



**ANNUITY
ADVANTAGE**
SPACE CAMP 2024



ANNUITY ADVANTAGE PLAYBOOK



AMERILIFE®



Annuity 101+201

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Terms to Know

Types of Funds

Qualified (Q) and Non-Qualified (NQ)

Tax Deferred

All funds, Q or NQ, will grow with taxes deferred, unlike a CD/savings/checking account, until funds are pulled from the annuity.

Asking the Right Questions

- 1 Do you have lazy money?
- 2 Is your money working for you 24/7?
- 3 Would you like to find out how you can self-finance your own funeral?
- 4 Are you happy with your current interest rate, or would you like a free review to see if I can get you a better rate?

The Basics

What Are They?

- Account with an insurance company
- Offers principal protection & accumulations
- Offers guaranteed lifetime income

MYGA

- Shorter contracts (3-5 Years)
- Accumulation-focused
- Guaranteed rates

FIA

- Longer contracts (5-10 years)
- Allows client to participate in indices tied to the market while having protection
- Accumulation- or income-focused

Both Types

- Growth potential
- Principal protection from market downturns
- Tax-deferred
- Access to withdrawals/liquidity

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<https://yourfmo.com/yourlife-sales/annuity-advantage-2024>

ID'ing the Buyer

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Conversation Starters

Questions to Ask

- How long have you lived here?
- Are you married? Do you have children/grandchildren?
- Do you know how to retire?
- Have you turned on Social Security yet?
- How long did you work at your last job?
- Did they allow you to keep your health insurance?
- Did they reward you with a pension for your years of service?
- Have you contributed to retirement plans at other jobs you have worked in the past?
- Do you know the tax rules associated with retirement accounts?
- Do you understand Required Minimum Distributions?
- Do you have money in the bank not making money?
- About how much money do you have in your nest egg for retirement?
- Are you worried about not having enough money for retirement or running out?

Vocabulary

Annuity

An annuity is a contract between a buyer and an insurance company that provides the buyer with a regular series of payments in return for a lump-sum payment. An annuity is most commonly used to establish a steady stream of income in retirement.

Qualified Money

Qualified annuities are purchased with pre-tax dollars, typically through an employer-sponsored retirement plan, and when withdrawals are made, the entire amount is taxed as ordinary income.

Non-Qualified Money

Non-qualified annuities are funded with after-tax money, meaning the principal amount has already been taxed. Only the earnings are subject to taxation when withdrawals are made from non-qualified annuities.

Retirement Accounts

401Ks, pensions, traditional IRAs, Roth IRAs

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Overcoming Objections

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Prevent Objections

Preparing for Questions

- Overcome objections before they arise
- Address common concerns
 - "Sounds too good to be true?"
 - Or... "Where's the catch?"
- "Show Don't Snow"
 - Use plan documents to your advantage
 - Carrier documents
 - Sample policies
 - Statement of understanding

Practice Makes Perfect

- Consistent rehearsal (yes, rehearsal)
- This strengthens your rhythm & delivery
- Tone & emphasis
 - To respond to an objection or concern can sometimes sound defensive without practicing this beforehand.

Be Real

Make Eye Contact

- This shows you are trustworthy.
- The ability to maintain that eye contact during your "pitch" indicates confidence in your subject matter

Connect

- Weave relatable stories into your presentation using narratives that make your message memorable and impactful.
- You are still selling yourself.

Active Listening

- Pay close attention, and don't interrupt.

Clarifying Questions

- Ask clarifying questions: Get to the root of the objection. Is it price, need, lack of information, or something else?



How to Quote & Close Annuities

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“Don’t Sell Air”

Come Prepared

- Educate the client about the company.
- Educate the client on the product:
 - Use the carrier-provided brochure as a guide.
- Educate the client on what the illustration actually means.
- Help them to understand what the guarantees are.
- Lean on your retirement team to help understand how to present.
- Present the facts, and keep it simple.

Clients Need Your Help

Adopt a Servant Mindset

- If you’ve already helped a client with Medicare or life insurance, they are going to be more inclined to accept your help with retirement planning.
- Bring materials that you can leave with the client. Leave the illustration and brochure behind so that they can review on their own.

Quick Notes

Suitability

- Annuity suitability guidelines and standards help ensure the recommended annuity is a good match to help the consumer reach their financial goals. The guidelines require annuity insurers and agents to consider factors like the consumer’s income, age, assets, and liquidity needs before recommending an annuity.
- Check [Annuity.org](https://www.annuity.org) for more info.

Bring with You

- Illustration
- Brochure
- Application

Transferring Funds

- Skip ahead to 46:45 to hear Crystal’s overview of transferring funds once you’ve closed a sale. She goes through her experience with 401Ks, broker-managed funds, and the process for completing the transfer smoothly.

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How to Successfully Solicit Annuity Referrals

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Know Your Process

It Starts with High-Quality Service

- Whether you're starting with a Medicare or final expense client, it's important to take the appropriate time to build trust. If the sales process with the initial product is bad or mediocre, they are unlikely to be open to allowing you to speak about an annuity, which is typically a larger portion of their retirement nest egg.
 - Be informative
 - Be confident
 - Be presentable

Keep It Simple

- Don't get overwhelmed by the amount of products that are out there.
- Focus on learning the basics with one income-focused product and one accumulation-focused product.
- From there, you can branch out once you have a solid understanding of what works.
- If one of those doesn't fit, then move out to the next products in those categories.
- Go deep on a few products, and then go wide to avoid overcomplicating the process.

Related Notes

Ask the Question

- "Oh, by the way, do you happen to have an annuity?"

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Annuity Laddering Strategies

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Why Ladder?

Objective

- Annuity laddering aims to provide a steady stream of income while minimizing exposure to interest rate fluctuations.

How It Works

- You purchase multiple annuities with different contractually-stipulated cash flows. Each annuity represents a “rung” on your ladder, offering distinct cash flows based on specified interest rates.

Benefits

- Diversification: By combining various annuity contracts, you diversify your cash flows.
- Risk Mitigation: Laddering reduces the risk of investing too much in low-yielding annuities.
- Liquidity: It provides short-term liquidity while taking advantage of longer-term rates.

Types of Ladders

Staggered Laddering

- Buying annuities at set intervals over a period of time
- Buying multiple policies at one time and stagger distributions

Split Laddering

- Buying multiple policies at the same time in different types of policies

How to Build a Ladder

Spread Principal Over Time

- Invest in a similar-duration annuity every year for several years. This captures the highest-yielding instruments available in the market at each transaction date.

Contract Term

- Decide how long you want your annuity ladder to be (e.g., 5 years). Each annuity's term will be one year apart.

Considerations

- Age, gender, retirement status, and favorable interest rates play a role in annuity decisions.



How to Market Annuities

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What You Need to Do

Call Your Clients, Offer a Free Annuity Review

- This is the perfect time to touch base before AEP. Some of your clients already have annuities. You simply need to be an order-taker. Offer to do the review, and we'll do all of the analysis and get you an expert recommendation on a product based on their needs.

The Script

- By the way, we are now excited to offer FREE annuity reviews. Do you currently own an annuity?
- If yes, "Would you be interested in a FREE annuity review?"
- If yes, "The free review is simple. I will simply take a picture of your current annual statement. This statement will be sent to our experts to review. They will respond with options that I can present to you within a week."

Remember to Think Like Amazon

- Keep in mind, you are not selling annuities – you are order-taking. You do NOT need to be an expert! Frankly, you do not even need to be knowledgeable. Does Amazon know anything about their products, beyond the general description?

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Flight School: Quick Links

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Carriers

Nationwide

- [Nationwide Peak 10 with Chris Bailey](#)

F&G

- [Safe Income Advantage and Performance Pro with Chris Stahowick](#)

Allianz

- [Allianz Benefit Control \(ABC\) with Jesse D'Heilly](#)

Nassau

- [Nassau Personal Protection Choice with Mark Fitzgerald and Jack Quagliaroli](#)

SILAC

- [SILAC Denali and Teton with Andre Thompson](#)

Athene

- [Annuity Fundamentals and Athene Product Suite with Jerry Larkin](#)

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