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

Open MIC is open for anyone.

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

IF YOU WOULD LIKE TO FIND OUT MORE ABOUT US

CALL OR EMAIL

ANTHONY OWEN

888-74AGENT (24368)

tony@annuityagentsalliance.com

OR VISIT OUR WEBSITE

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

Veterans Day, Honor Always!

My mom and dad in 1942, before he headed to Burma.
To my dad and to all veterans, God Bless You All.

And Thank You

It's Open MIC Time!

Thank you for joining Open MIC

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

Anthony Owen at Tony@eagleshadowfinancial.com

Words of Wisdom

1. "[The telephone] is a great invention but who would want to use it?"
   -- U.S President Rutherford Hayes (1872)

2. "We don't think we'd do well in the cell phone business."
   -- Steve Jobs (2003)

3. "There is no reason anyone would want a computer in their home."
   -- Founder of Digital Equipment Corporation (1977)

Editorial

Our competitors have become us.

In a recent article in ***Investment News***, Jason Kephart made a point that I have long argued, brokers and planners really want to be annuity salesmen. The article (link below) explains how bonds are the new focus for brokers and planner because they offer the one thing Boomers desire, income, safety, freedom form risk, lack of volatility reduced stress. Bonds are the greatest possible choice for the Boomers; at least the investment side would have them believe it.

Bonds can be hazardous;

- interest rate sensitive
- ratings risk
- Inflation exposure.

Plus bonds can change the game if it suits the bond issuer, they can call the bonds if it is to their advantage.

http://www.investmentnews.com/article/20131107/FREE/131109932?

The coming (and already here) 10,000 a day baby boomer crush has caused many brokers and planners to figure out how to solve the one thing boomers want....stability!

Stability in their retirement accounts converts to less stress and a more optimistic view of retirement. How are the brokers and planners accomplishing this?

Bonds!

Bonds are the new savior for the boomers, why? Because bonds pay interest, interest can be calculated as an income source, an income source can mean retirement stability.

Great thinking right?

Not hardly. True bonds do pay interest but what happens to their account value should interest rates in general increase?

Two things could happen.

1. If the Boomer sold the bonds in an increasing interest rate scenario, the value of the bonds would be worth less. Interest rates are at a historical low, what are the chances rates will remain this low over the next 20 years?

2. If the Boomer decided to keep the bonds until maturity and earn interest, the face value of the bonds would be returned.

How can these be bad choices?

How long are bonds issued for (time period, maturity period) 20 year at least (many for 30 years), if a Boomer uses this route for retirement income, how long is 20 years in relationship to his life expectancy? Will the economy and life be stable for the next 20 years?

The point is simple, brokers want to sell bonds. They do so for one underlying reason, they earn compensation. Plus any adjustment in a portfolio over time would mean more compensation.

Selling bonds as an income is ok, but other options are much better and using them does not mean your account can be affected by increasing interest rates, actually the opposite is true.

Fixed Indexed Annuities can provide the very income Boomers are looking for and without compensation being charged directly to the Boomer. Plus a variety of optiosn exist especially the BIG one, income can never eb outlived.

I have to chuckle at the brokers and planners working so hard to make sure their products mimic the best retirement products available (FIA).

Why don't they just surrender and come over to our side?

BB

Your clients and prospects will want this information....BB

2014 Increases

Social Security announced a **1.5%** benefit increase for 2014. That translates to a $19 per month increase on the average 2013 Social Security benefit of $1,272 per month.

The Social Security taxable maximum will increase to $117,000 in 2014, up from $113,700 in 2013.

"Develop a passion for learning. If you do, you will never cease to grow." ..... Anthony J. D'Angelo

https://snt146.mail.live.com/#n=276609801&fid=1&mid=c547c505-4ae0-11e3-9ea7-00215ad7db90

Ed Slott and Company's IRA Updates - November 2013

Sign up is free……terrific information.

$289 a session, ($1995 for all 8) the best deal anywhere, invest in yourself…..BB

https://www.irahelp.com/eseminar-workshop

Check out the calendar below for session dates and topics and the tabs further down the page for more information on pricing and benefits. Each 90-minute session begins promptly at 3:00 PM (ET) on the scheduled date.

	2013	2014	2014
IRA Essentials	September 10	January **8**	April **30**
Roth IRAs	September 24	January **22**	May **14**
Critical IRA Updates	October 8	February **5**	May **28**
25 IRA Rules - Part 1	October 15	February **19**	June **11**
25 IRA Rules - Part 2	October 29	March **5**	June **25**
The Missing IRA Estate Plan	November **12**	March **19**	July **9**
Naming Trusts As IRA Beneficiaries	November **26**	April **2**	July **23**
Rollover Decisions and Early Distributions	December **10**	April **16**	August **6**

Really weird, we have FINRA, the NAIC and now the Department of Labor wants to set our industry wide standards for responsibility? There are two strong opposing views on this topic.....BB

http://www.investmentnews.com/article/20131103/REG/311039998

Let the DOL act on fiduciary

The Labor Department proposal would establish that those giving retirement investment advice should be held to a fiduciary standard requiring them to work in the best interests of their clients. Currently, many brokers dispense retirement advice, and they adhere to the less stringent suitability standard.

More Transparency

Some Senators believe FINRA is falling short in guarding clients from dishonest brokers and has requested that the SEC take action to toughen FINRA rules. "All arbitration awards and settlements should be reported by BrokerCheck. Expungement should truly be rare, and arbitrators should not be allowed to decide that an award should be expunged."

The boomer woman's guide to annuities

http://www.marketwatch.com/story/the-boomer-womans-guide-to-annuities-2013-11-11?link=MW_latest_news

Annuities are all the rage right now, especially for the risk-averse boomer women planning for their retirement. There are many reasons someone may require, or simply feel more comfortable with, an annuity in their retirement portfolio. But the annuity sales process can be unforgiving if you are not prepared. Annuities are complicated and

usually have limited liquidity. Here are five simple steps to help keep you organized and on track as you do your research and prepare for your potential annuity purchase.

See link for complete article.....BB

Dave and Shaun

Lifetime Income Benefit Rider (LIBR)

Rider available with our Indexed Universal Life products

PDF Attached

I sort of remember writing about this a couple years ago....BB (It was called *The Perfect Storm*).....and my favorite topic for quality control, compliance!

10 reasons why this is the best time ever to be an advisor

http://www.lifehealthpro.com/2013/11/04/10-reasons-why-this-is-the-best-time-ever-to-be-an#.Unz_LAa1M78.twitter

Compliance: Yes compliance! The more oversight we have, the safer our prospects and clients will feel when they deal with us.

Ask About Our

Exclusive Lead Discount

When You Keep Your Leads Warm

With Our CRM

(Customer Relations Management system)

Lead generation is the most expensive part of running your business. But without a consistent flow of leads you cannot grow your business much less keep from going backwards.

The goal of a CRM (customer relations management system) is to provide a

Positive Return on your marketing investment.

A managed CRM campaign is especially good for individuals who are great producers

But without a consistent flow of leads you cannot grow your business much less keep from going backwards.

Lead generation is the most expensive part of running your business.

A managed CRM campaign is especially good for individuals who are great producers but don't have the time to manage a full time marketing campaign - one that **automatically** touches your clients and prospects for you multiple times per month.

Not only does RetireVillage.com manage your marketing campaign, **we also notify you every time one of your clients or prospects views your website.** Knowing their interest level and what pages of your website they viewed prior to contacting them gives you a huge insight to their needs.

These **free supplemental leads** will make the difference between an average income year and a great one.

Is a CRM right for you?

You can obtain a free 30 day subscription and free "Drip Marketing Guide" by calling:

The Lead Generator

Annuity.com and RetireVillage.com are Internet Based Marketing Machines Designed to Brand You to The Industry Product You Sell While Driving Clients and Prospects to Your Website....

http://billdemo.retirevillage.com/

login is theteam password is theteam

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.

This past week I had an email from an Open MIC listener, he is new to the business, who asked:

Q: *"What really is the value of tax deferral?" "How do you explain it to prospects?"*

A: **Our Panel…….**

Joe Edgeworth, Lancaster PA

Rick Dennis, Houston

Rick Taylor, Montana

Chad Owen, Austin

Here is how I sell Tax Deferral….Your Prospects Will Understand and They Will Buy…..Bill Broich

Selling the power of tax deferral is not a new concept. But how you say it can make the difference between a sale and no sale. I have used the concept of double and triple compounding to explain the benefits to prospects but I have also expanded it to make understanding it simple. Here is how I explain compound interest.

The Power of Compounding and How to Illustrate the Benefits in an Annuity…

"The Power of Compounding."

*A Traditional Investment Account Has **Double** Compound Interest

> *Definition: Interest on the Original Principal and Interest on Accrued Interest.*

*A Tax Deferred Investment Account Has **Triple** Compounding Interest

> *Definition: Interest on Principal, Interest on Interest and Interest on Tax Savings*

Who takes advantage or Tax Deferral! Smart Money People, that's who because tax deferral also provides control over when tax liability is selected. Use this term to allow your prospects to better understand the benefits of allowing money to grow in an annuity.

Tax Deferred

Is

Tax Diminished

Corporate America thrives on tax deferral and anytime taxes can be delayed it is a winner. Anytime you can send a tax liability to the future you will reduce the net out of pocket because the actual tax could be reduced by inflation. By using annuities for the benefit of tax deferral allows the prospect to have more control over the future use of the funds.

Many agents sell "tax deferral" without ever fully understanding how the benefits can be fully utilized. I do so by explaining to my prospect that when the accumulated funds are accessed in the future, they would not be required to re-file past tax returns because another huge benefit of tax deferral on annuities is NO RECAPTURE.

When the accumulated interest in an annuity is accessed the tax liability is also accessed. This allows the prospect to have full control over when the tax is paid.

Use the RECAPTURE concept to fully explain this terrific benefit.

Here is the exact language I use.

"Mrs. Jones, by using tax deferral you will be the one in charge of when this tax liability will be incurred. It could be next year or some other future year. In the meantime, your annuity will provide interest credited to your account but the tax liability will be deferred. Here is something you may not have known. When you access your funds in the future, you will not be required to go back and ***"recapture"*** *the tax liability. The IRS doesn't require you pay any back taxes, just the liability of the tax year in which the funds were touched!"*

No recapture! I know what you are thinking, this is sort of silly but it really isn't. One of the great benefits of these products is tax deferral and knowing that the tax liability is totally in their control creates a bountiful selling point.

http://insurancenewsnet.com/innarticle/2013/11/08/congress-told-dont-mess-with-tax-deferral-a-417913.html#.UoD4AnbTmM8 (Insurance News Net is a solid choice for news about our industry and of concern to our business, really worth subscribing to….BB)

Congress Told: Don't Mess With Tax Deferral

November 08, 2013

Don't mess with tax deferral in retirement savings products. Do preserve tax deferral in annuities. Don't take tax deferral for granted, and don't take it away.

In view of expected budget changes coming up, retirement industry leaders are working to get those messages out to Congress, the industry and the public in different ways.

For instance, the **Coalition to Protect Retirement** just released survey results showing that, by a margin of four to one, **Americans oppose any change in the current tax rules** that provide incentives to save for retirement in plans such as 401(k)s, 403(b)s, and traditional IRAs.

The Washington-based coalition, which includes 10 national organizations with vested interests in retirement security, has also kicked off a campaign to heighten public awareness about tax deferral and proposals to curtail those retirement savings incentives.

Meanwhile, Jefferson National Life has an initiative of its own going on — to remind financial advisors about the value of tax deferral in annuity products.

The survey

The coalition survey uncovered **strong opposition** to the idea of making changes to retirement saving accounts, especially where one's own retirement savings account is concerned.

For instance, **87 percent of surveyed Americans said that "my retirement savings should be 'off limits'** to Congress and not a source of new revenue for the government." Conducted in mid-October, the online research sampled views of 1,000 American adults, ages 18 and up.

Americans who currently have tax-deferred retirement saving plans were "particularly engaged and staunchly opposed" to such changes, according to the coalition. Ninety-five percent of those who have a plan said their plans should be "off limits."

Coalition members include many top organizations in retirement circles. The list includes not only the American Council of Life Insurers and the Insured Retirement Institute, but also the American Benefits Council, American Society of Pension Professionals and Actuaries, The ERISA Industry Committee, ESOP Association, Investment Company Institute, Plan Sponsor Council of America, Securities Industry and Financial Markets Association, and the Society for Human Resource Management.

The survey findings uncovered substantial political agreement around the idea of not changing the current tax treatment of retirement plans. For instance, **82 percent of Democrats, 88 percent of Independents, and 93 percent of Republicans said their retirement plan savings should be "off limits" to Congress.**

Furthermore, those who currently have tax-deferred retirement saving plans indicated they would **use the ballot box to make their point**. Specifically, 76 percent told researchers that they would be less likely to vote for their member of Congress in the next election if the member supported any changes to the tax incentives for retirement plan savings. More than two-thirds (68 percent) of the entire survey group said the same thing.

In a press conference, coalition leaders said their organization is designing the new national "education and advocacy campaign" to raise awareness about how current tax deferral rules are helping Americans prepare for their own retirement.

The campaign kickoff includes not only release of the new survey results but also the addition of a "Take Action" microsite to the coalition's website(www.HowAmericaSaves.com), Set up grassroots-style, this section includes links to developments in Congress and also a link to a page where visitors can send letters on the subject to elected officials.

The leaders did not identify any specific legislative proposal that the campaign is currently targeting. However, Ed Ferrigno, vice president-Washington affairs for the Plan Sponsor Council of America, did say that restrictions on the ability to save for retirement appear in several proposals.

The coalition's survey findings are similar to results of an Investment Company Institute survey conducted a year ago. Among households owning defined contribution (DC) accounts or individual retirement accounts (IRAs), that earlier survey found that nearly 90 percent disagreed with the idea of eliminating or reducing the tax incentives in their plans.

About annuities

Separately, David Lau, chief operating officer of Jefferson National, said in an interview that his company has been championing the value of tax deferral in variable annuities for a long time and especially this past year.

Through marketing, seminars, webinars, emails and other mean, the Louisville, Ky., company has been reaching out to registered investment advisers and fee-based planners, urging them to take a look at how tax deferral in retirement products like annuities benefits the client, Lau told InsuranceNewsNet.

"The sunsetting of the Bush tax cuts after the end of 2012 helped draw attention to this."

Before that, most fee-based advisors wouldn't use a variable annuity for retirement planning, he recalled. "They said the products are too expensive and too complicated and most variable annuities do not have enough investment options to meet client needs."

Now, that is changing. "Our variable annuity sales are up by roughly 75 percent over the last 12 months, and the number of advisors using our product has increased to 2200 from 1600 at the end of last year," Lau said. "We're expecting to end this year with $725 million in variable annuity premium volume compared to $400 million at year-end 2012."

The company does not pay commissions to, or run incentive programs for, advisors "so the growth in sales wasn't due to a compensation program," Lau said. Instead, the company thinks much of the growth has to do with the company's focus on educating advisors about the value of tax deferral.

As may be expected, company also credits the structure of its product for the increase.

Most traditional variable annuities are commissioned products, and they are sold for the benefit of the retirement income they provide and the withdrawals the client can make, he said. The tax deferral is another benefit of the product, but the sale is not based on tax deferral. As for subaccounts, the traditional variable annuity averages about 40, he said, although some products offer more.

By comparison, Jefferson National sells its product strictly for the benefits of tax deferral. The customer pays $20 a month for the policy that offers nearly 400

subaccounts. The absence of commissions and wholesaling costs means the product is less expensive than traditional contracts, Lau said. “That helps increase the power of the tax deferral.”

If tax rates go up--say, for ordinary income or short-term capital gains — the benefit of tax deferral will become even more important for clients, he predicted

That is what is catching the advisor’s attention, he said.

“It’s more important than ever for advisors to understand the power of tax-deferral,” he contended.

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

Recently I was asked by a new member of our crew numerous questions about “fact finding”. I explained like I have many times on Open MIC about how to ask the questions including the best question of all***.....”What is the purpose?’***

I realized that over the years I had always based my recommendation on the answers I uncovered with my fact finder but now I needed to address the suitability side very strongly.

I recently had a case where I applied a more involved approach to the fact finder in an effort to make a decision for recommendation on a broader level of facts. Along with the answers to my standard fact finder I based my recommendations regarding suitability on an far more in-depth approach.

By extending my fact finding to include these more in-depth questions, I was able to be on firm ground with my final recommendation to suggest a FIA with an income rider.

The sale was a success and a new relationship has been started.

Here is how I evolved my questions and the points I was considering before any recommendation were made.

The age of the prospect or prospects. Any recommendations for the long term use of a FIA have to be considered with not only the current age of the prospect but the anticipated age when a future income benefit would be planned for use. What is his age now and what will be his age at the time the income would be used.

The **financial horizon** of the prospect can help set the suitability for the recommendation of a FIA. If the time horizon is more than 10 years prior to use, is an annuity really the best option? It all depends. If the annuity is planned for use in 1-2 years, it makes income calculation very easy, how that income does dove tail with other income sources of the prospect.

Current income is important and can be a consideration in the final recommendation. There are two possible recommendations, yes or no. Many people with higher income may not be a good candidate for the benefits of an annuity strictly because of income and other future options. The opposite can also be true, many people regardless of income still want safety and security, if I have a high income prospect I ask them! What do you want your financial situation to really accomplish? If safety and security is a strong consideration then a recommendation for a portion of their base income guarantees could easily include an annuity.

Source of funds needs to be considered along with their overall **financial situation**. How much experience do they have investing and managing their funds? Where is the source of funds for the annuity and how does that use of those funds affect other aspects of their lives? Many people have actually managed their retirement accounts most of their lives but at some time it becomes a stress remover to pass the responsibility to a "risk manager", which can be an insurance company. Ask your prospect how they feel about this idea, they will tell you far more than you could ever have assumed.

If you discuss using an annuity, ask the obvious question ***"How are you planning to use the annuity?"*** The prospect will generally have an idea about intended use and their answer can be critical in your recommendation. It could be safety, it could be income and it could be a blank stare, the important things is this, in looking at suitability recommendation, you must ask this question.

What is the prospect's **risk tolerance?** Understanding what their worst possible situation could be will allow you to access the prospect's risk tolerance. If the

tolerance is now, then the benefits of an annuity could be a wise choice but having available funds for inflation concerns is also in the mix. Risk tolerance can be both investment decisions but it can also be inflation risk. Money needs to last a long time and inflation can be as dangerous as a losing investment. Ask your prospect.

The fact finder will lead you to their current **financial assets**, retirement funds and the status of them. Be thorough in asking for these assets because if you do not have an overall picture, you cannot make an recommendations. Of course please explain why you want them and how the information is necessary for you to complete your required suitability examination. If the prospect is uneasy in providing their current financial information, I would suggest you terminate the process and find a new prospect. One very important piece of information that you will glean from these question is **liquidity**. Knowing the prospects liquidity situation is essential to making an annuity recommendation.

Taxes should also be discussed, what is their tax rate and how will an annuity affect their overall tax situation? How will their current financial plan be exposed to taxation? A discussion of tax deferral should be made but the downside of tax deferral is someday the tax will need to be paid, how do those options affect them?

Our sales world has changed and it will change even more. Fact finding combined with solid suitability can help you the agent make the very best recommendation.

Recommendations which if done correctly will stand the scrutiny of future examination.

Is Richie Incognito Bulling You?....BB

http://www.huffingtonpost.com/tim-chen/dont-let-bully-financial-_b_4236977.html

Here are three questions your clients and prospects are going to (eventually) be asking you....be prepared.....BB

Don't Let Bully Financial Advisors Take Advantage of You: 3 Questions to Ask Any Financial Professional

Posted: 11/08/2013 3:07 pm

When you sit down with an advisor, come with questions so you can sort out the good from the bad. What follows are the most important questions to ask and some answers you might hear.

1. How are you compensated?

Bully financial professionals are less advisors and more salesmen who don't have your best interest at heart. To parse out the difference, it's important to know your advisor's pay structure: are they indebted more to you or to their own bottom line?

Your advisor should be able to answer straight where he or she falls. "Other answers like 'you don't pay me, the company does' or 'no commission or fee comes from your money' would send the red lights flashing," Seboe says. "Just how, exactly, do you stay in business if I don't pay you?"

In this respect, part of your evaluation of your advisor's answer should include an ear for tone, according to Cortright: "If there is ANY hesitation on the part of the advisor to discuss annual compensation, there should be bells ringing in your head as a warning!"

2. Have you been publicly disciplined for any unlawful or unethical actions in your professional career?

You should have a handle on your advisor's background, both in terms of any misbehavior and their qualifications. There are public records of the former, maintained by the Financial Industry Regulatory Authority (FINRA), state insurance and securities departments and the CFP Board, according to Tanina Linden, a in Leesburg, VA.

3. What are your qualifications?

FINRA's BrokerCheck is a free tool to help you research the professional background of firms and their representatives. The CFP Board also has a tool that can verify your advisor's CFP qualifications.

There are additional qualifications that can assure you of an advisor's faith to you as well. If he or she is a Registered Investment Advisor, then he or she owes a fiduciary duty to you, the client -- and by law.

See link for complete post....BB

Ever wonder why so many of the new buyers of annuity companies are based in Bermuda?....BB

Disclosure: my wife's cousin, Mike McGavick, is CEO of XL Group, an insurance risk management company based in Bermuda, Dublin and Connecticut:

Conference to explore Bermuda's key role in life insurance industry

"Bermuda is ideally placed to provide the cost-, capital- and tax efficient solutions that would enable annuity writers to compete more effectively," says Mr. Homan. **"One of the island's key advantages includes the speed of licensing.** Bermuda also offers a mature regulatory system, which reflects the fact that the arrangements are being made between knowledgeable parties rather than directly with retail policyholders."

Mr. Homan continues: "Ceding risks to special purpose insurers and other reinsurance structures domiciled in Bermuda has become a growing trend over the last four years. Use of reinsurance is enabling annuity writers to reduce their capital demands. They're therefore in a much better position to compete on price while still achieving a reasonable margin."

It has been reported more than **40% of US life and annuity liabilities** have been already ceded to subsidiaries in Bermuda and other capital-efficient jurisdictions such as Vermont and South Carolina.

"Bermuda offers the additional advantage of more **flexible asset rules and a tax neutral** environment, which can help companies to deliver higher investment returns to their policyholders," Mr. Homan says. "Alongside the capital advantages, this flexibility could help to promote the development of innovative new products in what is an increasingly dynamic marketplace."

Recent Blog by Crew Member Allen Masri

Allen will use this blog as an off-week drip to his database to build stronger and better relationships.

Financial Advisors: Beware of Fees and Hidden Commissions

By Allen Masri

If you are someone who is trying to protect your retirement savings, keeping track of this volatile market is not fun. To assist and help, you may have selected a financial advisor.

I have always found it very odd that the choice of a type of financial advisor could have nothing to do with what they want their financial professional to do for their money. When I ask my clients what kind of financial professionals do you want I get all kinds of answer. Some say "I want some with a degree in finance, or I want someone with lots of experience". A common response is *"I want a professional who will pick up the phone when the market is crashing."*

Ask yourself this: *" Is there anything about my financial professional or what he or she is recommending that guarantees my money will not participate in market losses?"* Then ask yourself what I want my financial professional to do with my money. When I ask that question I usually get one answer: *"I want it to grow and I want it to be safe."*

The answer is important because fees associated with any financial planner can diminish your account plus a planner not in step with your goals by showing safety and security as an option is a warning sign.

Burton Malkiel a Princeton University Professor of Economics and author of a *Random Walk Down Wall Street* wrote the sad truth about three kinds of financial planners.

- Prognosticators: those who don't know
- Those who don't know they don't know
- Those who know they don't and get paid big bucks to pretend they know.

You should know that your financial professional has no clue of what he or she is doing when they put your money at risk. A risky plan is a guess, only his or her best guess. It's a gamble. Regardless of what happens to your future growth and value of your account, one thing is for sure, your planner will (and is) making commissions.

Most brokers are paid in one of two ways and some with both of these methods. A broker (financial planner) can charge a fee for his or her work, much like an attorney. A broker (or planner) can also earn commissions based on the product he or she recommended in the financial plan.

That is correct; your broker can be paid month after month even if you lose money. The financial professional you are trusting your financial future to can be earning funds on both ends of your relationship, fees for the plan, and commissions for his recommendations.

I broadcast a weekly radio show called **Safe *Money and Income*** where I explain how people can use products without fees and expenses that are guaranteed to never be exposed to loss or risk

I don't charge fees ever. I get paid from the A rated companies, a finder's fee, for finding clients, but the fee is never subtracted form a client's account, it is from insurance company marketing funds. Consequently, I am not very popular with most financial professionals because they have no problem charging the fees.

This is your retirement money, not mine or anybody else's. The appeal of safe money never being at risk is very desirable. In other words, my safe money information will give you the information you need to make a decision for or against opening a guaranteed safe money account or to continue being faced with ongoing fees and exposure to risk.

It's completely up to you. Please call me and I can explain Safe Money more in detail and how your personal situation may be improved.

This article appeared about the loss of certification for compensation abuse….good timing for the blog.

http://www.fa-mag.com/news/cfp-board-revokes-advisors--right-to-use-cfp-mark-15976.html

The right of James W. Smith of Creve Coeur, Mo., to use the CFP designation was revoked because he gave inappropriate advice to and overcharged a client. Smith recommended a retired client purchase a variable annuity and an equity-indexed annuity even though the client's portfolio already contained three variable annuities. He also recommended the client pay for a guaranteed income rider that she could not access for 10 years, the Board said.

Smith also charged the client a 2 percent management fee over a five-year period in addition to a commission on the sale of the annuities. The actions violated the Board's Code of Ethics and Standards.

Two other advisors' rights to use the CFP mark were revoked because they declared bankruptcy and demonstrated a continued inability to manage their personal finances, the Board said.

William Scott Bray of Monterey, Calif., and Linda S. Cornish of Santa Clara, Calif., can no longer use the CFP designation. Bray filed for Chapter 7 bankruptcy in 1993 and Chapter 13 bankruptcy in 2010. Cornish filed for bankruptcy three times since 1994.

More

http://www.investmentnews.com/article/20131025/FREE/131029928

We spoke about this on Open MIC a few weeks ago....BB

Incentive compensation: The new rules for advisers

For recruiting firms and advisers who are considering a transition, the topic of compensation is always paramount.

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.

Disclaimer:

My opinion and/or numerous sources complied 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 the world's greatest 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.

I am an authority in lead generation and marketing annuities and am fully licensed as an insurance salesman. I sell state approved annuity products provided by licensed insurance companies.

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

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Our competitors will copy Open MIC anyway so I might just as well give it away, saves so much mental anguish and sleepless nights.

More Legal Stuff...

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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.

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National Life Group®

Lifetime Income Benefit Rider (LIBR)

Rider available with our Indexed Universal Life products

Provides your clients with a stream of income for life – guaranteed

Overview

Once exercised, the Lifetime Income Benefit Rider (LIBR) guarantees a benefit payment for the life of the insured in exchange for a charge from the accumulated value. The income percentages used to calculate the benefit amount are guaranteed at issue.

Conditions to Exercise LIBR:

- The insured must be at least age 60, but no greater than age 85 (based on the younger insured for LifeCycle Solution), and the policy must have been in force for at least 15 years or at least 15 years (10 years for LifeCycle Solution) have passed since the last face amount increase, whichever is later; and
- Any outstanding policy loans must be repaid in full; and
- The policy's death benefit ratio must be less than or equal to the maximum death benefit ratio, where:
  - The death benefit ratio is equal to the death benefit at the time of exercise divided by the Cash Surrender value at the time of exercise; and
  - The maximum death benefit ratio is the highest death benefit ratio allowed to exercise this rider; and
- Modal benefit payments are greater than or equal to $100.

The benefit payments are first deducted from the accumulated value through policy loans from the cash surrender value. The net death benefit is equal to the death benefit reduced by the partial withdrawals and the policy loan balance. Guaranteed income payments will be deducted from the cash surrender value via policy loans until the first monthly policy date when a minimum threshold criterion is met.

Minimum Threshold Criteria

- Outstanding debt on the policy divided by the excess of the accumulated value over the surrender charge is greater than or equal to 0.95.
- The cash surrender value is less than or equal to 105% of the next modal Guaranteed Income Payment.

Once Minimum Threshold Criteria is Met

- Benefit payments are no longer funded by the accumulated value; instead National Life Group pays the benefit payments directly to the policy holder. The tax treatment of the benefit payments may change; and
- The net death benefit will continue to be reduced by payments down to a min. of $15,000; and
- The net cash surrender value will continue to be reduced by payments down to a min. of $1,000; and

continued on back

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Once Minimum Threshold Criteria is Met continued

- The rider will continue to provide benefit payments until the death of the second insured; and
- Values from the Fixed and Indexed Strategies will be transferred to the Basic Strategy; and
- All monthly deductions will cease; and
- A one time charge will be applied against the accumulated value.

On contracts that are not Modified Endowment Contracts, benefit payments will become taxable once the minimum threshold criterion is met. All benefit payments will be taxable on Modified Endowment Contracts. Policy holders may want to consult with their tax advisors to better understand the tax implications.

Once the rider is exercised no premiums can be paid; otherwise the rider will terminate.

The policyholder cannot request partial withdrawals or additional policy loans during the income period, where the income period is the time during which benefit payments are made to the policy owner.

A defined income base is used to determine the benefit payments that are made during the income period. On the Lifetime Income Benefit exercise date, the income base is set equal to the Cash Surrender value and is then used to calculate the benefit payments. Benefit payments may be monthly, quarterly, semi-annually or annually. National Life Group reserves the right to charge a processing fee for modal benefit payments.

This rider includes a ratchet feature. The ratchet feature resets the income base at the end of every fifth Lifetime Income Benefit anniversary during the income period. At that time if the cash surrender value is higher than it was on the previous recalculation date, the income base will be increased to equal the higher cash surrender value. The benefit payments will then be recalculated using the adjusted income base. If the cash surrender value is lower than it was on the previous recalculation date, the income base will not be reduced.

Availability

- Issue ages: 18 - 70; 18-75 based on younger insured for LifeCycle Solution policies.
- This rider cannot be added to a policy where insured is rated higher than 250%.
- This rider is not available with CVAT.
- This rider does not have a charge until exercised and will be automatically added to all eligible new issue policies.
- Exercise ages are 60 - 85 based on the insured's attained age; younger insured's attained age for LifeCycle Solution policies.

The Lifetime Income Benefit Rider provides a benefit for the life of insured or life of both insureds for LifeCycle Solution policies if certain conditions are met. Insufficient policy values, outstanding policy loans and other considerations may also restrict exercising the rider. Exercising the rider and receiving an income benefit will reduce the policy's cash value and death benefit and may terminate other riders or reduce their benefits. There is an annual or monthly charge, depending on the product from the accumulated value during the income payment period.

The Lifetime Income Benefit Rider is issued and underwritten by National Life Insurance Company, Montpelier, VT and Life Insurance Company of the Southwest, Addison, TX.

This rider is optional and may not be available in all states.

Guarantees are dependent upon the claims-paying ability of the issuing company.