

AIM Virtual Sales Mastery - Mastermind Webinar

# How to Stop Selling Annuities and Use Them as Part of Clients' Overall Retirement Plan

[Click Here To Learn About Our 100% Done-For-You Annuity Leads Program](#)

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Welcome to the our AIM mastermind, our topic today is, “How to Stop Selling Annuities and Use them as Part of Clients’ Overall Retirement Plan.”

Even though annuities can be a key component of a retirement income plan, trying to SELL annuities to prospects and clients could actually be hurting your business. So, if you’re doing too much selling and not enough income PLANNING, you’ll learn in this episode how you can make just a few small changes that can lead to big results!

In just the past few weeks, some of the advisors in our program have:

- Closed a \$700,000 annuity case, with another \$300,000 submitted.
- Worked on a \$3 million annuity application.

Today, we are talking with Casey, who has been successful in our done-for-you annuity leads program. With more than 20 years of experience in the financial services business, Casey had previously used direct mail, dinner seminars, and a number of other costly forms of marketing to generate leads and appointments, but he was still only getting average results.

In fact, over time, Casey had partnered with five FMOs – and he was generating only so-so results with their leads. In some cases, the leads he was provided with had already been contacted by several other advisors!

Since partnering with AIM, though, Casey has followed the program to a tee – and by adding his own personal spin, his results have increased dramatically, along with his clients’ trust and satisfaction.

**Casey likes to say that he uses “technology in synchronicity” with his AIM leads to set more appointments, as well as to gather more assets under management, and to ultimately become the trusted retirement planning and income expert that clients turn to.**

So, regardless of whether you’re new to the field or you’ve been a financial advisor for many years, if you’ve been banging your head against the wall trying to close the sale – even with a stack of annuity leads in front of you – the good news is that there’s a solution for that...and it doesn’t require you to make more phone calls, send out more mailers, use scare tactics about clients running out of income in retirement, or tout more statistics about how “just one annuity” can solve all of your prospects’ and clients’ needs.

On top of that, you don’t have to limit your practice to only serving local clients. Our proprietary training teaches you how to:

- Expand your prospect and client base, literally from coast to coast
- Walk clients through the annuity comparison process while “watching” your presentation online
- Close new business 100% over the phone – even if you’re on the beach wearing shorts and flip flops
- Elevate your status as an expert
- Provide value that far surpasses your competition – and that can lead to clients transferring more assets to you to manage

## **How to Teach Prospects and Clients to Say Yes**

Oftentimes, people already know what it is that they want in retirement. They just need some guidance from an expert on how to get there. But, because all ideal retirement scenarios, time frames, and risk tolerances are different, it can take some research and comparison to find the right tools to match these unique needs.

By first listening to their objectives – rather than immediately diving in with a product “recommendation” - you will put clients and prospects more at ease. In many instances, clients have not been educated about how annuities work, or shown different annuity options.

Confused clients will usually say no, though, fearful that they’ll make an expensive mistake. But by walking them through the entire process – and providing them with alternatives – you can build up their trust, and the amount of business you ultimately secure with them.

## **“Building” the Right Annuity for Your Clients**

Constructing any type of structure needs to start with the right tools. And, by allowing the client or prospect to pick and choose which items work best for them, they will be much more in control of their plan – and in turn, more likely to move forward.

One of the most powerful tools for creating the annuity that most closely fits the client’s needs is [Annuity Rate Watch](#). By sharing your screen with the client, this software will allow the client to choose from available market indexes, as well as other annuity features, such as:

- Surrender Period
- Crediting Method
- Caps
- Participation Rate

## Annuity Rate Watch – Index Comparison

The screenshot shows a web interface for configuring an annuity rate watch. At the top, there are three tabs: 'Fixed/MYGA', 'Fixed Indexed', and 'Provisions'. The 'Fixed Indexed' tab is selected. Below the tabs is a 'Rates' section with three dropdown menus: 'Cap' (set to '- Any -'), 'Spread' (set to '- Any -'), and 'Participation Rate' (set to '- Any -'). Below this are three columns of options: 'Indicies' (with 12 checkboxes), 'Calculation Method' (with 6 checkboxes), and 'Averaging Method' (with 5 checkboxes). A 'Reset Period' dropdown menu is also present, set to '- Any -'.

Source: Annuity Rate Watch

If the client wants to add any additional features, such as an income rider, the side-by-side ledger comparison can be also extremely beneficial, as it shows exactly how their income base is projected to grow over time.

Discussing the rider comparison with clients is also a good time to educate them on how riders actually work, and how much they could cost in additional premium. This helps them to understand any of the “tradeoffs” they might need to make in order to attain certain benefits from the annuity.

## Annuity Rate Watch – Rider Comparison

### Income Riders - Side-by-Side Ledger Comparison

Age	Roll-up Rate	Income Base	Benefit Rate	LifeTime Payment	Age	Roll-up Rate	Income Base	Benefit Rate	LifeTime Payment	Age	Roll-up Rate	Income Base	Benefit Rate	LifeTime Payment
65	6.30	264,900	5.00	13,245	65		182,559	5.00	9,608	65		100,000	8.50	8,500
66		264,900	5.00	13,245	66		172,950	5.00	9,600	66		100,000	8.50	8,500
67		264,900	5.00	13,245	67		163,342	5.00	9,608	67		100,000	8.50	8,500
68		264,900	5.00	13,245	68		153,734	5.00	9,608	68		100,000	8.50	8,500
69		264,900	5.00	13,245	69		144,125	5.00	9,608	69		100,000	8.50	8,500
<b>5 Year Income Total</b>				<b>66,225</b>	<b>5 Year Income Total</b>				<b>48,042</b>	<b>5 Year Income Total</b>				<b>42,500</b>
70		264,900	5.00	13,245	70		134,517	5.00	9,608	70		100,000	8.50	8,500
71		264,900	5.00	13,245	71		124,909	5.00	9,608	71		100,000	8.50	8,500
72		264,900	5.00	13,245	72		115,300	5.00	9,608	72		100,000	8.50	8,500
73		264,900	5.00	13,245	73		105,692	5.00	9,608	73		100,000	8.50	8,500
74		264,900	5.00	13,245	74		96,084	5.00	9,608	74		100,000	8.50	8,500
<b>10 Year Income Total</b>				<b>132,450</b>	<b>10 Year Income Total</b>				<b>96,084</b>	<b>10 Year Income Total</b>				<b>85,000</b>
75		264,900	5.00	13,245	75		86,475	5.00	9,608	75		100,000	8.50	8,500
76		264,900	5.00	13,245	76		76,867	5.00	9,608	76		100,000	8.50	8,500
77		264,900	5.00	13,245	77		67,258	5.00	9,608	77		100,000	8.50	8,500
78		264,900	5.00	13,245	78		57,650	5.00	9,608	78		100,000	8.50	8,500
79		264,900	5.00	13,245	79		48,042	5.00	9,608	79		100,000	8.50	8,500
<b>15 Year Income Total</b>				<b>198,675</b>	<b>15 Year Income Total</b>				<b>144,125</b>	<b>15 Year Income Total</b>				<b>127,500</b>

Source: Annuity Rate Watch

Once all of the various annuity options have been chosen by the client, you can pull up a list of possible products that are available in the client’s state. Here, the client can see that sometimes the rates are not necessarily better on annuities that have longer surrender periods. And this can be really eye-opening for them – especially if they’ve talked with other advisors who focused solely on the rate of return.

Using this real-time annuity comparison, you can directly view along with the client the pros and cons of each – and ultimately narrow down which annuity (or annuities) would work best given their short- and long-term growth, safety, and income objectives.

Products	Premium Bonus	Rollup Rate	Benefit Begins at 60		Benefit Begins at 65		Benefit Begins at 70		Benefit Begins at 75	
			1st Year	10-yr Total	1st Year	10-yr Total	1st Year	10-yr Total	1st Year	10-yr Total
American Value II (10%)	5.00%	10.00%	10,250	102,500	14,025	140,250	18,300	183,000	23,075	230,750
MultiChoice One (10%)	6.00%	6.70%	10,137	101,372	15,422	154,218	23,267	232,673	28,697	286,970
American Value II (10%)	2.00%	10.00%	10,100	101,000	13,860	138,600	18,120	181,200	22,880	228,800
MultiChoice Income Plan	5.00%	6.70%	10,042	100,416	15,276	152,763	23,048	230,478	28,426	284,263
American Legend II Safe Return (10%) Safe Outlook (10%) AssuranceSelect (10%)		10.00%	10,000	100,000	13,750	137,500	18,000	180,000	22,750	227,500
MultiChoice One	3.00%	6.70%	9,850	98,503	14,985	149,853	22,609	226,088	27,885	278,848
Market Power (10%)	10.00%	7.00%	9,737	97,374	16,692	166,921	23,412	234,116	25,540	255,399
FD Index Choice 9 (10%)	3.00%	6.50%	9,667	96,673	13,245	132,450	21,776	217,761	21,776	217,761
Prosperity One Protection (10%)	5.00%	6.75%	9,608	96,084	9,608	96,084	11,530	115,300	11,530	115,300
Prosperity One II Protection (10%)	8.00%	6.75%	9,608	96,084	9,608	96,084	11,530	115,300	11,530	115,300
Prosperity One III Protection (10%)	9.00%	6.75%	9,608	96,084	9,608	96,084	11,530	115,300	11,530	115,300
MultiChoice Income Plan (10%) MultiChoice Income Stream (10%) MultiChoice Income Plan (10%)		6.70%	9,563	95,634	14,549	145,489	21,950	219,503	27,073	270,726

Source: Annuity Rate Watch

**By focusing on what the client is looking for – as versus just trying to sell them a certain product – you are guiding them towards a tool that will truly be beneficial to them. What people really want is choices – and that’s exactly what you’re giving them.**

You’re also helping them to rule out products that don’t fit well for their specific needs. This, in turn, can keep them from making a potentially “expensive” mistake with a large portion of their life savings.

Similar to other financial tools, it could be that more than one annuity can help a client to reach his or her goals. So, in some cases, providing the client with a more diversified annuity approach is the best strategy.

In addition, you can also use the Annuity Rate Watch software to show clients exactly how and where their annuity premium contributions will be allocated, and how the contract is projected to perform throughout their lifetime.

## Annuity Rate Watch – Premium Allocation



Source: Annuity Rate Watch

Backing up these comparisons with well-respected third party research – such as the [“Fixed Indexed Annuities: Consider the Alternative”](#) whitepaper by Roger Ibbotson (which shows how fixed indexed annuities can outperform bonds while also keeping principal safe) - can help to further cement your expertise and your objectivity.

## Putting the Client’s Interest First

Most people that you meet with will likely have already talked to another financial or insurance advisor – and many are fearful that they’ll be SOLD a financial product that they don’t need. So, in addition to providing education to clients and prospects, it is equally as important to let them know that you’re putting their interest first...even if it means not getting the sale.

The duty of a fiduciary is both ethical and legal. Advisors who abide by the fiduciary standard must incorporate five fundamental principles into their business. These include the following:

- Putting the client’s best interest first.
- Acting with prudence – that is, with the skill, care, diligence, and good judgment of a professional.
- Not misleading clients, but rather providing conspicuous, full and fair disclosure of all important facts.
- Avoiding conflicts of interest.
- Fully disclosing and fairly managing, in the client’s favor, unavoidable conflicts. (Source: [thefiduciarystandard.org/images/Summary\\_5Principles.pdf](http://thefiduciarystandard.org/images/Summary_5Principles.pdf))

This differs from simply following a “suitability obligation,” where an advisor makes recommendations that may fit the client’s needs, but could also charge an excessive amount of commission and/or is the only product available in the advisor’s “inventory.”

## Suitability versus Fiduciary

	<b>Suitability</b>	<b>Fiduciary</b>
<b>Advice</b>	Provides “suitable” recommendations and advice	Is required to act in the client’s best interest (even if it means not making a sale)
<b>Regulatory Oversight</b>	FINRA Compliance / Suitability Rule	Securities and Exchange Commission (SEC) or individual states
<b>Revenue Received</b>	Commission(s) and/or non-disclosed fees received from insurance carriers and/or investment firms	Must be “transparent” and disclose all fees that may be received
<b>Conflict(s) of Interest</b>	No requirement to disclose or describe	Must disclose and identify any possible conflict(s) of interest
<b>Charges / Fees</b>	Advisor is not obligated to consider the cost to the client	Advisor is required to consider and disclose the cost to the client
<b>Serving the Client’s Best Interest</b>	Lower standard of “client’s best interest”	Highest standard of “client’s best interest”



So, what's the potential downside to showing people all of their options, and then letting them make the choice?

One "drawback" to the advisor is the lower commission you may earn. For example, an annuity with a 5-year surrender period will typically pay less than an annuity with a 10-year surrender period. If the 5-year option is best for the client, though, that's the one you need to go with.

However, by showing the client your expertise, and building up their trust and respect, their comfort level can also rise substantially – and this can open the door for them to transfer additional assets for you to manage.

## **Items to Consider When Talking with Annuity Leads**

While technology plays a key role in running a digital insurance or financial services practice, it is also important to add in a personal, human element. For instance, generating a reliable income can provide a stress-free retirement for retirees, but it is what that income allows people to DO – such as traveling, spending more time with loved ones, or volunteering at a favorite charity - that makes the difference.

So, allowing people to imagine the "after" picture of their before-and-after-retirement scenario is essential. With that in mind, remember that prospects and clients don't want to feel like they're being SOLD. In order to achieve real success, taking an educational approach can work much better.

So, in addition to providing clients with in-depth annuity comparisons, there are several personalized steps, too, that should be used for guiding clients rather than selling to them:

### ***Step 1: Ask Lots of Questions***

No financial product recommendations should ever be made until the advisor knows the client's objectives. Because of that, it is absolutely essential to ask many questions regarding what an individual or couple is hoping to achieve financially in both the short- and long-term time horizon.

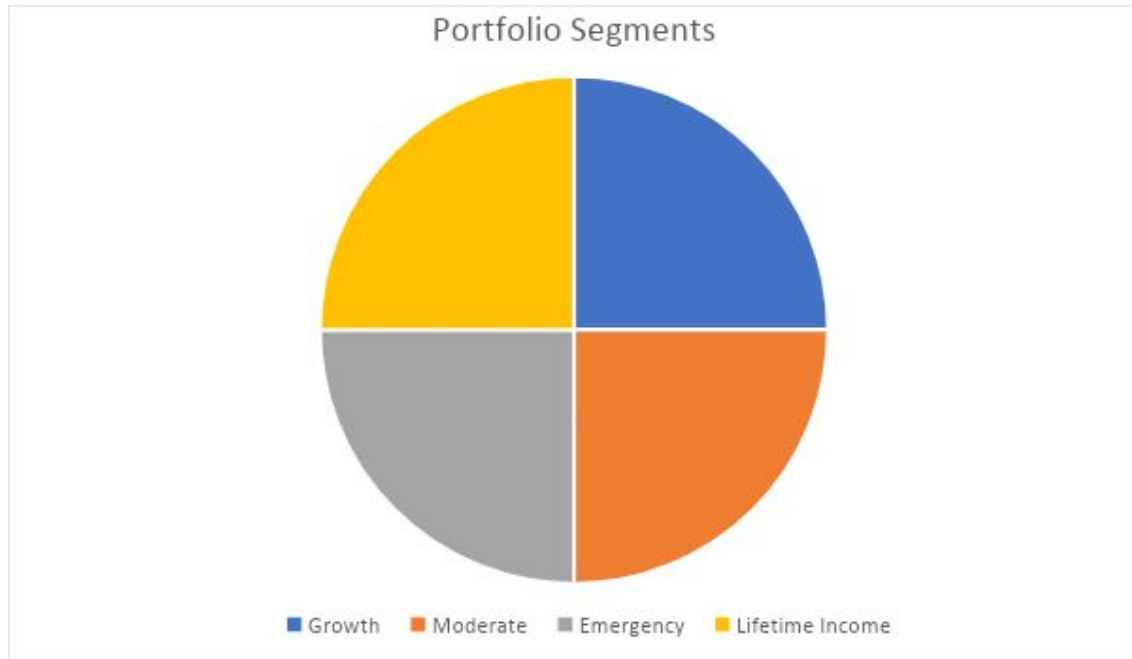
### ***Step 2: Segment the Portfolio into Specific Components***

Getting and keeping clients goes far deeper than a "one and done" annuity sale. That's why it is important for advisors to explain to prospects and clients how their overall portfolio should ideally be divided into various components.

For example, in many cases, one portion of the portfolio should focus on growth – so as to keep pace with inflation - while another component of the portfolio should be keyed in on lifetime income that clients can rely on for as long as they need it.

Clients will oftentimes need liquidity, too, so another component of the portfolio should typically include readily available cash to use for emergencies and other immediate financial needs.

### Example of Segmenting a Client’s Overall Portfolio



By going this route and looking at the whole picture, an advisor isn’t just “selling an annuity,” but rather helping them to plan their retirement and fill in all of the “gaps”. This, in turn, can build both credibility and trust.

### ***Step 3: Use a “Rinse and Repeat” Strategy to Educate***

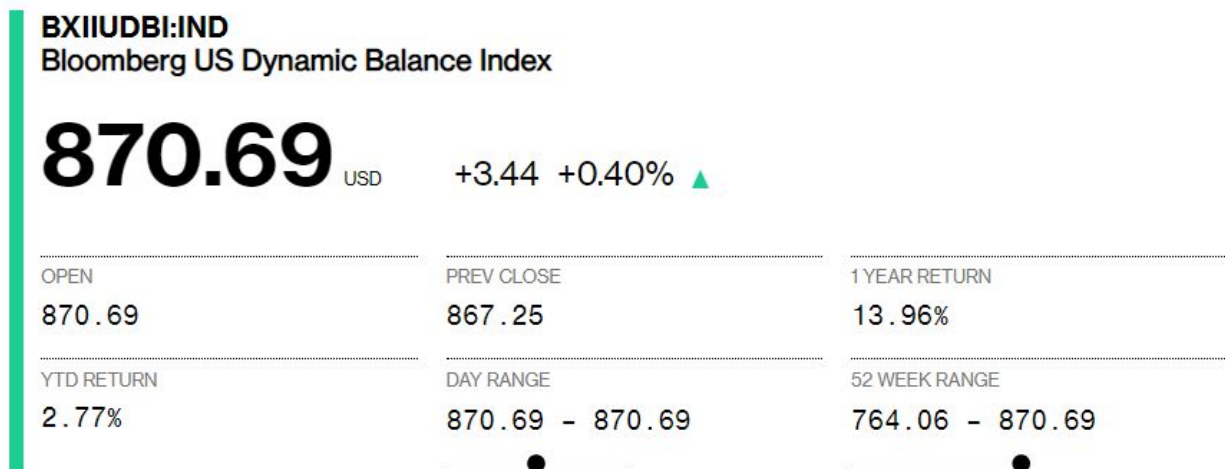
Annuities can be fraught with many moving parts. So, even if a client or prospect has met with an advisor or done research on their own in the past, it’s easy to forget some of the in-depth details. That’s why using a “rinse and repeat” strategy can be beneficial.

It typically only takes a few minutes to uncover how much an individual or couple really knows about annuities – or even about investments as a whole. So, re-educating prospects or clients, and also keeping meetings short (60 minutes at most), can help not to overwhelm them.

One way to gauge the level of knowledge and interest someone has about annuities is to ask them what they like – and what they don’t like – about annuities. It is also beneficial to ask how many annuities an individual or couple has already been shown by other advisors.

In this case, the answer is oftentimes “just one” – and in many instances, that one annuity is the Allianz 222. But, while this particular annuity has had a lot of “hype” regarding its premium bonus and lifetime income features, the reality is that the 222 annuity from Allianz is more like a Swiss army knife. In other words, even though it does many different things, it doesn’t do any one thing very well.

Plus, it is easy for people to get tripped up thinking that the premium bonus is “free” money. (It’s not). In addition, Allianz recently added the Barclays U.S. Dynamic Balance Index as a way of demonstrating its “superior returns.”



Source: <https://www.bloomberg.com/quote/BXIIUDBI:IND> (Accessed February 11, 2020)

But this index has only been in existence since April 2015. So, without a lot of historical data to go on, it can be difficult at best to get a true feel for how this index may perform over time, and in various market scenarios.

Currently, though (as of early 2020), this index has generated a year-to-date return of just 2.77%. So, it’s just barely meeting, much less beating, inflation. This can provide a perfect opportunity to show side-by-side comparisons of how different annuities may or may not fit in with a clients’ objectives.

## Taking Action to Increase Results

Knowledge may be power, but real results are achieved by taking action. For newer advisors – and/or advisors who are new to the AIM virtual sales process – there are some keys to achieving success. These include:

- **Following the Script.** By following the script, at least in the beginning, advisors can become much more relaxed, knowing what to do every step of the way.
- **Asking Lots of Questions.** By asking clients and prospects what it is that they want to achieve, advisors can take a more consultative approach, and find the right tools to fit their needs, rather than trying to make one single product the solution for everyone and everything.
- **Not Providing “Too Much” Information.** If an advisor gives product recommendations right off the bat, clients will typically run the other way. A primary part of an advisor’s job is to find out what clients’ goals are first – and then recommend the right tools to get them there.
- **Explain the Fiduciary Standard.** It is also important to let the client or prospect know the difference between fiduciary and suitability standards – and that the advisor will be putting their interest first. This is the case, even if the best tool for them is not an annuity.

Adding these steps into your business can literally be a game-changer to your practice – regardless of whether you’re just starting out in the industry, or you have already built up a highly successful advisory.

## Where to Go from Here

If you’d like the freedom to work from anywhere there’s an Internet connection, and the ability to vastly expand your marketing reach, [AIM](#) can help to get you there – and we can do so much more quickly and affordably than you might think.

Our specialized virtual sales training is designed to help advisors leverage the power of the Internet to expand reach and provide value in their businesses, while at the same time simplifying the process.

If you have any questions or would like more information about the AIM done-for-you marketing program, feel free to reach out to us directly at (888) 440-2468, or click the link below.

[\*\*Click Here To Learn About Our 100%  
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