



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

Open MIC is open for anyone.

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

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“Our brand can be your brand”



Not often in life are you blessed to meet an exceptional human, let alone be a lifetime friend. **Alyssa Jensen** is only 25 and yet she is one of those people. After college she taught school around the world (Korea, Philippines, Ecuador) now she has joined the **Peace Corp** serving in Eastern Africa, trying to make a difference. The area she chose is 22% HIV positive, she is there to teach health education. Our daughter Annie has been best friends with Alyssa since they were in diapers; either Annie was at her house or Alyssa at ours for over 20 years. Wish her well and count your blessings that people like Alyssa exists in this world.

“You can observe a lot by watching”

Open MIC is sharing; Welcome!

ABM: Always Be Marketing

Thank you for joining us on Open MIC

9:00: AM Pacific Thursday 800 504-8071 Code is 2554567#.

Op Ed (I had assistance with this article)

Ignorance of the Truth is Still Ignorance

My younger brother and his wife recently retired; in retrospect they may have been slightly premature. On the surface it looked like they had enough funds, but what wasn't considered was the future cost of maintaining the accounts. I am not speaking of market risk; I am speaking of the hard to find risks, risks from fees and expenses, the actual costs of maintain the accounts. (it isn't always about gains and losses)

Their monthly reports from their financial advisor and the broker dealer are volumes. In the envelopes are pages and pages of **FINRA** disclosures, supplements to prospectuses, tax notices and finally, the account information. For years, they had thrown the paperwork into a drawer, mostly unopened. Occasionally they would open the statement to check the bottom line, but not always.

As I dug into their statements, I was stunned by the lack of available information. Calls to the broker were clouded and references back to the prospectus seemed to be the standard answer.

Ponder this question; are my brother and his wife unique?

Although Americans seem to be following the advice not putting all their eggs in one basket, the tendency to diversify is more pronounced among those who have an advisor, a recent study found.

I opened their last statement and had a look. I unclipped the latest individual retirement account (IRA) statements for the month closing Aug. 31, and took a closer look at the funds in which my sister in law's retirement advisor had invested her \$75,000 in retirement assets.

I am sure you are wondering, why now? Why suddenly take an interest in mutual fund statements that they had not given any thought to previously?

With the Department of Labor (DOL) considering some of the most important changes to how advisors treat retirement assets since the passage of the Employee Retirement Income Security Act of 1974, mutual fund statements suddenly struck a chord. A favorite number bandied about by consumer interest groups during public hearings over the past month has been \$17 billion. Small retirement investors such as my sister in law and my brother are losing as much as \$17 billion a year, or so the DOL experts say.

That's money that goes toward intermediaries and industry giants in the form of fees and commissions. So that's why my brother and his wife finally decided to take a serious look at their latest mutual funds statements.

Much of the fine print in those prospectus documents are generated by lawyers and financial analysts, of course, to be read by other lawyers (mostly) and other financial analysts and compliance officers (mostly).

They are not designed for the retail investor audience. This is why folks like my brother and his wife who never had any formal financial education, put them in a drawer and never read them.

This simple act of non-participation is what the securities industry is hoping for. The less you know and understand the better for them.

And I can't say I saw much about fees in these prospectus documents. However, I'm sure there was a sentence or two buried in there about fees and commissions, always expressed as a percentage, never as a hard-dollar figure or as subtraction from total return.

But the mutual fund statement was a different story.

Two years ago, when my sister in law decided to move her 401(k) plan and transfer the balance to her existing IRA already invested in mutual funds.

With her consent, the advisor invested her IRA money into a diversified group of "open-end" funds.

She's now the owner of Class C shares of the Dreyfus Opportunistic Midcap Value fund, the Cohen & Steers Real Estate Securities fund, the Columbia Acorn Emerging Markets

funds, the Fidelity Advisor New Insights fund, the Gabelli Small Cap Growth fund, the Gabelli Equity Income funds, the Investment Managers Center Coast MLP Focus fund and the MFS Research International fund.

The statement lists the fund symbol, quantities, price, value, unit costs, the original investment and the cumulative returns, unrealized gains and losses, annualized income and estimated yield. This was all well and good, although the statements give me no idea whether she paid any fees or commissions for her advisor investing in those funds. The only part of the statement that **relates to costs** is the average unit cost/cost basis column, but that has to do with the dividends and capital gains distributions. It has nothing to do with any fees and commissions, if any, paid to her advisor.

If any fees were paid to her advisor, they were not spelled out in the monthly statement. Retail investing amateurs, such as my sister in law and my brother, have no reason to assume she paid any fees to an advisor, at least so far as we can tell by the statement.

Hidden from view might be a better explanation.

To help them you need to understand how expenses and fees can affect long term returns and to run fund comparisons through the **Financial Industry Regulatory Authority's Fund Analyzer** tool, an accessible and clear explanation of what funds cost.

<http://apps.finra.org/fundanalyzer/1/fa.aspx>

I compared three funds: Vanguard's Total Stock Market Index Fund Admiral Shares, where I have my IRA; as well as the two funds where she has a portion of her IRA, Dreyfus Opportunistic Midcap Value Fund Class C and the Gabelli Small Cap Growth Fund Class C shares.

A \$10,000 investment with a 5 percent return over a 10-year period would grow to \$16,207.71 in the Vanguard fund, \$13,443.48 in the Dreyfus fund and \$13,164.12 in the Gabelli fund, according to FINRA's expense analyzer.

How can there be such a difference?

Total fees and sales charges were **\$64.28** for Vanguard, **\$2,234.35** for Dreyfus and **\$2,451.63** at Gabelli, the FINRA algorithm revealed.

Since the inception of each of the respective funds, Vanguard's annual return is 5.33 percent, Dreyfus 8.78 percent and Gabelli 8.86 percent. However, the annual operating expenses at Vanguard were 0.05%; at **Dreyfus, 1.92%, and at Gabelli, 2.13%.**

Who benefits from those charges, why and in what amounts, that information is never disclosed. Furthermore, there's nothing in the documents to help them make sense of this, again, from the perspective of a retail client.

Yes, there are plenty of percentages outlined the Dreyfus Opportunistic Midcap Value C prospectus on Morningstar's website. Under the "Fees and Expenses" heading, there's information about shareholder fees for Class A, C, I and Y shares, along with management fees, 12b-1 fees and "load" charges.

"This table describes the fees and expenses that you may pay if you buy and hold shares of the fund," the Dreyfus prospectus says. "You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$50,000 in certain funds in the Dreyfus Family of Funds."

What I want to show them is how much in dollar terms of the \$75,000 IRA went to pay for her advisor and how much the funds, Columbia Acorn, Dreyfus, Gabelli and company, paid him to select the funds that were chosen for her two years ago.

My sister in law has no interest in personal investing, she just wants the account to grow and in that lays the problem. She has been a **sitting duck** for advisors who are supposed to invest in her best interest

But perhaps if her mutual fund statement told her how much, in dollar terms, she would have to pay for one fund over another, and how much of that was going to her advisor, I have no doubt she would be making different choices.

Of Interest



Phoenix Life stops taking agent contracts

9/21/2015

Phoenix Life
Effective September 1, 2015
Annuity Contracting Changes

In 2015, Phoenix continues to experience significant year-over-year growth in both our annuity and life business. Going forward, Phoenix is committed to providing a competitive life and annuity product portfolio.

While growth is an important component of our business model, it is critical that we proceed prudently. **As a result, we have decided to temporarily suspend annuity agent contracting effective September 1, 2015.**

(full press release at link)



Court Approves Use of Short-Term Annuities for Medicaid Planning

<http://www.elderlawanswers.com/court-approves-use-of-short-term-annuities-for-medicaid-planning--15317>

Annuities for Medicaid Planning

Immediate annuities are among the tools elder law attorneys use to help married nursing home residents qualify for Medicaid coverage while protecting the standard of living of the healthy spouse and to help preserve assets for the families of unmarried or widowed nursing home residents.

Immediate annuities can help Medicaid applicants in two basic ways: First, many spouses of nursing home residents face a dramatic reduction in income when the nursing home spouse qualifies for Medicaid. Purchasing an immediate annuity can convert assets into an income stream for the healthy spouse while avoiding a penalty for transferring assets. Second, an institutionalized individual can buy an annuity that will provide income to pay the nursing home while waiting out a Medicaid penalty period caused by a gift made within the previous five years. Often, these latter annuities are of short duration – only as long as the penalty period.

While the decision provides more certainty, immediate annuities must still meet a number of stringent requirements to be accepted as legitimate by Medicaid authorities. Families considering them should get help from a qualified elder law attorney.

Here is how an annuity is used to protect assets. **NEVER** do this without direct instructions from an attorney.

I guess it would be ok to discuss in general terms, how this might work, but an attorney needs to be involved before implementation.

This is in the simplest of terms; the “*devil*” is in the details, that is why you need to only do this with an attorney providing you instructions.

This is done not to defraud the state Medicaid program; it is done to make sure the “well” spouse can continue to live.

- Mr. Jones is going to nursing home
- Mrs. Jones is the well spouse
- They own, house, car and have \$400,000 in bank.
- Mr. Jones has SS of \$1,000
- Mrs. Jones has SS of \$1,000

How it works:

The home is transferred to Mrs. Jones; this does not require any waiting period.

Mr. Jones SS goes for his care and is sent to nursing home (in reality depending on which state you are in, some of this can be carved out for well spouse)

Mrs. Jones is allowed some exempt money, for this example we will use \$100,000. That would mean the remaining balance of their bank account would need to be spent for Mr. Jones care.

Using an annuity: based on Mrs. Jones age, an annuity is purchased for the balance of their bank account (\$300,000) making her the owner and annuitant and only for the specific time of her life expectancy.

The insurance company will have the chart.

Let's assume it is 7 years 5 months. The annuity will pay out monthly for 7 years and 5 months in equal payments. Mrs. Jones can do anything with the income, it is now exempted. She can even return it to the bank account.

Mrs. Jones must declare the annuity has no value, she must waive any free look period.

Medicaid pays the balance of Mr. Jones monthly care expense.

BTW: Great American has a settlement part D in its contracts which is the language used for the Medicaid payment.

DO NOT attempt this alone, use attorney and let the attorney provide you with instruction, just be the paper work person.



6 Annuity Fees You Should Know About

<http://www.fool.com/retirement/general/2015/09/21/6-annuity-fees-you-should-know-about.aspx>

Variable annuity stuff, you might find something here useful, mostly just re-tread of things we all know about....BB



The Brilliant Retirement Idea That Nobody Likes

<http://time.com/money/4043219/retirees-longevity-annuities-iras/>

Nice article from *Money Magazine*...



2nd Quarter 2015 FIA Results

Pleasant Hill, Iowa. September 9TH, 2015— Fifty-two indexed annuity carriers participated in the 72nd edition of *Wink's Sales & Market Report*, representing 99.8% of indexed annuity production. Total second quarter sales were **\$12.2 billion**. Second quarter indexed annuity sales were **up nearly 8.0%** when compared to the previous quarter, and down over 2.0% when compared with the same period last year. “Indexed annuity continued their momentum in 2015 with sales greater than any other second quarter has in the history of the product line!” exclaimed Sheryl J. Moore, President and CEO of both Moore Market Intelligence and Wink, Inc. She added, “There is no doubt that 2015 is going to be a record-setting year for indexed annuity sales!”

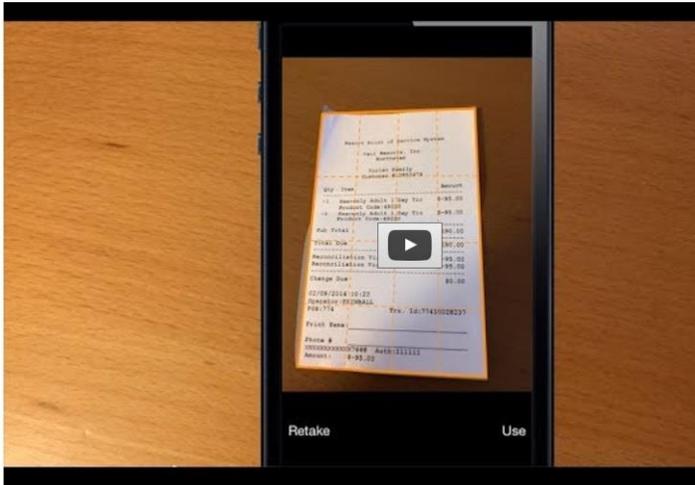
<http://www.looktowink.com/2015/09/wink-inc-releases-second-quarter-2015-indexed-sales-results/>



Genius Scan

Now here is a truly useful invention. PIC to PDF

<http://thegrizzlylabs.com/>



Genius Scan has helped people digitize more than **200 million documents**. See how it will help you!

This turns your iPhone into a scanner....brilliant



Get In The Fight!

<http://www.aapnow.org/action-center/?vvsrc=%2fcampaigns%2f42464%2frespond>

Action Alert

Save My Retirement Choices

CALL TO ACTION for all ANNUITY LOVERS!

The Department of Labor has proposed a rule that will negatively impact consumers who are seeking **guaranteed lifetime income and protection** from today's volatile markets. On September 10th two Financial Services Subcommittees are holding a joint hearing to discuss the impact of this Rule. We need you to send a note to your representative to preserve annuity income choices and the ability to simply and affordably purchase an annuity.

You can switch messages below and select the one you like AND you can edit any message to include your personal concerns and requests!

Compose Your Message

Review Your Profile

[Privacy Policy](#)

Not Bill Broich?

Your Information

Prefix First Name Last Name Suffix
Mr. Bill Broich
Email
bbroich@msn.com

Home Information

Street Address
823 Champagne E
City State ZIP Code
Calistoga CA 94515

- I want to receive future alerts
 Remember me (Uncheck on shared computers)

SEND MESSAGE

Get the facts and stay involved by clicking the links below:

- [DOL Fiduciary Rule Opponents Seek Delay, Perez Snubbed At House Hearings](#) - *Forbes*
- [NAIFA president asks Congress to urge DOL to re-propose fiduciary rule](#) - *Employee Benefit News*
- [Hensarling: Bill to Stop DOL Fiduciary Proposal May Advance](#) - *ABA Banking Journal*
- [Rep. Wagner Wants Bill to Halt DOL Fiduciary Rule Marked Up by Month-End](#) - *ThinkAdvisor*
- [NAIFA President to speak at House panel's fiduciary-standard hearing](#) - *NAIFA*

Get Involved!



4 ways to simplify your approach to selling

annuities

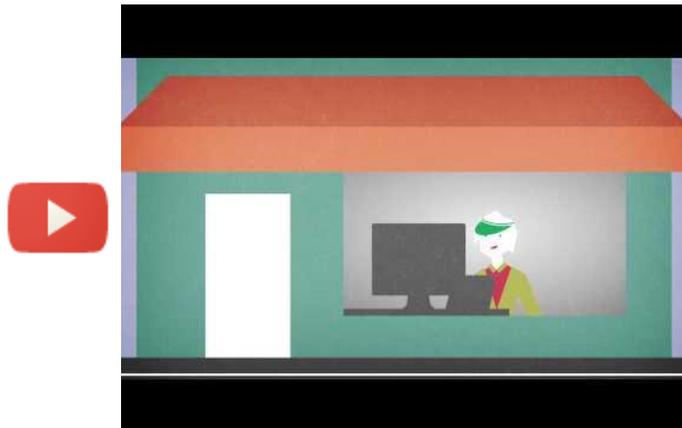
<http://www.lifehealthpro.com/2015/09/10/4-ways-to-simplify-your-approach-to-selling-annuit?>

As an advisor, your role is to bring the right products to clients, taking into consideration their current life stage and goals for the future. However, when positioning an annuity, many advisors think recommending the most robust option possible is the best approach for their clients.

Video is the best way to transfer information to your prospects and clients. PLUS it is a great way to learn about our industry, the videos below are terrific. Do yourself a favor and watch them....BB

★ **New Animated Video Demystifies The How's And Whys Of Life Insurance**

September Is Life Insurance Awareness Month (LIAM); Video from I.I.I. Shows Viewers How Best to Provide for Their Family's Well-Being



New Animated Video from the I.I.I. Demystifies Life Insurance

ONLINE SALES

Eighty-five percent of consumers say they would use the Internet to research life insurance before purchasing coverage, according to the 2015 Insurance Barometer Study by the Life and Health Insurance Foundation for Education (LIFE) and LIMRA, about the same number as a year ago. About a **quarter of consumers went online** to find an agent or financial adviser and about one in three went **online to find**

information about an agent or adviser. (Be careful with those Facebook PICs....BB)

When it comes to purchasing life insurance, face-to-face with a financial adviser or agent was the most favored life insurance sales channel, with **52 percent** preferring that method.

LIMRA research shows that most of these shoppers do so to obtain quick and easy price quotes—only **14 percent** of online purchasers bought life insurance from a website that gives quotes.

Consumer Articles:

This is very good, if you are not using videos, big mistake...BB

- [Life Insurance](#) – Explanations of the different types of coverage, how to calculate your life insurance needs and choose a life insurance company; and other frequently asked questions.

Facts and Statistics:

- [Life Insurance](#)

Videos:

- [Insurance IQ Quiz – Life Insurance](#)
- [The I's on Insurance: It's About Life](#)

Other Industry Resources:

- [American Council of Life Insurers](#)
- [Life Happens](#)
- [LIMRA](#)

SOURCE Insurance Information Institute



Kris Montierth

Owner, Your Personal Secretary

--Recently I have had a few calls about appointment setting and who I would recommend. There are many variable to consider, but Kris Montierth has always been very professional and in tune to agent needs.

We have a long history with Kriss, she does a great job.
Her website is below.

Appointment setting

www.callingleads.com

The best number is 865-354-9722

Kriss@callingleads.com and website www.callingleads.com



1 agent last week.

We can help: Effective **September 1**, crew members only.

Nice case this week, we helped an agent write \$84,000 with AE. Nice sale.

BTW, are wondering why we are bragging about an \$84,000 sale? Think about it, **\$84,000** in a FIA earns the agents almost \$6,000. How many people in America earn \$6,000 a month? One simple \$84,000 annuity sale a month equates to \$72,000 a year in income....greater than the medium income in America

1. \$51,939

[Household income in the United States - Wikipedia, the free ...](#)

Think of the opportunity you have to support yourself, your family, your charities, the things you care about. I would suggest that almost any agent working regularly in our industry can move beyond \$200,000 a year within a couple of years. It isn't brain surgery; it is planning, working and marketing.

LET US HELP

Need help on case prep? Have questions about mutual funds, stocks, bonds? Need help fact finding? We can help you put your case together.

Sometimes just a little adjustment is all you need; sometimes just knowing where to find specific information is all you need.

Email me.....bbroich@msn.com



Sales and Marketing

Last week we had a chart showing the S/P 500, this week is NASDAQ. The volatility is what I think makes the statement.

See article that follows chart.

Chart of the Day



For some perspective on a key US stock market index, the chart below presents the overall trend of the Nasdaq 100 since 2000. The Nasdaq 100 is a modified capitalization-weighted index of the largest 100 non-financial companies listed on the Nasdaq stock exchange. As the chart below illustrates, the Nasdaq 100 has been through two major bear markets (the dot-com bust and the financial crisis) along with two major bull markets (the credit bubble rally and post-financial crisis rally) so far this millennium. The dot-com bust was especially severe -- resulting in a loss of 83% over 30 months. It is worth noting that the Nasdaq 100 has yet to recoup those losses. Since early 2010, the Nasdaq 100 has traded within the confines of an upward sloping trend channel (see green and red trendlines). It is noteworthy that the Nasdaq 100 has been able to hold trend despite many significant geopolitical and economic headwinds (e.g. Middle East wars, a plunge in oil prices, difficulties in China and Europe, etc.) in addition to other major stock market indices dropping below support of their respective post-financial crisis trend channels (e.g. [Dow](#)).

Notes:

Where should you invest? The answer may surprise you. Find out right now with the exclusive & Barron's recommended charts of [Chart of the Day Plus](#).





Now that I have your attention:

K **e** **e** **p** **I** **t** **S** **i** **m** **p** **l** **e** **S** **t** **u** **p** **i** **d**!

Recently I attended a webinar whose focus was on how best to reach an audience with an important message. According to statistics, as the Baby Boomer generation begins to age, we need to get our message quick and in shorter terms. I wrote the article below using this style, short, gives a message, to the point and direct. Plus it has a direct to the point title.

I am sure you might think this is way **too simple**, but trust me, send this to your database, you will get responses and you will get a sale. This is intended to be just as it is, focus on safety and let your database know there are options....simple options. BTW, notice the points in **red** number and the topic of each category is **bold**....more tips.....BB

4 Strategies to Reduce Volatility in Your Retirement Portfolio

By Bill Broich

I have been asked recently what how the current volatility of the stock market will affect the interest in annuities. Of course the obvious answer to avoid instability is to get out of the market, most people are fearful of that. While the issue of volatility is clear, greed and desire to make more and more sometimes can be overwhelming. I mean, *“After all doesn't the market always come back?”*

The answer is yes it does and no it doesn't, what happens if the market is in decline when you have to make serious decisions about retirement, how would volatility affect you then?

What if 2008 were to happen again? What if only a small portion of 2008 happened, how would you react? For most of us we don't have to imagine it because we lived through it.

For those who are truly interested in reducing volatility with their important funds, here are 4 ideas. A properly diversified portfolio (including bank products) can better withstand the volatility of the stock market.

1. Don't invest in the stock market. Obviously the very best way to avoid any losses in the market is to be free and clear of it. If you have no investment in the market, volatility is not an issue. The downside is the possible loss of purchasing power in the event we face another inflationary time.

2. Run to the banks: Nothing says safety like FDIC Insurance. Of course, the price you pay for security is a low return on your investments. Keeping money in banks might seem old fashioned but it still works. Plus, shopping around can often provide a higher interest rate than you have expected. There is nothing wrong with letting a bank hold your money and earning interest.

3. Money Market accounts: For shorter term solutions consider using a money market account. The yield is small but you retain full access to your funds. This keeps your money ready and available should an opportunity arise.

4. Fixed Interest Rate Annuities. Think of it this way, someone is going to hold your money. If an insurance company gets to do so, you can buy an annuity with a pre-set interest rate that allows you also to control when the tax liability is. Annuities are authorized to provide tax deferral and this means that at some future date you can decide when to access your funds. Fixed rate annuities can also be short term, some as short as 2-3 years. In general, annuities offer a higher rate of interest than bank

products and for that you must let them hold your money longer, something to consider.

Summary: If you're afraid of stock market volatility, consider one of these approaches. There certainly is nothing wrong with running to safety, we all do it eventually.

**Feel free to email me questions to put on Open
MIC...bbroich@msn.com**



Questions this week regarding leads. BTW...**Thanks for the questions**, they help all of us!

★ **Q:** Is social security going to have a COLA increase in 2016; I would like to talk about it on my radio show.

A: No....here is a good article about it, plus a big negative, Medicare premiums are increasing. Another way to say this:

“Houston, we have a problem”

No Social Security COLA in 2016: Higher Medicare Premiums for Your Clients

Center for Retirement Research points out that some retirees will **bear the brunt** of higher Medicare Part B premiums.

Here is the article: <http://crr.bc.edu/briefs/no-social-security-cola-causes-medicare-flap/>

The *brief's* key findings are:

- In 2016, for only the third time in 40 years, Social Security beneficiaries are not expected to receive a cost-of-living adjustment (COLA).
- **No COLA** means that Medicare Part B premiums cannot increase for most beneficiaries, so a minority has to bear the full burden of rising costs.
- Beyond this immediate flap, a broader issue is that Medicare premium growth is not fully captured by the inflation measure used to set the COLA.
- As a result, when Medicare premiums rise rapidly, **older Americans cannot maintain their non-Medicare spending**.
- In short, even the Social Security COLA does not fully insulate older households from the erosive impact of inflation.

Medicare premiums will take a **bigger bite** out of higher-income retirees' Social Security benefits.

Your retired clients' Medicare Part B premiums have remained at the same level in 2015 as they were in 2014, but absent some political moves in Washington, that will change in 2016.

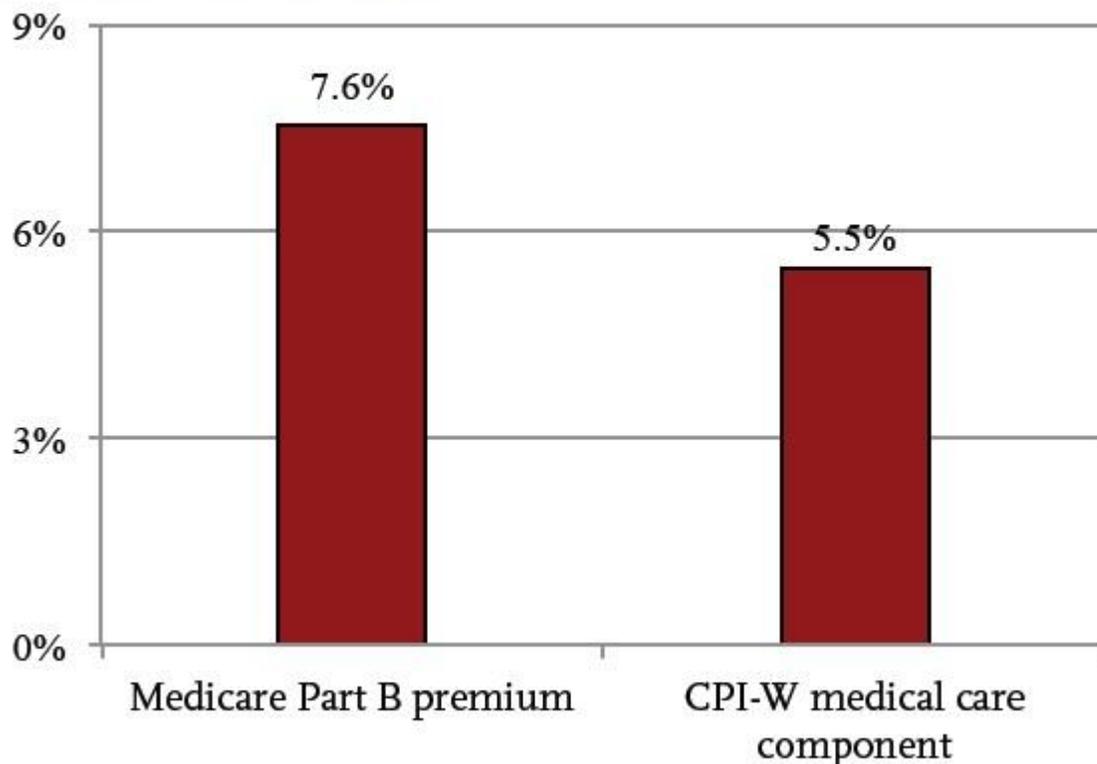
According to an August paper from the *Center for Retirement Research* at Boston College, Part B premiums for higher-income Americans are scheduled to **rise significantly in 2016**. That's because it appears there will be no cost-of-living adjustment for Social Security recipients in 2016—for only the third time in the past 40 years.

Lower inflation and **no 2016 COLA for Social Security** recipients will cause a “flap in the Medicare program” next year, point out CRR authors Alicia Munnell and Anqi Chen, because by law, the cost of higher Medicare Part B premiums cannot be passed on to most beneficiaries — about 70%, they say, who are considered “held harmless” on premiums — when they do not get a raise in their overall Social Security benefits.

To begin, why won't there be a COLA for Social Security recipients next year? Any adjustment in Social Security benefits as of Jan. 1 of each year is based on comparing CPI-W in the third quarter of the preceding year (2015 in this case) with the CPI in the prior year's (2014 in this case) third quarter. The CPI in 2015's third quarter is, so far, below 2014's third-quarter inflation, and thus no COLA.

(CPI-W, the Consumer Price Index for Urban Wage Earners and Clerical Workers, is used by the Social Security Administration to adjust benefits for both Social Security and Supplemental Security Income (SSI) recipients.)

FIGURE 5. AVERAGE ANNUAL INCREASE IN MEDICARE PART B PREMIUM AND IN MEDICAL CARE COMPONENT OF CPI-W, 1980-2014



Sources: Centers for Medicare and Medicaid Services (2015a) and U.S. Bureau of Labor Statistics (2015b).

The Boston College economist and prominent retirement researcher made some surprising financial mistakes. Here's how she recovered.

Parts B of Medicare, funded by Social Security's Supplementary Medical Insurance Trust Fund, covers physician and outpatient hospital services (Part B) and Part D pays for prescription drugs (Part A is funded by a separate Hospital Insurance Trust Fund and pays for inpatient hospital services, home health and hospice care and "skilled nursing facilities," i.e., nursing homes).

The paper points out that **75% of the costs of Parts B and D are paid from the government's general revenues**; the remaining 25% comes from monthly premiums paid by beneficiaries out of their Social Security benefits before those benefits are sent.

Beginning in 2007, Part B premiums became based on the income of the beneficiary. Munnell and Chen write that under current law, Part B premiums for other beneficiaries “must be raised enough to offset premiums foregone due to the hold-harmless provision.” The estimated monthly premium in 2016 for these other beneficiaries will be \$159.30, up 52% from 2015’s \$104.90 monthly premium. Higher income participants, they write, would then pay “multiples of \$159.30 depending on their income level.”

Here’s what the premiums were in 2015 for higher-income Medicare enrollees:

Income-Related Part B Premiums for 2015

Beneficiaries who file an individual tax return with income:	Beneficiaries who file a joint tax return with income:	Part B income-related monthly adjustment amount	Total monthly Part B premium amount
Less than or equal to \$85,000	Less than or equal to \$170,000	\$0.00	\$104.90
Greater than \$85,000 and less than or equal to \$107,000	Greater than \$170,000 and less than or equal to \$214,000	\$42.00	\$146.90
Greater than \$107,000 and less than or equal to \$160,000	Greater than \$214,000 and less than or equal to \$320,000	\$104.90	\$209.80
Greater than \$160,000 and less than or equal to \$214,000	Greater than \$320,000 and less than or equal to \$428,000	\$167.80	\$272.70
Greater than \$214,000	Greater than \$428,000	\$230.80	\$335.70

Source: Centers for Medicare and Medicaid Services

Source: Centers for Medicare and Medicaid Services

However, because by law any higher costs to the Medicare system must be paid by beneficiaries, and since most beneficiaries will not pay higher rates because of their incomes in 2016 (held harmless), higher-income recipients, along with new enrollees during the year, will pay much higher monthly premiums in 2016 due to the lack of a COLA.

Likely Income Thresholds for Part B Premiums for 2016

Single	<\$85,000	\$85,000-\$107,000	\$107,000-\$160,000	\$160,000-\$214,000	>\$214,000
Married	<\$170,000	\$170,000- \$214,000	\$214,000-\$320,000	\$320,000-\$428,000	>\$428,000
2015	\$104.90	\$146.90	\$209.80	\$272.70	\$335.70
2016 - Held harmless			\$104.90		
2016 - Not held harmless	\$159.30	\$223.00	\$318.60	\$414.20	\$509.80
Premium level	Standard premium	1.4 x standard premium	2.0 x standard premium	2.6 x standard premium	3.2 x standard premium

Source: Centers for Medicare and Medicaid Services

BTW, the Medicare “flap” is difference between increase in premiums and actual medical CPI increase. As the chart above shows, 7.6% and 5.5%...difference is 2.1%, the “flap.”....BB

This **flap**, the authors say, highlights the broader “complicated interaction between Medicare premiums, which are generally deducted automatically from Social Security benefits, and the net benefit – the money available for non-health care expenditures.” Since Social Security COLAs do not “fully reflect the increase in health care costs faced by the elderly, the net Social Security benefit does not keep pace with inflation.”

They further state that the problem arises because “the system is less than perfectly indexed for three reasons.”

1) “The increase in the Part B premium is not tied to the medical care component of the CPI-W, but rather is **based on cost projections** built up from assumptions about general price inflation, excess medical inflation, changes in utilization of services, and changes in the complexity of services.”

2) “The CPI-W does not increase the fraction of the market basket attributable to medical care costs on a timely basis.” In other words, as medical care costs grow faster than the prices of other goods, “they should account for a larger fraction of all goods purchased,” but the weights “fail to fully reflect the impact of medical care inflation.

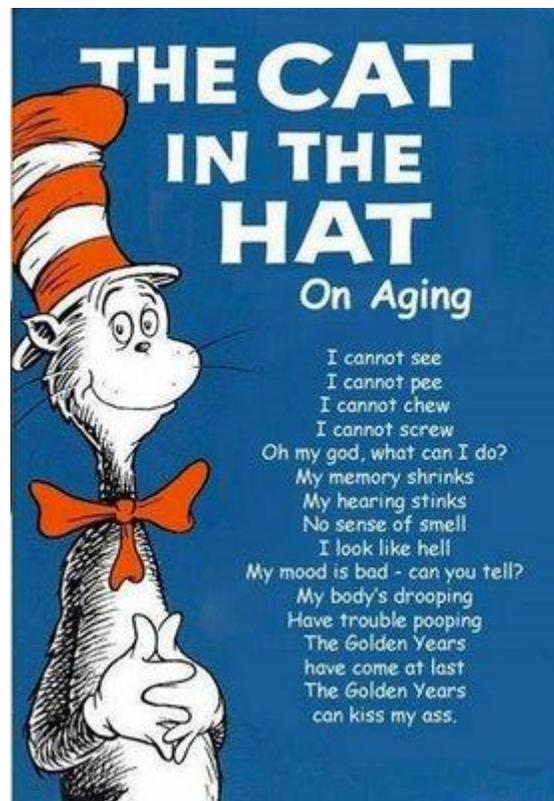
“When the weights are not fully adjusted, reported inflation is less than it should be and the COLA is inadequate to cover previous medical care and non-medical care spending.”

3) Munnell and Chen conclude that even if the CPI-W weights “were kept up to date for the population as a whole, the COLA would not fully protect the spending of the elderly,” citing an experimental price index developed by the Bureau of Labor Statistics (BLS), which finds that Americans aged 62 and older “allocate roughly twice as much of their budget to medical care as the population as a whole.” So, the authors argue, “using an index for the whole population does not compensate the elderly for the extra dollars they need to pay for their medical costs, forcing them to cut back on their non-medical-care spending.”

Now for the real problem for our target market and I suggest you add this to your repertoire.

The Golden Years

The Poetry of Dr. Seuss



- The amount being reimbursed for medical care from Medicare is being reduced

And.....

- The amount of out of pocket for those on Medicare is increasing

And....

- There is no COLA for Social Security

And.....

- Medicare premiums are increasing

And.....

- Baby Boomers retire, many on fixed income

So....

- Retirement assets are invaded

So.....

- There isn't enough money for the "Golden" years

So.....

- How important are our annuities now?

Can you name the two categories that are **not** included in the calculation of the CPI?.....food and energy



CPI Index Down

<http://inflationdata.com/articles/2015/09/16/cpi-index-annual-inflation-flat/>

The Bureau of Labor Statistics (BLS) released their monthly Consumer Price Index (CPI-U) and Inflation report for the year ending in August on September 16th. The CPI index **fell slightly** from 238.654 in July to 238.316 in August resulting in monthly deflation but **Annual Inflation** for the year ending in August was **0.20% up from 0.17%** for the year ending in July. That means that something that cost \$100 a year ago would cost \$100.20 today.

I cannot emphasize enough how important this information is to us as annuity providers. It is essential you understand what is happening here and that you convey the information to your clients and prospects.

Q: Bill, the FED didn't raise interest rates, what does that mean? What happens when they finally do raise interest rates?

A: That is a good question, and remember that I am an insurance salesman and not a professional economist. It should be a safe money bet that the FED will not raise rates in this calendar year; there is no reason for it.

If interest rates increase, more money will flow back into the fixed interest market and away from the stock market. That is simple and doesn't take an economics degree to understand. The bigger question is what happens to short term interest rates and long term interest rates, remember our industry is based on long term interest rates.

If concern over long term bond rates becomes more of a factor, insurance companies will move to long-term Treasuries, and sell high-yield bonds. Current 10 year treasuries are 2.21% and 30 year are at 2.6%. (last week)

- Commodity prices are at their lowest levels in more than a decade, indicating little inflation, and the Fed's favorite inflation indicator, the PCE deflator, isn't rising. (**personal consumption expenditures**)
- U.S. nominal GDP (**gross domestic product**) growth is at 3.7% year over year, far below the usual nominal GDP when the Fed has tightened in the past.
- Junk bond prices are near a four-year low. This could indicate that the economy is not as strong as some might think.
- Emerging market equities are trading at six-year lows.

This is a complicated issue for the insurance companies we trust with our client's money. Remember, insurance companies look long term, 20 years forward and 20 years backward.

INVESTMENTS, LIFE/HEALTH INSURERS, 2012-2014 (1)

(\$ billions, end of year)

Investment type	Amount			Percent of total investments		
	2012	2013	2014	2012	2013	2014
Bonds	\$2,543.5	\$2,601.5	\$2,685.2	74.65%	74.61%	73.85%
Stocks	79.3	82.0	87.8	2.33	2.35	2.42
Preferred stock	7.8	8.3	9.1	0.23	0.24	0.25
Common stock	71.5	73.8	78.7	2.10	2.12	2.16
Mortgage loans on real estate	335.6	353.2	373.0	9.85	10.13	10.26
First lien real estate mortgage loans	333.1	350.1	368.4	9.78	10.04	10.13
Real estate loans, less first liens	2.5	3.1	4.6	0.07	0.09	0.13
Real estate	20.9	21.4	21.5	0.61	0.61	0.59
Occupied properties	5.5	5.4	5.5	0.16	0.16	0.15
Income generating properties	15.4	16.0	16.0	0.45	0.46	0.44
Properties for sale	0.5	1.0	0.4	0.02	0.03	0.01
Cash, cash equivalent and short term investments	106.6	94.8	100.0	3.13	2.72	2.75
Contract loans including premium notes	127.6	128.5	130.2	3.74	3.69	3.58
Derivatives	41.6	37.8	56.5	1.22	1.08	1.55
Other invested assets	138.6	147.7	164.2	4.07	4.23	4.51
Receivables for securities	2.1	3.2	2.2	0.06	0.09	0.06
Securities lending reinvested collateral assets	10.8	13.8	11.2	0.32	0.40	0.31
Write-ins for invested assets	-0.3	1.7	4.0	-0.01	0.05	0.11
Total cash and invested assets	\$3,407.0	\$3,486.6	\$3,636.2	100.00%	100.00%	100.00%

(1) Data are net admitted assets of life/health insurers.

Look at percentage of bonds.....BB

Here is a good source about interest rates, I use them for info:

<http://www.thinkadvisor.com/2015/09/21/gundlach-what-to-do-when-the-fed-finally-raises-ra?>

Agent Share:

Crew! Send me your shares and we will put them on Open MIC notes, that way we help each other in our **Agent Community!**

Big Truck Partners



TRIVYSTA
GUGGENHEIM LIFE & ANNUITY

PROTECTION

- Exclusive Partnership - Limited Distribution
- Exclusive Indexed Strategies from Deutsche Bank and Morgan Stanley
- Increasing Income After Activation Potential

GROWTH

INCOME

- High Income Payouts
- 10/10 Compliant
- Competitive Compensation

Partners,

Just got off the phone with Chad and he is raving about the quality of the Scrubbed **Finleads**. We have received 9 leads in the last month so volume is still not that high but much higher than it was and Kevin/Allison are working hard to perfect the system and increase flow. We can all help by making sure our scrubbed lead accounts are active and I am confident in telling you that the quality is actually better than Advisor World from what we have seen so far.

Chad says that out of the 9 he has contacted 5 and has 3 cases he is working on to close. Those are really good numbers even for a small sample.

Thanks for the biz,

Anthony R. Owen



- 1** **Commission Bonus:** 1.00% more commission on all TriVysta™ premium* submitted on or after September 8th, 2015 and issued by December 18th, 2015.
- 2** **Production Bonus:** Receive an additional bonus on cumulative TriVysta™ premium* submitted on or after September 8th, 2015 and issued by December 18th, 2015.
 - 0.25% for \$100,000-\$249,000
 - 0.50% for \$250,000-\$499,000
 - 0.75% for \$500,000 and above
- 3** **Cash Bonus:** Reach \$1,000,000 in cumulative TriVysta™ premium* and receive a check for \$5,000 plus continue to receive the 0.75% from bonus (2).

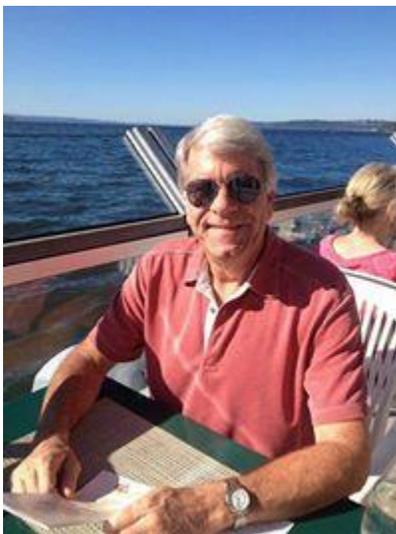
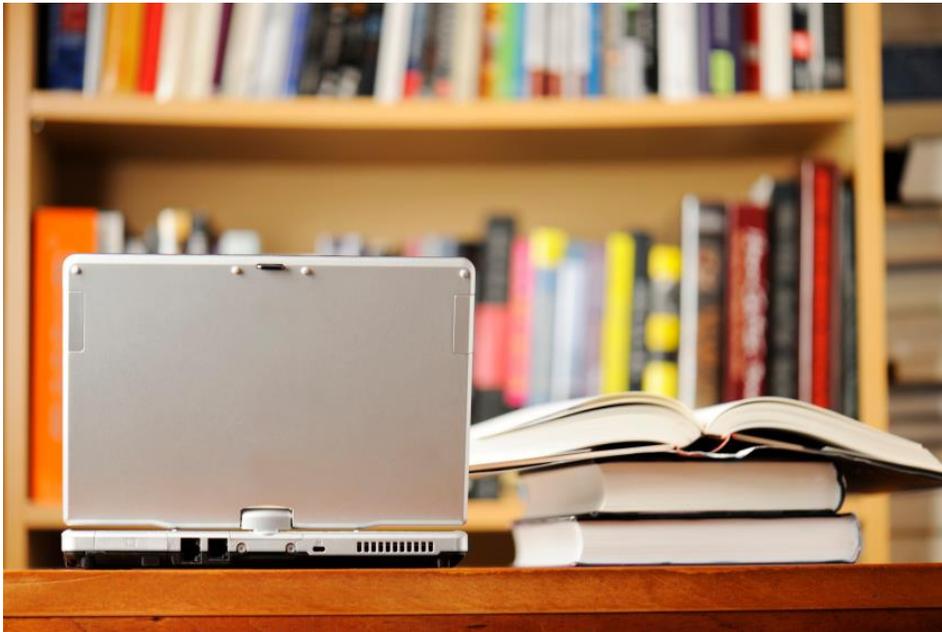
You get \$22,500 with \$1 million in production. Even better!

- 1** **Commission Bonus:** 1.00% more commission on all issued by December 18th, 2015.
- 2** **Production Bonus:** Receive an additional bonus on (
 - 0.25% for \$100,000-\$249,000
 - 0.50% for \$250,000-\$499,000
 - 0.75% for \$500,000 and above
- 3** **Cash Bonus:** Reach \$1,000,000 in cumulative TriVysta™ bonus (2).

Plus your regular compensation.

Anthony R. Owen

Product Information:



David Townsend

3 new videos this week, including an easier way to explain cash value. Plus details on a new underwriting program that can grow your business.



[View in Web Browser](#)

ISSUE DATE:
Week of September 21, 2015

Annuity.com

David Townsend

Video: The Best Thing to do in Case the Worst Thing Happens

[253-381-2328](tel:253-381-2328)

[Email Me](#)

There are many reasons for people to purchase life insurance. But helping to guarantee a future for loved ones is usually at the top of the list. For most of us, every month is Life Insurance Awareness Month. But in September we give special emphasis to the many important ways life insurance can protect what's most important to people. Watch and share this example of the difference life insurance can make in people's lives. [Watch video.](#)



Leveraged Gifting eKit

Making lifetime gifts alone can be an efficient way to transfer assets and minimize gift and estate tax, but the gifts may be leveraged significantly with the purchase of life insurance as these proceeds are generally not subject to income taxes. If properly structured, life insurance proceeds may also be excluded from estate tax. [Read more.](#)

Video: An Easier Way to Explain Cash Value

More than a death benefit, permanent life insurance policies offer clients a way to build and use tax-preferred cash value while they are living. This new video offers you an easy way to help clients understand what cash value is and how cash value in a permanent life insurance policy may benefit them. [Watch video.](#)

Get Ready for a Great Match

Many clients have life insurance policies but need more coverage. MetLife may be able to match their existing policy - whether it was issued by MetLife or another eligible carrier!

From September 28th through December 31st, 2015, MetLife is offering a quick way for clients to get more life insurance with limited underwriting. The new MetLife Class Match program will issue a new policy matching eligible client's inforce policy's underwriting class and face amount, up to \$1.5 million. [Read more.](#)



Video: Underwriting for Anxiety and Mood Disorders

In 14 minutes or less via this on-demand webinar, learn what you need to know about underwriting anxiety and mood disorders. Since it is pre-recorded, you can access at your convenience. [Learn more.](#)

Coming Soon: LTC Rider for Two

Two people, one policy. Affordable long-term care coverage for both. Beginning October 12, 2015, we are adding a long-term care (LTC) rider to the Nationwide YourLife No-Lapse Guarantee SUL II survivorship universal life insurance product. This means clients can elect long-term care coverage for up to two people on one policy. [Read more.](#)

Annuity.com
David Townsend

253-381-2328

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Securities and Insurance Products:
Insurance Products are not insured by the FDIC or any Federal Government Agency.
May lose value. Not a deposit of or guaranteed by any Bank or Bank Affiliate.

WEEKLY Carrier Updates

September 21, 2015

FGL:

- Retirement Pro Product Launch has 8% Commission Special

Forethought:

- Important Notifications for Annuity Producers

Guggenheim:

- New TriBonus Commissions for the TriVysta FIA
- TriVysta FIA September Rates
- September MYGA Rates
-

Athene:

- New Product Announcement - Athene AscentSM

EquiTrust:

North American:

- Important Product Reminder - Guaranteed Rates and Gold Index
-

- Optional Rider for Certainty Select Not Available in CA
- DynaMARC Index Annuity - Watch The Promo Video
- WealthMax Bonus Life Sales Presentation
- Client-Use Tool for Explaining Index Accounts!

FGL:

- September Interest Rates
- Retirement Pro Rates
- State Availability
- Launches Exciting New FIA product "Retirement Pro"
- Introduces New Agent Resource Center and HTML5 Fillable Applications

Forethought:

- Introducing ForeSpending Select™ Fixed Index Annuity
- Updated Forms for the ForeCare Fixed Annuity Applications
- Elite Product Platform, rolling four-quarter bonus program

Guggenheim:

- TriVysta FIA Overview Video
- TriVysta FIA August Annuity Rates
- Watch The Recorded Webinar about their new TriVysta FIA

NWL:

- 1% Commission Bonus-Up to 20% Increase in Compensation

Sagicor:

- Introducing Accelewriting® - Get higher commissions than paper applications and get an underwriting decision in minutes

SBLI:

- SBLI Drop Ticket Coming Soon
- Great New Underwriting Enhancements
-

SPECIAL – Forethought Announcement

Receive 150% advisor incentive trip credit for ALL Forethought indexed annuities issued and paid between September 15th and December 31st, 2015!

Call First Annuity for details

888.758.7305



Receive **150%**
trip credit
for *ALL* Forethought
Indexed Annuities
issued and paid
between Sept. 15
and Dec. 31, 2015!

1 TOP ADVISORS
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for Qualifications and Details
888.758.7305
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The Short List:

I Give a Damn About Life Insurance – You Should Too!

Starting out in the insurance industry 20 years ago, there was one thing that I learned quickly and that was life insurance was a necessity. Life insurance guards against the risk of dying unexpectedly. And let's face it – we're [...]

No Flight To Safety Expected In This Downturn

Annuity sellers might see a bump in sales from consumers fleeing the stock market after the latest gyrations, but they probably won't see the rush to safety that they witnessed after the 2008 crash, said an annuity analyst. "Anytime we [...]"

The No. 1 Reason People Don't Buy Life Insurance and Why They are Wrong

“It’s too expensive!” is the common refrain when Americans are asked why they don’t get the life insurance protection they need. But—and it’s a big but—80 percent overestimate how much it costs. For the fifth year, Life Happens partnered with [...]

Anthem: nearly 4 in 10 Americans lack life insurance

The lifetime odds of dying in an auto accident or from a lightning strike are much higher than the chances of winning the Mega Millions or Powerball lotteries, which odds-makers peg at 175 million to 1. Those inclined to gambling [...]

Most Americans recognize wealth protection value of life insurance

Most Americans understand that owning life insurance is key to not only replacing the income of a deceased breadwinner, but also protecting a family’s wealth. Lincoln Financial Group unveils this encouraging finding in its 2015 annual M.O.O.D. (Measuring Optimism, Outlook, and [...])

Use the Power of Hollywood to Get the Life Insurance Message Out

It’s easy to participate in September’s Life Insurance Awareness Month campaign, especially with the support of celebrity spokesperson Anthony Anderson. How often do you get the power of a Hollywood star behind your business? Well, thanks to Life Happens, you’ll [...]

Smaller Insurance Companies Keeping Pace Among Top 20 Carriers

When scoping out a life and annuity carrier as a market for possible future business, producers often start by looking at the nation's largest carriers. Their reasoning is that these will be the most successful companies and therefore best for [...]

Winnebago, American Equity Investment Life make Fortune Top 100 list for growth

Two Iowa companies made this week's Fortune list of the 100 fastest-growing companies. Winnebago Industries Inc. made the list for the third consecutive year, coming in at 67th. The other Iowa listing was American Equity Investment Life Holding Co. of West Des Moines [...]

Celebrate your impact

You have to work for a cause, not for profits. You have to care more about helping others than the amount of assets under management you have. You have to not let fear rule your practice. Click [HERE](#) to read [...]

Big IBD Next Financial on the block

Next Financial Group Inc., a large independent broker-dealer based in Houston, is on the block, according to several brokerage executives with knowledge of the firm's potential sale. Prospective buyers have been kicking the tires at Next Financial over the summer, [...]

AXA: Angling for the cutting edge in life insurance sales

A common criticism of life insurers is that they trail businesses in other sectors in adopting new technologies and business methods. One industry titan endeavoring to counter that perception is AXA. In February of this year, the Paris-based carrier launched a [...]

5 steps to boosting revenue with deferred income annuities (DIAs)

Increased longevity. The imminent retirement of the baby boomer generation. The rise of defined contribution plans and fall of defined benefit and traditional pension plans. Low yields on traditional income-producing options, such as bonds. Click [HERE](#) to read article

Gen Xers, boomers value security provided by life insurance

Close on the heels of a Lincoln Financial survey about the value of life insurance comes another strong vote in favor of the coverage. John Hancock tells us that, when it polled U.S. adults about attitudes toward life insurance, they [...]

Nationwide Insurance Administrative Chief: \$15 Minimum Hourly Wage ‘Right Thing To Do’

COLUMBUS, Ohio – Nationwide is the second major insurer this year to cite an improving economy and turnover as factors leading to hiking minimum hourly pay rates. Nationwide said it will raise its minimum hourly pay rate to \$15 by [...]



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. Joe Rych at Retire Village, Anthony Owen at Annuity Agents Alliance, Sherilyn Orr at Infofuel, Kevin and Allison at FinAuction, Tom Bradley at First Annuity....and many more.

My opinion and/or numerous sources compiled 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.

Much of the content on Open MIC is written by me and is my personal opinion. You should never consider that I am an authority or expert on anything. Always consult professionals who are licensed to give correct advice regarding taxes and securities and other topics of great importance.

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More Legal Stuff...

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I can't accept responsibility for the profitability or legality of any published articles or opinions published in Open MIC. Nothing in these Open MIC notes should be considered personalized advice. Although I may answer your general questions, I am not licensed under securities laws to address your particular situation. No communication by me to you should be deemed as personalized advice.

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. Boise State did play in the Fiesta Bowl and end 12-2...another fabulous year.

Did you know that since 2000, Boise State is 92-4 at home? In the past 10 years, Boise State is the winningest football team in division 1. 115 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...

Also, our daughter Annie made it home safe from 6 months in South America, ready to start the next chapter of her life, in St. Louis working for Nordstrom's.

