Hello

My name is Bill Broich (and my grandson John) and I am an annuity salesman in Olympia WA. I always like saying that….”I am an annuity salesman!”

Selling annuities is very simple….simple if you have enough people to see on a daily basis (see Tip Number 10) and you have a method of communicating with your prospects on a continual interactive basis.

Identity, Know Who You Really Are.

Many years ago when I was just beginning my insurance career I had the great fortune of spending an afternoon by a swimming pool with probably the greatest insurance salesman of all time. I was at my first convention and he was there as a guest speaker. That person was Joe Gandalfo.

If you don’t know that name, you should. He is a study in persistency and sales ability. Joe has over 18,000 clients and has sold well over $1 billion worth of life premium. Want me to repeat that? $1 billion of premium!

During that afternoon we talked about all sorts of things that he had done, and how he had built his sales career. It really boiled down to just a couple of points that separated him from the rest of us.

1. Always work hard
2. Selling is 90% understanding people, study people and learn who they are
3. Have tons of leads and work them.
4. Never be ashamed of being an insurance salesman
5. Do what almost all agents won’t do, see people

I have tried to copy Joe and I have often thought back to that afternoon with this thought: here he was one of the greatest sources of insurance selling information on the planet and he was sitting alone. Other agents
who had been at the morning meeting were now playing golf or at the beach. I had him all to myself and I learned from him.

As he got up to leave late that afternoon he said something to me that I have never forgotten and I will pass it along to you.

“I was who you are; You will be what I am.”

There was power in those words and to me it meant that I must never stop learning, never stop selling, never stop seeing people and never be ashamed of my chosen profession.

I am an annuity salesman.

My personal production (in Olympia) is well over $100,000,000 in fixed and indexed annuity premium. Listed below are links to our sites, please feel free to have a look.

www.annuity.com
www.safemoneyradio.com
www.retirevillage.com

Here are 10 tips that have helped me sell more annuities.......BB
Tip Number 1.

10 Little Indians

When someone becomes a client I tell them about this program if they have IRA funds. I say that my responsibility is to provide them the highest yield with no risk and how I do it is to open multiple pots within their IRA.

At the time I sell a new annuity to a new client I ask my new clients if they would like to participate in this program. Almost all of them do. I set the stage by telling them they will receive paperwork in November of each year and we will not call them. If they want to move forward, merely sign where indicated and mail it back. Start in late November and finish by December 15.

IMPORTANT: The return envelope for them to mail back needs to have STAMPS on it. Your participation rate will increase dramatically by using this tip.

I do this by using the 10% free withdrawal allowed under the contract to move that percentage to another bonus product. This means that in the case of a $100,000 IRA it would be about $10,000 I would move to a new annuity. Even if I can increase the interest rate for those funds from 3% to 4% I would do it because it is all qualified funds and it can be moved without tax issues. (also many products have a bonus on new money and this will add to their yield)

The benefit to them is a slightly higher yield and the comfort of knowing I am trying to increase their yield without any exposure to risk.
The advantage to me is fresh commissions. If it is a Company A I would move the 10% to Company B and then Company C and so on. The next year I would take 10% out of the 2 contracts and move it to a third and so forth.

When a new client whom I have told about this program wishes to be included all I do each November is send them the application and transfer forms with a note to sign if they wish to participate, very low key.

If you think about only $1,000,000 in IRA funds available and only 50% participate then that would be a $50,000 annuity with a nice Christmas bonus for you. What if you have $10,000,000 in IRA funds?

Set the stage, your clients will participate and 10 Little Indians will make you enough extra money for that family vacation in Maui or pay your marketing expense for the next year!

Tip Number 2.

Recapture

Recapture, use this to explain “Tax Deferral”. This is a Short Tip but a Very Good one to have in your Bag

I have used this concept for many years and it is one of my stand bys. It is called the “recapture” sale.

We have covered in depth the topic of “tax deferral” in several parts of this manual. But what we haven’t covered is a catch line to put it in perspective.
When we talk about tax deferral we are really talking about sending a tax liability into a different tax year. That time period may be 1 year or 10 years it doesn’t really matter how long it will be.

So I say this:

‘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.

Recapture!

Tip Number 3.

Color Will Hedge Your Bets!

Several years ago my wife decided to hire a consultant to organize my office and how I presented myself. She was very experienced and I
actually grew to trust her and respect her opinion. She made me aware of certain colors to wear and what colors to avoid.

I followed her advice and I am convinced it has had a great deal to do with my success. Here is a few of her recommendation that I have incorporated into my business life.

**White:** Avoid at all costs. Never let your prospect see white paper and do not wear white shirts.

**Black:** This means safety and security, we only use black binders once the annuity is issued. It is in the delivery book section of our manual.

**Red:** Avoid if you can because it causes excitement not trust. Do not have red in your tie.

**Yellow:** Avoid if you can because it causes impulses and avoid yellow in your tie.

**Dark Blue and Dark Green:** These are confidence building colors and this is what I wear when I meet a prospect or a client. Golf shirts, always new and not faded and I usually will wear them 2-3 times only.

**Cream:** The secret color and the only one that make people feel at ease. I wear cream colored pants and I will only use cream colored paper on anything I will ever show them.

**Pink:** Means love, not a good color for a prospect to see.

**Goldenrod** (Gold): Relates to inner thoughts and is a great color for the fact finder.

You can laugh if you wish but try it and watch how much easier it is to build relationships.
Tip Number 4.

Taxes Can Be Imposed on Certain Immediate Annuities.

This tip might allow you to sell a tax deferred annuity and remove the interest instead of an immediate annuity.

California has quietly been taxing annuity payments to retirees. Naturally California would be the one to figure out how to squeeze all the available tax dollars!!!!

What is the tax? **2.35% of the benefit.** The tax is calculated before the benefit is paid to the annuitant.

Taxes and more taxes.

Makes you wonder how many state accountants it took to dream up this idea. They must have had help from the state assembly. (Oh by the way, they also will charge any income taxes that are due the state!)

Any other states tax annuity benefits and following California’s lead?

- Maine 2%
- Nevada 3%
- South Dakota 1.25% on the first $500,000 and then a reduction
- West Virginia 1%
- Wyoming 1%.

I think this is usury but just wait — other states will be right behind them.

How do you avoid the tax? Convert your annuity to an income stream in a state that doesn’t have the tax. Pretty simple.
Tip Number 5.

The Assets “Held Outside” Secret

Here is an easy one. All you need is a little information.

When you are speaking to a prospect and looking over their brokerage statement you may notice “assets held outside” the brokerage firm. This means the assets are being collected by the broker dealer only on paper and **not** at the brokerage house.

As an example an asset held outside of the broker dealer may be a variable **annuity**. Brokers like to collect all the assets they can even those held outside so they know when a new sales opportunity becomes available.

**When you find these assets you DO NOT need the broker’s permission to transfer them.**

Simply send the transfer documents (as an example 1035) to whoever holds the assets (insurance company) and they will be transferred **without the needed permission** from the broker. Many times the broker will not know the asset has been re-positioned until months after it has been moved.

This move stops the competition from conservation because the funds will be gone before they notice.

A great little secret that allows assets to be repositioned and the broker doesn’t even know and permission is never needed.

Grab the Low Hanging Fruit
Tip Number 6.

Get the Money Transferred For a Quick Sale

Selling the annuity is the first half of the deal, getting the money is the second half.

Many sales have been lost because an agent left this process up to the new business department of the receiving insurance company. I take control of this process and make sure the funds are transferred. If the funds are not transferred then there will be no sale and if no sale, no compensation.

If the funds are in an IRA I have the IRA surrendered and the money sent to the prospect. The prospect can have the funds from their IRA in their possession for 60 days.

Make sure you notify the original custodian it is an IRA Rollover and DO NOT withhold taxes. I mark it on the forms and I also write a letter for the client to sign instructing the custodial it is a rollover (keep a copy in your files).

I have the prospect call me when the funds arrive. I then have the prospect endorse the funds to the new account which I have set up prior to sending in the funds. I have the receiving insurance company issue a policy number.

I make sure the policy number is on the endorsement side of the check and I mark it "for benefit of" and insert the prospects name.

Always have the necessary paperwork ready at the close for the prospect to sign. I have my assistant call the prospect a few days later to check in and make sure there are no questions and that the sale is progressing.

Using this method will allow you to process the paperwork and be paid in less than 10 days instead of the usual 60-90 days.
Tip Number 7.

Use the "Back Door Escape Hatch" to Compare Bond and Annuity Benefits!

This tip really works when you are dealing with a prospect who owns bonds. Almost all bonds issued in today's market have a callable feature to them.

The “callable” feature means that if the bond issuer can offer the same bonds at a lower interest rate than they are currently paying, they will "call" the bonds and reissue.

The risk to the bond buyer is two-fold:

1. The bond owner will receive the funds from their bond being called and be forced to look at lower interest options because general market interest rates are lower.

2. If the bond is not called, that would mean that interest rates in general are higher. The bond owner is then "stuck" with the bond they own and it is paying less than the prevailing general interest rates.

When I meet someone who owns bonds with a callable feature I always say this:

"Mrs. Jones, it appears that you bought a bond with a back door escape hatch. This means the bond company can change the rules if it is in their best interest."
I then explain to her what happens and how she will always be at a disadvantage. Here is a little more about callable bonds.

**Callable:** Subject to payment of the principal amount (and accrued interest) prior to the stated maturity date, with or without payment of a call premium. Bonds can be callable under a number of different circumstances, including at the option of the issuer, or on a mandatory or extraordinary basis.

Use the "back door escape hatch" information to help your prospect understand more about their bond holdings.

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**Tip Number 8.**

**1035 Exchanges**

Use the IRS Section 1035 to find the **Highest Yield** for Your Annuity. Does your client have an “old” money rate or a “new” money rate?

The popularity of tax deferred annuities has increased since the 1970's into a natural choice for safe money alternatives for many Americans. The primary reason is the lack of exposure to risk and the contractual guarantees provided by these products. Many of the benefits that first attracted consumers to annuities, tax deferral and probate avoidance, have
been replaced with the need for guarantees and having funds fully risk proof.

However as an annuity ages, the yield can be reduced to the contractual minimum by the insurance company. What tools are available to the consumer to maximize yield **without exposure to tax liability** due to the tax deferral of accumulated funds within the annuity?

The answer is simple, an **IRS allowed Section 1035 Tax Free Exchange**. The Section 1035 exchange permits the annuity owner to preserve the tax deferred status of the account and exchange without tax liability to any other company's available annuity product.

The fixed annuity that your prospect currently owns could be entering into a time period where the volatility of interest rates could provide them with higher yields. It is important to be aware of what options are available.

Make the current annuity company to be more competitive with what is available in the marketplace and remember, the only loyalty that should be considered is to your prospects interest. Find the highest possible yield for your prospect and use the IRS Section 1035 to move the funds without tax liability.

Here is what I say:

> “Mrs. Jones, it looks like your current annuity may have an **old money rate**, did you know you can move your annuity to a new product and receive **new money rates**? The new money rate may pay you a higher level of interest; shall I see what new market rates may be available?”

> “**Did you know the IRS allows you to move your money from one annuity to another annuity without exposure to tax liability using their 1035 exchange rule?**”

Then it is a simple move to a fact finder and finding out how she feels about her assets and her situation.
Tip Number 9.

Celebrity Radio

Be Smart, Become a Celebrity, Create Your Own Radio Show, Generate Constant Annuity Lead Flow

**Annuity agents:** Be smart and get control of your own marketing and manage your lead flow by creating your own radio show while becoming a celebrity in your local marketplace.

If you are not familiar with radio, it can be intimidating and yet it really is a matter of knowledge and understanding the process. One way to short circuit the process is to use a *turn-key* system where the actual work is outsourced to professionals. Creating your own annuity radio show is much simpler than you might expect.

The broadcast process is simple, the script is provided for you, your radio show is recorded, a professional sound engineer converts it to radio quality and the show is broadcasted. Leads are sent directly to you, the radio "celebrity."
Your own radio show will provide you with a constant flow of leads and will establish you as a local "celebrity" in your marketing area.

For more info: www.safemoneyradio.com

Tip Number 10.

Free Leads!

I have saved the best tip for last. This tip will generate you leads day after day after day.....and they are free.

Do you own your own website? The truth is this, your site is worthless! Worthless if it doesn’t generate leads. Pictures of you and your kids on vacation are just that, family pictures and they will never generate one lead....ever!

Your website should generate leads, leads that allow you to build better and stronger relationships with your clients and prospects.
We use a simple formula to accomplish this.

**Give Value**
*(information)*

When your prospects request the information, you are being invited to expand your relationship with them. By answering their questions and becoming the source of the information, you are providing value.

**Value Gives Trust**

Trust is developed by providing value and by extending the relationship.

**Trust Builds Relationships**

Once a relationship is established, personal information is shared such as feelings, goals and finances.

**Relationships Mean Sales**

Once a prospect shares their feelings and goals, the benefits of annuities can be examined and considered by your prospect. Solid fact finding and fully understanding how a client feels and how an annuity could benefit them becomes a key part of retirement planning.

We do this with our “**patented**” system known as **ERMS** partnered with our customized agent website:

[http://www.retirevillage.com/erms](http://www.retirevillage.com/erms)
Every day you will receive your “daily lead log” directing you to prospects who are interested in you and your products. Easy, simple, effective and free.

Take a moment to consider this information. Have a look and Thanks for listening, and good luck selling annuities.

BB

PS. We meet weekly for Open MIC every Thursday at 9:00 Pacific. No need to register or give your name. Free to all and all are welcome.

800 504-8071 code is 5556463