



2016 MDRT Annual Meeting e-Handout Material

Title: Making MDRT Through Multi-Line

Speaker: James J. Van Ham, CLU, CFP

Presentation Date: Tuesday, June 14, 2016

Presentation Time: 2:00 - 3:00 p.m.

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James J. Van Ham, CLU, CFP
Making MDRT Through Multi-Line



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"Success is about making a difference, not about making money"

- Howard Wight- renowned motivational speaker



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HOW DO YOU "QUALIFY" FOR MDRT IN 2016?



MDRT
The Premier Association of Financial Professionals®



\$93,000 First Yr. Commissions

Or

\$ 186,000 in First Yr. Life Premium



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SECRET # 1:
DO CONSTANT PROFESSIONAL DEVELOPMENT FOR LIFE!



Study, Stay informed, Attend meetings, belong to a Professional Organization!

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WHY JOIN NAIFA?

1) MDRT REQUIRES A MEMBERSHIP IN A “QUALIFIED” PROFESSIONAL ASSOCIATION.

2) LIMRA ASKS: WHEN DOES \$ 600 PER YEAR = \$ 20,000 PER YEAR?




A 2012 LIFE COMPANY STUDY
NAIFA vs. Non-NAIFA Reps.-

NAIFA Member Reps had:
60% Increase in Premium
44% Increase in Applications

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SECRET # 2:
WHERE DO YOU WANT TO GO.



Dr. Stephen Covey, from his Best Selling Book-“Seven Habits of Highly Successful People.” says...
“Begin with the End in Mind.”

What do you want “your” Agency to look like 5 years down the road?




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SECRET # 3:

IF YOU ARE A MULTI-LINE PRODUCER, THEN BE A
MULTI-PRODUCT PRODUCER!!!

**"KNOW HOW YOUR PRODUCTS TIE TOGETHER AND BE ABLE TO SEE
OPPORTUNITIES TO CROSS-SELL, IN THE DAY TO DAY."**

ARE YOU TEACHING YOUR STAFF TO ASK THE "RIGHT QUESTIONS"
THE ONE BILLION DOLLAR QUESTION FOR THE MCDONALDS CORP.
DO YOU WANT FRIES WITH THAT?



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SECRET # 4:


Use **LESS** prospects, to find **Better** clients!

- 1) Know "WHO" you want to do business with!
- 2) Do you know that 20% of your clients provide you 80% of your sales?
- 3) WHY do you "Cross Sell" all of your current households?
- 4) LEARN how to ask for Referrals! In order to get referrals, you must ...
... "FIRST BE REFERABLE"

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SECRET # 5:

ASK GOOD QUESTIONS!



"Mr. Prospect, what is your Annual Income?"

"Mr. Prospect, what would you like to get out of our meeting today?"

"Mr. Prospect, what is your Net Worth?"

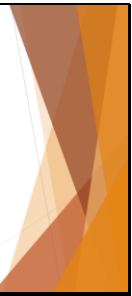
"Mr. Prospect, how did you chose the level of coverage you now carry?"

"Mr. Prospect, is your current coverage adequate to protect all of your assets?"

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SECRET # 6:
ASK BETTER QUESTION!!!

- If you were dead, what % of "your income" would you want guaranteed to your family **for life?**
- If you were permanently injured or killed in a car accident by a drunk driver, how much would your lawyer ask for in damages?
- What does it cost to run your household for a day, month, year? Most importantly, **how long do you want to provide** for your family?



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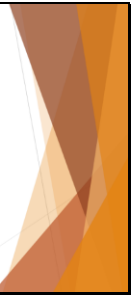
SECRET # 7
"INCREASE"YOUR EFFECTIVENESS!

Learn to present the products your clients **NEED**, as something they cant live without- **WANT!**

A) **Psychological Marketing**

B) **Theatre Study**

C) **Coaching Works**



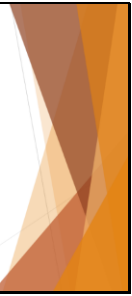
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SECRET #8
GAIN THE OPPORTUNITY, BY SOLVING THE PROBLEM!



- What does your Client's Retirement Distribution plan look like?

*NOTE- This is Retirement Planning 101 & this is what their current Advisor is suggesting they do.



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THE MOST COMMON DISTRIBUTION PLAN AT RETIREMENT TODAY IS:

The typical 50/50 Plan:

- 50% Equities @ 11% Rate of Return*
- 50% Fixed Income @ 5% Rate of Return*

* Based on "typical" 30 year return averages.

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HERE'S THE MATH

Equities 11% - 3% (inflation) = 8% net
8% income X \$500,000 = \$40,000 net

Fixed Income 5% - 3% (inflation) = 2% net
2% income X \$500,000 = \$10,000 net

\$40,000 + \$10,000 = \$50,000 Annual Income

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WHY DO PEOPLE CHOOSE THE 50/50 OPTION?
YOU KNOW THE ANSWERS...
...BUT DID YOU KNOW:

MOST ADVISORS SUGGEST A 3% WITHDRAWAL RATE IS SAFE. WHAT DO YOU THINK?

"MORNINGSTAR JUST RELEASED ITS NEWEST" DATA AND THEY SUGGESTED THAT CURRENTLY 2.85% IS THE ONLY BULLET PROOF SAFE RATE OF RETURN IN THIS LOW % RATE ENVIRONMENT TODAY!

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BUT WHAT DOES THE 50/50 FORMULA MEAN TO OUR CLIENTS?

- When money passes to their heirs, usually with the "worst possible" Income & Estate tax consequences.
- Government forces withdrawals out of qualified plans at age 70½ (RMD's), to increase taxable Income to the IRS .
- Reduction of Annual Income in retirement is COMMON in order to conserve principle in "down markets", or else they risk running out of money (Sequence of Returns).
- *People are left with few choices and fewer options.*

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WHAT IS THE DEFINITION OF INVESTMENT "ALPHA"?

1) "LESS" RISK IN THE PORTFOLIO
2) "HIGHER RETURN" ON INVESTMENTS



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SECRET # 9:
MAXIMIZE YOUR CLIENTS OPTIONS!

- **Annuitize** the "Fixed Income portion" of the accumulation plan!
▪ Use a SPIA, DIA, SPDA, etc..... Or a combination of various types of annuities.

\$500,000 lump sum deposit can provide a \$3,000 per month income for life, using a combination of Annuity products.

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**HOW WOULD YOUR CLIENTS LIKE A 52%
"INCREASE" IN THEIR RETIREMENT
INCOME?**

Same (50%) Equities \$ 500,000 X 8% = \$40,000
NEW Annuity for life \$3,000/month = \$36,000
• \$40,000 + \$ 36,000 = \$ 76,000

• \$ 76,000 / \$ 50,000 = 52% Higher
Income!

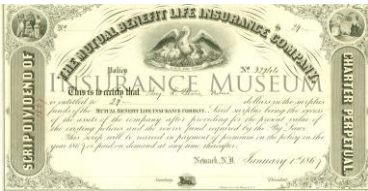
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**HERE ARE BENEFITS ALL CLIENTS WANT
AND NEED.**

- **Guaranteed Income for Life** increases clients income confidence for life. They may run out of money, but they'll never run out of income.
- **Guaranteed Income for Life** allows for more lifestyle choices throughout Retirement.
- **Guaranteed Income for Life** enables your clients to be "more aggressive" with their equity investments.
- And the Death Benefits pass to their heirs tax free, creating cash when it is needed the most.

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**HOW DO WE "REPLACE THE PRINCIPAL" THAT MAY BE
LOST IN AN DIA OR SPIA PURCHASE?**



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DID YOU KNOW...???

- According to the Wall St Journal: 62% of all investors choose a "different advisor" at retirement!!!
- According to the U.S. Dept. of Health & Human Services- There are 10,000 people turning Age 65 "every day" from now until 2030...
- 40,000,000 people today told LIMRA that they need life insurance and they want to buy it from a LIVE person, not on-line!
- 92% of retiree's don't know what they will do with their 401(k) Plan, two weeks prior to their retirement.



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SECRET # 10:

"A life of significance is measured by the size of the problems you solve."

Mr. Joe Jordan-Main Platform speaker- MDRT

"We can do better than that....."

