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

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tony@annuityagentsalliance.com

OR VISIT OUR WEBSITE

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Real Help From Real Agents.

My rookie season and a Bocce Baller, Final Results, our team is Hogan's Heros

Farmer's Market Standings 2012 - As of 10/19/12

Teams	MP	MW	ML	Avg
Frivolo	24	19	5	0.694
Bella Bocce	24	18	6	0.667
Choppers	24	16	8	0.653
Luccians	24	18	6	0.653
Hone Pallino	24	15	9	0.611
Gotta Have Bocce	24	17	7	0.583
Wall Bangers	24	12	12	0.556
Yahoos	24	8	16	0.431
Hogan's Heros	**24**	**9**	**15**	**0.417**
Bumper Crop	24	6	18	0.347
MayacamasTribe	24	3	21	0.208
Belle Donne	24	3	21	0.181

At least we were better than Belle Donne....LOL

Words of Wisdom

"Scrubbed leads are good" ... Bill Broich

21 Gun Salute: The 21-gun salute stands for the sum of the numbers in the year 1776?

Do you think the weather is changing? DUH!

This was taken north of where Joe, Dave and I live….on Puget Sound. A waterspout forms near Whidbey Island on Saturday, October 20, 2012. It lasted about five minutes.

Editorial

Hartford Stock Price Monday: **21.97**

Hartford Stock Price 3 Months ago: **16.77**

A long respected and revered company is dismantled by a hedge fund on the prowl for more bottom line profits.

Is nothing sacred?

The Hartford, long known for its quality annuities is now out of the annuity business, **why?**

Because of fear of living up to its **contractual promises.** Promises which could mean a future financial burden. A financial burden which was underwritten and planned for by company risk schedulers. (and hedged) Shouldn't insurance companies always have the burden, the burden of fulfilling their contractual promises? That is why we do business with insurance companies, isn't it? They set the fees, issue the product and manage the investment options. Should it not be a two way street?

The Hartford is now in the mutual fund business as its **core business**. The reason is simple, **no future promises**, just generate fees from funds on deposit. The stock price has and will increase, the hedge fund folks will make more money and those who own Hartford annuities will now be doing business with a new owner. That owner will offer lump sum funds to buy out the future promises...my opinion?

The hedge fund guys are creeps. How can a future promise not be kept? How can the drive for only one goal be the only motivating factor? Profit, profit above all else, profit before policy owners, profit before jobs....insatiable drive for profit..

Our congress needs to grow a pair and make the tax laws equal, **hedge funds have a tax advantage** over other entities and makes deals like this possible. Congress was lobbied and created this tax advantage for this special class of companies, how is that fair taxation?

Congress has failed the American people (again), they have listened to the lobbyists who contribute to their reelection campaigns, allowed unfair tax advantages and cost America this fine company, the annuity owners have been interrupted, jobs lost and all for the sake of maximum profit.

Absolute shame upon them all.

Bill Broich

http://www.investmentnews.com/article/20121021/REG/310219985?utm_source=issuealert-20121021&utm_medium=in-newsletter&utm_campaign=investmentnews&utm_term=text

The Hartford's makeover centers on mutual fund push

Fresh from dropping its annuity and life insurance product lines, The Hartford Financial Services Group Inc. is sharpening its mutual fund pitch to broker-dealers.

The massive insurance company is undergoing a makeover, this time as a property-casualty insurer that also offers mutual funds and employee benefits.

Although the company historically has offered those three product lines and more, many reps at independent broker-dealers know it best for having pioneered the variable annuity guaranteed-minimum-withdrawal benefit that made it a top seller in pre-crisis days.

Under its leaner structure and new focus, The Hartford expects to woo distributors with its mutual funds lineup. The insurer spent the first six months of the year transferring its fixed-income offerings to Wellington Management Co. LLP from its own in-house management at Hartford Investment Management Co. This year, The Hartford also boosted its marketing ranks by adding 25 wholesalers, both internal and external, for a total of about 190.

Our crack staff looking at a fresh "daily" during the TV shoot in NY.

L-R: Asst director, director, Kevin Dufficy, Dustin Settle, BB, TV production head, Phyllis, Anthony Owen, seated: Video manager and Danny Clark

TV Update Sneak Preview

"Safe Man" at the Grocery Store

The Ups and Downs of the Stock Market with "Safe Man"

"Safe Man" at Golf Course, get your "Safe Money" Booklet (hook)

These leads will target your "target market"....sign up and build your marketing around our systems.

- **Radio**
- **Retire Village**
- **Scrubbed Leads**

Scrubbed Leads, how would you like to have a lead like this every day?

Well, you can (almost every day) but would you settle for 2-3 a week like this?

Time: 2012-10-22 08:57:38

Name: Randall Jones
Address: 2673 S Jones Street
City: Morgantown
State: IN
Zip: 46160
Phone: 812-555-5555
Email: jones@xxxxxx.com
Amount to Invest: $750,001 - $1,000,000
Year of Birth: 1957-01-01
Annuity Type: Rate / Quote Lead
Lead Source: Other Financial Websites

Notes:

Had a long call with Randall this morning. He is a former Colgate-Palmolive employee who has socked away a very decent amount of money. He says he has a million to work with.

Be aware that Randall is a self proclaimed expert, in that he does his homework, knows what is out there but wants to make the right decision with the right advisor. He said he's not the little old lady that can be taken advantage of.

He has a goal and a very clear picture of what he wants to do.... retire in 5-7 years, travel the world and scuba dive in all sorts of exotic locals for about 10 years. After that, he says he'll probably become a recluse.

He does have a wife but said regarding a single or joint annuity he said he needs to see the advantages and disadvantages of both. He is looking for guaranteed income with a death benefit.

My sense is all he does is worry about making money on his investments and when he retires he wants little to nothing to do with this. Randall understands that Joe Agent will be calling today most likely. The number he gave is his work number - he works out of the house.

Sold to: Joe Agent
Domain: annuity.com
Affiliate: Rate / Quote Lead

Unsolicited Client Product Requests, 2Q 2012	
Product	% of advisors receiving
Annuities	60.8*
Roth IRAs	58.8
529s/ESAs	50.2
Commodities or currency products	45.7
ETFs	45.7
Municipal bonds	41.2
CDs	32.3
Mortgages and other lending products	26.8
Fee-based accounts	24.1
Specific mutual funds	23.2
Hedge funds	10.4
Private equity	9.6
Discount brokerage accounts	7.1
A specific asset manager	5.9
Separate accounts	4.1
Other	2.7
*Up from sixth place in 2011. Sources: Cerulli Associates, FPA, Morningstar, IMCA et alia.	

The demand for information about our products is rapidly expanding

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LTC Insurance Premiums Spiral

http://online.wsj.com/article/SB10000872396390443890304578006581060363270.html?mod=googlenews_wsj

In one recently publicized case, an Illinois couple, Bob and Cheryl Levy, saw their combined bill jump by 90%—to more than $7,000 annually.

I am sure there is an opportunity to evolve into the LTC business as an insurance salesperson, darn if I know what it would be....the lack of guaranteed premiums places a monster obligation on the insurance owner...can you imagine as an agent defending your recommendations?....BB

I have been sent this article a couple of times by agents asking what I think about the **'A"** word....I think this....hurray! Only a product peddler would want a different name for annuities, I think this article is disgusting, but it does show how few brokers even understand the awesome power of the **"A"** word....BB

http://www.investmentnews.com/article/20121021/REG/310219989

Annuities suffer from a branding problem

Ditching the **A-word** could be a boon to lifetime-income sales

Against a backdrop of low interest rates on savings and a volatile stock market, near and current retirees are hungry for predictable, guaranteed income for life.

But many clients and, in some cases, their financial advisers generally reject annuities as a way of removing some of the uncertainties of an increasingly do-it-yourself retirement model.

Our "problem" is like many other industries have faced, the name has a natural negative shadow over it...or so says the article. Not me, I sue annuity as a term and as a description of my sales every chance I get.

Hmmmm...What else would I call the product other than an annuity...something that describes the benefits it provides...oh, I know...."**Wonder Product"** there you go...from now on annuities will not be called annuities, we will just call them **"Wonder Products"....**now everyone will want them....BB

Get real, we are annuity salespeople selling annuities, stick your chest out and be proud.....BB

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http://www.investmentnews.com/article/20121021/REG/310219973?utm_source=issuealert-20121021&utm_medium=in-newsletter&utm_campaign=investmentnews&utm_term=text

Advisers face barriers to getting client referrals

Financial advisers who are hoping to generate more referrals from clients have to overcome the underlying problem that people are reluctant to recommend their trusted financial professionals to others.

About **83% of clients** said that they are comfortable referring friends and family to their adviser, but just 4% of them said that they actually take action and provide a successful referral, according to Gabriel Garcia, a director at **Pershing Advisor Solutions LLC**

If you are loading up with fresh referrals every week you are missing tons of new and future sales. Use our referral system, it is so simple.....BB

Referrals, Could There be Any Easier Way?

I have gotten so many referrals over the years that one day I decided I couldn't get through them all so I deleted them all!

I know what you are saying....BS!

But it is the truth. Referrals are the easiest thing to get if you know how to categorize them and how to work them.

All you have to do is ask for them!

Also it helps if you ask for the correct class of referral.

Here they are:

- Class One: My friend is interested in annuities, can you call her?
- Class Two: My friend may be interested in annuities.
- Class three: My friend may be interested in receiving some information from you.

If you focus on class three referrals you can get a ton of them.

All that is needed next is our follow up system, Retire Village. See Joe or Mark.

Prospecting and referrals are all about numbers, the more you have the more chances of selling our products.

Bonus Tip, when you call the referee tell them you have provided information to their friends and would they like to eb added to the list?

Then send them a welcoming letter or email with your photo and bio and **HOW** to easily unsubscribe if they so choose.

Let RV do the work for you....easily you can add 20 a week...offer information and let RV build the relationship.

Try it, it works!

Wonder what the difference between our approach and the stockbroker or other agent? They want to immediately show the prospect what they havd available, jump right into a relationship, our approach is to build the relationship slowly and allow for time to give the value to the relationship via solid dependable information.

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http://www.investmentnews.com/article/20121021/REG/310219992?utm_source=issuealert-20121021&utm_medium=in-newsletter&utm_campaign=investmentnews&utm_term=text

Finra expels 'brazen' firm

The Financial Industry Regulatory Authority Inc. last Thursday expelled investment firm EKN Financial Services Inc. for “numerous compliance violations.”

Finra also barred former chief executive Anthony Ottimo from the securities industry for life.

EKN's record on the **Finra BrokerCheck** database is peppered with disciplinary actions initiated by the self-regulatory organization, the SEC and five different state securities regulators.

The fact some broker somewhere gets tossed is not news to me....what caught my eye was the mention of the Broker Check....do you know that if the new rules are adopted as desired by the trade, all negative broker records can be removed (expunged) ...removed by a fairly simple process, agreed upon by FINRA. That means, you won't know the bad buys from the good guys....typical security oversight nonsense....BB

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http://www.treasuryandrisk.com/2012/10/22/see-through-401k-fees-may-lead-to-churn?eNL=5085647e140ba0034300008d&utm_source=TreasuryAndRisk&utm_medium=eNL&utm_campaign=TreasuryAndRisk_eNLs&_LID=129649742

Very long link...possible you could just Google the title....BB

The folks at FINRA must beginning to really hate me, showing all their issues every week.....Transparency and FINRA in the same sentence really doesn't add up for me....you?....BB

Russ Banham really hit the nail on the head, I have added a few comments in red and highlighted his inn bold....BB)

See-Through 401(k) Fees May Lead to Churn

Transparency on costs could lead to unbundling, provider switches.

By Russ Banham

October 22, 2012

Now that 401(k) retirement plan sponsors are disclosing more about the fees paid to plan providers, will the increased transparency cause companies to rethink these relationships? Yes seems to be the prevailing answer.

Two Department of Labor rules that kicked into gear this year require plan providers and companies that sponsor plans to open the books on plan **fees and investment costs** to the country's 72 million participants in 401(k) plans**. (the 401k industry lobbied hard and had some of the teeth of the law removed, but this is a start)**

The information about fees must be **easy to read** and compare, in plain dollars and cents. The disclosures must include the types of fees paid, what they were for and who received them. Those receiving fees could run the gamut from providers to record keepers, investment firms, consultants, advisers and other third parties, depending on the plan. **(I will believe it when I see it)**

Historically, the allocation of 401(k) administrative fees among these parties involved a **bundled, revenue-sharing model in which investment fees paid for some administrative expenses.** Now that the lid is off on who is getting what, there is a heightened chance some plan sponsors may unbundle the process.

"Due to the increased transparency, we're hearing more organizations saying, 'Just unbundle the record-keeping fees,'" says Alison Borland, leader of retirement solutions and strategies at benefits firm Aon Hewitt in Lincolnshire, Ill.

Whether or not the transparency leads to some churn is open to debate. (Hmmmm really?, what a surprise)

"I think we may see a bit of provider switching, especially among those organizations that have been with a single provider for a long time," says Borland, pictured above. "They may have been paying fees as a percentage of [plan] assets, meaning if the assets increased by 30%, they were paying **30% more in fees**, even though no additional services were provided. They're now having an eye-opening experience when they go to market."

The experience is a positive one, says Joel Shapiro, senior vice president of ERISA compliance at 401(k) Advisors in Aliso Viejo, Calif. "In the past, sponsors that hadn't hired an adviser or a consulting firm were never really well-versed and directed with regard to fees," Shapiro explains. "Now they're getting information in more understandable fashion—information that they should have been receiving from the consultant as an advocate on their behalf with the record keeper."

Because plan sponsors have a fiduciary duty under ERISA to prudently select and compensate plan providers and other third parties, Shapiro, pictured at left, says the fee transparency "will force a switch in plan

sponsors among some providers, and weed out some of the less skillful advisers." He adds, "Plan sponsors that haven't gone to market in a long time, if ever, will do some benchmarking to find the best plan from a cost, investment and service standpoint."

Not everyone agrees. Martin Schmidt, principal at HS2 Solutions, an HR solutions provider in Chicago, says fee disclosure has the potential to be truly transformational at the small end of the market, but predicts much of the same among larger companies.

"Large and jumbo employers have always done the due diligence to be sure they were paying for services that were fair and equitable," Schmidt says. "While plan sponsors, in their role as fiduciaries, will be giving all this a closer look and are kicking the tires of what's out there, I don't see much churn ahead insofar as the providers. The new rules have been a catalyst for fees to decrease anyway." **(does this guy think we are that gullible?)**

Shapiro of 401(k) Advisors also cites downward pressure on fees. "It has been our experience that the additional transparency is leading to more accurate and heightened competition amongst plan service providers, which is resulting in lower administrative fees," he says, but adds that investment fees are "largely un-impacted."

Smaller companies, on the other hand, must contend with paid plan advisers who may not be worth their salt. "It's just been a very inefficient market for small plan providers," Schmidt explains. "I think we'll see more advisers go by the wayside, and those that remain morph into the consultant role. A lot of this stuff is still playing itself out."

With regard to the disclosure rules having an impact on the investments within plans, a survey by Towers Watson shows the average number of investment options in 401(k) plans is decreasing. The portion of employers offering 20 or more investment options fell from 32% in 2010 to 24% this year, with 69% of respondents now offering between 10 and 19 investment options. The study does not indicate what factors are driving the decreases, however.

Shapiro does not expect many plan sponsors to swap one fund for another based entirely on expense. "At least I hope not," he cautions. "I do see an impact in share classes, however. For instance, a typical mutual fund has

various share classes, each with a different expense associated with it. We may see some dialing up or dialing down, depending on the revenue the fund needs to generate to offset the administrative expenses of the plan. For plan sponsors, this promises more flexibility."

For plan participants, the rules are not a panacea. Employees still must read the fine print to understand their share of expenses. A recent survey of small business owners by ShareBuilder underscores this dilemma, noting that **80% of plan participants who read through the fee disclosures still had questions afterwards.**

There's disclosure and then there's comprehension—they don't always go hand in hand. (theirs disclosure and then there is usary laws, wonder who will prevail.....LOL)

Russ Banham can be reached at www.russbanham.com

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http://www.insurancenetworking.com/news/premiums-increase-as-number-of-insureds-declines-life-annuity-31219-1.html

Premiums Increase as the Number of Insureds Declines for Life/Annuity Industry

Insurers adapt to low interest rate environment by adjusting product offerings to manage impact on profitability.

More than 118 million Americans, or **52 percent**, over age 18 do not own life insurance in 2012, compared with **51 percent** last year, according to a Genworth Financial phone survey of more than 25,000 adults. However, based on annualized premium dollars, the industry **grew 4 percent** in 2011, according to LIMRA, and according to A.M. Best, it grew 3 percent in the first six months of this year.

(January 1, 2013 life insurance premiums will increase because of a new rule on reserves....BB)

I rarely post opinions or blogs unless it produces a point which could help us as agents....Have a look....These sats are real and should be explained to our prospects and clients very soberly. The returns of a decade ago are gone and I think for a long time they will be gone...BB

Lifetime income is only part of the story

Opinion

By Eric Thomes
OCTOBER 19, 2012 •

For people at or near retirement, an argument can be made that the retirement future they're facing is a more complicated and risk-filled period than previous generations of retirees have faced.

Perhaps the biggest worry confronting retirees is keeping up with inflation in this current low interest rate environment, which harms a retiree's ability to maintain their desired standard of living and grow income. It's no secret that the U.S. 10-Year Treasury Bond has recently hit historical lows. Consider the following:

- **On Sept. 6, 2011, the 10-Year Treasury Bond closed below 2 percent-for the first time–at 1.98 percent.**
- **On July 23, it closed at its lowest point: 1.43percent[i].**

(I think they will go lower....BB)

The question many people at or near retirement are asking is: **"How long can rates stay this low?"** While nobody knows for sure, it could be years as the Federal Reserve has communicated its intent to keep interest rates low through 2014[ii]. On June 20, the Federal Reserve announced the continuation of the Maturity Extension Program, known as "**Operation Twist,**" whose goal is to drive down long-term interest rates[iii].

We have discussed operation Twist on Open MIC before: Operation Twist is a monetary policy maneuver that involves selling shorter-term assets in order to buy more longer-term assets.

It was announced in September of 2011 that the Federal Reserve would perform such a move. By buying more of the existing supply of longer-term Treasuries, the intention was to nudge the price of those securities a little higher, or move the long-term interest rate a little lower. The hope was by lowering interest rates, there would be slightly more opportunity for households and firms to borrow or refinance and perhaps increase spending a bit.[1]

In 2011, the Fed said that it intended over the course of the following nine months to sell about $400B worth of its Treasuries that had maturity between three months and three years in order to buy securities with maturities of six years or longer.[2]

We also know that interest rates have the **potential to stay low** for an even more extended period of time. Take Japan for example: Japan experienced an equity and real estate bubble that burst in the early 1990s. In an effort to stimulate the economy, the Bank of Japan drove interest rates to historic lows. The interest on Japan's 10-year government bonds dropped below 2 percent on **October 7, 1997, closing at 1.99 percent. On June 1, it closed at 0.836 percent[iv]. That's almost 15 years of interest rates below 2 percent.**

How can a retiree get increases in their retirement income and keep up with inflation when rates may be low for many years? Clearly the challenge is great, but as financial professionals we must embrace the current atmosphere and look for ways to provide our clients with strategies for addressing these issues. This means not only offering the lifetime income guaranteed by annuities, but also the opportunity for increasing income to help successfully navigate challenges in the future.

Unique solutions are available to help your clients, especially transition boomers, keep up with risks such as rising health-care costs, inflation, taxes, market volatility, as well as historically low interest rates. If you limit the discussion to products that only offer guarantees for your clients today, you're not providing the big picture or the hard truths that these issues can eat into your clients' purchasing power–and quality of life–at some point in their retirement.

Lifetime income is great, but the ability to provide solutions that offer the potential for increasing income (via specific annuity contracts or additional cost riders) for your clients who are at or near retirement will truly set you apart. As retirement in America continues to become more complex, financial professionals need tools to not only help their clients get *to* retirement, but options that can help get them *through* retirement as well. Make sure you understand all of the factors involved with retirement income so you can demonstrate to your clients the crucial role you play in helping them build more retirement security.

Sobering, place guaranteed income so the client will not run out of money, that is the first step, second step is to consider inflation protection options, options without exposure to loss...what could that be? I like Eric's article and approach, but be aware of which side of the road he is really walking.....BB

Footnotes

i (www.federalreserve.gov/releases/h15/data.htm.)

ii (Transcript of Chairman Bernake's Press Conference, January 2012).

iii (http://www.federalreserve.gov/monetarypolicy/maturityextensionprogram.htm.).

iv (www.mof.go.jp/english/jgbs/reference/interest_rate/index.htm.).

Big Truck Questions

Questions for the Owen's Brothers from the Crew

Q. What is new with your marketing? Are you doing anything different?

Also, do you conduct annual policy reviews?

What do you say to the client if there has been "zero" gain?

Dave has some product updates…

Use this letter to reach out to your clients and prospects as a giving value gesture. They will appreciate the thoughtfulness and it will help build relationships. Your RV account is perfect for this level of offering.

Write a short into explaining you were thinking about them and how *"others have benefited"* from this information.

Remember our Golden Rule:

Give Value, Value Builds Relationships, Relationships Mean Sales.

Here is a secret I used for years, now I would only use RV but another way to skin a cat is to use the US postal system and mail an actual letter.

Instead of an explanation in the letter....use a handwritten note and say.....

"Mrs. Jones, I saw this list of planning topics and I thought it might be useful to you. If you have any questions, please don't hesitate to call me"

Bill

(use call instead contact, more intimate)

**********It may take some time to do a large list but the rewards will be massive....BB

PS...this is a secret, don't tell the stockbrokers....BB

Edit as you wish.....BB

Your Annual Financial To-Do List

Things to do before 2013

What financial, business or life priorities do you need to address for 2013? Now is a good time to think about the investing, saving or budgeting methods you could employ toward specific objectives. Some year-end financial moves may prove crucial to the pursuit of those goals as well.

What can you do to lower your 2012 taxes? Before the year fades away, you have plenty of options. Here are a few that may prove convenient:

Make a charitable gift before New Year's Day. You can claim the deduction on your 2012 return, provided you use Schedule A. The paper trail is important here.

If you give cash, you need to document it. Even small contributions need to be demonstrated by a bank record, payroll deduction record, credit card statement, or written communication from the charity with the date and amount. Incidentally, the IRS does not equate a pledge with a donation. If you pledge $2,000 to a charity in December but only end up gifting $500 before 2012 ends, you can only deduct $500.[1]

Are you gifting appreciated securities? If you have owned them for more than a year, you will be in line to take a deduction for 100% of their fair market value and avoid capital gains tax that would have resulted from simply selling the stock, fund or bond and then donating those proceeds. (Of course, if your investment is a loser, then it might be better to sell it and donate the money so you can claim a loss on the sale and deduct a charitable contribution equivalent to the proceeds.)[1]

Does the value of your gift exceed $250? It may, and if you gift that amount or larger to a qualified charitable organization, you will need a receipt or a detailed verification form

from the charity. You also have to file Form 8283 when your total deduction for non-cash contributions or property in a year exceeds $500.[1]

If you aren't sure if an organization is eligible to receive charitable gifts, check it out at www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check.

Contribute more to your retirement plan. If you haven't turned 70½ and you participate in a traditional (i.e., non-Roth) qualified retirement plan or have a traditional IRA, you can reduce your 2012 taxable income by the amount of your contribution. If you are self-employed and don't have a solo 401(k), a SIMPLE plan or something similar, consider establishing and funding one before the end of the year. Also, keep in mind that your 2012 tax year contribution to an IRA or solo 401(k) may be made as late as April 15, 2013 (or October 15, 2013 if you file Form 4868).[2]

In 2012, you can contribute up to $17,000 in a 401(k), 403(b) or profit-sharing plan, with a $5,500 catch-up contribution also allowed if you are age 50 or older. You can put up to $11,500 in a SIMPLE IRA in 2012, $14,000 if you are 50 or older.[3]

Make a capital purchase. If you buy assets for your business that have a useful life of more than one year - a truck, a computer, furniture, a rototiller, whatever – those purchases are commonly characterized as capital expenses. For 2012, the Section 179 deduction can be as much as $139,000 (although it is ultimately limited to your net taxable business income). First-year bonus depreciation is set at 50% for most purchases of new equipment and software in 2012. The way it looks now, the 2013 deductions may be much less generous.[2,4]

Open an HSA. If you work for yourself or have a very small business, you may pay for your own health coverage. By establishing and funding a Health Savings Account in 2012, you could make fully deductible HSA contributions of up to $3,100 (singles) or $6,250 (married couples). Catch-up contributions are allowed if you are 50 or older.[2]

Practice tax loss harvesting. You could sell underperforming stocks in your portfolio – enough to rack up at least $3,000 in capital losses. If it ends up that your total capital losses top all of your capital gains in 2012, you can deduct up to $3,000 of capital losses from your 2012 ordinary income. If you have over $3,000 in capital losses, the excess rolls over into 2013.[2]

Are there other major moves that you should consider? Your to-do list might be long, for much financial change may occur in 2013...

Pay attention to asset location. Here are two big reasons why tax efficiency should be a priority as 2012 leads into 2013:

Next year, dividend income is slated to be taxed as regular income. So tax on qualified stock dividends could nearly triple for the wealthiest Americans.

Capital gains taxes for high earners are scheduled to jump 33% in 2013. Long-term capital gains are now taxed at 15% for those in the highest four income brackets; that rate is supposed to rise to 20% next year.[5]

Can you contribute the maximum to your IRA on January 1? The rationale behind this is that the sooner you make your contribution, the more interest those assets will earn. If you haven't made your 2012 IRA contribution, you still have until April 15, 2013 to do that.[6]

In 2012 you can contribute up to $5,000 to a Roth or traditional IRA if you are age 49 or younger, and up to $6,000 if you are age 50 and older (though your MAGI may affect how much you can put into a Roth IRA).[3]

What are the income limits on tax deductions for traditional IRA contributions? If you participate in a workplace retirement plan, the 2012 MAGI phase-out ranges are $58,000-68,000 for singles and heads of households and $92,000-112,000 for couples.[3]

Should you go Roth before 2013 gets here? We all know federal taxes are poised to rise next year, but one little detail isn't getting enough publicity: the planned 3.8% Medicare surtax scheduled to hit single/joint filers with AGIs over $200,000/$250,000 will not apply to qualified payouts from Roth accounts.[7]

MAGI phase-out limits affect Roth IRA contributions. In 2012, phase-outs kick in at $173,000 for joint filers and $110,000 for single filers. Should your MAGI prevent you from contributing to a Roth IRA at all, you still have a chance to contribute to a traditional IRA in 2012 and then roll those assets over into a Roth.[7]

Consult a tax or financial professional before you make any IRA moves to see how it may affect your overall financial picture. If you have a large traditional IRA, the projected tax resulting from the conversion may make you think twice.

What else should you consider as 2012 turns into 2013? There are some other important things to note...

Payroll taxes are slated to increase 2% next year. The payroll tax cut of 2011-12 has slim chance of extending into 2013. The maximum payroll tax paid by high earners is slated to be $7049.40 next year, $2,425 above 2012 levels. That isn't just because Social Security taxes for employees are returning to the 6.2% level; it also reflects a 3.3% increase in the upper salary limit subject to the tax to $113,700.[8]

Review your withholding status. Aside from the presumed end of the payroll tax holiday, there are other reasons you may want to adjust your withholding status...

- You tend to pay a great deal of income tax each year.
- You tend to get a big federal tax refund each year.
- You recently married or divorced.
- A family member recently passed away.
- You have a new job at a much greater salary.
- You started a business venture or became self-employed.

If you are retired and older than 70½, remember your RMD. Retirees over age 70½ must take Required Minimum Distributions from traditional IRAs, Roth IRAs and Roth 401(k)s and all employer-sponsored retirement plans by December 31, 2013. The IRS penalty for failing to take an RMD equals 50% of the RMD amount.[9]

If you have turned or will turn 70½ in 2012, you can postpone your first IRA RMD until April 1, 2013. The downside of that is that you will have to take two IRA RMDs next year, both taxable events – you will have to make your 2012 tax year withdrawal by April 1, 2013 and your 2013 tax year withdrawal by December 31, 2013.[9]

Plan your RMDs wisely. If you do so, you may end up limiting or avoiding possible taxes on your Social Security income. Some Social Security recipients don't know about the "provisional income" rule – if your modified AGI plus 50% of your Social Security benefits surpasses a certain level, then a portion of your Social Security benefits become taxable. For tax year 2012, Social Security benefits start to be taxed at provisional income levels of $32,000 for joint filers and $25,000 for single filers.[10]

Consider the tax impact of any 2012 transactions. Did you sell real property this year – or do you plan to before 2012 ends? Did you start a business? Are you thinking about exercising a stock option? Could any large commissions or bonuses come your way before January? Did you sell an investment held outside of a tax-deferred account? Any of this might significantly affect your 2012 taxes.

Would it be worth making a 13th mortgage payment this year? If your house is underwater, there's no sense in doing it – and you could also argue that the dollars might be better off invested or put in your emergency fund. Those factors aside, however, there may be some merit to making a January mortgage payment in December. If you have a fixed-rate loan, a lump sum payment can reduce the principal and the total interest paid on it by that much more.

Are you marrying in 2013? If so, why not review the beneficiaries of your workplace retirement plan account, your IRA, and other assets? In light of your

marriage, you may want to make changes to the relevant beneficiary forms. The same goes for your insurance coverage. If you will have a new last name in 2013, you will need a new Social Security card. Additionally, you and your spouse no doubt have individually particular retirement saving and investment strategies. Will they need to be revised or adjusted with marriage?

Are you coming home from active duty? If so, go ahead and check the status of your credit, and the state of any tax and legal proceedings that might have been preempted by your orders. Make sure your employee health insurance is still there, and revoke any power of attorney you may have granted to another person.

Talk with a qualified financial or tax professional today. Vow to focus on being healthy and wealthy in the New Year.

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10 - www.socialsecurity.gov/planners/taxes.htm [10/18/12]

Leads

Please listen up! Sign up for leads, all the scrubbed leads you can get, they will make you money....the lead flow is still slow (but increasing) but our crew is killing them....tons of sales!

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

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