.....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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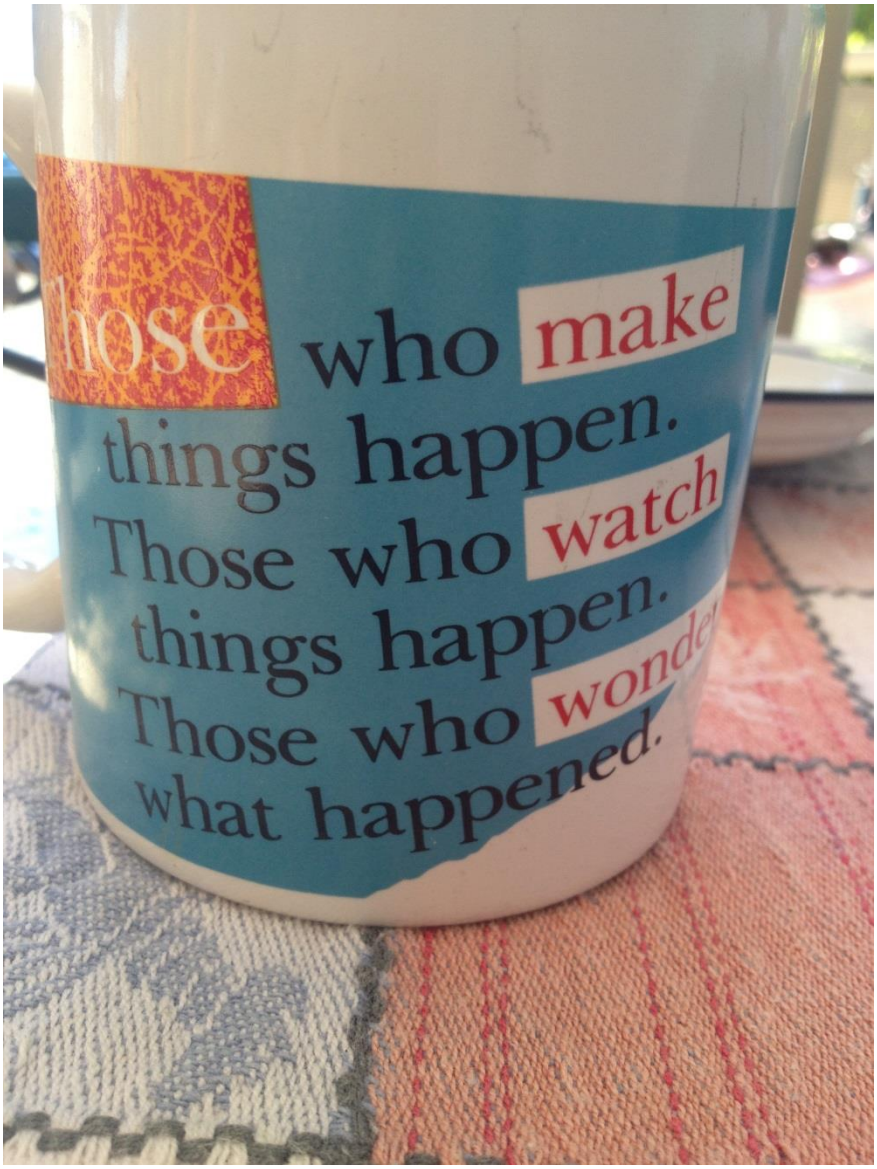
***"It takes a village to raise an annuity agent"*.....Bill Broich**



Coffe time can be insirational

It's Open MIC Time!

Open MIC is free, always has been

and always will be.

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

Open MIC will on hiatus next week (November 7). We shall return November 14.

Bronco Pumpkin

Only because it is Halloween would I subject you to this joke, sorry…..BB

A man was walking home alone late one foggy night, when behind him he hears:

BUMP… BUMP… BUMP…

Walking faster, he looks back and through the fog he makes out the image of an upright casket banging its way down the middle of the street toward him.

BUMP… BUMP… BUMP…

Terrified, the man begins to run toward his home, the casket bouncing quickly behind him

FASTER… FASTER… BUMP… BUMP… BUMP…

He runs up to his door, fumbles with his keys, opens the door, rushes in, slams and locks the door behind him. However, the casket crashes through his door, with the lid of the casket clapping

clappity-BUMP… clappity-BUMP… clappity-BUMP…

The terrified man runs.

Rushing upstairs to the bathroom, the man locks himself in. His heart is pounding; his head is reeling; his breath is coming in sobbing gasps.

With a loud CRASH the casket breaks down the door.
Bumping and clapping toward him.

The man screams and reaches for something, anything, but all he can find is a bottle of cough syrup!

Desperate, he throws **the cough syrup at the casket**... and,
(hopefully you're really ready for this!!!)

The coffin stops!

Words of Wisdom from 3 Great Industrialists

"Vision without execution is hallucination." - Thomas Edison

"Obstacles are those frightful things you see when you take your eyes off the goal." - Henry Ford

"Blogging builds relationships" Bill Broich

Editorial

Ghosts, Goblins, Ghouls and Stock Brokers

It is Halloween time and soon our doorbell will ring with "scary" visitors, the Hershey's box will be ready. Actually I hope we have fewer visitors this year, so I can have the left-overs.

Halloween is always fun, fun for the kids and fun for us adults. Time for a little pretend and a little fantasy.

Speaking of fantasy, how about truth stretching, does that count? I saw in the San Francisco paper today about a bond offering from our largest bank.

The offering was for **Tax-Exempt School Bonds** and quoting a 5% return if held to maturity. Wow, that is a huge number....NOT! The second number is the huge number, right there on the front page as their quote for Taxable Equivalent....with a rate of **9.55%!**

The 5% caught my eye but the **9.55%** really got it.

In the small print it stated that the actual tax equivalent would be based on your tax rate and for their illustration they used a federal and California rate of **47.63%.**

47.63% seems way high and it is definitely high except for the huge income earners, but what about the regular persons, what would their effective rate be?

The point is this, yes some very wealthy folks could have an effective tax rate of 47% but most of us who work at regular jobs deal with a much smaller tax liability. Why then post the 9.55% effective tax rate? My guess is this, the banks have settled with the government, a recent $13 billion agreement was reached with JP Morgan and now the slate is clean.

Right? $13 billion is a lot, am I wrong?

Yes and no, it is a lot to you and me but to JP Morgan it is only 2 quarters of NET TAXABLE profit. 2 quarters!

Is it not just possible with the SEC in turmoil, FINRA a mess that the Wall Street folks are going to begin anew? To post a number like **9.55%** in the SFO paper as a paid add shows me something, the gang is all here and they will be back once again to wreak havoc, mark my words, here they come.

I think Wall Street has their eyes on another prize, **us.** I think there are plans in place to move heavily into our industry and to capture our sacred

cow, risk free products. Looks to me like it has already started, private equity firms have their toes in the tub right now. Soon new products with fancy riders based on algorithms that none of us can understand will hit the market all tied to derivatives based on some formula even Bernanke couldn't decipher.

There is no way around the fact that Baby Boomers are retiring at 10,000 a day and that market is way too much for Wall Street to miss, they will come and they will spend their way into our industry.

Their presence is already being felt, felt by the 130 employees at Aviva who lost their job with the purchase of the company by Athene (a private equity company). I have no issues with profit, it is what make us all get up every morning, what I do have a problem with is products that look great and sound great but don't feel great. An example is what happened to the variable annuity industry, once PE got their hands on it. Remember the "promise" which was guaranteed in the annuity contracts, a promise of income a promise of security?

What happened, notices were sent out in common envelopes made to look like junk mail and these failing to respond were left out of their promised benefits. Then the VA companies tried to buy their future liabilities so they could get their arms around their overall downside.

It all starts with an ad in the SFO paper baiting yields of 9.55%. In the fine print a code was used **T.E.Y.** what is that supposed to mean to us regular people? Couldn't they at least spell out Tax Equivalent Yield? They sure spelled out **9.55%** correctly.

BB

PS: To add to my point about the changing environment in our industry and how PE has remade a fine old company like **The Hartford** by ridding itself of its contractual promises, rearranging the game so to speak.

"Hartford Profit Jumps as Focus Shifts"

http://www.bloomberg.com/news/2013-10-28/hartford-profit-jumps-to-293-million-after-mcgee-shifts-focus.html

Chief Executive Officer Liam McGee sold the life unit and a broker-dealer and retreated from variable annuities amid pressure from investors including **John Paulson** to narrow the company's focus. Hartford, based in the Connecticut city of the same name, has rallied 51 percent this year, driven by rising interest rates and higher stock prices.

Etc: I know we are copied and our ideas are used by others, we never claim copyright for **Open MIC**, it is even mentioned in the disclaimer at the end of the notes. We give our ideas free and always have.

It is our nature, but one slogan which has not been copied so far is: *"It takes a village to raise an annuity agent"*

I have used a different slogan several years ago but not on Open MIC since 2011, now I see it coming back around by a competitor, here it is, it is now the slogan for their agent recruiting push:

"Do you spend more time planning your 2 week summer vacation than you do on your annual marketing plan?"

Odd about this, I was going to remind you all to begin working on your 2014 marketing plan this week.....Time for 2014 planning....BB

It is that time of year, time to put your marketing plan together. Here are a few pointers.

- What will your estimated gross compensation for 2013?
- Which lead source has provided you the most initial sales?
- What is your ROI?
- Have you blogged?
- Have you used the off-week drip for your Retire Village database?
- What percentage of your gross commissions have you set aside for marketing?
- What is your production goal for 2014?
- Are you currently selling life insurance?
- How many weeks are you planning on working in 2014?

Write it down and set your lead system in motion.

Does **fear of planning** affect you and your market plan? Seems it also affects your clients and prospect….make your plan!….BB

'Fear of Planning' Strikes Potential Investors

http://insurancenewsnet.com/innarticle/2013/10/18/%E2%80%98fear-of-planning%E2%80%99-strikes-potential-investors-a-406506.html#.Um6vR3bn-M8

More than one in four potential investors – **26 percent** – do not have a financial plan, and of those who don't have a plan - about **38 percent** - say they have no intention of ever creating one, according to an investor sentiment survey conducted by Nationwide Financial.

The "Fear of Financial Planning" survey also found that investors eschew financial planning for any number of reasons: inertia, cost, inadequate assets, mistrust and a belief that the do-it-yourself (DIY) approach is adequate.

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http://www.fa-mag.com/news/prudential-survives-annuity-wreckage-15861.html

Prudential Survives Annuity Wreckage

OCTOBER 25, 2013 • JULIETTE FAIRLEY

Before the 2008 financial crisis, guaranteed benefits were a typical part of annuities. Now, those benefits have been drastically reduced or eliminated, and many key players, including Hartford Financial Services Group and Sun Life Financial, left the business.

Bumping up against protracted low interest rates, several insurers offered their variable annuity owners buyouts or insisted they move into investments with lower returns.

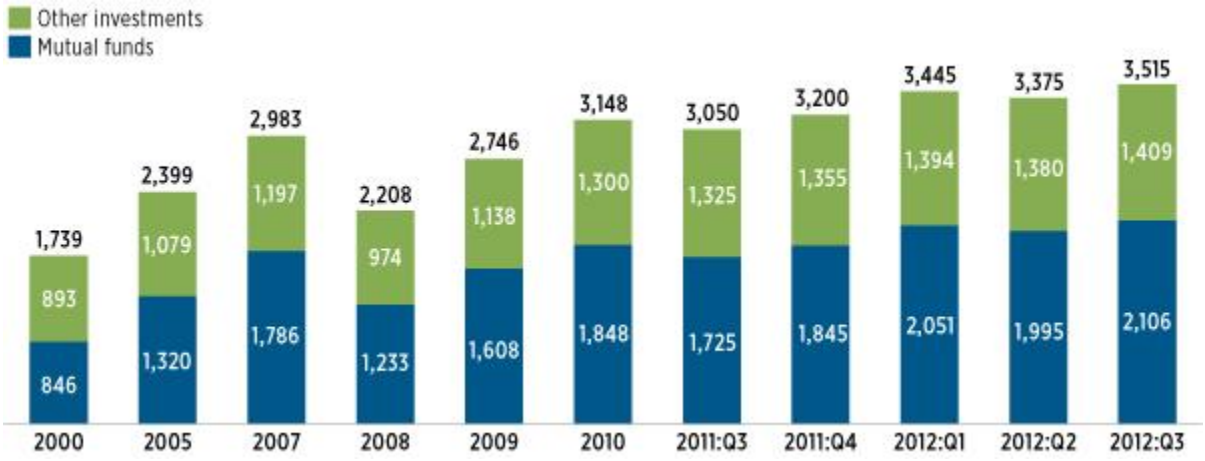
The 401(k) segment is huge, in future weeks we will look at marketing to these folks….BB

The past couple weeks I have had 401(k) information, this would make a good off week drip for RV or a nice handout to your target market. The 401(k) rollover market is massive, look for chances to help these folks with our guaranteed products…BB

http://www.ici.org/401k/faqs/faqs_401k

How large is the 401k market?

Answer: According to the Investment Company Institute, the 401k market is estimated to be $3.515 trillion in assets at year-end **2012** (latest data available).



Avoid Penalties By Learning These Important Early 401(k) Withdrawal Rules

As we accumulate money in our 401(k) the temptation to access the funds can be obvious. There are rules which can be followed to allow pre-mature access to your 401(k) account. A 401(k) was created by congress to allow workers to accumulate funds for retirement on a pre-tax basis. Eventually he taxes will need to be paid on your 401(k) retirement plan. Accessing the funds should be done with planning and with the goal of using them for retirement income. Life being full of uncertainty, the funds in your 401(k) can be assessed for other reasons; with that access can come unwanted or excessive taxation and penalty. Make sure you fully understand your options before taking action.

Early withdrawal all depends on how early. Any access before age 591/2 can come with penalties. The IRS allows for an earlier access based on specific reasons, this access while still taxable would not have any penalties. Account holders younger than 59 ½ pay a 10% fee calculated on the total 401(k) monies that are withdrawn.

Under hardship rules funds can be accessed prior to 591/2 if the plan owner can show cause, the cause can be:

- To cover medical expenses
- To cover funeral expenses
- To buy a house
- To avoid foreclosure or eviction from your primary residence
- To pay a college tuition bill that's due within 12 months

The important thing to remember is the term “hardship” and it needs to be well documented. Your plan administrator will need to show this documentation to the IRS. Any funds removed from your 401(k) will be.

Some additional exceptions exist to avoid the penalties on early withdrawal. They can include the following:

- You leave your job, whether voluntarily or involuntarily, after the age of 55, you may access your funds as an IRA rollover
- Your medical expenses exceed 7 ½% of your adjusted gross income
- A court orders the funds removed

- You leave work and set up a special withdrawal plan intended to last the rest of your lifetime, this plan is called a 72 T.
- You become disabled and a medical doctor or court concurs.

Like all important decisions, make sure you fully understand the benefits and consequences of accessing a pre-tax account. It is always a smart idea to obtain advice from a licensed professional.

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http://www.investmentnews.com/article/20131022/FREE/131029966#

Demand forces Jackson National to halt VA exchanges temporarily

Jackson National Life Insurance Co. plans to suspend 1035 exchange business into its variable annuities with living benefits, in reaction to what the firm calls "strong demand."

The halt on 1035s and qualified transfers of assets into the insurer's variable annuities will start at 4 p.m. ET on Friday and run until mid-December.

Jackson will resume taking exchanges on Dec. 16, according to an Oct. 22 filing with the **Securities and Exchange Commission**.

The block will affect only transfers into variable annuities with guaranteed living benefits.

Here is a sales tip that can help you keep your clients and grow your clients, learn to help those with grief.....

70% of widows switch advisors after the death of their husband, this article could help you with your clients....BB

How to Help Grieving Clients

http://www.thinkadvisor.com/2013/10/22/how-to-best-help-grieving-clients

The key to keeping their business, Florian says, is to consider "how good you are at grief support ... and that means you'll have client for life."

Plus, widows, family members and friends talk to each other and often with members of their grief support groups. "They share info on who a does great job. You won't have to ask for referrals," she explained. "They will come to you," if you take a more empathetic and holistic approach with those coping with loss.

Big Truck Partners

Here is a summary of the 5 year MYGA products from F&G. Obviously the 3.5% product is the way to go due to DB surrender charges on the 3.6% product.

Guarantee Plus 5 - 3.6% Rate

Interest Only withdrawals

Death Benefit has surrender charges if they are not out of surrender yet

No other liquidity

Guarantee Platinum 5 - 3.5% Rate

Interest Only withdrawals

Full Account Value at Death

Terminal Illness and Nursing Home Waivers

Thanks for the biz,

Anthony R. Owen

Question for Chad:

How safe is your annuity? This was recently asked by a prospect of mine; let's see how Mr. Owen's will answer this.

How Safe is Your Indexed Annuity?

By Bill Broich

The Legal Reserve System and the Multiple Layers of Safety

The key question is this: "How do I know that my money is safe? I want **GUARANTEED** income for life, safe, secure and void of risk. The Fixed Indexed Annuity provides just that.

Consequently, each month, millions of dollars are being moved from stocks, bonds, mutual funds, variable annuities, ETFs, 401(k)s, and CDs into Fixed Indexed Annuities.

Why?

The #1 reason is **SAFETY**. ***It is far better to avoid and eliminate any possibility of losses, than to try to make up for losses after the fact.***

This is the #1 rule in investing!

Having a ***principal guarantee*** makes fixed indexed annuities much safer than stocks, bonds, mutual funds, 401(k) plans and variable annuities, which do NOT have a principal guarantee.

So, how does this **safety** work? On what is this **safety** based? The **safety** of Fixed Indexed Annuities is a **multi-layered safety net** that will give you great comfort. It begins with the insurance company assets and ends with a government guarantee.

Concerned about trusting an insurance company with your important retirement funds?

How safe is your indexed annuity? Should you trust an indexed annuity with your important retirement funds? What happens if an insurance company were to fail? These and other questions are vitally important and the answers may surprise you.

Why even ask these questions? In the past investors simply trusted the third party, now after the financial meltdown beginning in 2008, questions must be asked.

And answered.

The simple fact remains that retirees and retiring Baby Boomers today are looking for a way to guarantee that their money is safe, and that they will have enough income to last as long as they live. Income is the more important decision, far more important than having enough money.

"Income is King with the Baby Boomers."

So is the money safe in an annuity? Baby Boomers are very concerned about safety for one simple reason,

"They Don't have Time to Make It Again!"

Other than social security and earned pensions, most

retirement investments are not guaranteed and are subject to variations of account values, volatility. How can they be assured their retirement accounts will last as long as they are needed?

Their worries are justified and the number one concern for retiring Baby Boomers is simple: safety. Is my money safe? So, how does this safety work? How are annuities actually guaranteed? The safety of annuities is like a safety net, a safety net to cover any possible occurrence.

Here is how it all works:

1. Insurance Company Assets: The safety of an Index Annuity is based on the financial strength and claims paying ability of the company which issues the annuity. Annuities are regulated by each individual state Department of Insurance (DOI). The DOI regulates, audits, sets reserves of the insurance companies this assures the annuity purchaser of the solvency of the insurance company.

These highly regulated companies are also subject to strict capital reserve requirements which result in reserve level requirements. These capital requirements are higher than the capital reserve requirements for banks regulated by the FDIC.

Because of the high regulations required by each DOI the insurance companies must invest in solid safe and suitable vehicles. They invest in some of the most highly-rated and conservative investments available such as highly rated corporate bonds. In addition, a high percentage of their investments are in U.S. government bonds, U.S. Treasuries.

2. Protection from Creditors: In many states, by law, the assets of insurance company policy holders cannot be attached by creditors of the insurance company. The amount that is protected and how it can be protected varies wildly form state to state (remember each state sets their own rules about annuities)

The protection from creditors could be 100% or it could protecting only a few dollars per month. It is important to know what your state allows, always consult legal professionals or your state department of insurance.

It is always important to contact your local Department of Insurance of legal counsel before making any permanent decisions because each state has different rules and guidelines.

3. Surplus Capital: Many insurance companies have on deposit funds in excess of the required 100% of benefits owed. Many insurance companies have in addition to their required reserves "surplus" capital

Strong, well-managed insurance companies could typically have from four to ten cents per reserve dollar in surplus capital.

Insurance companies function under a completely different system than does our banking industry and as such the reserves of insurance companies could exceed those required of the banking industry.

Solvency Ratio: This is the percentage of assets greater than liabilities. Divide the liabilities into the assets to determine the ratio.

When considering using an insurance company's products for your important invested assets, ask your local department of insurance about the company's solvency ratios. Anything above 105% means a well-run and secure insurance company.

4. Strong Reserves, the Legal Reserve System: Insurance companies must have on hand $1 in reserves for every $1 in benefits owed. 100% and nothing less. What does that mean?

It means a system is in place to guarantee your indexed annuity is safe. A high level of safety is best served by a **legal reserve system.** A legal reserve system requires, by law, that a certain level of reserves be maintained by an institution at all times.

The legal reserve system governs both banks and insurance companies, but the legal reserve systems for each is separate is different from the other.

Bank and savings & loan CDs are backed up by the Legal Reserve system, which is regulated by the FDIC (Federal Deposit Insurance Corporation). Banks are regulated under the laws governing depository institutions. In the United States, depository institutions must meet capital guidelines issued by the Board of Governors of the Federal Reserve System. (FRB)

The amount of reserves required by the Federal Reserve Bank varies depending on monetary conditions existing worldwide. Normal adequate capitalization is around 8%, not the 100% required by annuity companies.

The result of these differences in "reserve" deposits is leverage. Obviously if your reserve is 8% instead of 100% you would be more leveraged than you would be with a higher percentage of deposit.

Because annuity companies are regulated at the state level, 50 different DOI are examining and auditing the same company's financials. An insurance company must honor the insurance laws, rules and regulations *of each state* in America in which it wants to do business. These laws, rules and regulations are complex and, because they are individual to each state, severely limit the types and kinds of investments that insurance companies can make. Insurance companies are required to keep the majority of customer funds in extremely conservative instruments such as U.S. government bonds and the most highly-rated corporate bonds. It is up to each sate DOI to determine the solvency of insurance companies doing business in its state.

As a comparison to other "no risk" deposits, bank Certificates of Deposit (CDs) are guaranteed by the legal reserve system maintained by the Federal Deposit Insurance Corporation (the FDIC), in amounts of up to $250,000 per depositor per institution.

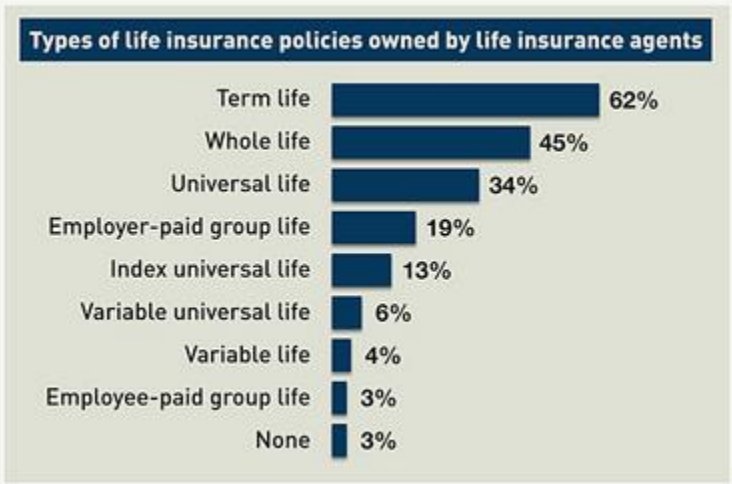
Other investment possibilities such as stocks, bonds, mutual funds, etc. do not have any legal reserve requirements, their value is based on the volatility of their individual market sectors.

Dave and Shaun

http://www.lifehealthpro.com/2013/10/15/what-type-of-life-insurance-do-life-insurance-agen

What type of life insurance do life insurance agents own?

By Jamie E. Green
OCTOBER 15, 2013 • REPRINTS



Life insurance ownership

Here's a frightening statistic: 3 percent of advisors whose primary focus is life insurance don't own any life insurance. Only 3 percent, you might say – that's not bad, right? That's just 3 out of every 100 life insurance agents.

Consider this, though: **Three percent** represents a higher proportion of life insurance agents who don't own the product they're selling than the percentage of investment advisors (1.8 percent), P&C agents (1 percent) and employee benefits brokers (2 percent) who don't own life insurance.

These figures come from the 2013 National Underwriter Life Insurance Study, for which we surveyed more than 2,000 advisors across the U.S. this summer to ask about their experiences selling life insurance.

I have a few comments and highlights in red....BB

Use Annuities As A Tax Shield: CPA

http://annuitynews.com/article/Use_Annuities_As_A_Tax_Shield_CPA_/404994#.Um56mHbn_WN

Linda is an excellent writer, I follow her on www.insurnancenewsnet.com you should also.

By Linda Koco

AnnuityNews

Time was, before the era of the feature festival in annuities, agents and advisors used to present annuity options based on the client's tax needs. (**if you pitch features you are an order taker, if you provide annuities as a solution to a goal or need, you are an annuity salesperson....BB)**

According to Jeffrey Levine, certified public accountant, this may be the time to return to that strategy. Anytime there is an increase in taxes, "we've got to look at re-evaluating our tax strategy," he told a workshop at the recent annual meeting of National Association of Insurance and Financial Advisors (NAIFA) in San Diego.

A lot of people do not realize it, but many Americans could see higher taxes in 2013, said the individual retirement account technical consultant with Ed Slott and Co. That is due to changes in the tax code that are going into effect this year.

Annuities as a tax play

Tax increases might be the incentive that advisors need to go back to using annuities **"strictly as a tax play,"** instead of just for the benefits and riders, which Levine said has become more of the norm in recent years.

In 2013, he explained, there will be four income calculations that wealthier clients will need to make. Depending on the outcome of those calculations, a client could be facing higher taxes than expected.

Advisors will need not only to calculate client income in various ways but also to factor in three different income thresholds, Levine said.

Advisors will need to do that "to determine how much it will cost a client for one more dollar of income," he said.

"If you don't think that puts a premium on tax planning, you're *crazy*!" he declared. "If that's complicated for you, think about what it is like for a client!"

In brief, the four calculations Levine mentioned are:

1) **Taxable income**. Clients could be subject to the 39.6 percent top income tax rates after doing the calculation for taxable income, he said. That top income tax rate kicks in if the client's taxable income is more than **$400,000 for single filers, or more than $450,000 for marrieds filing jointly.**

The taxable income is the amount that remains after taking out itemized deductions and personal exemptions, both above and below the line, the CPA said. A client could have gross income of $600,000 but after calculating deductions and exemptions, the taxable income could be much lower.

2) **Adjusted gross income**. In 2013, Levine said, personal exemptions and itemized deductions will begin to phase out. The phase-out will be based on adjusted gross income (AGI), not taxable income, he pointed out, noting that this calculation does allow for deductions of things like IRAs and student loans but not for itemized deductions. In addition, the threshold for phase-out begins at $250,000 for single

filers or $300,000 for marrieds filing jointly, so it's different than for the taxable income calculation. The calculation for this needs to be done separately, he said.

3) and 4) **Health care surtaxes**. The threshold for two health-related surtax calculations is the same as for the AGI calculation ($250,000 for single filers or $300,000 for marrieds filing jointly). "But you have to calculate income in two different ways to get there," the CPA said.

*A **3.8 percent** surtax* (related to Medicare) applies to people who have a modified adjusted gross income (MAGI) above the threshold; for most clients, the MAGI will be the same as the AGI, he said. *A **0.9 percent surtax***, also related to Medicare, has the same income threshold as the AGI calculation but "you need to calculate this based on earned income," Levine said, pointing to use of W-2 income tax amount and self-employment income—not AGI or MAGI.

Most clients are clueless

Most clients have no idea about the thresholds and other taxes that are coming in this year, Levine said.

"They don't realize that adding just one dollar of income might equate not just to putting them into a higher tax bracket; it might also cost them their deductions and exemptions, and it might throw them into a **3.8 percent health care surtax**."

The great thing for advisors is that they have many tools at their disposal to help clients, Levine said. The tools include wealth conversion and annuities.

Advisors who work with annuities can use the products to smooth out a client's income, he said. For instance, advisors can use the products to "shield" from taxes not only the income that would otherwise be subject every year to taxes on interest, dividends or capital gains, but also from taxes related to the 3.8 percent surtax.

Non-qualified annuity distributions are subject to the surtax, he added, but that doesn't happen until the client takes the money out. And that usually doesn't happen until retirement, when the client's income might be lower, he said.

Hence the incentive to consider using annuities for tax planning, Levine said.

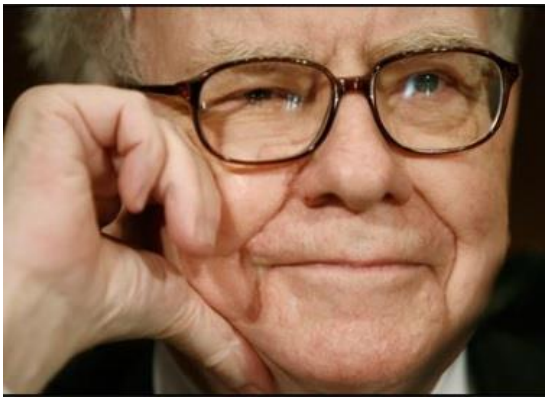
In discussing another tax strategy, having to do with estate planning, Levine urged advisors need to keep up with the changing tax environment. "You can give advice that blows up because you don't know all the rules," he cautioned.

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

The Broich Approach

I have used this simple yet powerful approach to set the hook for the fact finder. Memorize this simple approach and your fact finder count will increase.

Typically when I meet with a new prospect I will start with this: *'Mrs. Jones, I have the information you requested, but while I am here could I ask you a question."* Her answer will always be positive. "Mrs. Jones, have you ever taken a serious look at your retirement plan?" Generally she will say yes. *"Have you ever heard about the Warren Buffett 6 Rules of Retirement?"* The answer will be no. *"Mrs. Jones, let me take 3 minutes and teach you this wonderful approach to retirement planning."*



The Warren Buffett Rule

Adapted by Bill Broich,

The Broich Approach 6 Rule Sales Pitch:

Use this simple but effective concept to sell more annuities.

"Mrs. Jones, there are 6 important things you will need to know to maximize your retirement. The first is simple, we follow warren Buffet's investment philosophy, you have heard of Warren Buffet haven't you?"

(She says yes or no, if yes continue, if no explain eh is the world's greatest investor, the Oracle of Omaha etc….)

Mr. Buffet's first rule of investing is our first rule of investing:

1. *"**Never Lose Money**, that is our philosophy also and the product I represent is contractually guaranteed to never lose money. It has a wonderful feature, when the stock market increases in value, your account also increases, but when the market loses money, you are never exposed to*

that risk, your funds can only increase." (you can explain how this all works after the pitch, I like to have a company brochure with me.)

2. ***Legally avoid or defer paying taxes***, *Tax deferral according to Albert Einstein is the most powerful equation in the world. Any taxes you can defer to the future allow your funds to increase more now."* (I always get support from this from the prospect by saying, I want to pay a little taxes as I can, how about you. I mention, I usually say, *"Our product also can help you reduce the taxation on your social security benefits"*, I have a handout ready also.)….**See article about, annuities as a tax play**

3. **Grab your earnings**, *"Mrs. Jones, our product allows you to only gain. Any interest credited to your account is now part of the guaranteed account; your gains can never be taken from you."*

4. **Income is king,** *"Mrs. Jones, how would you like to spend all your monthly retirement check every month? You can because guess what, it comes again the next month. Safe secure reoccurring income for as long as you live and your spouse can be included!"* I explain how her income can never run out, it will always be there for her, and I close. *"Mrs. Jones, your money will never die before you do."* A little too factual but I am making my point directly.

5. **Never forget Rule Number 1.** *"Mrs. Jones, Our approach is safety and security, with our product, your stress level will reduce, your income will always be there and you are never exposed to risk at any level."*

6. Our product? **Fixed Indexed Annuities**. *"Mrs. Jones, These products contain numerous other benefits such as reduction in probate expenses, numerous income choices to fit your personal situation, enhanced benefits for your beneficiaries and freedom from worry."*

"Mrs. Jones, would you like to learn just a little more? Great, I need to ask you a few questions"……..(fact finder)

3 great points in this article….BB

Here is more about Warren Buffett and investing:

NEW YORK — Warren Buffett, the billionaire investor with the Midas touch, has a message for Main Street stock investors: "Don't beat yourself."

"The nice thing about investing in stocks is that, over time, equities are going to do well," Buffett tells USA TODAY. "American business is going to do well. America is going to do well. So you have the tide with you."

Building wealth in stocks is still the way to go, even though the ride can get bumpy from time to time, Buffett, 83, says.

But to really profit from stocks and build wealth over time, says Buffett, individual investors must avoid making costly mistakes that shrink their portfolio balances, just as a football team that wants to boost their odds of winning must avoid fumbling the ball away, throwing an interception or taking a penalty at a bad time.

"Don't beat yourself," the Oracle of Omaha says. "Beating yourself is half the problem."

USA TODAY asked Buffett to put on his personal finance hat and to tick off the three biggest mistakes amateur investors make. Here's Buffett's "Top 3 Mistakes to Avoid":

1. Trying to time the market. "People that think they can predict the short-term movement of the stock market — or listen to other people who talk about (timing the market) — they are making a big mistake," says Buffett.

2. Trying to mimic high-frequency traders. Buying stock in a good business and hanging on for the long term, he says, is a better strategy than flipping stocks like a short-order cook flips pancakes.

"If they are trading actively, they are making a big mistake," Buffett says.

3. Paying too much in fees and expenses. There's no reason to pay an expensive management fee to invest in a mutual fund when super-low-cost index funds that mimic large indexes like the Standard & Poor's 500-stock index are available, he says.

"If they are incurring large expenses in connection with their investing," says Buffett, "they are making a big mistake."

Buffett, of course, is famous for buying stocks when they are cheap, buying solid businesses that make a lot of money today and will make a lot of money tomorrow, and hanging on to his investments for a long time to better maximize profit potential.

The strategy works. You don't become the richest person in America during your career with a lousy investment game plan. (Buffett, with a net worth of $58.5 billion, is currently ranked No. 2 behind Microsoft founder Bill Gates, who's worth $72 billion, according to *Forbes* magazine.)

"Doing reasonably well investing in stocks," Buffett says, "is very, very easy."

Here's how he says investors should play the investing game:

"Buy an index fund, preferably over time, so you end up owing good businesses at a reasonable average price," says Buffett. "And that is all you have to do."

That's it? It's that simple? Buffett says yes.

"You don't need to look at the prices of the stocks you own from week-to-week, or month-to-month, or even year-to-year," says Buffett. "If you own a cross-section of American businesses, and you don't get excited (and buy) just at the very top, and if you buy in over time, you are going to do well."

The Other Side of the Table

.....it's all based on your view.....

Sometimes it is how you look at things that can make the difference. The other side of the table is all about that....how you look at things.

I am not picking on any specific variable annuity. I did help an agent this past week compete against Sun America's Polaris VA this past week, I did so by being able to look up information which was pertinent to the product and the case.

Polaris VA:
https://www.sunamerica.com/TridionData.do?Page_ID=371526

The prospectus has the entire disclosure of the product. I also like the ease in downloading the brochure.

Withdrawal Charge Schedule (Applies to each payment)	4 years: 8-7-6-5-0%	7 years: 8-7-6-5-4-3-2-0%
Minimum Initial Investment	$25,000 (NQ and Q)*	$10,000 (NQ)* $4,000 (Q)*
Maximum Issue Age	Age 85 (Lower if certain features are elected)	Age 85 (Lower if certain features are elected)
Annual Contract Charge	$50, currently waived for contracts of $75,000 or more.	$50, currently waived for contracts of $75,000 or more.
Annualized Separate Account Charge (with standard death benefit)	1.65%[1]	1.30%[1]
Total Portfolio Operating Expenses (as of 12/31/12 and 1/31/13, respectively)	0.72% - 1.55%*	0.72% - 1.55%*
Payment Enhancement	N/A	N/A

Income Protection Features[2] (Features are optional. Must be elected at issue)

SunAmerica Income Plus® **Client Brochures:** Option 1 Option 2 Option 3

Single Life option: 1.10% (Initial)** **Joint Life option**: 1.35% (Initial)** **Issue Age:** 45/80 (Min/Max)

SunAmerica Income Builder® Client Brochure

Single Life option: 1.10% (Initial)** **Joint Life option**: 1.35% (Initial)** **Issue Age:** 45/80 (Min/Max)

Fee rate for these two features is guaranteed for one year. After one year, fee rate will be adjusted quarterly. Minimum annual fee rate is 0.60%. Maximum annual fee rate for the life of the contract is 2.20% for Single Life; 2.70% for Joint Life.

This summary was supplied by Sun America and it shows the fees associated with this product. If you were to face maximum fees, they could be in the 4% range. This simplified product disclosure was much simpler to understand than the prospectus.

For fun, guess how many pages are in the prospectus? 116

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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.

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