-sec-charges-radio-show-advisor-lucia-made-misleading-statements.html

Story Published: Sep 5, 2012 at 12:03 PM PDT Story Updated: Sep 5, 2012 at 12:03 PM PDT

SAN DIEGO (CNS) - The **Securities and Exchange Commission** announced Wednesday that it has initiated administrative proceedings against longtime San Diego financial radio and television personality **Ray Lucia** for allegedly spreading misleading information to support his **"Buckets of Money"** investment strategy.

The SEC alleges Lucia defrauded prospective investors at seminars by telling them that his method was back-tested -- meaning that it was checked against historical financial data from past bear markets -- when little such research had actually been performed.

Lucia left seminar attendees with "a false sense of comfort" about the Buckets of Money strategy, said Michele Wein Layne, regional director of the SEC's Los Angeles regional office.

"The so-called back-tests weren't really back-tests, and the strategy wasn't proven as they claimed," she said.

According to the SEC -- which named Lucia and his former company, Raymond J. Lucia Cos., in its filing -- Lucia told retirees that their nest eggs would grow and provide a hedge against inflation. However, the limited amount of research that was performed used historically low inflation rates and did not calculate advisory fees that clients would be charged, according to the agency.

The SEC contends that Lucia performed some calculations on his strategy in the late 1990s, with copies no longer available, and produced a pair of two-page spreadsheets.

His website is still active.....BB

http://www.raylucia.com/about/bucket-strategy

http://www.lifehealthpro.com/2012/09/04/4-myths-and-truths-about-annuities

4 Myths and Truths About Annuities

By Jack Keeter
SEPTEMBER 4, 2012 •

There are a lot of myths about annuities. Some are outdated and others are flat-out wrong. Similar to how today's cars have features and options that were not available 20 years ago, annuities have evolved from what they were years ago.

Annuities are becoming more compelling because of two simple reasons. First, banks and insurance companies are the only two institutions that offer protection with certainty and definition. Second, people want to protect their life savings from the drama on Wall Street. Anyone who's suffered a financial loss in the past few years needs to know that annuities can be an important part of a solid retirement plan.

Annuities protect a portion of a client's retirement savings from market loss and ensure a percentage of their income lasts as long as they do. Today's retirees or soon-to-be retirees actually prefer protection over growth. In my practice here in California clients are answering the question, "Do you still trust Wall Street?" the same way. "Not like I one did..."

Let's take a closer look at some common myths about annuities and how they actually work.

Myth 1 - "Annuities are too complicated."

The truth is, even though the mathematics behind an annuity may seem complicated as a concept, annuities are not rocket science. You give money to an insurance company and in return they give you a guarantee-either a guaranteed interest rate, guaranteed income for a specified period of time, or even guaranteed income for life.

Myth 2 - "Annuities have hidden expenses."

The truth is that any charges, fees or expenses associated with annuities are not hidden from you. In fact, every annuity comes with documents for you to review. The contract and prospectus or statement of understanding that outlines any charges, fees or expenses help you make an educated and informed decision before you buy an annuity. In addition, annuities provide a valuable combination of benefits that other products can't provide. Protecting your principal from market loss along with guaranteed income for life with flexibility and opportunities for increases are just some of the benefits that

annuities offer over other products. In the end, the insurance company uses these fees to help support the guarantees made to you and their other customers.

Myth 3 - "If I die while receiving income from my annuity, the insurance company keeps the rest of my money."

(probably my biggest client issue, the insurance company will keep my money....BB

The truth is today's annuities offer options that let your beneficiary receive any remaining value left in your contract.

Myth 4 - "Annuities lock up my money so I can't access it."

Many annuities are designed to be long-term income products and today's annuities offer various ways for you to access the money if something should happen. Most annuities give you access to at least a portion of the money each year. Some annuities may specify a commitment period before you can access the money from the annuity, but you can still withdraw money if needed, although certain fees and penalties may apply including income tax and tax penalties. Keep in mind the longer you own an annuity the more time you give your annuity the opportunity to grow. Think of baking a brownie. If you don't follow the directions and take the brownies out of the oven early you've not given the brownies enough time to fully bake.

Today's annuities are more flexible than those in the past and can help your clients live the retirement they want. The right annuities are a critical tool in helping you build your client's retirement plan.

I received a copy from a crew member of a handout he uses, most asked questions about annuities. Might be worth adding to your handouts.

THE MOST FREQUENT ASKED QUESTIONS ABOUT ANNUITIES:

Q: What is a tax deferred annuity?

A: It is a tax-advantaged product issued by an insurance company where long term financial needs can be solved better than with most other financial alternatives.

Q: What is the major advantage of annuities?

A: Interest (earnings) accumulates income tax deferred until dollars are withdrawn. This helps clients build substantial funds for their retirement and can give them an income they cannot outlive.

Q: Is an annuity safe?

A: Yes, insurance companies are the only financial institutions that may underwrite and issue annuity contracts. Fixed annuity values are backed by the general assets of the insurance company. The Department of Insurance in each state must issue licenses to the insurance company and their agents who solicit business in that state.

Q: Who wants to own an annuity?

A: People who want a safe way to reduce taxes; people who want to decide when to pay taxes.

Q: What kind of dollars are going into annuities?

A: Maturing CDs, checking and savings accounts, money market funds, mutual fund accounts, stocks and bond funds, 401k's, IRA rollovers, Treasury bonds and bills.

Q: Since a withdrawal of principal is tax-free (non-IRA), can principal be withdrawn first and then interest?

A: No, the IRS considers that interest earnings are withdrawn first. Naturally, any portion of a withdrawal exceeding interest earned would be a tax-free return on principal (non-IRA).

Q: How is the interest rate declared after the initial guarantee period?

A: Current market conditions and the insurance company's investment portfolio will dictate renewal rates. MOST COMPANIES use the "Portfolio Rate" method to determine rates after the initial guarantee period.

Q: How will clients know their annuity balance?

A: Most companies provide a statement of annuity value on each policy anniversary or whenever requested by the policy owner.

Q: Will the annuity be tied up in probate proceedings?

A: No! If you list a "named" beneficiary, other than your estate, annuity dollars will avoid the delay, expense and frustrations of probate.

Q: Will the beneficiary be taxed on the interest that has accumulated inside the annuity?

A: Yes, beneficiaries will be taxed on the tax-deferred interest when they receive those dollars. However, if a beneficiary is the spouse of the owner and the owner dies, he/she may elect to continue the annuity and postpone taxes. Once again, the client decides when to pay income taxes. If the beneficiary is not the spouse and the owner dies, then dollars must be totally withdrawn within five years or they may be received over the beneficiary's life expectancy. However, this latter option must be elected during the first 12 months following the owner's death.

Q: Is the annuity identical to an IRA?

A: No. Although the annuity is often used as a vehicle for an IRA, many sales are for non-IRA annuities; therefore, dollars deposited into a non-IRA annuity are not deductible. However, there is no government imposed ceiling on how much premium can go into an annuity and distributions do not have to begin at age 70 ½.

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http://www.bankinvestmentconsultant.com/news/indexed-annuities-income-retirement-beacon-2680764-1.html

Indexed and Income Annuities Up For the Second Quarter

Indexed annuity sales increased 8.3% and income annuities were up 6.1% in the second quarter, according to Beacon Research. It was the second-best quarter ever for those product types, Beacon said in a press release. Total fixed annuity sales were also up, but with a more muted 1% gain in the quarter. And they declined 17.2% from the year-ago period.

See the current cover story of Bank Investment Consultant for more coverage on the annuity market.

"Both indexed annuities with GLWBs and lifetime payout immediate/deferred income annuities provide much-needed guaranteed retirement income," said Jeremy Alexander, CEO of Beacon Research, in a press release. "Indexed and income annuities should continue to do well," he continued. "But much will depend on the interest rate environment and the collective decisions by carriers to expand or pull back on sales."

Gone and forgotten?

Not really, just reemerging on our side of the field....FIA....BB

In recent years, a number of large firms have done, as Snagglepuss used to say, an exit stage left.

To wit: **Hartford Life, SunLife, Genworth, ING, MetLife, Hartford, and John Hancock** are just some of the firms that have left the business or curtailed operations.

For consumers, it's hard to know which firms are staying or going so the need to do due diligence on one's provider is ever greater.

As for product features, Raham and Murtagh wrote that firms will continue to restructure the living benefits on variable annuities. Some, for instance, have lowered the amount of the income base that a policy owner can withdraw each year (the withdrawal percentages), while others have increased the charges or made the investment options more restrictive, Raham and Murtagh wrote.

In short, firms are **de-risking their business**: they are launching less competitive benefits and pulling those with rich benefits of the shelves.

See Next Article

Buckle your seat belts, our wonderful products will be the dominant player in the annuity industry....I guarantee it....BB

http://insurancenewsnet.com/article.aspx?id=354980&type=lifehealth

Indexed Annuities Are Changing — and Selling

By Linda Koco

AnnuityNews

Many indexed annuities have gone through **product design modifications** and commission cuts in recent months, but that doesn't seem to have put a damper on sales. That may seem ironic if not downright baffling, but annuity experts think it makes eminent sense.

The changes have come in response to the prolonged **low-interest rate environment**, and the pressure that has put on carriers' ability to support product guarantees and related features, according to a wide variety of annuity watchers.

Product designs have been shifting so quickly that, in some cases, "all you have to do is blink, and there are new changes all over," says Dana Pedersen, vice president for annuity product development at Phoenix Companies.

The guaranteed lifetime withdrawal benefit (GLWB) riders, now offered by more than 20 companies, have been a target for many of these changes, she says.

Worth noting is that although many carriers have trimmed back on the benefits, they have not pulled out of the market.

The pace of change

Sheryl J. Moore paints a clear picture of the pace of change. In second quarter 2012 alone, nine insurance companies made changes to their indexed annuity products on 14 different occasions, says president and CEO of Moore Market Intelligence, the Des Moines firm that owns AnnuitySpecs.com, an indexed annuity product resource.

As for commissions, these averaged **6.33 percent of premium** in second quarter

2012, according to AnnuitySpecs' second quarter report. That's **down from 6.52** percent in first quarter and it's the **lowest-ever average commission** for sales agents in this market, the report says. Commissions have fallen to the 6.33 percent level only one other time, in fourth quarter 2011, the report notes.

Not every company has made commission cuts, points out Pedersen, but she has noticed that those that did so have dropped **their rates by 5 percent to 15 percent over the past six months.** Some have started offering other types of commission structures, too, she says. For instance, rather than offer the traditional first-year commission on a product sale, a few carriers will pay some of the comp in year one and then defer the remainder to years two and three.

Despite the multiple product changes and the **rock-bottom commission averages**, indexed annuity sales have been robust.

AnnuitySpecs.com is reporting that second quarter sales were $8.7 billion, up by more than 8 percent over first quarter and up by nearly 6 percent over the same period last year.

LIMRA is reporting nearly identical numbers. Second quarter indexed annuity sales reached $8.6 billion, up 6 percent compared to the same quarter last year.

Second quarter's sales made for the second-highest quarter in indexed annuity history, Moore points out. The sales were only 0.60 percent lower than third quarter 2010, which is the industry's record-setting sales quarter.

What's more, the second quarter results also marked the fourth consecutive quarter in which indexed annuities have outperformed traditional fixed annuities, says LIMRA. The indexed products now hold 47 percent of the fixed annuity market, the researcher adds.

Customer value

Pedersen's take is that, despite all the product changes, indexed annuities still offer **"tremendous customer value,"** particularly when compared to products such as bank certificates of deposit, multi-year guaranteed annuities, and living benefit

features in variable annuities.

LIMRA points out that indexed annuity sales are benefiting from the fact that GLWB riders continue to be offered with the products.

Eighty-seven percent of second-quarter indexed annuity sales involved annuities that offered a GLWB, and 71 percent elected a GLWB rider, the researcher notes, adding that this is the highest level since LIMRA began tracking indexed GLWB election rates one year ago.

AnnuitySpecs is reporting lower numbers — and declining numbers — on GLWB elections. According to Moore, the elections actually dropped in second quarter to **53 percent of total indexed annuity sales.** That's down from nearly 56 percent in first quarter and from 58 percent in fourth quarter 2011, according to data in earlier AnnuitySpecs reports.

The disparity in the GLWB election that the two firms are reporting may reflect different ways each captured GLWB data, different definitions used, different carriers in the data set and other unique research parameters. Still, both sets of figures share an important commonality: Both indicate that more than half the sales in second quarter include the GLWB feature elected.

This strongly suggests that GLWBs continue to remain popular and may be viewed as a key driver behind the strong sales results.

The modest decline in election rates that AnnuitySpecs has detected may be a signal that the product changes did have a slight influence on desirability of the GLWB features. (Or, as Moore puts it, the bulk of second quarter's product changes "affected the relative competitiveness" of the GLWB riders.)

But that influence clearly was not enough to put a big dent in sales.

Indexed annuity trends

Pedersen provides an example of one type of change that producers might be seeing in the indexed annuities they sell, and that is the rollup provisions that the GLWB

riders provide.

The rollup provisions guarantee that the product's "benefit base" will increase annually by a certain interest percentage, either simple or compound, for a certain number of years during the policy's accumulation period. (The benefit base is the value the company uses for determining withdrawal benefits the customer will receive.)

A 10-year rollup period has been typical in most GLWBs, but some companies today may have moved that down to a seven-year period, Pedersen says.

And some carriers may have lowered the rollup interest rate to, say, a choice of either 8 percent guaranteed, or a 5 percent guaranteed but with the possibility that, depending on interest credits, the actual rate could go higher, perhaps to 10 percent or 11 percent. With designs like this, Pedersen says, customers can choose between a pure guarantee or a guarantee that offers a lower floor rate with the possibility getting a higher rate—one that might increase the income stream once withdrawals start.

Two other product trends she sees are: the availability of indexed annuities with long-term-care benefits, either as an enhancement to the basic annuity benefit or as a true long-term care coverage (as permitted under the Pension Protection Act of 2006); and the arrival of so-called **combo fixed indexed annuities** that offer not only income withdrawal benefits and long-term-care benefits of some type but also a death benefit.

It may be challenging for agents to keep up the flood of changes in indexed annuity offerings, Pedersen concedes. The changes mean there are more products to learn about and there is more need for education, she says. And producers may need to spend more time helping clients decide which products and features to choose.

But there are positives, too, she contends. "Producers now have more options to offer, and more types of products that will enable them to meet the needs of more types of clients than previously."

In addition, she says, indexed annuity companies are spending more time on producer education and training, providing presentations that explain the product in the simplest form possible, and introducing tools that help producers perform

functions such as determining the income level the client can achieve.

Linda Koco, MBA, is a contributing editor to AnnuityNews, specializing in life insurance, annuities and income planning. Linda can be reached at linda.koco@innfeedback.com.

Big Truck Questions

Questions for the Owen's Brothers from the Crew

Q. Hey guys....what do you have planned for the last Qt. of the year?

Dave has some product updates…

You are fired!

Recently, Betty and I were fired by a client.

Yikes!

He and his wife have been with us for almost 13 years, he left us for a local stockbroker. (Edward Jones) The broker said annuities were a rip-off and he would do better in the bond market.

It was painful, but it also made me think of how I could use this terrible experience to better manage my business. I decided to send him an exit survey and make the experience positive.

Would you do that? It can also be expanded into those who decline to buy form you, lots of possibilities here.

BB

The Exit Interview

Here is a very good idea for agents who are trying to build their business, find out what you are doing wrong.

September 12, 2012

Dear

I'm very sorry to lose your business.

I sincerely apologize if I fell short of your expectations and/or if you did not feel you received the level of service you deserved. I take the satisfaction of my clients very seriously, and I'm sorry that I let you down.

Might I ask for one last favor?

I've attached a client exit survey here. If you have a few minutes, I'd really appreciate your filling it out and returning it to me. I'd like to understand the ways in which I may have fallen short. I'd like to improve. If I made some missteps with you, I don't want to repeat them in the future.

Thank you, in advance, for taking the time to do this. I appreciated your business, and I wish you the very best in the future. If you'd like to speak with me about your experience, and/or if you have any questions for me, please feel free to call

me at 360 701-6209. or simply send an e-mail to bbroich@msn.com. I would be happy to speak with you.

Sincerely,

Bill Broich

Client Exit Survey

Thank you for taking a few minutes to complete this form. I know that your time is valuable, and I appreciate your feedback. Please, be *brutally honest* with me. In order for me to improve, it's important that I get a clear picture of where I may have fallen short, and how I could improve. The information you provide here will help me to identify problem areas and shape the future direction of my business practices.

PLEASE RATE EACH AREA ON A SCALE FROM ONE TO TEN
(1 = Strongly Disagree, 5 = Neutral / Not Sure / Don't Know, 10 = Strongly Agree)

COMMUNICATION

I was very satisfied with the frequency / type / amount of communication I received …

(Strongly Disagree) 1 2 3 4 5 6 7 8 9 10 (Strongly Agree)

THOUGHTS?

_____

_____

The information and explanations I received made sense to me and were very clear …

(Strongly Disagree) 1 2 3 4 5 6 7 8 9 10 (Strongly Agree)

THOUGHTS?

_____

_____

CLIENT SERVICE

My questions or requests were always handled quickly and to my satisfaction …

(Strongly Disagree) 1 2 3 4 5 6 7 8 9 10 (Strongly Agree)

THOUGHTS?

_____

_____

I was always kept updated/informed regarding issues that could not be immediately resolved …

(Strongly Disagree) 1 2 3 4 5 6 7 8 9 10 (Strongly Agree)

THOUGHTS?

_____

_____

YOUR ACCOUNT

My unique objectives and concerns were heard, understood and taken into consideration …

(Strongly Disagree) 1 2 3 4 5 6 7 8 9 10 (Strongly Agree)

THOUGHTS?

_____

_____

I was very pleased with the allocation / diversification of my investments …

(Strongly Disagree) 1 2 3 4 5 6 7 8 9 10 (Strongly Agree)

THOUGHTS?

_____

_____

GENERAL QUESTIONS

I found the website (at www.annuity.com) to be very useful …

(Strongly Disagree) 1 2 3 4 5 6 7 8 9 10 (Strongly Agree)

HOW COULD WE IMPROVE IT?

_____

_____

I would refer my friends, family or colleagues to you …

(Strongly Disagree) 1 2 3 4 5 6 7 8 9 10 (Strongly Agree)

WE'RE CURIOUS: If you were telling someone about us, what would you say? How would you describe us? _____

_____

_____

_____

_____

In general, I was satisfied with my experience as a client …

(Strongly Disagree) 1 2 3 4 5 6 7 8 9 10 (Strongly Agree)

Please elaborate. Where do we excel? Where could we improve?

Thank you for your response. Your feedback is very important to me.

On it goes for the variable annuity salespeople, might as well get a job at the bank....BB

http://www.investmentnews.com/article/20120819/REG/308199987?utm_source=issuealert-20120819&utm_medium=in-newsletter&utm_campaign=investmentnews&utm_term=text

Hello Partners,

When ordering the "Scrubbed Leads" you do not need to establish a second account. Log on to your existing account at

http://www.annuity-admin.com/agents/admin/index.php?

where you ordered your "Premium Leads" and:
Click on "My Account"
Click on "Edit Account"
Click on "Edit" next to Lead Type & Cost
From there you can chose to Premium Leads, Scrubbed Leads, or both.
Click "Continue"
Verify the leads you want are documented next to "Lead Type & Cost"
Click "Save & Continue"
If you were already ordering Premium Leads and wish to add Scrubbed Leads (in other words, buy both types) there is a bug that will not allow you to choose both. We are working on getting it fixed. Email me and I will manually get both leads ordered for you. For those of you that were already ordering the Premium Leads at $88 per lead your price will stay the same ($98 otherwise with the discount due to $10 price increase). As a reminder, your discount code is "Agent911".

Thanks for the biz,

Anthony R. Owen
Annuity Agents Alliance, Co-Founder
Annuity Innovation Systems, LLC, Vice President
Annuity.com, Annuity Marketing Consultant
Eagle Shadow Financial, LLC, Vice President
Office: 303-284-3582

Cleaned, pre-qualified, scrubbed annuity leads.

pre-qualified, cleaned and scrubbed leads .....less than *"advisor world"*.....email kevin@annuity.com for details....$195 each, will definitely be interested in annuities....full national launch begins in late august.....testing is available now

Annuity.com
Planning. Safety. Retirement.

The Scrubbed Lead Program

The strongest brand in the business just gotten stronger!

- Leads are verified by phone
- Leads answer "qualifying questions"
- Leads are 100% exclusive
- Average age: 62 years old
- Average investment amount: $128,000
- No pre-payment & no contracts

Only $195 per lead!

How does it work?

1. A consumer fills out a form or calls our 800 number, requesting information or guidance on annuities. Our leads come from the Annuity.com website, Google & Yahoo Search, other financial websites, radio and television.

2. Every lead is then **called by one of our trained phone staff**. During the phone call, the following information / data points are collected:

   - The type of annuity they are interested in
   - The amount & location of their money to invest
   - Their time frame for a potential annuity investment
   - The best time they can be reached by phone
   - Any additional information / notes we are able to gather…

3. The lead is then delivered to you in real-time (by text & email). When you follow-up, the prospect will be expecting your call.

How do you get started?

Sign-up at Annuity.com (via the For Agents section), using our Self-Service Wizard. You can create your account, set-up your geographical area, set your weekly lead limits and set-up your lead notification. The process takes about 5 minutes…

Still have questions? Contact us at: support@annuity.com

Annuity.com
Planning. Safety. Retirement.

Frequently Asked Questions

What is the difference between a Premium and Scrubbed lead?
The primary difference is that a scrubbed lead has been contacted and asked a variety of questions pertaining to their interest in purchasing an annuity. These notes are passed on to the advisor with the understanding that the lead is anticipating a follow up call with customized rates and quotes.

Is a Premium lead a lower quality lead than a Scrubbed lead?
No, the origin of the lead is the same. We have very strict standards on how quickly we receive and call on a leads request for Annuity Rates and Quotes. If we did not have a caller available to speak with the prospect (and "scrub" them) within 5 minutes, we would then qualify this lead as Premium. The quality and origin of both types of leads are exactly the same. The difference is whether we do the initial legwork for you or not.

Do Scrubbed Leads agents get priority over Premium Lead agents?
Whenever possible we try prioritize the scrubbed lead agents first. This does not mean that if you are a Premium Lead agent you will not get leads, as we do not have agents covering every zip code taking unlimited numbers of leads, nor do we have call center agents standing by 24/7 to scrub leads.

Are leads truly exclusive?
Yes. Our leads are sold to one agent, and one agent only. Also, we do not re-sell the lead at a later date as many lead providers do. Once you pay for a lead, it is for you to follow-up and cultivate.

How many leads will I receive in my territory?
This is a very common question and the very simple answer is "it depends." It depends on the size of your territory, the lead volume in that territory, and whether there are other advisors who may overlap with you in your territory. As a company we monitor where our advisors are located and will increase our lead efforts in areas where we have multiple lead buyers. The good news is you only pay for a lead once you've received it.

How do you handle more than one advisor in a territory if the leads are exclusive?
The leads are distributed on a round-robin basis. For example, if there are 2 advisors purchasing Premium Leads and covering the same territory, they will be distributed on an alternating basis, taking into account their maximum weekly lead count

When will I get my first lead?
This is another common question and one that does not have a definitive answer. It will depend on the size and density of your territory as well other advisors who may also share your territory. Our goal is to get you quality leads over quantity.

What is your return policy?
You may submit your request to reject a lead via your online lead management system. We will accept your request if the lead turns out to be another advisor, a student, a disconnected or fax number. There will always be additional gray areas and we will handle these on a case-by-case basis.

Is there a lead minimum?
There are no lead minimums, no prepayments and no contracts.

Still have questions? Contact us at: support@annuity.com

Disclaimer:

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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