



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

**Open MIC is open for anyone.**

9:00: AM Pacific Thursday 800 504-8071 Code is 5556463

IF YOU WOULD LIKE TO FIND OUT MORE ABOUT US

CALL OR EMAIL

**ANTHONY OWEN**

888-74**AGENT** (24368)

[tony@annuityagentsalliance.com](mailto:tony@annuityagentsalliance.com)

OR VISIT OUR WEBSITE



**Annuity** | **Agent's Alliance**  
Real Help From Real Agents.



2-0 Broncos play Tulsa, Saturday at Bronco Stadium  
**“On the Blue”**

# Time for a BIG “Shout Out” for a Great Crew Member, Great Friend and Great Agent.....

## Greg Cory

As many of you know, Greg has been in a battle with cancer for this past year. If anyone in the world could take on such an adversary, it would be Greg. Below is a recent email from his wife and partner Renita.

The email below was received yesterday, even if you do not personally know Greg; please take a minute to email him. This crew has always hung together through tough times and here is a chance to add to that legacy.

Please email Greg at: [rgregcory@cox.net](mailto:rgregcory@cox.net)

Here is Renita’s email also: [renitacory@cox.net](mailto:renitacory@cox.net)

Bill

PS....Greg and Renita are powerhouses and if anyone can beat this, it is them.

### From Renita:

Well , It's been too long! Sorry about that! Greg is doing great and tolerating the Chemo very well. Today he finished up session 7 of 12! Only 5 more to go. But he can still watch football on the TV. So overall, the going is tough , but we kind of new it might be. I have to say,

I so admire my hubby's strength , patience , tremendous positive attitude , and just his super **STRONG** will. He just won't quit and he won't let 'me get him down! We still laugh many times a day and are so Thankful and happy.

SO thankful to God for you and for your prayers on our behalf. BTW, Greg can receive e-mails on his pre-historic computer , but he just can't reply. I can do both! So if you just want to comment or say hi to him go ahead and e-mail him. [rgregcory@cox.net](mailto:rgregcory@cox.net)

If you want a response please e-mail me.

Love you all..... bye

Renita



From Porter Stansberry:

There's simply no way Italy can finance its debts... It must refinance 192 billion euro this year, 168 billion euro next year, and another 100 billion euro in 2013.

Italy is the world's third-largest sovereign borrower with public debt of 1.7 trillion euro.



## **Ride alongs....Be informed before you bite!**

I have had 3 agents forward me this add asking if it was worth it....this type of marketing has been around for a long time and every so often it lifts it's ugly head and focuses on insurance agents. A **“ride along”** is an insert into a **VISA** or other Credit Card bill...offering information. I think every agent in the country has tried these or a version of them, my opinion?

# Run...run like the wind!

Here is a sample solicitation, I am sure somewhere in there might be a good



lead, but it would be just as effective to use this instead....  
Just open and dial...results would be the same is my guess.

Here is the email.....

**Subject:** Warm prospects awaiting your advise.

**Hello! This email is to inform you of  
Grand Opening!  
We have lowest prices in the industry!**

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*We provide top quality marketing services for the Insurance, Mortgage and Financial Services Industries. Along with generating high quality (warm leads) responders from product specific questions attached to their credit card statements. We also provide Google TM Ad words to skyrocket your business to the top of the list when a prospective client googles services you provide, custom mailers, website design and custom call scripts.*

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*We recently conducted a ride along marketing piece in your area.*

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### **What is a ride along you ask?**

***A ride along is a little piece of paper that falls out when you open your statement. We work in conjunction with credit card companies and power companies to cut the costs associated with sending millions of billing statements to their clients.***



# Leads.....

Here are two legitimate lead sources.

**Annuity.com Scrubbed leads....** call Anthony for more details....we keep stats and you will be able to estimate your cost per sale, your marketing budget and your expected income....no guessing, **just pure knowledge**

**Here is the sort of emails we get about our scrubbed leads.....**

**From:** Stewart Miller [mailto:instuwetrust@msn.com]  
**Sent:** Wednesday, September 21, 2011 6:53 AM  
**To:** Galen Weston  
**Cc:** David Townsend  
**Subject:** Leads

Hi Galen,

We haven't spoken in a while. I heard you were in Greece for some time. Hopefully along with all of the bitching us agents do, occasionally you get some praise. **Your lead program has kept me rolling for nearly a year now and I am very grateful.**

Thank you,

**Stewart A. Miller**

Estate Financial Group  
Host "Safe Money Radio"  
877.853.0050 office  
810.691.0059 cell  
[instuwetrust@msn.com](mailto:instuwetrust@msn.com)

Here is another lead source which could help as supplemental marketing:

Last week we shared this lead source also, just call them and ask for details.

[info@freeannuityrates.com](mailto:info@freeannuityrates.com) is the best way for agents to inquire about our lead program. (214) 886-7733 is my personal number, but I usually prefer to provide a program overview by email before setting up a call.

Leo Gura <[leo@freeannuityrates.com](mailto:leo@freeannuityrates.com)>

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## Speaking of leads, if you need appointment setting help, here is one option.

Christy Oliver has worked for two larger marketing companies and now is starting her own service....

Incidentally, we are currently just beginning working with another service, our hopes are to be able to offer several reliable sources for appointment setting. **I will make their information available next week.**

Prices seem right.....

We have not used Christy yet, seems qualified and focused...BB



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## Appointments Ink

*38 Willowood Circle*

*The Woodlands, Texas 77381*

*Welcome to Appointments Ink. My team and I are an appointment setting service to help agents and brokers stay out in the field and achieve all of their sales goals. If you are in the office on the phone you are not making money. Let us help take your business to the top. I have been setting quality appointments for over 300 plus agents for the last year. We put our agents on average in front of 60% of the leads that are called through by agents who provide us with quality leads. A detailed report will be provided on a weekly basis on every appointment set. We are a boutique in the field of appointment setting services and work very closely with our agents.*

*Rates are listed below and references are available on request.*

*Leads provided by the agent are priced at \$15.00 per lead to be called.*

[Christie.oliver@ymail.com](mailto:Christie.oliver@ymail.com)

281-796-5696

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## **Nice to know someone is worried about our “target” market....NOT!**

[http://www.insurancenetworking.com/news/insurance\\_dodd\\_frank\\_fiduciary\\_agents\\_brokers\\_annuities-28823-1.html](http://www.insurancenetworking.com/news/insurance_dodd_frank_fiduciary_agents_brokers_annuities-28823-1.html)

National Association of Insurance and Financial Advisors President Terry Headley testified that simply applying the SEC’s existing investment adviser fiduciary standard to broker-dealers would not be appropriate.

“Any new standard contemplated by Congress or regulators should recognize and adapt to the differences between broker-dealers and registered investment advisers or else risk adverse, unintended consequences namely, limiting the products and services available to **middle-market investors,**”

Worth a read, at least to know to what length BD will go to own all the pie

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## Managing Your Risk Video, Elder Abuse

[http://www.bankrate.com/finance/video/retirement-risks.aspx?ec\\_id=cmct\\_007\\_HPF\\_sublink](http://www.bankrate.com/finance/video/retirement-risks.aspx?ec_id=cmct_007_HPF_sublink)

Worth a look.....BB

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## The Annuity Puzzler....Correlation between worry of risk and safety

<http://www.nationalpost.com/opinion/columnists/annuity+puzzler/5417390/story.html>

.....He discovered a behavioral phenomenon called "myopic extrapolation" at work: If the stock market did badly in the year before retirement, **new retirees were more likely to buy annuities** than if stocks did well. If the latter, they would pick a lump-sum payout. Thus, he found a strong negative correlation between stock returns and annuitization.

In your best interest to read this article.....The Annuity Puzzler....Gee, it sounds so familiar, safety, security....etc....what is puzzling about that?

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## CNN Money article...at least it is mainstream media!

[http://money.cnn.com/2011/09/07/pf/expert/annuities\\_investing.moneymag/](http://money.cnn.com/2011/09/07/pf/expert/annuities_investing.moneymag/)

Wouldn't it be nice if just for once they played it down the middle and didn't have to "twist" things off kilter? Worth a look



## NFI: Federal Regulation of Annuities 'Conceivable'

<http://insurancenewsnet.com/article.aspx?id=276015>

Fight them on the beaches, fight them in the fields, fight them in our homes, never ever give up....I really am beginning to dislike the Federal Government and their need to control everything. You?

On October 29, 1941, U.K. Prime Minister Winston Churchill visited Harrow School to hear the traditional songs he had sung there as a youth, as well as to speak to the students. When he was invited to give a speech, Churchill stood before the students and said,

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

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## Bank deposits soar, interest nearly ZERO

<http://www.latimes.com/business/la-fi-low-yields-banks-20110918,0,3758580.story>

If it is not our time now....then when?

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I had this up last week...but in re-reading it I was just blown away at how near perfect it is.....let's have a great second look.....From Sheryl Moore and **InsuranceNewsNet.com**, A solid choice for information.

**I would drop Sheryl an email and thank her if I were you....she has our back...Her email is at bottom....BB**

**I highlighted parts in red without Sheryl's permission....BB**

# Indexed Annuity Magic: How Do They Do It?

September 07, 2011

By **Sheryl J. Moore**  
**AnnuityNews.com**

One of the greatest mysteries in the indexed annuity market is how insurance companies are able to offer market-linked gains on an annuity with a principal protection feature. Many are familiar with the strong guarantees that fixed annuities offer, but it comes at the cost of low potential for gains. On the other hand, variable annuities provide unlimited potential for gains, but you must be **willing to stomach unlimited risk to achieve it.**

The indexed annuity is a **unique gem** amidst a pebble-lined beach – but how is this awesome feat accomplished? How can insurance companies offer purchasers market-linked interest without the risks associated with VAs and still afford to offer a guarantee? It is actually pretty amazing and extraordinarily simple to accomplish.

For comparison, let's explore what the insurer does with the purchaser's money when offering fixed annuities. When an annuity purchaser makes a premium payment into a fixed annuity, the insurance company turns around and uses that **premium to purchase bonds**. Generally, the bonds are high quality and they mature at the same time the surrender charges expire on the purchaser's annuity (i.e. I buy a 10-year surrender charge annuity and the insurance company then purchases 10-year Grade "A" bonds to cover my annuity's guarantees). This provides a relatively safe investment vehicle for the insurer to make enough interest off of in order to earn their spread/profit.

So, just for simplicity's sake, let's make the assumption that the bonds are paying 4 percent interest and the insurance company is crediting 3 percent interest on its fixed annuities. This means that the difference of 1 percent is what the insurance company is using to cover its expenses and anything that is left is its spread/profit. Makes sense, right?

OK, let's move over and apply this to indexed annuities: instead of putting 100 percent of the purchaser's premium payment in bonds, with an indexed

annuity, the insurance company puts about **97 percent** of the premium payment in bonds. (Some companies might use 96 percent, 98 percent, etc. of the premium payment; you get the idea!) The bond covers the indexed annuity's annual 0 percent floor, which protects the annuity purchaser from market losses. It also covers the minimum guaranteed surrender value, providing a return of premium plus interest to the beneficiaries in the event of death, in addition to providing the same benefit to the purchaser if the indexed crediting does not perform.

Now, let's get to the other **3 percent** of the purchaser's premium payment, where the real magic happens: this portion of the purchaser's premium payment is used to **purchase options**. It is the options that provide the index-linked interest on indexed annuity contracts. Today, we might take that three cents of our one dollar to the options-seller and ask that he sell us an option for the S&P 500, using an annual point-to-point crediting method with a cap being used to limit the indexed interest. The option-seller might tell us that our three cents will buy our customers a cap of 3.85 percent which isn't so hot. Then again, the S&P 500 is relatively low right now.

However, if the market suddenly goes back up, and the S&P 500 returns to 1500 the next month, that option-seller will likely offer a much higher cap for our three cents. (After all, if it is already at 1500, what is the likelihood that the S&P 500 will increase tremendously over a one-year period?)

So there you have it, folks. No tarot cards, no voodoo dolls - **just plain and simple math**. And even though the logic behind indexed annuities is rather simple, it is magical nonetheless.

*Sheryl Moore is president and CEO of AnnuitySpecs.com and LifeSpecs.com, indexed product resources in Des Moines. She has more than a decade of experience working with indexed products and provides competitive intelligence, market research, product development, consulting services and insight to select financial services companies. She may be reached at [sheryl.moore@annuityspecs.com](mailto:sheryl.moore@annuityspecs.com).*

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## Social Media Article

[http://annuitynews.com/Article/Connect\\_with\\_Mature\\_Annuity\\_Customers\\_via\\_Social\\_Media/265449](http://annuitynews.com/Article/Connect_with_Mature_Annuity_Customers_via_Social_Media/265449)

Not quite sure how to use Social Media but I intend to find out

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# Giant Apology

In August I wrote an opinion piece regarding Variable Annuities. I offered to add anyone's point of view to the notes on September 22<sup>nd</sup>....I had one taker who was very defensive of his favorite VA.....I set it aside for September 22<sup>nd</sup> and I have lost it

So please, whoever you are, please resend and I **PROMISE** to get it in next week's notes....

This totally my error and I humbly apologize.

## Bill

I know that I have mentioned on Open MIC before that I am not a fan of Variable Annuities. I have openly criticized them and frankly, I just don't get them. I don't understand their popularity, I don't understand how they can be sold....I just don't understand.

Earlier this year I wrote an **Opinion** piece about VAs and offered to add to the Open MIC notes anyone's differing opinion...and guess what...someone did disagree with me.

Bill



## Birds of a feather....

Here is a recent email I received from a marketing company that must feel the same way I do.....I left his live links in so you can see the documentation.

Bill -

I'm biased.

Day in, day out I consult a number of the top "safe money focused" advisors around the country. These aren't your wire house, hot stock tip, Wall Street types. Many of these advisors view safety and contractual guarantees as top priority; growth and accumulation second. That said, their target market is an older demographic - typically 55+ looking for sleep and income insurance during their golden years.

Now here's my beef...

Daily, I hear about clients age 55+ who own variable annuities. That's not the bad part. I believe variable annuities have a viable place in financial planning (**as evidenced by \$41 billion in 2nd quarter 2011 sales; up 16% over the 2nd quarter of 2010**)

1. My problem is with how these variable annuities are sold. The vast majority of variable annuities are sold to clients based on the riders you can attach to the base policy - guaranteed withdrawal living benefit riders, death benefit riders, etc. Then, the "wrap up" portion of the sale involves talking about upside potential, IF accumulation of the VA is even discussed at all. For example, about **96% of Prudential's record \$6.8 billion 1st quarter 2011 variable annuity sales were policies that included a lifetime income guarantee. At MetLife, 80% of their \$5.7 billion of products sold in the same quarter carried a guaranteed benefit.**<sup>2</sup>

Which raises my concern...

#1 - If variable annuities are being sold rider first, upside second - wouldn't clients be better served with indexed annuities? **Fixed Indexed Annuities offer higher living benefit rider guarantees (think 7%, 8% and even higher compounded growth)**, longer deferral guarantee periods and higher payout bands - all of which results in larger lifetime income checks than VAs. Granted, the upside in a Fixed Indexed Annuity is less than variable annuities, but shouldn't we cater the product and its features to how it's being sold and what clients are asking for?

#2 - If the vast majority of variable annuities are being sold with riders attached, do clients understand how that fee structure affects their gains credited? Back to a couple of the hottest VA sellers in Prudential and MetLife - the annual fee of their lifetime income rider is 1.03%. That's on top of the regular annuity fees, which average 2.51% - **producing a total fee structure averaging 3.54%!!!** Add a death benefit rider, return of principal guarantee or more aggressive subaccounts and clients have over a 4% annual fee. Do they realize that? I'm betting most don't. and if they did, they'd be pretty ticked off. Back to Fixed Indexed Annuities, most have an annual income rider fee structure at 0.75% - 0.95% - **just one-quarter that of variable annuities - and most fixed indexed annuities have a 0% fee structure for the base contract.**<sup>2</sup>

I'm not stating that fixed indexed annuities are the end-all, be-all for today's retiree investors. However, in today's economy, aren't a lot of people looking for: **guaranteed income first, low fees second and growth third?** If that's the case, shouldn't we match the best product to their situation? What am I missing?!? I'm all ears.

Happy selling!

Matt

\*\*\*\*\*Morningstar provides a system which discloses all fees, expenses on almost all Variable Annuity products for you, easy to use and up to date.

It is called Principia Pro, Variable Annuity Module. Really worth the \$500 per year fee. Also you can download the prospectus of almost every variable annuity issued and see the fees directly.

BB

**FYI**

Variable annuities will allow the owner to **earn 100%** of the invested assets results minus fees and expenses.

Contract (M%E) Normally around	1.25%
Administration generally around	.15
Fund management fee varies but around	2.50% to .5%
Income Rider fees vary	.50% to 3.00%
Enhanced death benefit varies	.50% to higher

Total fees would be the addition of these.....

The gross returns-minus fees are the net the variable annuity owner receives.

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# Case Preparation

**This case has not been written and in fact it probably will not ever close....I have answered the agents email in as simple and honest manner as I possibly could. To me there is a good lesson here, analysis paralysis and a prospect not functioning with reality....my next move would ne NEXT!**

**BB**

## Email from Agent to me

To: ['Bill Broich'](#)  
Sent: Tuesday, September 20, 2011 9:19 AM  
Subject: FW: Follow Up Caps

Hi Bill,

I always like to run stuff like this by you. Please scroll down to get the thread. \$500K on this one. He's still working, maybe he's stuck on the 401K. You really know how to avoid wasting time, so I'd like your take on this one. Been talking to him since June..

Thx,

Joe Agent

Thanks.

## Email from prospect to Joe Agent

I need to walk back through the mechanisms of an annuity and familiarize myself with how it works from front to back. I know you sent me that brochure on How Annuities Work, but it does not satisfy my questions.

To start with, why is timing "decent now to lock in annuity options"? Seems to me I've missed the best window of opportunity to do that and gut tells me to stick with the **ING managed 401K with Booz Allen ECAP (fees, expenses and risk exposure...BB)** until I finally retire (was supposed to be last month until this most recent set back **(duh!, my point exactly...BB)** and uncertainty in the economy). **(listen to this guy...insanity...BB)**

An annuity, as I understand, would protect against further downturn with a 2-3.5% bottom cap but if one feels the market is already at the bottom.

What's the point. My 401K will come more rapidly **(how crazy is this thinking?...BB)** when the market turns up again. We can have a discussion by phone whenever you have a convenient time, because I just need to understand why now.

**Before you read my answer...re-read his remarks, my notes in red....this type of thinking is insane and yet so prevalent in our target market...was it the "Flower Power" time period in the Bay Boomer's lives? Pure insanity.**

## My answer:

It really all depends.....is the money is important and it must not be at risk?.....that is the question.....every year the account has no exposure to risk and goes up, the client is a year older, the factors for income become higher...for me it is just that simple.

I personally have a fairly large retirement account and 97% is in annuities....Why? Because knowing that the very worst that could happen to me is 2-4% gain. That gain is all I will ever need to never have any concern, stress or wants, which is my goal....the income issue is my driving force.

As long as there is safe, secure, guaranteed re-occurring income, how can it be anything but good?

BB

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**I am also NOT an economist by license, only by avocation and hobby. If you decide to make decisions based on my particular view of the world, you should get it verified by licensed professionals or get your head examined.**

**Open MIC is and was created for the entertainment of our agents, family, friends, guests and industry spies. Be careful with the information contained in Open MIC and always get**

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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.**

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