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Address

Speaker(s): W. Luther Pierce IV, CLU

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2010 Divisional Vice President's Address

W. Luther Pierce IV, CLU

Every once in a while, in life, you're given the opportunity to experience true grace and leadership. Mickey Hoesly is grace and leadership put together. So on behalf of the entire Board and everybody here I would like you to stand and give Mickey one more round of applause. Thank you so much Mickey for your leadership.

Well in the words of my good friend, Scotty Brennan, I stand here today before you truly humbled and honored. When I think of the ladies and gentlemen who have gone before me and led the Top of the Table, I stand in awe. Then when I consider those leaders who then moved on to be President of the Million Dollar Round Table, I continued to be awed. Let me read a few to you, this is in your bulletin, page 14. Lyle Blessman, Marv Feldman, Jim Rogers, Tony Gordon and Jennifer Borislow. These are giants in the industry.

Now although I may be 6 feet, 3 inches tall and weigh 200 pounds, okay 205 after this week, I am no giant in this industry. I'm just a good ol' boy from Greensboro, North Carolina. But I am so excited about what's going to unfold in the next 12 months. Speaking of the next 12 months, I know we're not supposed to use our Palm Pilots and our BlackBerrys today, but please make sure you've written down the dates: October 6 to 9, 2010, Naples, Florida, the Ritz Carlton on the Gulf of Mexico, beautiful beach. I'm encouraging each and every one of you to be there and for the spouses who are here, give them a nudge right now in the ribs and say, honey, we need to be there. It's going to be a fantastic meeting.

Speaking of fantastic, we have three people who have already committed to serve as chairs for next year. One is a fellow, probably most of you know him, Randy Scritchfield. Randy is going to be in charge of the partnership committee. Those are the people who come who are vendors and who sponsor and assist us in funding this meeting. Now, as I look around this room, there are tremendous producers and each of you produce for manufacturers. Was your manufacturer here at this meeting sponsoring? Were they here supporting you? If not, we'd love to have their names. We'd love to invite them next year to be a sponsor and a partner with us. So please jot those names down. Get them to me or any of the staff. We'd love to have those.

Member communication, Tim Reis is going to chair. Tim will be communicating with you throughout the year, through the internet and other sources, but primarily through the internet. So when you see that subject line and it says TOT, please click on it, open it up. The information is going to be well worth reading.

And then the Program Committee, ah the Program Committee. Denny, the man, Zahrbock. You talk about enthusiasm, creativity. I've already heard some of the ideas he's coming up with for next year. Some of which I'm a little bit choked up over, but I can promise you it's going to be interesting. He had these fire jugglers and dancers and everything. I said, "Well, Denny maybe, just maybe." So he goes on to his next idea. But Denny, we are looking forward to your meeting next year.

Now I can go on for the next 15 to 20 minutes, even though I have 60 more seconds. I can go on for the next 15 to 20 minutes and talk about and pontificate about my goals and objectives, but that would bore you and not only that, the next issue of *Round the Table* magazine is going to have a bio. It will talk about what I'd like to see accomplished next year. Instead, what I'd like to do is talk to you about something, and the reason why we're all here, and that's sales ideas.

I shared a sales idea with the sales idea exchange three years ago. I'm going to share it with you again.

In our practice, we do life insurance, we do health insurance, we do qualified plans, we do executive benefits. We have a lot of different things that we do. But the core to what we do is life insurance. We turn pennies into tax-free dollars each and every day.

Now, equities, everybody's talking about the stock market. Equities is an easy subject whether it be with an existing client or a prospect. So, what I try and do is engage my clients and prospects into conversation about the PE ratio. Does everybody know what the PE ratio is when it comes to equities? It's the price to earnings. And it's fascinating — the PE ratios that many of our clients and prospects are willing to invest in — 10 times, 15 times, 20 times, 50 times and even 100 times PE ratio, so we have a great conversation. And, in today's technology, even if they're not familiar with the average PE ratio of the mutual fund that they're investing in, what can you do with your smart phone? You can open it up and you say, "Well, let's go find out." You engage them in the process. You say, "Here's my smart phone. Touch this. Do that." It's amazing the connectivity that you immediately create with them by inviting them into your world and to your smart phone. You're engaging with them. As a matter of fact, you can even move around the other side of the desk and sit alongside them and that's always a good idea.

So we talk about PE ratios. We have a great conversation and I look them right in the eye and I say, "What's your PE ratio?" They look at me: "My PE ratio? What are you talking about?" I say, "Well your PE ratio is protection to earnings." And they say, "Protection to earnings, what do you mean?" I say, "Well, your family is dependent upon you. How much protection do you have as a percentage of your earnings? Is it 10 times? Is it 15 times? Is it 20 times, 50 times? Why would you want your family to accept a lower PE ratio that you're willing to accept?" Boy oh boy, that's gets them. It is so easy and straightforward.

Now I'd love to tell you about all the insurance we write during these discussions. Invariably they'll say, "You know what? I do need to look at that. My PE ratio is low." And I've love to tell you all of it's permanent insurance but it's not permanent insurance. A lot of it is term insurance, but I love term insurance. I love term insurance for two reasons. Think about this. Number one, hopefully you're writing term insurance that's convertible. So you've got some low hanging at the beginning of the next year. 2010 is coming. We've already done a great job this year, I hope. What are we going to do starting January first? What are we? Starting from scratch. So what you do is you have this low hanging fruit and it's called conversions of term insurance.

The other item that occurred to me recently that has to do with term insurance has to do with valuing my business. I'm 54 years old. I'm going to transition one of these days out of the business. As I value my business, someone's going to come in and buy my business from me.

What's the value? They come into my office and I tell them about my cash flow and everything that we've got going on. Then I look at them and I say we've got \$100 million of term insurance on the books and, if you're any good, which I think you are, you're going to be able to convert some of that term insurance. What a value that they're going to receive coming in. Hopefully, then, the multiple that they pay me as I go out is exceedingly high.

Anyway, as I mentioned, I'm extremely humbled. I'm so pleased to be standing here before you. And I give you my word that the committee is going to do everything possible to make you proud, even prouder, that you're a proud member of the Top of the Table of the Million Dollar Round Table. Thank you.