

Why selling fixed indexed annuities can make you a millionaire by Karlan Tucker

Nobody wants an annuity of any type. That's because very few people know what annuities can do. Instead of finding out how they work, often people rely upon an uninformed adviser or outright misinformation. So how do I earn millions selling FIAs? Find out what people want, and then give it to them. I tell the advisers I train that this is as complicated as a sale gets.

So what do people want? I can tell you from many years of experience that they don't want an annuity of any type. They don't, however, want mutual funds, stocks, bonds or CDs, either. So what do they want? They want what they believe all of these things do for them. They want **safety and opportunity**. They want and need income. They want simplicity, and they want peace of mind. They want these financial vehicles to secure their future so they can maintain the standard of living to which they have become accustomed.

What if a baby boomer were offered a mutual fund that offered great growth opportunities; locked in the gains on autopilot annually without triggering a tax; allowed for tax-free growth and tax-free income; provided income that never stopped, even when the principal is exhausted; never put the principal at risk; never lost a gain; and was always **100 percent liquid** with no management fees or sales loads? What if the owner of this mutual fund had never lost any money due to market volatility, management fees or the failure of the company backing the fund?

Could you sell a few of these? You'd capture millions in assets, right? Could you sell a bank CD or money market account that does the same thing as the mutual fund above? You'd also capture millions in assets, right? Well, mutual funds, CDs and money market accounts don't offer these features.

Are we out of luck? Hardly. Let's take a close look at the **fixed indexed annuity**. Remember I said nobody wants an annuity of any type. That's because very few people know what annuities can do. Instead of finding out how they work, often people rely upon an uninformed adviser or outright **misinformation**. Annuities are often all lumped into one category; the public's perception is that they all have high fees, they all tie your money up, **they aren't liquid** and they don't offer much opportunity. Much of this is true of some types of annuities, typically variables or perhaps poor designs of any type. It's convenient to have the general public believe this when you don't offer annuities as solutions. Today, over 80 percent of financial advisers have **never sold an annuity**, so I understand when the majority of Americans getting their information from these advisers don't think well of annuities.

We, however, just potentially agreed it would be easy to sell a mutual fund with the features of a fixed indexed annuity as long as we didn't call it an annuity. The problem isn't that an annuity offers these tremendous features; the problem is just bad perception of the product because of misinformation. In

fact, **complaints** filed by the owners of FIAs are among the lowest of any type of financial vehicle, according to Jack Marrion's research at the Advantage Compendium, Ltd. Would you consider selling this annuity to a boomer? Could you sell this annuity? The principal of this fixed indexed annuity is 100 percent safe because it is parked outside the market in a high-quality bond portfolio. The principal is always 100 percent liquid without any surrender charges imposed upon the withdrawal — ever. This annuity offers tax-free growth and if wrapped in a Roth-like mine, offers tax-free income.

The opportunity for growth is in the 6 percent to 7 percent range on the highest value clients have ever had in their account because they never experience losses. (The Wharton School of Business study at the University of Pennsylvania revealed that some FIAs have returned an average of a little over 8 percent for all 14 years since inception). The gains are captured annually on auto-pilot without the owners having to sell the very vehicle responsible for the gain, unlike a mutual fund.

There is no management fee, sales load or commission that impacts the client's principal. If they invest \$100,000, all the money goes to work for them. Their statement at the end of the first year will reflect \$100,000 plus the credited interest — no management fees, etc. Your commission of 12.5 percent over 10 years is paid out of the insurance company's general account, not from your client's funds.

The client may elect an optional **income rider** with a fee of 60 basis points to 1 percent that guarantees growth typically around 7 percent annually. This fee guarantees they cannot earn less than 7 percent growth on their income account. Income payments can increase to fight inflation, even while the principal is decreasing due to the owner's penalty-free withdrawals. Increasing income on a decreasing asset is only available with an annuity. To take income from an FIA, clients do not have to annuitize, giving up ownership of their principal; that's old-school.

With today's powerful riders, they retain ownership and control of their principal, even while taking income. In fact, they remain **linked to an index**; so, they continue to benefit from the growth of the stock market during the distribution phase.

For years, people's only choices for preserving their standard of living were either the stock market with its risk and volatility or safe money like bank CDs and government bonds with very little opportunity. There was nothing in the middle.

Today, filling the gap between the market and bank CDs/money market accounts or bonds is the fixed indexed annuity. So how do I earn millions selling FIAs? I don't sell the FIA; I sell what the FIA does for my clients and me. I sell power with protection; safety and opportunity on the same dollar at the same time. These are features everybody wants. When you help enough other people get what they want, you will get all you want also. So what do they want? They want safety, opportunity, tax-advantaged income and peace of mind.

Offer the features of an FIA first, and then educate them about the vehicle that is capable of delivering everything they are looking for in one package. You'll find the resistance to buying an

annuity disappears. For additional help, send them to “The Hidden Truth About Annuities” website (www.thehiddentruthaboutannuities.info). This site is loaded with third-party videos and articles, all educating the general public on the tremendous value found in annuities.

Tell this story frequently and well, and not only will your new clients find what they have been looking for, you will too.

I wish you great selling.