



# MDRT

The Premier Association of Financial Professionals<sup>®</sup>

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Speaker(s): Van Mueller, LUTCF

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## Ideas Exchange

Van Mueller, LUTCF, Moderator

Our first judge is Andrew C. Lord, CLU, ChFC, of Portsmouth, New Hampshire. Andy Lord was chair of the Top of the Table in 2002. He's been Top of the Table 14 times, Court of the Table 17 times.

Our next judge, chair of Top of the Table in 2007, Mark J. Hanna, CLU, ChFC. Top of the Table 10 times, Court of the Table 13 times from Concord, California.

Chris Leach, ALIA, FLIA, is in her 39<sup>th</sup> year in the business, Top of the Table four times, Court of the Table 12 times from Cardiff, Wales, United Kingdom.

I want your best ideas and I want you to come up with lots of energy. You're going to say your name and where you're from and give your idea. You have two minutes. Have fun.

Ronald J. Lambert, FPA (aff)

Good afternoon everybody, Ron Lambert, Sydney, Australia. I'm sure all of you have some great sales ideas. That's why we're all here. I've been buying quite a few portfolios from retiring insurance advisors over the last five or six years, one just two weeks before I arrived here. Basically they are portfolios where guys have been in retirement mode for the last maybe five or six years. Money is cheap. I'm buying them upfront. I'm converting their top clients to my top clients and I've probably made, I would think, in excess of \$500,000 worth of life insurance sales commissions by just looking after their top 20 clients. That's my idea.

Mueller

And the judge's score? [Six, seven, five] So we have 18.

One of the things I do to get people interested is three elevator talks. (I'm going to help. I've got about 10 sales ideas for you guys.) The first one is you have enough confidence in your current advisor to get a second opinion. It's easy if you have enough confidence in your current advisor to get a second opinion. Would you be winning by not losing? Would you be winning by not losing? You have to understand the world is going to be very... and I have information I know will change you and your family's life forever.

Muthukrishnan G. Mudaliar

My name is Muthu Mudaliar. I am from Dallas, Texas. I am here because of one idea to which some of them listen. It's basically very wealthy individuals that have a \$23 million net worth -- very difficult to get attention from them. I told them, "Show me your millions, I will give you millions to make several more millions income tax-free, estate tax-free. Would you be interested in it?" And just because of that I was able to make \$500,000 last year. Because of the premium financing, the early cash value, the index rate higher than the loan rate, all the combination of things. It's winning. You can never lose.

Mueller

Score? We have 18. We have a tie so far.

Marilou L. dela Cruz-Romero, LUTCF

Marilou L. dela Cruz-Romero from the Philippines. This is what I call “walking with time and program.” My target market here is actually executives who are moving from one place to another. I said, “Just your time and program. When you transfer to another company, it could be very beneficial so that when you transfer to another company, you can put it in your package.” So it worked well because their retirement program is complete starting at day one. Thank you.

Mueller

Score of 21.

Morwenna M. Clarke, CFP

I'm Morwenna Clarke and I'm from Wales in the U.K. The sales idea that I'm going to give you is when to sell any person who doesn't understand pensions or retirement schemes. That is to explain to people not about pensions and retirement schemes, but to say, “Just imagine when you left school, somebody came to you and said, ‘During your lifetime you're going to be expected to plant trees and it's only the trees that you plant in your lifetime that when you reach retirement, when you want to stop work, that you cut down to build your shelter, to make firewood to sell for food and to burn to keep warm.’ How soon would you start planting your trees?” Now knowing that trees get thicker and thicker, that's compound growth and it just explains it to people who don't understand these things.

Mueller

Here's my other one. I have information I know will change you and your family's life forever. I'm going to tell you something. If you don't know this information you and your family are in dire financial jeopardy. What do you think they say to me next? What is it? They've just given me permission to dump the whole load on them. That's what you do with an elevator talk. You find a way to get their attention immediately.

William A. Patterson

I'm Bill Patterson from Los Angeles, California. I was fortunate to be born there and still live there. First of all, I don't work with people who work. I work with people who don't have to work. I never meet my clients. I put a full page ad in *Forbes* magazine and people call in. I do a medical close on the phone. My biggest sale was \$2.6 million of annual premium. And I do joint work.

Mueller

We have 22. Remember this is a \$250 first place prize.

[Female voice]

I'm from India. When I sell life insurance, I give a piece of paper to my client asking, “Can you write any two names of people who will be taking care of your wife and your children if you are not there?” Ninety-nine percent of them cannot write a name, so that's why I'm selling life insurance.

Mueller

Score of 21. Fabulous.

Jeff Shakespeare

Jeff Shakespeare from New Castle, Australia, about an hour and a half north of Sydney. Two quick ideas. One of them is maybe to save business and one is to create some business. A client last year came in and was about to cancel his trauma covers or living covers and said he probably would be better putting that money into retirement planning. So I said, "Just before you do, I want you to do one thing." He said, "What's that?" I said, "Have a medical." He had a medical and found out he had pancreatic cancer. Now the difference it made to that family was unbelievable. That's one and that's probably not a sales idea, that's a savings idea.

The second one is if you ask your clients how much of their assets would you be prepared to put at stake if something happened to one of their children, health wise. Most of the time, they say, "Whatever it takes." And it may be a good idea. If you can insure the children for cents on the dollar, it's probably a pretty good thing to ask your client. You'll find out some pretty big premiums come from it because the kids these days, I mean kids like 30 and 40 year olds, they can't afford the premiums these days and the parents are aware of it.

Mueller

Score of 18.

Randhir Singh Judge

Randy Judge, San Francisco, the only place to live in America. So, I was working with a guy last year. It cost me about \$1,400 for a round of golf at Pebble Beach. I wanted to know this guy. I didn't know him personally. He was a CEO of a company. I contacted somebody who knew him, so we played golf. Enjoyed it. I wanted his group benefits. He had a small company, a start-up in the valley for about 40 people. Well, his CFO turned out to be a jerk. He was happy with Tri... which is a PEO. We didn't do any business, except as a result of the guilt complex. He said to me one day, "I feel guilty. My CFO hasn't approved this thing and I feel guilty. You've been trying for years and years to get our business." I said, "It's OK. One day, out of guilt, you'll buy." Sure enough, he gave me \$3 million to invest in a retirement plan for him. I didn't go back.

Annual review last year, I came back and asked how things were going. He said, "I should have listened to you. I should have given you another \$5 million to invest. I lost 40 percent of my investments." I asked what happened. He said he had to buy the company back from the ... because they didn't like the proposal. I said, "Congratulations. It's the best thing you could do. You're in control of your destiny." I said, "Do you have a note?" He said, "I had to put \$5 million back into the company." I said, "Do you have a note that guarantees your wife and children that that money will be repaid to them?" He said, "What do you mean?" I said, "You mean your CFO, the clever guy from the London School of Economics, didn't tell you that you need a cross-purchase, buy-sell agreement?" He said, "What's that?" We just took a premium for \$250,000 on three of the shareholders.

Mueller

What's the score? 22.

What if I show you the money? Here's the money. I'm going to give it to whoever has the best sales idea.

Karim Ghandour

My name is Karim. I'm from Dubai. There are no people locally from Dubai. There are people from all over. Americans, British, you name it. What I did is set up a monthly family office. I'm the first consultant in the Middle East who charges fees. The way to do it is by setting up a holding company for the clients. I don't know how applicable it is in the U.S., but we set up the holding company for the family and usually they are high net worth families. Through this company, we outsource the private banking. We outsource the legal. We outsource the offshore and do estate planning. It's all done in one company. While charging fees, the client is coming inbound (to us) instead of us going outbound (to them), and that's where we recommend doing life insurance. We're not selling any more life insurance. We're recommending it, prescribing life insurance the same way we prescribe setting up a Swiss bank account or an offshore company in the Bahamas.

Mueller

Nice score, 24. Who can beat that?

Lee N. Clarke, CertPFS

Hi, I'm Lee Clarke. I'm not actually from Wales at all. I'm from a place called Essex, in England, but I live in Wales now with this lovely lady over here. My idea is about supercharging your retirement plan. Quite simply, most people who pay regular contributions into their retirement plan, calculate how many contributions they need to make or how much they need to pay in contributions through to their expected retirement age. So I simply say, "What if you don't quite make it? What if you only make it half way there? Wouldn't it be nice if a great lump of money could be injected into your bank account to make up the shortfall? Because you're sure as hell going to still live if you have to stop work as a result of a serious illness." So I sell the critical illness cover as part of the retirement plan. While they're thinking about making money, they're much more likely to put money into a risk plan. I've found people are much more inclined to put money into savings than they will in something involving risk so linking the two together in that way, we call it the supercharged retirement plan. And they love it. Generally speaking it gets around 250,000 of our English pounds for every client.

Mueller

This is hard. Another first-time attendee.

Robi

Hi, I'm Robi from India, from Bombay. This was regarding a sale which I just did which is basically an annuity. I never looked at annuities. I felt interest rates were really low and most of the time I found that the richer the clients you meet, the more they keep talking about interest rates and where a better rate of return is. I found this one idea absolutely rocking, because what happened is we stopped talking about interest rates. The only thing we focused on was how much annuity we're going to get on a monthly basis. Because that's what is going to take care of everything which the family required. So, we actually wrote down every rupee expense, every

dollar expense, including vacations, everything you could think of. And I made sure to point out that those numbers keep going up. That was the only thing we focused on. That was the most amazing part, because every time the client would talk about interest rates in other countries or interest rates in some banks, or being offered by somebody else. We would just come back to our vacations and the kind of money they need for the children. In Indian rupees, I sold close to \$3 million U.S. worth of annuities and now we have a chance of moving that forward for everybody. Most of the time we talk of interest rates and I don't think we need to do that. All you need to focus on is the basic things which really help, which is the core reason why somebody would buy an annuity from you.

Mueller  
Score of 20.

Anybody in this room sell critical illness cover? Ask this question. "If you have a heart attack, stroke or cancer do you want to lose your house or do you want to lose your mortgage?" Again, it's simple stuff. You just want to open the door to all kinds of opportunities. I've got some long term care ones I'm going to tell you about in a little bit.

Rick B. Stanzione, RFC, CSA

Rick Stanzione from Ogden, Utah. I have a sales idea for retention. We do annual reviews and everything. I have a lot of clients. I target 50 and older. I'm now finding a lot of my clients are retiring. As they go to retire and we're into that mode, at their annual review, I'm starting to ask questions like: "If you were to die tomorrow, how would you feel if you could look down on your children and see them spending your money and it's all gone in less than 18 months?"

We do about 46 seminars a month. I do most of my business from seminars. When we start doing these annual reviews now and ask them the questions about their kids, we're now trying to get into multigenerational things where we're starting to do seminars for the kids, because I've got the credibility already there with the client. Now we're starting to get into their children. With us getting us into the children, that opens up a lot of doors for sales for everything from 529 plans to life insurance, annuities and retirement plans. It really opens the door. Statistics are now showing that people who are 50 and older, their financial advisors are fired after they die. They lose the retention of the assets. If you could, start focusing on some of the younger children, and most of those children of those who are retiring are going to be in their 40s and 50s. It's a nice way to break into that newer market and retain the business so you maintain the money management.

Mueller  
And his score is 22.

Mark C. Smigelski

Mark Smigelski from Savage Associates, Toledo, Ohio, and also have a second home in Wales. That's my marketing idea. And I brought some props. I carry a legal pad everywhere I go and I had this in back of the legal pad. I'm speaking tomorrow about some simple sales ideas, but thinking about this meeting, I had a gentleman who sold his business. He's 60 years old. We looked at all of his assets. He owned some stock in First Solar. We talked about it. He has 2,000 shares. I asked why he bought it and he said, "Well, it's not for me. It's for my grandkids." He

said, "The way I see it, solar energy is the way of the future and this stock is just going to soar." It was \$300. Now it's \$150 a share. I said, "When will the stockmarket crash 4,400 points guaranteed?" He said, "What are you talking about?" I said, "The day you die. Because 45 percent of the value of that stock is going to go down the day you die. The stock market, for your family, is going to go down by 4,400 points or the Dow is going to go from 9,700 to 5,300 the day you die. How do we solve that?"

What I did on the second page: the stock market crashes. I said, "Your first Solar stock right now is \$150 a share. You have \$300,000 that you plan to leave to your grandkids. Number one, we need to get it out of your estate by setting up a trust. We will do that. But if we take this \$300,000 and put it into an individual policy on your life at age 60, we can buy you a one-time, paid-up policy for \$1.3 million. That means that your First Solar stock would have to go to \$650 a share some day. Or, if you choose, we can buy \$2 million of second-to-die life insurance, on you and your wife, for a one-time deposit of \$300,000 today, assuming you're both healthy. To get that same return, your First Solar stock (we're sitting at \$150 today for your grandkids) one would have to be worth \$1,000 some day. What we did is the math for the client, because he's saying I don't want to buy life insurance. "Let's do the math. What are you really going to leave your family?"

Mueller

A 29. That being from Wales really paid off there, Mark.

Somebody can still beat that. Who wants to take it on?

Gerry Impleman, CLU, LUTCF

Not from Wales, sorry. I don't think I can beat that sales idea, but this is just something to share. It might help somebody. I'm Gerry Impleman, San Antonio, Texas. This is a technique that you can use when you meet that new client for the first time, somebody that you've been referred to. They don't know you. I have business cards that say: "Solutions Department." That's all it says is solutions department. The client says, "Solutions department, what is this?" Well, we know that people love stories, so I tell them a story that happened to me about 30 years ago.

I went in to see a client. He had a partnership. I said, "You don't have any life insurance to insure this partnership if somebody dies or becomes disabled? Do you know that your partner's spouse is going to be your new partner and you don't have any money to buy out?" The client said, "Gerry, that's an important idea and I like it. But that's your priority, it's not mine." I said, "What is your priority?" He said, "This (expletive deleted) health insurance. It's killing me." I said, "What's the problem?" He said, "It's 30 percent too high." I said, "If I can solve that problem for you, would you be willing to move on to these other priorities?" He said, "That's fine." I tell the new client: "I learned that day that this business is not about my priorities It's about your priorities. So here's my card. I'm in your solutions department. Let's talk about your problems."

Mueller ...

Ernest McDougale Burns

Ernie Burns from Hammond, Louisiana. Probably about half of you have done seminars. I've been doing it for 17 years now. About nine years ago, instead of setting the appointments after the seminar or at the seminar, I set the appointment before the seminar. Now the ones who do seminars are saying, "How do you do this?" Well, there are four contacts by the time the client gets to the seminar. After the seminar is over, they flip the business card over that they have in front of them. On the back of the business card is the date and time and the day I will arrive at their home (or my associates that work for me will). It's about an hour to an hour-and-a-half interview and all my clients are 55 and over.

I tell them, "If there's a problem with the date and time, because you're going out of town, you have a medical situation, you're going to see a doctor or you have vacation, just see one of my assistants." Because of this, we went from averaging \$21,000 per workshop (we don't call them seminars) to \$75,000 per workshop. And, we do one a month, every single month. We were doing \$75,000. We've been up to about \$350,000 per workshop. The lowest we've ever made is \$21,000, but the average now is well above.

Mueller

Score of 20. Who's next?

Ashok Sardana

Ashok Sardana, from Dubai, and we're very far from Wales. Since I have two minutes, I'll try and give more than one.

I tried to contact a client of mine, I'd given him a proposal and he was not getting back to me. I sent him a big football with a note: "The ball is in your court." The next day he called me for an appointment.

This is for critical illness benefits. By the way, we don't have any taxes in Dubai, so we don't do any estate planning. We're very big on critical illness. I ask my clients: "You are saving for retirement?" The answer is always yes. "What percentage of your savings are you allocating toward your medical expenses when you fall sick?" They don't have any answer and this is my opening for critical illness programs for them.

During the crisis, people lost about 50 percent of their wealth, so I ask my clients how much they have lost. At a time like this, they normally say 50 to 60 percent of their wealth. I say, "Why don't you give me 2 percent of whatever is left and I will make you a 50-million-dollar man again? What do you think about it?" I have been able to make some very large sales because people want to get back to their original wealth of what they had.

I never carry a full-size letter pad. I always carry a big art book and a marker pen. If you leave a full-sized sheet with your client, normally they get mixed up with other papers, but when I leave a big art book page with them, they don't get mixed up. And 87 percent of what we perceive is through our eyes, so it's very easy for me to explain when I draw it with a marker pen on the big art book.

Mueller

How long is the flight from Dubai to here?

Sardana

It's 14 hours to New York and another 14 hours from New York.

Mueller

So 28 hours to come here and share an idea with all of you. Score of 25.

William M. Upson, ChFC, CLU

Bill Upson from Walnut Creek, California. This is going to take a couple moments just to explain it to you. I do a lot of long term care sales and have done it for a number of years. I recently went to visit one of my clients, the senior partner in a law firm in San Francisco. I had covered him seven years ago when he was diagnosed with an illness that you cannot get long term care insurance for. As a consequence, during the meeting, he said to me, "Why don't you go and talk to the institute, because you created an incredible solution for me years ago." So, I went to the institute. Bottom line, they had a brand new development director. This man had never been involved with this institute and didn't know about some of the things we could do. Bottom line, I came up with three solutions for him.

"First of all," I said, "we have enough time to file a grant request with the MDRT Foundation. Secondly, I believe that I can find brokers like myself around the United States, and around the world, who would like as best they can to cover patients of the institute. Third, I believe (I know I will) these brokers, because of their conduct, will want to make contributions to the institute as a consequence of these benefits of dealing with your patients." The man was stunned. This was just off the top of my head. I don't even know why I thought about these issues. We've got the grant into the Foundation. I'm now talking to the Foundation to see if we can do this. I'm secondly looking for people, not only in the U.S. but around the world who would consider doing this kind of Foundation work. And third, I would never put it on you that you have to make a contribution to whatever organization you're involved in, but if you did.

This, when we ask our clients if they are charitably inclined, is about giving back. This is about creating, in our industry, who we really are. This is how we put the Foundation out in front of millions of people. This organization that I'm working with is dealing with stem cell research. If any of you want to see what they're doing, you will be staggered by the kinds of things they're involved in. One of their beneficiaries of this recently wrote a check for \$3 million. He's a multibillionaire in his 30s. And I have an opportunity, just an opportunity to go in and talk to him and possibly put in long term care coverage on literally thousands of employees. So I'm opening the door to all of you. And I'll come to Wales and I'll speak there too.

Mueller

Score of 26. All you've got to do is say, "Wales."

W. Andrew Denny, CLU, ChFC

My name is Andy Denny. I'm from Columbus, Indiana. I found out in recent years that people love their grandchildren more than they love their children. I have two grandchildren; I've got another one on the way. The idea is that parents, who are retiring and are 70½ years old, they're

going to take RMDs from their retirement plan, from their IRAs. Most of my clients don't use IRAs, so they leave them to somebody. The idea is to leave the IRAs to the grandchildren so when they take the RMDs, they pay the tax and take the balance of that and buy life insurance. Put the life insurance into a trust and let the children be the beneficiary. Then they take the IRAs and, at the second death, second grandparent to die, they leave that to the grandchildren. However many grandchildren they have, they buy that many IRAs. If you look at a stretch IRA for a grandchild who is 10 or 15 years old, it will be unbelievable the amount of money, assuming a growth period of maybe 8 percent, what they will have when they are 45 or 50 years old. I think the grandchildren will have a much tougher time than what we're going to have.

Mueller

If you do that with a Roth IRA, it's tax-free income for the whole of their life. Fantastic idea. Score of 25.

There's a big discussion going on in the United States about health care. Let me tell you how many sales I make that I don't even know how to write them all up. The average cost of a health insurance policy for an American right now is \$13,000 a year. Want to hear a statistic that will blow your mind? By the year 2019, it is predicted to be somewhere between \$24,000 and \$30,000 a year for a health insurance policy for a family of four. I'm a salesperson, so there's punch line. Here's the punch line, 50 percent of America makes less than \$30,000 a year. Two-thirds of America makes less than \$50,000 and 80 percent of America makes less than \$72,000 a year. I have a question for you. Based on what I just told you, do you think taxes are going up? Yes or no. So all the stuff you're hearing from the 537 people who are in control of this country right now is ridiculousness.

And, you have the opportunity. You're the only people on the planet who sell cash value life insurance, who sell Roth IRAs, who sell 529 plans. If you're in Canada, same issue. They can sell tax-free savings accounts. They can sell cash value life insurance. You have the opportunity of a lifetime and if you're not talking to every single person that you come across about these issues, you're missing the ability to not only be successful, but to be significant. This is an important transitional time in the history of the world and what's been so amazing is so many of you from outside of the United States listen to me clearly. What happens in the United States is going to impact the rest of the world in a dramatic way. You better hope that we do what we do in this industry to the best of our ability.

[Male voice]

I actually have two quick ones. One is I hate paperwork. I'm guessing the rest of you are like me. So I don't do it. Normally, you would hire an assistant, but I found a source that will do it for me. They'll take the apps for me, get the signatures for me, order the exams for me, do everything. I just sell. I do that all day long. It's called ezlifesales.com. Check it out. It's a cool resource.

The second one is estate planning cases, survivorship cases in particular. We had an unintended consequence. We were trying to work on a premium finance case and the client said, "Yes, but I don't want to risk having interest rates go up, I want to have this guaranteed." We kind of played around with the numbers and figured out that, with most of the insurance companies out there

today, you can actually do a 15-year, guaranteed, paid-up with a full rollout of all of the premium that is put into the policy after year 15 and keep the policy in force, guaranteed for life. I'll say that again. All the premiums in, come out after the end of the 15<sup>th</sup> year, policy stays in force for life.

Then a consequence of that was that we were talking to a foundation for one of the local universities near us. They said, "We have a lot of money that we could use to insure our alumni, through our alumni program. Could we do this?" We said, "Yes. And not only can you insure them, which would give you the benefit of the insurance on the back end, but we can also guarantee that you get all of your money back on the front end, the only time there would ever be a discrepancy is during that first 15 years. And, oh by the way, the amount of insurance we buy covers the difference, so you're always 100 percent cash return on money plus the death benefit."

Mueller

Score is 23.

Kelly F. Bills

My name is Kelly Bills. I'm from Salt Lake City, Utah. I'm not from Wales, but my brother and sister-in-law are. I flew them all the way over here from Wales. They're here so that should be worth something.

A year ago last April, *Smart Money* magazine (that is owned by *the Wall Street Journal*) called me out of the blue and asked me if they could fly a writer out to see me. Somehow they heard I had more than \$100 million in variable annuities with living benefits. They were doing another article that I was certain would not be favorable. *The Wall Street Journal*, until recently has not been a fan whatsoever of variable annuities. She interviewed me for a couple of hours. I told her exactly what I tell people. You folks who handle variable annuities, you understand how they work with living benefits. The wonderful thing is you can invest your money and you can lock in your gains. Now you're not locking in your gains as far as accumulation. What you're locking in is the name of the game in retirement, is income protection. It's not how much money we have, it's how much income we have in retirement.

Her name was Janet. I said, "Janet, is it going to make any difference to you in your life if you make 10 percent on your money or 9 percent on your money, or 8 percent on your money or 12 percent or 11 percent?" She said, "No." I said, "What I'm getting at is the average variable living annuity's living benefits, the fee is about 1 percent higher than the average managed account. The average managed account with mutual funds is 1.4 percent. The variable annuity that we use has a living benefit that will ratchet up the gains as we go, either daily or quarterly at 2.25 percent."

I said, "So one percent is so irrelevant to your success in being retired it is insignificant. It doesn't exist. What does matter in retirement is not whether or not you earn 1 percent, more or less. It's not getting clobbered in a bear market. If you're 60 years old and only make it to age 80, we're going to have a bear market the average of every four years, so what's that? The average retiree is looking at least at five bear markets. The definition of a bear market is the

market goes down to minus 20 percent. People can't afford to do that. We have a solution. The insurance industry has come up with a solution. I just call it 'the one-percent solution'."

Mueller

Score of 28, close. I'm looking for a 30.

Brian L. Leipert, CLU, ChFC

Brian Leipert, Regina, Saskatchewan, Canada, the economic engine of Canada for the next 15 years. My idea is really simple. My brother does the complicated estate plans. I do the simple ones. "Let's insure your estate, and then you can spend it."

Mueller

Score of 27

Sarah J. Kaelberer, CFP, ChFC

Sara Kaelberer from Wayzata, Minnesota. That was my idea: Just partner with a phenomenal producer and you'll just learn it all. No, my real idea is: I had a gentleman I was working with recently and he said, "Well, I don't need insurance." I said, "Of course you don't. You're the one who's dead. So, let's talk about what your family may need."

Well he was very fortunate to have a monthly income of \$12,000 and did not have a need to replace any income. What he did have was grandchildren, grandchildren who he loved more than his children, four of them. We ran an analysis. We called one of them an emerging liability fund: what he would owe if he waited until they went to college. We cash-flowed it, based on the appreciation or the inflation on college. We ran a 529 projection and a second-to-die life insurance policy on him and his wife using a variable life insurance policy at 7 percent. The life insurance won, but that wasn't what got the sale. What got the sale was: "If you both happen to die before they go to college, it's self-completing and it will fund itself."

Mueller

Score of 23. One of the past winners of this sales idea forum.

There was a young lady who came up and said she lived in ranch country. She took a picture of their ranch from the air and then she went to visit them. She said this is what's going to happen to your estate the day you die. She took the picture and tore it in half. Pictures sell. Stories sell. We've lost the ability to do that in the industry. She then showed them a picture that said, "Want to know how you can keep your ranch looking this way the day that you die?" It got her all kinds of sales and won the sales idea for that particular year.

Rao K. Garunda, CLU, ChFC

I'm from Shaker Heights, Ohio. Rao Garunda. My good friends are right here. I have an idea that I used. Each and everybody in this room can use this idea. My contention is you're not spending enough money to appreciate your clients. So, two weeks ago, I called three of my best physician clients and I asked them to come for a dinner with their spouses, but bring along three of your best friends. So I had three doctors who brought in nine doctors. We all went to a very, very fine restaurant and I spent a little bit of money. It's a restaurant that people would love to go to

celebrate birthdays, anniversaries and things like that. We were all sitting there. We had a wonderful dinner and obviously there's no commercial from me. I don't do seminars or anything else. After a couple of hours one of the doctors asked me, what do you do? I told him, well, you're invited by one of your friends, right? He said, "Yes," and pointed. So why don't you ask him? So he was a little loud and said, "Can you tell me what this guy does?" Because I didn't say one word about what I do.

So this guy gets up, says, "Well, let me tell you what Rao has done for me in the last 10 years." He kept telling everybody what a wonderful job I have done, what a peace of mind I had given him. When the markets were going down, he did not have to worry about anything because he had guaranteed income for life. He had life insurance. Cash values were growing regardless of what the market did. The cash values kept on growing. I could not shut this guy up. He went on for half an hour. Before you know it, the other doctors wanted to know how they could meet me, how they could get to know me.

I believe that we all are guilty. We're not spending enough money to show our clients how much we appreciate them. I hope all of you get this.

Mueller  
Score of 24.

Andrew J. Howe

My name is Andy Howe and I'm from Charlotte, North Carolina. I'm obviously a producer, but I am with a lot of the young guys in my office when they lack the confidence that maybe they're looking for. I go through a fact-finder with all my clients and the very last question I ask is: "How much can you comfortably save on a monthly basis?" This has to do with permanent life insurance. They say, "\$5000 a month." I say, "Can you do \$10,000?" "Yes, I can do 10." "Can you do 20?" "Yes, I could do 20." "Can you do 40?" Every time I ask them that, I double it when I get an affirmative. When I say 40 and they say, "No, I can't do that," then I back it down to 30. "Yes, I could probably do 30." I have them sign the fact-finder. I use that as the premium and show them the signature that they showed a week earlier.

Mueller  
Score of 26.

My name is ... from India. I've been selling insurance for the last 24 years, but then recently I moved to sell insurance to the corporates. In India, basically, the corporates are struggling to get the money for expansion. What I did was I signed up with an investment banking company and told them that these are the people who can provide you with the funds as a venture capitalist, as a person who can take you along to the equity market. Accordingly, I have signed up with this company and ... public limited companies ... I have been working as a capitalism too, providing it money and the first time ... the company has told me that you are the first person who has come to give me money rather than taking money from me.

I provide them the funds and the company is growing. Ultimately, the CEO of the company says I would like to be the person who has introduced you to these investment banking people and we would like to have an insurance done. And when I go to him, I sell a very big ticket.

Mueller

Score of 25.

Let's do five more. That will get us to 30.

Arnold Honda, JD

My name is Jesse and I'm from North Carolina. No, I'm Arnold Honda from Honolulu, Hawaii. I just want to win \$250. I have to represent Hawaii. I have two stories here. I don't sell big policies like you folks. I sell a lot of small little policies. But, one of my clients I've had for 20 years: The husband was an attorney making over six figures. His wife went to school later on. Long story short: Here we are sitting down with them. They're in their 40s, two kids in private school. The husband has \$2 million of insurance. She only has \$250,000 of insurance. I talked to them about the needs for insurance and she still doesn't get it. We went through capital needs analysis, still doesn't get it. I just sit there and I'm quiet. I said, "Do you mind if I use your lamp?" Her husband had gained quite a bit of weight the past 20 years, so I put the lamp on top of him and I looked at him and said would you marry him again? Two million dollars.

Second idea is once in a while I come across whatnot for estate planning purposes and one of the things I said to the client is: "What if I sold you a magical ATM machine?" The most important thing and what kind of machine is this? A magical ATM machine. I said, "You put in \$50,000 a year. When you walk out, we guarantee we're going to come with \$5 million income tax-free, estate tax-free, if it's done properly." Well what is this? It's a no lapse guarantee life insurance policy.

Mueller

While you're thinking, is there anybody here from the LIFE Foundation? I own all the videos, DVDs from the LIFE Foundation. Let me tell you what I do. This is why I look like I look. I buy the DVD. I call my customer up and say I've got a video I want to share with you and I'm going to bring a pizza or some Chinese or some Mexican and we're going watch the video while we eat. I feed them. We watch the video. As soon as they're done watching the video, they turn to me and say, "What do I have to do?" It's that powerful. It's professionally done. It talks about life insurance. There are some that talk about long term care, some that talk about disability, the whole nine yards. Take advantage. People are persuaded by things that they see, as well as what they hear. Take advantage of the LIFE Foundation: [www.lifehappens.org](http://www.lifehappens.org).

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... from Florida. My first time Top of the Table. One thing that I started doing differently is I use the team approach where we had attorneys and CPAs that I would refer all my clients. Every time whenever we did a sale, we did multiple sales from the same client. I tied in all the products. If you don't go this, we don't get this benefit. So, for every client, we were doing six to 10 applications where there's retirement plans applications, fee-based paperwork, financial planning fee, investments, tax planning, long term care, disability, life insurance, estate planning,

key person insurance, the whole nine yards. It's a house approach. You can't have a house without bathrooms. You can't have a house without kitchens. And you can't say I want to do this later. And that has worked very well.

Mueller  
Score of 23.

Dale W. Martin, CLU, ChFC (Hastings, Minnesota)

I love New Hampshire, San Francisco and I read "Moby Dick." I'm going to kind of piggyback on what you said earlier. How many here went to college? How many of you get hit up every year for fundraising from that college? Call the fundraiser, the person who is in charge of your college, the foundation, and ask them to let you take a look at all the life insurance policies inside that foundation. I just did that and there were 25 policies. Now what happens is you get these policies. Basically the foundation person will send a letter out to those clients saying: the insurance companies are lowering their rates, people are living longer, we could increase your death benefit quite drastically with little or no more premium or reduce the premium altogether. What that does is make them look really good, because they're actually looking at the foundation and making sure the life insurance policies (are in order).

But there is a lot of wealth out there. I just recently had two appointments with clients who had policies and, low and behold, the people who have those policies in there, they are very wealthy. You open up the door to other possibilities.

There's a gentleman in here, I may need some help. I just got an invitation to go to Ohio State. I just got the lead from the foundation from Ohio State University and we got a list of their policies. There's over 100 policies sitting in there and some of them are very big. You can replace them or just do a good review. It's been wonderful and everybody has an opportunity to get in.

Mueller  
Two more.

Curtis V. Cloke, CLTC, LUTCF

Curtis Cloke from Burlington, Iowa. About 1999, they discovered an annuity product that was quite new to me, and not many people as I describe this seem to have heard about it. We call it a SPDIA. You all know what a SPIA is. What you're not as familiar with is something we call single premium deferred income annuity. There are actually three companies now that have a product that does it. I use it a lot of ways, but the way I'd like to share today is how I use it with estate planning.

In a lot of estate planning cases, once the retirement income is funded, they're simply taking an allocation of the portfolio and they're single paying those policies using a trust or sometimes just simply owning it as the husband and wife.

In this particular situation, what I'll do is a lot of second-to-die, after I've done the retirement plan. The method we use discounts the portfolio necessary to generate the income. I purchase the

UL protector, secondary level guarantee contracts with a seven-pay single premium. These deferred income products, like a SPIA, allow you to purchase them today, allow you to defer when payments begin so you can defer up to 40 years if you want to, and in some cases beyond that. I do these as a designated pay contract.

I buy the seven-pay on the policy and I get an illustration that shows the maximum I can fund the contract in the eighth year, and for how long before it's truly paid up. Usually it takes another seven to 10 years of payments, after the eighth year. I buy the DIA contract at the same time I fund the seven-pay. Because the interest rates on the DIA contract are better than the interest in the policy, it takes 12 to 15 percent less to single-pay the policy-funded mechanism from the allocation of the portfolio. And I've gained three things. If they die short of all those payments being paid, they get the death benefit and the balance of the designated period of payments that have yet to be paid. So you've controlled more money for a longer period of time.

The second thing that you end up with is you're discounting the cost of the single-pay from the portfolio. Third, it's not a MEC contract. Remember, I put the seven-pay in and then how much can I fund in the eighth year and for how long not to cause it to be a MEC. So if we're talking about clients that including the face amount are less than the annual gift exclusion or the unified credit limitation, you don't have to get too complicated with smaller second-to-die sales by just simply letting them own it. If they get too carried away, they live too long, they can actually lower the face amount and extract money on a first-in, first-out basis, as opposed to the single-pay method we're all very familiar with.

Mueller  
Score of 23.

The magic of this meeting is all of you. These people have put together a spectacular meeting. Wait until you see the people (I'm not blowing smoke at you) who are going to be on the main platform. You've got to be here for this. You're going to go home with stuff that's going to help you.

The two most important other occasions that you're going to have at this meeting are breakfast everyday and lunch everyday because you'll be able to be with each other. You're the stars. You're the magic. I have never gone home from this meeting without making some wonderful, spectacular friend. That's what you're going to find, especially all of you first-timers. You're going to have a spectacular meeting, but only if you participate. That's the best sales idea I can give you. Last idea.

Ralph Antolino, Jr., JD, CLU

Ralph Antolino, Jr., Wales, Walnut Creek and Portsmouth, New Hampshire. Columbus, Ohio. The idea is this: We all work with CPAs, law firms and clients. How many have asked your CPAs and law firms how their business is going this year? The answers I get back from these firms are, "It's bad." They're down. These law firms are down in business. Accounting firms are down in business. We have ideas that can help them. I have found that if you put bread on the water, help these people figure out how to make more money, they're much more inclined to generate referrals for us.

So here's the idea. Go to a CPA or a law firm you have a good relationship with and tell them you'd like to host a luncheon every month for the next 12 months. You'd like them to bring their best clients or some subset of them, small number of them, along with a CPA firm who also has top clients, and you're going to produce the fodder or the ideas much like Van's life insurance videos, presentations that are engaging for this audience. It generates legal work for the attorneys, accounting work for the accountants and the byproduct of all that is you're the hero. You set yourself up as the expert and they refer you in on the life cases.

Mueller

Score of 27. You're going to announce the second and third, but I already know who the winner is. The guy from Savage and Associates come up here. How many have heard of John Savage? Did that sound like a John Savage sales idea to you, it did to me? Fantastic. Congratulations, you're our winner this year. They're looking up to see who is second and third. Apparently there's a prize.

While we're waiting, if you heard an idea that you kind of want to know more about, remember what I said about breakfast and lunch? Find them. Sit with them. Talk to them. You'll be amazed at what you leave this meeting with. I'm so proud to be part of all of you, you're fantastic people.

Moderator

I told you we had a second and third prize, but I didn't tell you what they were and I really didn't have any prizes so I think I'm going to give away some of your videos, which you happen to have with you, some DVDs. He'll send them to you. So we'll just use some of Van's stuff to give away.

Our number two winner with 28 points was Kelly Bills from Salt Lake. You'll get prizes too valuable to mention when Van sends them to you. And you can share next year if they really were worth anything or not. He gave them to me earlier this year. I have to say I haven't looked at them yet, so I could send you mine, I guess. Then we have two winners at 27 each and that would be Brian Leipert and Ralph Antolino.

We thank you very much for attending this session. We'd also like when we have our opinions at the end of this, we'd like your opinions if you like the judge concept that we went back to. The last few years we haven't had this, so we'd really like to hear from you. We'd like to thank these wonderful judges for being here. I interviewed each of them prior. They've had numerous amounts of judging experience. Mark has judged several art auctions. Chris has judged several personality contests, I guess it was. As long as they were from Wales I guess that was okay. And Andy has been involved in ski jumping. So, they all had a lot of experience and know a lot about judging. If you want them back, write that in too.

Van, thank you so much for leading this again. We can't say how much we appreciate all of you being part of it. These were great ideas. Thank you very much.