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POSTMASTER: Send address changes to The Register, P.O. Box 42506, Middletown, Ohio 45042-0506
To the Editor of InvestmentNews magazine (see editorial on page 12)

Re: Editorial dated September 11, 2006 “Industry is swimming in alphabet soup”

Interesting editorial, however, if an article like this was directed to the medical profession about the numerous “specialties” in the field confusing the public there would be a parallel. Which group of physicians would decide which specialties are acceptable and which are not. Would doctors from Harvard or John Hopkins decide that doctors with degrees from lesser schools would not be as competent to practice medicine, or that physicians with training in chiropractic are not capable practitioners (oops, sorry...that’s happened). Would this group of overseers decide the public is too stupid to understand which doctors are quacks and which are trained, skilled physicians and therefore decide for the public they should only go to a MD and only an MD?

This way, there would be no confusion for the public. If not, the medical profession will continue to have the following: cardiovascular surgeons, dermatologists, orthopedics, pediatrics, podiatry, vascular surgeons, OB/GYN, allergists, ENT specialists, colon-rectal surgeons, endocrinologists, mental health specialists, herbalists, dietitians, chiropractors, internal medicine, audiologists, sex therapists, ophthalmologists, cranial-facial specialists...you get the picture.

The designations in our multi-faceted profession are not the problem. There are specialists who work with property and casualty, long term health care, mutual funds, trust work (mostly attorneys thus probably exempt from your suggestions for oversight), the elderly, insurance products, tax issues, estate planning, divorce planning, planning for college funding and a myriad of other financial specialties. The problem is the industry failure of educating the public of what the designations are and what is required to obtain them and what continuing education is required to maintain the designations. There has been a dedicated effort on the part of certain organizations to exclude and demean designations in order to further their own designations.

Since the demise of the IAFP and the formation of the FPA, the NAU became NAIFA and championed the ChFC and CLU; the AICPA became committed to the PFS. There is no single trade organization for the financial planning profession.

This too is a problem. A designation is not an assurance of competence in one’s profession. There are dunces and brilliant practitioners in the financial field with many designations (or with few). We have onerous, duplicitous and insane regulatory requirements in our industry now (check out the same issue of Investment News, page 2, “New NASD chief faces hostile environment”).

So now we need to beg the question who is better? A CFP® or an AEP? A ChFC or a CLU? A PFS or a CFA? Who is going to decide? A group of CFPs like the ones that stated the FPA has two classes of membership: CFPs being the premier class; everyone else is secondary.

This sets the industry against itself and we will all be losers for it. Educate the public...don’t segregate the profession. The last thing we need are professionals arguing like small children that “our team is the best...your team isn’t.”

Hey, but then again...I could be wrong.

Burnett Marus, RFC®
Dallas, TX
Generational Success

Jack Peckinpaugh and Beth Peckinpaugh-Beasley

Jack Peckinpaugh has achieved what many professionals long for — the ability to pass down to his heirs his philosophies and his successes. How he has done so is a tribute to him and also to Jack’s commitment to his community and his profession. Many of those he recruited into financial services and life insurance and whose leadership has impacted will continue to successfully influence many other lives.

Jack Peckinpaugh, CLU, ChFC, CSA, RFC®, LUTCF as been involved in the financial services industry since 1954. Following his graduation from Ball State University in Muncie, Indiana with a major in business administration, he served in Korea as an officer and helicopter pilot. When separated from the service Jack signed on as an agent with Indianapolis Life. He immediately joined the local Life Underwriters Association and quickly became active, serving as local president in 1959 and as the Indiana state president in 1961. He has earned the Chartered Life Underwriter (CLU), Chartered Financial Consultant (ChFC), the Certified Senior Advisor (CSA), Registered Financial Consultant (RFC®), and LUTCF designations.

Jack attributes his success as an association leader and in running a general agency to the training he received in Officer’s Candidate School and to the experience he acquired as a helicopter pilot — responsible for the lives of his passengers. He claims, “There’s a big difference between book knowledge and leadership skills. The principles of good leadership I learned in OCS have been invaluable.”

Jack was a general agent for twenty-five years and qualified for the industry’s prestigious Million Dollar Round Table his first year in the business. In 1972, Jack was national chairman of the Life Underwriter Training Council, headquartered in Washington, in 1975, Jack served as president of the Million Dollar Round Table.

He has qualified for membership in the Million Dollar Round Table organization continuously over the past five decades and is a charter member of the Top of the Table, and continues to be a Top of the Table producer. Having served as president of both the Indiana and East Central Indiana Association of Life Underwriters, he became president of the National Association of Life Underwriters in 1981.

In 2004, at the National Association of Insurance and Financial Advisors (NAIFA) Convention and Career Conference, Jack was named the recipient of the 63rd annual John Newton Russell Memorial Award. This award recognizes sustained and meritorious service to the life insurance and financial services industry, and is considered the insurance industry’s highest honor.

To have served as national president of three large and important organizations is a real testimony to Jack’s hard work as well as his quiet, but firm leadership style. When asked if these positions helped him in his business, Jack replied, “I don’t think I ever got a client as result of being president of NALU, MDRT or LUTC — but I acquired stature and confidence from serving these organizations and going through their leadership chairs. I strongly urge everyone in financial services to become actively involved in more than one financial service organization.”

Dedicating his career to furnishing a full range of services and products with proven performance records, Jack continues after 50 years to help meet the needs of high net worth individuals, successful professionals, business owners and retirees. Jack has also been very active in his community. He served eight years on the Board of Trustees at Ball State University, twelve years on both the Muncie Community School Board and the Delaware County Council and four years as a Delaware County Commissioner. He was the recipient of the 1962 Distinguished Service Award from the Delaware County Junior Chamber of Commerce.

Jack and his wife, Thelma Ann, reside on a 67 acre farm near Muncie. Each of their three daughters, Beth, Janie and Kelli live in Muncie and the Peckinpaughs have no intention of retiring elsewhere. In his spare time, Jack raises, breeds and shows Belgian draft horses. He could not do this, with all of his community and business involvement, without the close help of their youngest daughter, Kelli, whose official title is that of “Barn Superintendent.” Every spring the mares are in foal, and both Jack and Kelli get very little sleep. They can monitor the mares using television cameras connecting the barn to the house and when a mare looks like she is about to foal, then they rush to the barn to provide help.

Jack is a great lover of animals, both dogs and horses. He’s fond of saying, “The outside of a horse is good for the inside of the man.” His giant Belgian draft horses follow him around the barn yard, just as the dogs do.

His typical workday starts at 4 a.m., when he reads or studies for about an hour, and then he goes to the barn to feed the horses. At the current age of 79, Jack has the vigor and work drive of a man 30 years younger.

Initially, Jack sold insurance to graduating college students and returning veterans. But swiftly he moved to the sale of defined benefit pension plans. Unfortunately these plans have been discontinued because of pension reform legislation and over-regulation — so now only three of the three dozen plans he installed still remains in effect.

What kind of a salesman is Jack? “I’m not the kind of guy who develops complex proposals. I don’t even use computer illustrations to sell. Computers are too slow! I describe the problem, explain the solution, motivate action and ask for the order. Of course, I deliver all the illustrations and disclosures — but most of that is after the real sale has been made.”

Today a large amount of his business is from established clients who continue to

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achieve success as well as referrals from attorneys. Jack has become an expert on Medicare and Medicaid regulations, and this reputation provides a steady flow of new clients referred by attorneys in the surrounding area, who are reluctant to give advice in this specialized area.

We asked Jack what it’s like to bring a daughter into the business as an agent and then into a partnership, “It is a real challenge. You can’t order them to do something. You must be more subtle, but still firm.” But while growing up they witnessed his work ethic and professional involvement, “A lot of directing others in business is a bit like the principles taught in OCS — lead and they will follow.” Daughters, Beth and Janie, saw Jack work hard and still be very client focused — so both have adopted similar styles.

Now Jack settles about 25 death claims per year. He also continues to do business with his policy owners who have been successful and moved to other parts of Indiana and the Midwest.

After serving as a General Agent for more than 25 years, Jack decided to turn the agency over to a successor, his cousin Bill — and concentrate only on serving his own clientele and consulting support for Beth. After continuing in the agency for several years, Jack and Beth opened Peckinpah & Beasley, Inc. in 1999 in downtown Muncie.

Over the past twenty five years, Jack and Beth have worked only a handful of cases together. Beth is quite independent, and Jack helps her as a consultant — a sounding board when reviewing client situations and as an expert in the areas of Medicaid, estate planning and business continuation.

While they share the office building, they do not share operating styles. Jack’s desk is exceptionally neat. Before he leaves the office each afternoon, his desk is cleared and the file folders are either tucked away or stacked neatly on his credenza.

On the other hand, Beth’s desk features many stacks of folders and documents. Most are client and product files, but others involve her responsibilities to the state and local chapters of NAIFA. But like others with such a mental filing system, she is able to locate any paper instantly.

Beth Peckinpah-Beasley, CLU, CSA, RFC® has been involved in the financial services industry since 1981. Beth graduated in 1976 from the University of Northern Colorado with a teaching degree in special education and she taught for five years prior to starting a family in 1981. She earned the Chartered Life Underwriter (CLU) designation in 1989. Beth has twice qualified for the Million Dollar Round Table.

According to Jack, Beth has a great mind and quickly latches on to good ideas and follows through very effectively. She loves educating clients, both individuals and groups, which is why she is so effective in establishing and servicing many employee benefit plans.

Beth has moderated local classes for those earning the CLU and LUTC designation. She is currently the chairperson of the Professional Development Committee for NAIFA–Indiana and serves in the same capacity for her local NAIFA chapter. She is a 2006 graduate of the LILU Program sponsored by NAIFA. Beth has served several terms on the Board of Directors of the East Central Indiana Association of the National Association of Insurance and Financial Advisors and one term on the NAIFA-Indiana Board of Trustees. In addition, she is past president of the East Central Indiana Estate Planning Council.

Jack is equally as proud of Beth’s community involvement as he is of her success as an insurance agent. Beth has been involved in many community agencies in the Muncie area. She served on the Board of Directors of Hillcroft Services, Inc. for ten years, with the immediate past three as President. She has also served on the Board of Directors of the Muncie YWCA and The Boys and Girls Club. Beth specializes in working with business owners, professionals and retirees. She also enjoys working in the employer-sponsored plan market. Beth and her husband, Mark Gray, live in Muncie where Mark owns a warehouse and manufacturing business. Beth is the mother of three sons. Sam is in his first year of law school, Caleb is in his first year of teaching with Teach for America, and Luke is a freshman at Depauw University. While growing a very successful business, she has been an active “football mom” — serving the Booster Club for her sons’ football teams at Muncie Central High School for nine years. She also served the track and swim team Booster Clubs. Their family also includes two dogs and three cats.

Jack’s second oldest daughter, Janie, was also trained as a special education teacher. But, she eventually followed her Dad into the insurance business, although in a different niche — property and casualty and general lines of coverage. She is an agent with Selby Martin Insurance Agency in Muncie — and one of her best customers is Jack.

The service aspects of property and casualty business are appealing to Janie, and she demonstrates the work ethics of her father.

Janie is married to Brian Allardt and they have three children. Son Jack is married and lives in Florida where he is in management with the Whirlpool Corporation. Matt is a sophomore at Indiana University and Abbie is a freshman volleyball player at Muncie Central. They also have two family dogs.

When not helping Jack on the farm, Kelli keeps busy as a volunteer in a local nursing home transporting and assisting the residents with various activities. Her gentle and patient approach is an asset to the horses and nursing home residents that she cares for.

Jack has a distinguished leadership background and his lifetime of substantial production and extensive professional service make his views even more valuable to readers of The Register. Therefore, we asked him these three important questions:

Are you optimistic about the future for financial advisors?

Yes, with all of the baby boomers needing our help, this profession should be good for many years to come. Prospective clients need the personal touch and caring attitude that they cannot receive from an 800 number or the Internet.

If you were starting your practice today, what would you focus on?

I would focus on life insurance because it is the foundation of all financial and

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Generational Success

retirement planning. Without life insurance a long range financial plan can crumble overnight.

What advice do you have for RFCs as they try to improve their practice?

I would tell them to become a member of the National Association of Insurance and Financial Advisors because NAIFA is the insurance advocacy voice in Washington, DC. I would also encourage them to become active in their local NAIFA association and get involved in the leadership of the organization.

Jack and Beth may be contacted in their offices Peckinpahgh & Beasley, Inc. 314 West Jackson Street, Muncie, IN 47305. Phone: 765 287 8310 or by e-mail: peckbeas@comcast.net

Calendar of Events

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<tr>
<th>Event</th>
<th>Dates</th>
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<tr>
<td>Life School</td>
<td>November 28 – December 2, 2006</td>
<td>Dayton, OH</td>
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<tr>
<td>RFC — Indonesia Graduations</td>
<td>December 7 Jakarta</td>
<td>Jakarta</td>
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<tr>
<td>RFC — Indonesia Graduations</td>
<td>December 8 Surabaya</td>
<td>Surabaya</td>
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<td>Organizational, Launch Meetings</td>
<td>February 19-23, 2007 Australia</td>
<td>February 24-28, 2007 New Zealand</td>
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<td>MarketShare Leadership Convention</td>
<td>March 6-9, 2007, Las Vegas, NV</td>
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<td>Financial Expo</td>
<td>March 22, 2007, Tampa, FL</td>
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<td>APfinSA Conference</td>
<td>April 13-15, 2007, Taipei, Taiwan</td>
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<td>Financial Advisors Forum</td>
<td>May 15-17, 2007, Las Vegas, NV</td>
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<td>MDRT Annual Meeting</td>
<td>June 10-13, 2007, Denver, CO</td>
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<td>International Dragon Awards</td>
<td>August 11-13, 2007, Xiamen, China</td>
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<td>IARFC Cruise/Conference — Alaska</td>
<td>August 17-24, 2007, Vancouver, BC to Anchorage</td>
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<td>RFC Forum — China</td>
<td>September, 2007, Dalian, China</td>
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<td>RFC Forum — Malaysia</td>
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Forum 2007 Program. The program steering committee of Steve Bailey, Vernon Gwynne, Burnett Marus, Rosilyn Overton and Michael Zmistowski, has been very busy confirming a top line-up of speakers for the Financial Advisors Forum to be held at Bally’s in Las Vegas on May 15-17. Review the program details and register now at the Conferences tab at www.IARFC.org.

Volunteers needed! Would you like to become active in the IARFC? One good way is to volunteer to help with the Forum. We would like for persons to help in the following areas: Registration: Checking in the attendees, distributing their materials, checking the badges. Breakout Moderators: Escort the speakers, deliver the introduction. CE Monitors: Be certain each attendee completes a sign-in sheet. RFC® Exhibit: Distribute materials to attendees. Traffic Control: Signage for breakout sessions, providing direction.

To Volunteer: Send your e-mail to: Director@IARFC.org

Get Your CE at Sea. Following the cruise this year to New England and Canada, we have negotiated a great 2007 cruise on the award-winning top-of-the-line Celebrity Summit — going from Vancouver to Alaska. The full cruise schedule program with speakers is available online at www.IARFC.org at the Conferences tab. We are particularly delighted to be joined by Jim Rogers, a financial advisor from Vancouver, BC, who is the incoming president of the MDRT.

LIFE School. This program is presented by Bill Nelson® in Dayton, Ohio. LIFE = Learning Institute for Financial Executives. Highly successful financial advisors and stockbrokers come in for a five-day training session that has strong emphasis on estate planning, maximizing after tax retirement income and the most effective uses of variable universal life. Judith or I have attended each one as Bill’s guest, and a large number of his students have qualified for RFC. 801 572 1480 ext. 1355 or go on-line to www.lifeschool.biz

MDRT Top of the Table. Judith and I exhibited for the IARFC at this outstanding conference, that this year was lead by Alphonso Franco, RFC®, and held at Palm Desert, CA. We met quite a few RFCs who are also among the very elite of the life insurance industry, including Mary Feldman, RFC® and Stephen Rothschild, RFC®. Many of these have or are making the transition to financial planning while continuing their stellar insurance production.

Hong Kong. I presented new RFC® certificates to recent graduates of the RFC® curriculum, which is delivered for us at the Poon Kam Kai Institute of the Hong Kong University. We also had a full one-day continuing Education workshop that focused on Securing the Client Engagement. We presented all the attendees a complete PowerPoint presentation and all the documentation that goes with it — in a 100 page manual.

Macau. Allan Wan, RFC® and I also took the jet-boat ferry from Hong Kong to the former Portuguese colony of Macau (now part of the People’s Republic of China) to meet with the faculty at the Macau Inter-University Institute who will be presenting the RFC® course in the thriving economy. The course is under development and scheduled for launch in the first quarter of 2007.

Next Stop — Indonesia. I am headed out to Jakarta for a graduation ceremony in December, press conferences, a meeting with the Governor of the Central Bank of Indonesia and a briefing at the Jakarta Stock Exchange. From there I will fly with our Indonesia Chair, Aidil Madjid, RFC®, to Surabaya for a graduation and training session at the University of Petra.

RFC® Referror of the Month. We have just added this recognition. Please see the back cover of the Register where we list all the recent recipients of the designation. Send us some names and see your smiling face there next month!
Long-term-care insurance is poised to become a top voluntary benefit. Employers like LTCI because it can help employees stay productive at work instead of having to take time off to care for their parents and struggle with the additional financial stress. And employee benefit LTCI is a wide-open field, as only a few percent of Americans have it.

Big organizations like large employers, unions and associations are courted aggressively by large benefits brokers. But there's a lot less competition for smaller organizations with fewer than 100 employees or members — and relatively few of them have voluntary plans. This can spell opportunity for advisors who want to target something new in 2007.

Of course, your own current client base, whether it’s made up of small or large businesses and/or organizations is the ideal place to start. Perhaps many of your clients don’t have LTCI as a benefit from their employer. Perhaps some do, but few employees have signed up for this important benefit.

**How LTCI Works, How It’s Sold**

When Group LTCI is available to the employee, the employee’s spouse and both sets of parents can also apply—so you can potentially make six LTCI sales for each employee. Most group policies are virtually guaranteed issue. There’s no medical exam; applicants just have to answer a few questions confirming that they do not have conditions such as multiple sclerosis or Parkinson’s or dementia. Some group premium rates typically have a 10% discount from retail. The benefit is portable, so employees can keep their policies when (or if) they decide to leave the company. The renewal commissions are usually a level 10% for as long as the policyholder pays the premiums — which can be many years, especially if he or she is in her 40s or 50s.

**Selling group LTCI effectively takes several steps:**

First, you should represent at least two carriers that write group business. Look for carriers that have a recognizable brand name. It’s best if one of the carriers will take someone who is insulin dependent too.

Next, you need to get the business owner or benefits administrator to want to include this benefit in their cafeteria plans each year. Even though in most companies the LTCI is 100 percent employee-paid, it still takes an appointment of selling to convince the decision maker(s) to offer a plan to their employees. They won’t want to add a new benefit unless they’re convinced that it will truly benefit the business and employees, and they hesitate to add more expense or administrative burden to the human resources staff. Make sure to emphasize that your plan will:

- Provide meaningful insurance coverage for long-term-care expenses.
- Make the cost of insurance affordable over the long term.
- Provide flexible plan design and administration to address the particular needs of all your employees or members.

**You can reach business owners several ways.** Start out by writing or calling your current clients to let them know about the new service you’re offering. Press releases and advertisements in newspapers or trade publications can take your message to a mass audience beyond your clients. Public speaking also pays off. Business groups like the Chamber of Commerce and Rotary are always looking for speakers. Associations also look for speakers, both for their main programs and for special programs for the members’ spouses.

To stay under the radar and avoid competition from national brokers, focus on companies or associations with 25 to 200 employees or members. Organizations in this ‘sweet spot’ are usually big and sophisticated enough to recognize the need for voluntary benefits and have the internal systems to support them. (Smaller organizations than this may not want to offer voluntary LTCI, but you can sell individual policies to the business owner and key executives. This is especially attractive now because LTCI premiums can be 100% deductible as a business expense.)

Once the decision-maker at the company says yes, you have gotten over the first hurdle. Now, you need to sign up the employees or members.

**Running Effective Enrollment Meetings**

When you’re ready to meet with company employees to talk about the LTCI plans, here’s a few tips that can actually increase your enrollment figures:

Always warm up your group. Most people, at least initially, would rather think about anything else than insurance, especially LTCI. You need to get them to relate to you as person, relax and get engaged. Now you can make the issue of LTC real and important to them. I start by asking the audience, “How many of you are getting mail about long-term-care insurance?” Get a show of hands.

Then you can ask how many people have thought about buying LTCI but haven’t made a decision yet. Ask how many have actually bought a policy. How many have parents who have bought a policy?

A crucial question is: Have you had any experience with long-term care in your family? Has a relative had care at home and then later had to go to a nursing home?

Usually, a few people will raise their hands. Pick out a couple and ask if they’ll share their experiences with the group.

When employees talk about what they’ve gone through with their parents or grandparents, it grabs everyone’s attention and creates a bull’s-eye on people’s foreheads. Their stories have a lot more credibility and punch that your exhortations about the need for LTCI. Most people think, “It will never happen to me.” Personal stories show that it can happen. It makes them think—and that’s all you need for an opening.

**continued on page 7**
Look at the age of your audience. If it’s predominantly young, LTCI will be a more difficult sale, and you’ll need to point out that while the odds of needing care at a young age are low, they’re not insignificant. A car or motorcycle crash can turn anyone into an invalid in a second. Point out that LTCI helps protect a breadwinner’s family, especially when there are young children to care for.

If it’s a mixed group, you’ll need to make your presentation have as broad an appeal as possible. Try to get employees of various ages to share their stories.

Benefits brokers often find LTCI to be a difficult sale because there is so much emotion around it. Vision and dental care don’t evoke these emotions. They’re easier to sell but also usually carry low premiums and commissions. But with LTCI, you’re talking about aging and becoming infirm and dependent — subjects most people don’t want to think about. LTCI is both an emotional and a rational sale.

Because of this emotionalism, don’t try to make any sales in the middle of a group meeting. Your goal is simply to create enough interest to get attendees to take the next step and see you one-on-one, either by appointment or preferably right after your group talk.

Making the Face-to-Face Sale

Congratulations! You’ve gotten the employee or member to sit down with you to discuss LTCI. In a group situation, you have an advantage because most people believe that group plans are better buys than individual policies, though this is not always the case. Additionally, the organization’s implicit endorsement carries weight.

And, since you’ve given your group presentation and elicited employees’ stories, you’ve already done some of your homework to make a sale. But there’s still much to do. You must create the need in the employee’s mind. No need, no sale. It’s just that simple.

As mentioned above, the first step is breaking down denial. Most people think they’ll die peacefully in their sleep; the nursing home or home care is for other people. Additionally, many folks are confused about Medicare and mistakenly think that it routinely covers long-term care.

You’ll also need to expose and address any objections to purchasing a policy that the individual may have. Objections aren’t to be feared or avoided. Probe and get them out in the open so you can address them as early in the interview as possible. Objections only become sales-killers if you let them fester and grow. Again, remember that you’ll be dealing with strong emotions.

Show young employees an unlimited plan. The difference in price between an unlimited benefit plan and a 3-year paid benefit plan for a younger buyer can be minimal.

With age, the difference widens. With older employees, show them three options: three-year, five-year and unlimited plans. That way, you’ll be able to show them a plan that meets their budget and avoids sticker shock.

Numbers can be convincing too. An interest on savings diagram can be persuasive. Point out what care costs today and how quickly costs have risen. By all means, find the money to pay for premiums BEFORE you show the employee the cost of their LTCI premium.

Let’s say a plan provides up to $150,000 in total benefits. The premium is $750 a year. Divide the annual premium into the amount of available benefits that could be paid under an LTCI plan. Ignoring interest and taxes, someone would have to pay that premium for 200 years before they could pay IN more than the insurance company could pay OUT in long term care benefits. Engineers and technologists love this kind of explanation.

For people in their 40s, 50s and even early 60s, emphasize that LTCI is a crucial piece of their financial planning. Buying the coverage during the time they are accumulating assets for retirement is ideal. With insurance, an employee can concentrate on saving as much as they can for retirement and not have to worry about putting any of it at risk to pay for long-term care.

Since the LTCI sale is different from other insurance sales, training can make a huge difference in your closing rate. You can get good sales training cost-effectively through group telephone coaching sessions, seminars, workshops, print and audiovisual materials.

With the Baby Boom generation approaching retirement, LTCI promises to be one of the fast-growing, most lucrative financial products of the next decade — and a lot of it will be sold at the workplace. It’s a ground-floor opportunity for savvy advisors. ⚫
Cato Comments – About Your Image...

Who Benefits From Image Branding In Your Market?

In a past issue of Public Relations Quarterly Magazine, I wrote, “As professional competition among insurance agents and financial planners becomes more crowded and more intense, the professions will become far more competitive.” The publisher, Howard Penn Hudson, asked me to expand on this statement, so I added, “With more new and varied products on the way, plus new media serving independent financial professionals coming soon, and greater accountability being gradually required by regulators, one dynamic becomes certain: all of this dictates that image branding will be essential for the success of any future provider of financial products and services.”

The future is already here for members of the IARFC. Your world has changed as expected. Preecha Swasdpeera, RFC®, in Bangkok, Thailand, says, “Today you can easily see that everywhere, the financial advisors who benefit from image branding are advancing far ahead of the pack! They are becoming the top producers and are emerging as financial services industry leaders.”

Image Branding Is Personal

Image branding enables you to effectively create, establish and maintain the desired positioning in your market. It also creates a much stronger awareness, or understanding, of you and your services. You can even contribute toward a perceived appreciation for your skills. At the same time, your image branding builds loyalty, especially if you skillfully market the results of your image to both of your key groups — clients and prospects. Image branding even leads to many desired two-way dialogues for you.

Your image branding determines how targeted others perceive you. When you appear and match their perception only then is a “win-win combination” possible. If you do not match their perception of you then you are rejected and they will select the financial planner with image branding that matches their reality. Image branding is how you communicate your values to cultivate your prospects and to reassure your clients. Image branding communicates your facts and the related information that reveals what is unique, special (and even precious) about you. What precisely is a more exact definition of image branding?

Delivering a consistent and focused message to your key audiences.

Branding is the creation or development, then the establishment or management, and finally the maintenance of impressions and media relationships for the purpose of obtaining exposures that reach and influence the targeted market segments that can hugely affect your bottom-line.

Your image will increase the number of clients you are able to help. It is a very important part of your relationship management, but should not be considered as the total of your brand and relationship marketing. Image branding is also a very important part of your relationship marketing. My website www.CatoMakesYouFamous.com contains more information about image branding.

Branding is Personal

Jim McCarty, CLU, RHU, LUTCF, RFC®, of Show Biz Selling is an award-winning financial sales trainer. McCarty says, “There is no other way you can affect change for the better and accomplish so much that is essential to your marketing success, and all at one affordable price, as image branding makes possible! And by “so much” I mean massive marketing communications benefits for you. There are far more benefits for you than Cato has listed in this Registar article.”

McCarty adds, “Of course maximum image branding results cannot be obtained in five weeks or five months. Only an absurd jerk would demand unrealistic results from a skilled image branding practitioner.”

David S. Ayers of Faith Financial Planners in Chattanooga, Tennessee, repeats, “It takes time, professional writing skills, agenting experience, media contacts, and more, to weave your special make-up into a tapestry appropriate for your markets. Because it takes time for the skilled image branding techniques to take effect to perform his job, it would be unrealistic to expect results after a relatively short period of time.”

Actual image branding is not likely to result by amateur do-it-yourself efforts. An executive at Amazon.com reports, “You can always tell an amateur. An amateur is the writer who, when he first lists his book here on Amazon.com, insists that his just-published book is already a best-seller! Such a person only fools himself and insults all others.”

IARFC board member Constance Luttrell, RFC® of Franklin, Tennessee, explains, “If you are competing with someone in your market area who has an effective image branding program underway, then you might as well surrender your market share now! Your competition is going to eat your lunch! Your choices are either (1) move to another market area that does not yet have similar competition, or (2) start working on your own image.”

In 1997, business consultant Tom Peters produced an essay in which he could have been addressing each RFC®. Peters wrote, “Regardless of your age, regardless of your position, regardless of the business or profession you happen to be in, you need to understand the importance of branding. You are CEO of your own company: You, Inc. To succeed in the future, your most important job is to be head marketer for the brand called ‘You!’”

If you do not define your image through image branding, then your competition will define you (to their advantage) through their image branding! I repeat, your competition will define you to your disadvantage! But, you can choose who wins in your marketing area!

Your Relationship With Computers!

I once wrote an article about why I hate computers. Like many others, I resisted computers as long as I could. Magazine and book publishers finally insisted that I become computer literate. To this day I continue to underestimate the computer. I had to accept computers, or get left behind!

When I met Bill Gates I had mixed feelings about him. But reality is that the computer and the Internet are still making major changes in how we live, operate, and do business. If you have a web site
you are at least among the professionally active. If you have a blog then your image is really exposed — to your clients, to your prospects, and to your competition, to anyone in Thailand, Hong Kong, Malaysia, India, China, etc. You must embrace the computer or be left behind in your profession. You also have to embrace image branding or be left further behind in your market.

Lew Nason, LUTCF, RFC®, founder of the Insurance Pro Shop, states, “Image branding makes many marketing efforts of the past look rather lame. In the past a financial planner could get away with absurdities! Those days are coming to an end because more-and-more absurdities are failing to work. Any absurdities now place you at risk. With the help of the Internet, consumers are becoming more savvy and can see through the exaggerations, embellishments, and false claims of many clown insurance agents or financial planners. An absurdity or mistake made years ago can be pulled-up on the Internet tomorrow and harm you anew.”

Amateur Media Exposure Is Not What You Need!

An elderly planner in Florida who is not an RFC® was recently ordered by the NASD to pay $315,000.00 to his client Marilyn McCarthy, a 71-year old woman in Deerfield Beach, Florida. She had accused this planner of being negligent in the supervision of her investment of a million dollars. This unfortunate event made the local, regional, and state news media — newspapers, radio and TV news, plus wire services, some national magazines, financial industry newsletters, and industry gossip (aka “word-of-mouth.”)

Did this planner have a skilled branding program established and working for him to help him overcome this horrid “black eye?” No! Instead he had a large combination of do-it-yourself amateur promotional efforts — actually a media “mish-mash” — that resulted in making him look largely like an egomaniac. An ongoing “mish-mash” of media exposures is not an effective image branding program and fails to ever gain the power of a proper effort. Let’s compare this planner’s claims with reality.

This Florida planner billed himself as a “motivational speaker,” but this was an obvious stretch! He also used the now dated term of “lecturer.” He called himself a “best selling author,” but has a ghost written book that was never a best seller. He says he is a “radio and TV personality,” but he purchases time on local stations and also self-syndicates. He even bills himself as a “celebrity planner” but gives no indication why he should be considered to be a celebrity, or that his clientele are celebrities. Possibly he is a celebrity in his own mind...

In his self-published (one issue) magazine he wrote that his credentials were both “impressive and impeccable.” He went on-and-on about his commitment to financial planning, and his integrity. He wanted to evaluate reader’s annuity contracts. He used the not-too-brilliant slogan of: “Take charge of your financial future by putting us in charge today.”

When a crisis erupted this Florida planner did not have a reservoir of good will to help him. Instead he apparently had only ego-driven media exposures that were of little or no long-term impact with intelligent people. How much more effective he could have been had he allowed a professional to create, execute, and direct an effective branding effort!

Financial planning pioneer Vernon D. Gwynne, CFP, RFC®, who, as Executive Director, guided the IAFP (now FPA) during their major growth years, believes, “Personal image branding is not another opportunity to hustle people in a manner similar to false advertising! Image branding is not another way to invent a brand that is not based on the precise truths concerning you and your planning practice!”

Beth L. Blecker, CSA, RFC®, the respected planner with Eastern Planning Inc., in Nanuet, New York, recently asserted, “Your image branding must accurately reflect the real you. This means your essence, your core beliefs, and essentially, what you are all about. Image branding will not work unless it matches the real you. Effective image branding must match reality! Image branding can not be faked or fabricated. Today most media exposures can be retrieved and easily examined for accuracy. Every state and federal regulatory agency can do this.”

You Get To Make The Important Choice!

Lester W. Anderson, MBA, RFC®, author of You Are The Product, told this writer, “You get to make the decision about this! You either have a strong image branding program, or the leader in your market area will take your prospects from you along with some of your most desired clients. It is very likely that the market leader in your area has a strong branding program.”

According to Anderson, “The logical way you can experience effective image branding is to retain a proven Media Advocate specializing in your field. A professional will build your image branding, making your profile stronger and “more firmly established” month after month. He or she will also generate valuable media coverage about or for your brand.”

The most successful brands always try to do the right things and make certain that their key markets know they do the right things. They do this so that their reputations will be solid and remain established and unblemished. Beyond this, they grow, evolve, and get better with time, while maintaining their special qualities from the past. The positioning remains strongly established and grows in effectiveness. You can accomplish the same in your markets.
The Power of Partners

Increasing Your Marketing Contacts

Forming the Group: To start with, you must have a clear statement of purpose and the Mission Statement of AIN is to Increase Each Member’s Net Worth. Each new participant is selected to be someone who is well established, and positioned to help other members grow their business. We choose only one member per discipline. We are looking for synergism between members, not just referrals.

Diversity of membership. Our organization, AIN, has the following members:

- Investment Planner
- Realtor
- Attorney
- CPA
- Book Keeper (Non-competing)
- Real Estate Appraiser
- Real Estate Mortgages
- Sub Prime - Lending
- Commercial Lending
- Property and Casualty insurance
- Computer Web Site and Communication
- Computer Repair and Security
- Organizing
- Photography
- Marketing

Organize the group, in a solid fashion, just as you would any other business venture that you expect to endure and deliver substantial benefits:

1. Form an LLC, with by-laws, a board of directors, members, and a plan.
2. Create a business culture of increasing each other’s net worth through referrals and sharing best business practices, Institute rules for accountability. Everyone has to contribute.
3. Continually meet with members to learn who is their best client.
4. Create a website that highlights each member and links each other. The website is far more effective than having 15-25 members’ business cards and biographies.
5. Build relationships of trust.
6. Create a book club among the members.

Summary: As a Registered Financial Consultant, forming your own local network of 25 trusted professionals committed to helping you grow your business will help you focus your image of your ideal client, will provide a steady flow of highly qualified referred clients, and will increase your net worth.

Joel Lawson, RFC®, is co-founder and co-chair of AIN “Adventures in Networking” in Kansas City Missouri. After 33 years as a mill manager and production supervisor for Armco and GST Steel, a bankruptcy forced him to seek a new career. His friend of 25 years and financial advisor Mike Thiel, RFC®, in Chesterfield, MO helped him get started. Joel is a registered representative doing business with First Financial Planners offering securities through FFP Securities and Advisory services offered through FFP Advisory Inc.

AIN has already proven its ability to help him grow the business. His motto is: Wishes come true when you manifest them, keep them in front of you, and work through what changes are needed to make them happen.

Phone: 816 358 4966 or e-mail: joellawson@lawson1stFinancial.com

Call for Papers

Get Involved: We welcome the submission of articles from IARFC practitioners. This is a great way to contribute to the profession.

Professional Articles: The Journal of Personal Finance is seeking articles by practitioners that may deal with the application of financial planning techniques, marketing and practice management. These are expected to be very high level papers or articles.

Publicity Opportunities: Naturally, we encourage published authors to advise both their clients and the media of their being published by sending a press release.

Contact Dr. Ruth Lytton
E-mail: rlytton@vt.edu
Call: 540 231 6678

Joel Lawson, RFC®

About a year ago I was invited by Pam Saunders, a local Realtor, to help form a network group. Pam, a successful realtor in the Kansas City area, had a vision to create a network that would increase each participating member’s net worth.

Small business people are a good source of members. The group meets once a month. Individually, each member meets with one or two members per month for lunch — to get to know each other better and to exchange leads. The group is in the process of forming a book club and a “Morning Coffee Business Idea Exchange” every two weeks. Members pay $165 per year to offset communication and administration costs.

AIN “Adventures in Networking LLC” has now grown to 15 people. It is composed of business professionals that are known and trusted by the person that invited them into the group. Our AIN group is about trust; It is about building relationships; It is about knowing each other’s ideal client.

Significant results have been achieved as result of this cooperative effort:

1. 15 trusted people are now helping each other grow their business.
2. In the last 6 months group members collectively as a whole, have generated over $6 Million in new business.
3. Personally, I have completed business with three new clients and am working with six more who have moved from the name stage, to the prospect phase, and are now well into the new client phase.
Responding to the Media

In a recent issue of the Register we talked about steps that every RFC could take when the media did not mention the Registered Financial Consultant designation along with others of historical prominence. Often an article excludes interests of the IARFC as a viable and growing member of the financial services community. We don’t want to be better treated, just equally.

But to some extent that is our own fault — the IARFC, its officers, and you — the members. We haven’t told our story, or requested equal treatment.

When any article, be it in a financial services publication, the general media, or in a journal produced exclusively for the representatives of one insurance company or broker dealer, does not mention the RFC, what should you do? We answered, Write the Editor a polite Letter explaining your position, and attach additional information, or ask your IARFC Director, Judith Fisette-Losz, to forward an information kit.

Many RFC readers of The Register may wonder, Will this really work?

Here is an actual example! On September 11, Jim Pavia, the editor of the respected InvestmentNews magazine wrote the editorial you see on page 12. Jim Pavia is responding to consumer concerns, plus the expressed thoughts of some in our industry — that there are too many designations. Pavia created a well-written article. But where would any mandate to eliminate designations place your RFC?

Immediately I received calls about this from some concerned members, and I grabbed my copy of InvestmentNews. Quickly, I sent my e-mail in response. About the top two thirds of my message is printed on page 13. I received a prompt response from Editor Pavia, who asked, “But you didn’t propose any solution, don’t you have one?” So I e-mailed back proposing a Financial Designations Council to be composed of association leaders for the purpose of establishing some “reasonable standards” — to protect the well-run but smaller organizations, and better protect the interests of the public.

Like any other person responding to a leading industry editor, I had no idea what would follow. From past experiences with other publications there is always the suspicion that part of the copy will be edited out, especially if you challenge the position of the editor. What happened certainly rewards my faith in journalists. Editor Pavia took my two e-mails, blended them together very smoothly, without subtracting any of my observations. He added a photo (he must have gotten this pix from the Internet) and created a nice article.

Was your IARFC well treated? Yes, absolutely! Did we get fair treatment? Without a doubt we did! Were we allocated reasonable space? Certainly we were! Will it make a difference? We don’t know, and we may never know, how many of their valued 150,000 readers were able to learn about “our concern.” There are two issues raised in these two articles:

First is appropriate and reasonable mention of the IARFC and the Registered Financial Consultant designation. We clearly received fair treatment in a major publication.

Second is the concept we raised of a body that would establish reasonable standards for designations in the field of financial products and services. I haven’t been contacted by anyone, nor do I think has the magazine. Possibly this is an idea whose time has come — or maybe there is simply no interest.

What two points have we learned?

1. With a small effort on the part of any member of the IARFC, we can start receiving more of the recognition you deserve.
2. We also learned that some financial journalists are very willing to treat us fairly, if we will just make the effort.

Aristotle said, “We are what we repeatedly do.” If you repeatedly take the time and effort to politely communicate your thoughts about RFC interests to the appropriate editors, you will indeed eventually receive the treatment you and others deserve. You will see opportunities to do this in the days ahead.

Have you written your favorite editor lately? As you can see, it really works. But only if you make the effort....
Industry is swimming in alphabet soup

There are too many designations and credentials in the financial planning business.

The list of professional designations, which largely are unregulated, has lived up to the term “alphabet soup.” The growing number of designations isn’t in the best interest of the industry, and if nothing is done to solve the problem, it eventually will come back to haunt the financial planning profession.

Organizations are churning out a wide range of professional designations and credentials. Some industry experts say that many credentials or designations are being created with subpar training and monitoring in place.

Advisers or planners then add the marks to their business cards, and the marks become just another meaningless marketing tool.

Imagine if a planning designation or credential faced some regulatory scrutiny. It could lead to a black eye in the form of a lawsuit.

The solution is twofold.

First, in order to maintain consumer confidence, these designations and credentials should be regulated on a national level. Second, in an effort to make them less confusing to the general public, a process needs to be put in place to consolidate these designations.

Professional designations and credentials should require a certain level of experience and an adherence to a certain code of ethics and educational requirements. Although some do represent a more in-depth understanding of the need for knowledge in a specific field, others don’t.

Industry officials are coming to understand that fact. Indeed, four financial services companies have banned the use of the certified senior adviser designation. Regulatory concerns and questionable educational substance were cited as reasons.

In last week’s issue, InvestmentNews reporter Charles Paikert wrote that one firm, broker-dealer Waddell & Reed Inc. of Overland Park, Kan., reviewed the CSA designation and the materials required to obtain it, and found that “there wasn’t enough educational substance to the designation.

“What’s more, Genworth Financial Inc., a Richmond, Va.-based insurance firm, cited “regulatory concerns” as the reason why the CSA “will no longer be allowed on career agent business cards or marketing materials as an accepted designation.”

The CSA designation is one of the most popular “senior specialist” certifications, therefore it is impressive that many financial services firms are scrutinizing the designation and conducting due diligence themselves. However, the industry needs to go much further.

Regulation and creating oversight is a great place to start.

To work, industry associations, securities regulators and financial services firms need to establish an organization that is responsible for overseeing the accreditation of industry designation programs. These groups could form a national accreditation body that would create and enforce financial planning designation standards.

It would be in the best interest of advisers, planners and investors if such a standard existed. It would raise the level of the designations, while instilling more consumer confidence in financial professionals.

The next step is consolidation of designations. This eventually would lead to the general public’s gaining a better and clearer understanding of designations and hopefully make it all less confusing.
Rx for alphabet soup: Unbiased, independent oversight

Ed Morrow, CLU, ChFC, CT, CFP®, CEP, RFC®

Are there too many financial designations? Too many associations? Perhaps — and perhaps not. Our population of 300 million is vastly underserved by competent financial professionals. We need four or five times as many high-quality, ethical financial advisers.

But what criteria would you advocate be used to disallow some designations or organizations? Size? Growth rate? Services to members? Understandable code of ethics? Cost to become qualified? (Is higher better than lower or vice versa?) Compensation or age of members, perhaps? Should designations be allocated only to those who serve the wealthy?

As the possessor of six designations, I am proud to say that I have benefited from each one and have advanced my knowledge in the acquisition — and more significantly, in the networking with the fine members and leadership — of each.

Although they do not grant designations, I deeply acknowledge the benefits I have derived from several of the acronymic organizations, such as NAIFA, SFSP, FPA, MDRT, NTSAA, LUTC and the prior IAFP and ICFP. And I am convinced that they dutifully serve their members and the public.

America is a great free-market economy, and we are proud of our independence. As the organization of which I am chairman, the International Association of Registered Financial Consultants, extends its courses, practice management and continuing education to seven cities in China, five in Taiwan, two in Malaysia, two in the Philippines, two in Indonesia, Hong Kong, Macau, Singapore, Thailand, Greece and now India, we are mindful of our responsibility to promote economic freedom and the freedom of choice. We need to encourage organizations — not discourage them and their services.

Someone might say there are too many magazines in financial services, too many publisher e-mails, too many publishing conglomerates, too many on the East Coast. How would people feel about letting a few schools of publishing, perhaps located in the South or small Midwestern towns, decide to eliminate those they deem unnecessary or not “suitable”? People would be outraged, and rightly so. The public should decide, by purchasing subscriptions and by spending their advertising dollars.

Members of the financial community are certainly intelligent enough to decide which organizations deliver value. The American public is more seriously harmed by lack of advice, by the frauds of companies and institutions, and by downright crooks than it is by trying to weigh the qualifications of one designation over another. I have far more faith in the people than I have in regulators and administrators.

The problems with designations being regulated are, who would be the regulators, and how would they define the criteria?

Some designations are strictly for the insurance community. Some are for investments. Some are about comprehensive planning. Some are about some aspect of financial services: taxes, products, advising the elderly, estate planning or retirement plans.

Thus, there is no government agency, except perhaps the omnibus Federal Trade Commission or the Department of Commerce, that embraces all those areas. But an InvestmentNews editorial (Sept. 11) did raise a valid point, because some of the designations do much less to qualify and prepare a designee, some do not police their membership rolls, and some provide very little continuing support or education.

If a Council on Financial Designations were to be created with a balanced board and a clear mission to act in the interest of the public, rather than to restrict new designations from threatening those already established, that would be a good thing. Some minimum standard of disclosure could be developed, such as ownership, control, hours of classroom and study, texts, continuing education, etc. If a designation/organization did not initially qualify, it could “step up” to the recommended standards and disclosure.

There are educational councils that provide accreditation to colleges and universities, and these are composed of educators, not government regulators, who have developed fair and balanced procedures in the interest of the public that provide a clear path for new institutions to become accredited. I believe that approach could be very effective within financial services in serving the public and those seeking educational benefits.

Perhaps InvestmentNews would host a conference to organize such a body from among the current designation-granting organizations and institutions.

Ed Morrow, CLU, ChFC, CT, CFP®, CEP, RFC®, is chairman and chief executive of the International Association of Registered Financial Consultants in Middletown, Ohio.
The SAVER Summit Challenge

In 1997, Congress enacted the Savings Are Vital to Everyone’s Retirement Act (SAVER Act) to heighten the public’s awareness and understanding of the importance of retirement savings. The act mandates that the Secretary of Labor maintain a public outreach program and conduct three bipartisan national retirement savings summits.

The U.S. Department of Labor contracted with the International Foundation of Employee Benefit Plans (International Foundation) in preparing for the Summit. Approximately 200 statutory and appointed delegates participated, including members of Congress and executive branch officials. Appointed delegates included representatives of state and local governments, professionals working in the fields of employee benefits and retirement savings, employers, unions, and other private sector institutions.

The Common Goal

Summit delegates came together to achieve a common goal: to help all Americans become better able to retire with dignity and security. To reach this goal, the Summit focused on developing strategies and programs to prompt Americans to think about long-term retirement and the critical importance of retirement savings to their future well-being; to inspire them to commit to personal retirement savings strategies; and to facilitate the accumulation of savings for retirement.

Delegates sought to devise concrete recommendations to improve both employer-based pensions and individual retirement savings plans, to help Americans take advantage of existing savings opportunities, and to create new opportunities to help Americans meet the challenges of saving for retirement.

Today’s workers have more responsibility to fund their own retirements than workers have had in recent generations. Unfortunately, despite this reality, many Americans are consuming more, saving less, and accumulating more and more debt. Caught up in the immediate demands of day-to-day spending, we have lost sight of the fact that planning for a successful retirement tomorrow requires making savings a priority today.

To develop messages and strategies that can help all Americans, the 2006 Summit concentrated on four groups of American workers who face unique challenges in saving for retirement. These groups are:
1) Low-Income Workers,
2) Small-Business Employees,
3) New Entrants to the Workforce, and
4) Workers Nearing Retirement.

By concentrating on reaching these workers and helping them to save for retirement, the delegates hoped to develop strategies that would offer inspiration and assistance to all Americans in reaching their retirement goals. By making retirement savings a priority today, Americans can and will have a brighter and more prosperous tomorrow.

The State of Retirement Savings

It was pointed out that the nation is on the verge of a tremendous demographic shift, as the first of 78 million baby boomers turn 60 in 2006. She warned that despite the overall strength of the U.S. economy, many Americans are not prepared for retirement: less than half have even calculated how much retirement savings they will need.

Labor Secretary Elaine Chao described some of the challenges faced by the four demographic groups targeted by the 2006 SAVER Summit. New entrants to the workforce hardly think about retirement because it seems so far away. In addition, the average worker between ages 18 and 38 will have 10 jobs before retiring — and only 43% of workers who change jobs preserve their employment-based retirement savings by rolling it over into an IRA or their new employer’s retirement plan.

Low income workers find it challenging to balance spending for today’s needs with saving for tomorrow.

Small business owners, responsible for the creation of 70% of new jobs in recent years, may perceive retirement plans to be too costly and complex, as about 80% of small businesses do not offer any type of retirement plan for their employees.

Finally, workers nearing retirement have fewer options and little time to correct their course if they discover they have not saved enough to provide them with a secure retirement.

Secretary Chao noted that those who do not start saving early for retirement miss out on their greatest ally in achieving retirement security time. For every 10 years a worker puts off saving for retirement, he or she will need to save three times as much each month to catch up.

Secretary Chao maintained that even small sums set aside for retirement can make a difference:

$100 saved at age 20 can grow to more than $1,900 by age 65.

In closing, Secretary Chao noted that saving takes time, dedication, and planning. “Americans can look forward to longer, healthier, and more productive lives,” the Secretary said, “and building a diverse savings portfolio is the best way to ensure that individuals have lasting independence.”


Most experts agree that in order to maintain a similar standard of living in retirement, households need replacement income at a rate of 70-85% of pre-retirement income. Social Security, however, provides only a portion of this replacement income: 50% or more for those earning less than

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$25,000 at retirement, but 25% or less for those earning more than $100,000.

The gap between Social Security and the replacement rate needs to be filled by the individual worker’s savings and investment, by employer-sponsored retirement programs, or by a combination of the two. Given our nation’s demographics, Schieber said, about 9% of national income should be saved solely for retirement.

The nation currently has a record $11.5 trillion in assets in the individual and employment-based retirement system. Schieber insisted, however, that we should be adding to those assets. He contended that right now, we as a nation ought to be at our peak of savings. Yet in 2005, the national savings rate fell below zero — meaning that we spent more than we earned for the first time since the heart of the Great Depression in 1933. This negative savings rate represents a substantial drop from the 8.7% of income saved in 1992.

Future retirement security depends on savings, which have become increasingly important in recent decades. The retirement system now puts more of the burden of retirement savings directly on the backs of workers. Heightened individual responsibility has been successful in some ways: assets in 401(k)s will soon exceed those in the Social Security trust fund. But it has been unsuccessful in others: Americans are not saving enough to meet this responsibility.

In part due to the continuing shift from defined benefit (DB) to defined contribution (DC) retirement plans, younger workers are not participating in the pension system today to the extent that older workers are. This represents an enormous lost opportunity, since saving during the first decade of work is critical to maximizing the power of compound interest to build up retirement savings. A worker earning $35,000 who begins saving at age 30, for example, may find that a 5% deferral will be enough to meet her retirement goal. If the same worker waits until age 40, however, she will need to set aside 15%; and if she delays until age 50, she will find it nearly impossible to save enough to meet a reasonable retirement goal.

Schieber warned that low-income workers — those most dependent on Social Security as a source of retirement income — would be hit hardest if the threatened insolvency of the Social Security system forced cuts in benefits. The Health in Retirement Study conducted by the National Institute of Aging found that retirees in the lowest 10th percentile of income depend on Social Security income to meet 94% of their day-to-day spending needs. A cut of 25% in benefits would thus mean the loss of more than 20% of their spending power (while those in the highest percentile would only lose 2.5% of their spending dollars).

Reiterating the importance of saving, Schieber urged the delegates to find effective solutions for the following challenges that face the four groups of workers targeted by the 2006 Summit:

1. How can we create more retirement saving opportunities for low-wage workers?
2. How can we offer opportunities to small-business employees? What can we do to make retirement plans viable for small employers to offer to their workers?
3. How can we get young people saving sooner? How can we get them committed to participating in the system?
4. How can we facilitate extended working opportunities to those nearing retirement age?

The author, Paul Richard, RFC® is the Executive Director of the ICFE, founded by Loren Dunton. Paul is also the author of the Certified Credit Report Reviewer and is a highly regarded identity theft prevention specialist.  

Go Ahead and Impress Your Clients

Client appreciation requires tangible actions that set you apart in the eyes of clients as an individual who truly cares. And that’s Boxes by Pandora’s sole mission: To help you demonstrate client appreciation in a noteworthy and affordable way!

From specialty document wallets and folders that will make your presentations memorable, to worry-free document filing systems that will create natural cross-selling discussions — you’ll find them all here!

Our specialized manufacturing and production facility can personalize all of our products with engraved brass nameplates, as well as your name and company logo.

If you’d like your VIP clients to think positively about the services you provide on almost a daily basis, then our custom-made, personally imprinted client appreciation boxes — created from select woods — are for you! Their rich, functional designs will have all your clients showcasing them on desks, credenzas, and display cases.

Boxes by Pandora has special pricing for IARFC members. For additional information, a full brochure or to order call: 800 232 6937 or visit: www.BoxesByPandora.com
Paperless office strategies can reduce overhead and improve efficiency. Rather than storing paper documents in a growing number of bulky metal filing cabinets, those pages can be scanned into a computer for much easier access. In addition, those computer files can be backed up for storage off-site, for further protection against disaster.

Of all the things to consider when making a move towards paperless, one of the most important is the scanner. Scanners vary in performance and value, just like computers, PDAs, cell phones, and any other electronic device. Taking time to consider what type of scanner to purchase can save you significant time, effort, and money in the long term.

**What Is TWAIN?**

It is difficult to discuss scanners without also talking about TWAIN, which is the standard for connecting software and scanners. TWAIN is a set of rules that scanners follow when delivering images to software applications, and the main benefit of TWAIN is improved compatibility between manufacturers and models.

Immediately upon hearing the term TWAIN, most people wonder, “What does the acronym stand for?” It is a common misconception that TWAIN is an acronym for a group of words, but in actuality, it is a borrowed term from Kipling’s “The Ballad of East and West.” Before TWAIN was introduced, there was much frustration among developers bogged down by the difficulty of writing software to properly utilize the myriad of different scanners. This frustration was best summed up by Kipling’s words, “Oh, East is East, and West is West, and never the twain shall meet.”

Imagine two people having a conversation. If they speak the same language, they are able to understand each other. Otherwise, neither will be able to get much out of the conversation. Like two individuals using the same language, a TWAIN-compliant scanner can speak to TWAIN-compliant software effectively and easily. If a scanner is not TWAIN-compatible, then a piece of software must be specially written that understands the scanner’s language.

Most scanners on the market today are TWAIN-compatible, but there are still a few that lack this functionality. Scanners that are not TWAIN-compliant will only be usable by special software included with the scanner. You cannot use such a device to send an image to Microsoft Paint, Microsoft Word, or Adobe Photoshop, for example. TWAIN is the industry standard, and you should only buy scanners that are TWAIN-compliant.

When considering a scanner, you can look on the packaging for the words “TWAIN-compatible” or “TWAIN-compliant” to ensure that the device fits the industry standard. You may need to install a piece of software, called a TWAIN driver, to get your scanner to function correctly.

If you have an existing scanner, and are unsure whether it is TWAIN-compatible, check any documentation that came with the scanner for clues, or research your device on the manufacturer’s website. If you cannot locate documentation, and cannot find the manufacturer’s website, try typing in your exact scanner brand and model into any search engine. You may be able to locate documentation and drivers for your scanner this way.

When considering scanners, you should also make sure that the scanner is TWAIN-compatible. This is important because TWAIN-compliant software must be specially written that understands the scanner’s language. A TWAIN-compliant scanner can effectively and easily be able to get much out of the conversation. Otherwise, neither will be able to get much out of the conversation. Like two individuals using the same language, a TWAIN-compliant scanner can speak to TWAIN-compliant software effectively and easily. If a scanner is not TWAIN-compatible, then a piece of software must be specially written that understands the scanner’s language.

Third, when considering scanners with Automatic Document Feeders (ADF), it is important to know whether the scanner works in simplex (single sided) or duplex (double sided) mode. A simplex scanner will only scan single-sided documents; to scan the second side, you will need to turn the pages over and feed them back into the ADF. Our recommendation is to get a duplex scanner, since many of the items you will want to scan may be printed on both sides.

And of course, as with anything, you will need to consider the price tag. If you do not need to scan thousands of documents daily, then there is no need to purchase a multi-thousand dollar scanning device. Of course, remember that a more expensive scanner may well be worth it if you are saved time and effort. If a scanner saves your assistant only fifteen minutes daily, it won’t take very long for that device to pay for itself. For instance, saving fifteen minutes per day at $20 per hour amounts to $1300 yearly!

**Our Recommendations**

Below are four scanners that fulfill different roles. Accompanying each description, we have included an explanation of why you might choose that device, and what the benefits and drawbacks are. The prices quoted are average prices at the time this article was written, October 1st, 2006.

**Canon Canoscan LiDE 60**

First up is the Canon CanoScan LiDE 60. We chose this scanner for two reasons; it is small and inexpensive. There are cheaper scanners on the market, such as the CanoScan LiDE 25, but they are significantly slower than this model. The CanoScan LiDE 60 is still slow, however, as are most flatbed scanners. Another striking feature of this model is its small size. The scanner is small enough to place in larger laptop bags along with your laptop, and it receives its power through the USB connection, so there is no need for an additional power supply.

We would recommend the CanoScan LiDE 60 to anyone who needs a cheap scanner, but does not require fast scanning speed. We would not...
recommend this device to anyone who has a large number of documents to scan.

**Price:** $65-$80  
**Flatbed Scanning Speed:** 9 seconds preview, 40 seconds for a full page B&W.

**Pros:** Rock bottom price for a trusted name-brand scanner. Compact design (1.6” High) with no additional power cable makes it a great addition to a laptop. It is a flatbed scanner, so it can scan pictures, pages from books, etc.

**Cons:** Some users have reported a whining noise issue. As a flatbed scanner, it has speed constraints that plague most scanners of that type. The small size is also a drawback; it is letter size only and won’t scan legal documents.

**HP ScanJet 5590**

If you are in need of faster scanning without a serious hit to your pocketbook, consider a flatbed scanner with an automatic document feeder. The Hewlett Packard ScanJet 5590 is a good choice in this category, and is one of the few flatbed scanners that we have seen that will scan both sides of the documents placed in its ADF. It is also not terribly expensive, which is always a plus.

**Price:** $225-$275  
**ADF Scanning Speed:** 4 pages per minute (in duplex mode)  
**Flatbed Scanning Speed:** 7 seconds preview, 30 seconds per full page B&W.

**Pros:** As with many flatbed scanners, this model scans slides, film negatives, and pages from books. The most beneficial feature of the ScanJet 5590 is that its automatic document feeder can scan duplex. (double sided)

**Cons:** Isn’t geared toward high-end photo scanning, but should be fine for document acquisition. Speed constraints affect most flatbed scanners, though this model is fast enough for most light home-office applications.

**Xerox Documate 152**

If you have a larger number of documents to scan, you will save a lot of time with a sheet-fed scanner like the Xerox Documate 152. Unlike a flatbed, a sheet-fed scanner cannot scan pages from books, slides, film negatives, etc. However, since it is centered around the single task of scanning documents, it performs that task with admirable speed. The Xerox Documate 152 had the most attractive price point in this category.

**Price:** $450-$500  
**ADF Scanning Speed:** 15 Pages per Minute (in duplex mode)

**Pros:** Sheet-fed means high speed scanning compared to flatbeds, This model is also small compared to flatbeds, so it takes up a lot less space on your desk. Duplex scanning is a must-have in scanners of this type.

**Cons:** Without a flatbed, this scanner is not capable of scanning slides, negatives, or pages from books. The Documate 152 cannot scan a driver’s license, which is becoming an increasingly important task in many industries. Therefore, many firms will also want to have a flatbed scanner, such as the Canon LiDE 60 for those tasks.

**Canon DR-2580c**

For even faster scanning requirements, the Canon DR-2580c is truly impressive. It burns through stacks of pages very quickly, and is a great choice for an office with fairly heavy scanning needs. Since it is a sheet-fed scanner, it cannot scan pages from books, slides, or film negatives. It has the ability to scan thick cards, however, such as a driver’s license. The optional flatbed attachment adds the benefits of flatbed scanners, but at a very high price.

**Price:** $650-$725  
**Flatbed Attachment:** $335  
**ADF Scanning Speed:** 25 Pages per Minute (in duplex mode)

**Pros:** The highest speed scanner in our list, and can scan driver's licenses and business cards. It also comes bundled with Adobe Acrobat Standard 7.0 ($200 value).

**Cons:** No doubt about it, this scanner is pricey. Also, it has no flatbed, so can’t it scan slides, books, or negatives. The flatbed attachment is prohibitively expensive; it would be much less expensive to purchase a separate device for that purpose, such as the Canon LiDE 60. Another drawback to this scanner is that you must place the documents for it to scan in front of the scanner on your desk, so you need clean desk space next to it, which could be a rare thing in some offices.

**Conclusion**

Remember, the units and prices mentioned in this article are as of October 1st, 2006. Without a doubt, there will be newer, faster, and more versatile models available in the future. Whatever your office needs, however, there is a scanner out there that should fulfill them nicely. Whether you require an inexpensive flatbed or a faster, more expensive model, it’s only a matter of determining what your needs are and getting your priorities in order.
Even Superstar Financial Advisors, those making over a million dollars a year, can make some dumb marketing decisions. During the past seven years, we have had the privilege of advising and coaching between two and three dozen superstar financial advisors. These men, (regrettably there is only one woman in the entire group) clearly understood the importance of having a steady stream of “derrières in chairs.” They are absolute marketing machines. But even the best are prone to some expensive mistakes. Although all these stories are true, specific details have been changed to protect the identity of the financial advisors.

Here are just a few of the stupid marketing tricks we have seen top advisors make over the years:

**Stupidity #1: Rich on theoutside, Cheap on the inside.**

“Collateral” is a term used in the marketing industry that covers the written presentation of your firm and supports your brand. It can include business cards, seminar invitations, newsletters, brochures, or even the folders that you would use to present your financial plans. The same financial advisor who would spare no expense on the décor of his personal office, suddenly became a cheapskate when it would come to the collateral. It was not unusual for these documents to look like they had been printed on their back office computer by their 13-year-old. And that was not far from the truth.

Using tacky materials is incredibly shortsighted since the collateral was frequently the very first impression the prospect had of the financial advisor, arriving in the mail before the first meeting. What the advisor did not realize was he was creating great chasms between two different messages.

On the one hand the offices were very plush, including hardwood floors, fireplaces and leather sofas. It was not unusual to see lavish Oriental rugs and fresh flowers adorning their office palaces. The underlying message of the office: we are a classy organization — you can trust us.

On the other hand the tacky collateral, obviously printed with their office printers, created a contrary message: we are cheap and like to cut corners.

Together these two messages create a subconscious disconnect in the mind of the prospects. This disconnect can lead a prospect to mistrust the overall message because it is confusing and obviously false. The firm could not be both a class organization and one that likes to cut corners at the same time. Once the doubt or mistrust is created in the mind of the prospect, it becomes much harder to close the sale — either an engagement for a financial plan or the purchase of insurance or investments.

**Your solution:** First consider your overall message and make sure everything, even the collateral, matches that message. Spend the money necessary to have your collateral professionally produced. This includes retaining a quality design team that can professionally lay out your materials and make it consistent with your message. If you cannot afford to the professionally designed materials, sometimes it is better not to have anything at all. This way the only message the client gets about your firm is directly from your lips.

**Stupidity #2: Illegal payments to third-party referral sources.**

If I had seen this just once, I might have dismissed it as a fluke. However, we had two different financial advisor clients, in different parts of the country, who were involved in the same illegal marketing scheme. Both firms had found a very sympathetic center of influence that had many contacts into the financial advisor’s marketing niche.

At one firm, it was a sports agent closely tied to the golfing community. In the other firm, it was a professional marketing company that serviced large law firms. One financial advisor was very eager to get golfers into his stable of clients, while the other one focused on lawyers.

Both hit upon the same idea with little thought to its legality. They agreed to pay their referral source, the sports agent or the marketing firm, a percentage of all the commissions earned on cases referred to them for business. There was only one catch, neither the sports agent nor the marketing firm had a single person on staff that was a Registered Representative. Neither was either referral source listed as a solicitor for Registered Investment Advisory purposes. Therefore, it was illegal to pay a portion of the commission to someone who was not registered. It was also illegal for an unregistered person to receive the commission.

Both advisors got rather testy when I mentioned that what they were doing was illegal. One even went so far as to try to tell me that he was just paying “marketing expenses” to his referral source. It is perfectly acceptable to pay marketing fees to outside individuals to help you develop your business. However, when that payment is clearly a percentage of the commissions, the advisor has stepped into very dangerous territory.

It is a crime to participate in this kind of securities business without being registered. Both the financial advisor and the referral source were flirting with the law and could be subjecting themselves to stiff civil penalties or even criminal prosecution.

**Your solution:** Get registered. It is relatively easy to be set up as a solicitor with an investment advisor. However in order to share commissions from the sale of securities, one needs to be a Registered Representative.

**Stupidity #3: Inadequate Due Diligence**

One of our clients was a successful financial advisor who became very well known in his local market of Chicago due to a popular radio talk show. Over time he began to believe his own press releases and actually thought he was a “star.”

What was the problem? All the success went to his head. A few years into this successful show, he wanted to expand nationally. He was quite thrilled when he got a call from a radio station in Austin, Texas, one of the cities he had targeted to expand his business. He was approached continued on page 19
with the idea of a one-hour radio show on Thursday afternoon from 1 to 2. This advisor did not bother to ask our opinion on this arrangement, and jumped at the chance of more exposure. He signed a 16-week commitment, agreeing to the $6,000 per month charge by the Austin radio station. Quite convinced that he was entirely responsible for all the success of his local radio show, he made no attempt to retain the services of a well known local radio personality, an “Ed McMahan”, to help launch the new show in Austin. Nor did he conduct due diligence on the demographics of the radio station, or its listenership.

The financial advisor burned through over $25,000 in four months. It turns out that the radio station was so small, it was probably operating out of someone’s basement. The station did absolutely no advertising to promote the show, and there was no delightful sidekick to help make the program more interesting. In addition, the time of day was deadly. In fact in 16 weeks, they had only two legitimate call-ins, requesting information. In 16 weeks, they had only two legitimate call-ins, requesting information and both occurred when someone else was sitting in for the financial advisor!

Your Solution: Just because your current client made a strategic agreement to have a financial advisor on retainer, does not mean you are in the same league as the financial advisor! You need to be able to pick up the clients and build your business.

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Your Solution: Just because your current marketing program works in your city, you need to do due diligence to make sure it is going to work in another location. A radio program in Austin might have been appropriate. However, it needed to be on a station that fit the demographics of their clientele, advertised the program, had a winning format with an engaging co-host, and was broadcasting during a time of day that was appropriate for the audience.

Stupidity #4: The Advertising Ego Trip

Gary Smart*, superstar financial advisor in Boston, terrified his partners one day when he announced that he had just dropped a $100,000 of the firm’s money on a car in NASCAR races. He was absolutely convinced this was the most brilliant marketing idea he ever had and could not understand why his partners were furious. Gary loved NASCAR and he was sure they were going to be able to pick up the accounts of the drivers and people watching the races.

In truth this is near the top of my list of all-time stupidest marketing tricks. Gary’s logo was not even recognized in his hometown, much less across the country. If he had been American Express or ING, this might have been a fine plan. Those firms have spent millions and millions of dollars getting their logos into the minds of the consumer. The average sports fan watching a NASCAR car with a American Express or ING logo might actually recognize the logo. One hundred percent of the viewing audience, not to mention the racers involved with NASCAR, had never seen Smart’s logo — and thus it meant absolutely nothing to them.

What did the financial advisor get out of this arrangement? Not a single client, but he did get a great boost to his ego. He loved NASCAR racing and this gave him the ticket to hobnob with the leading racers.

Your Solution: Get some outside counsel before jumping into a major promotion. If you want to go on a vanity trip, buy a billboard with your picture on it. You will at least get your own photo in front of thousands of local people.

Stupidity #5: Using Celebrities as a Draw

George Dean*, from San Francisco, envisioned himself as part of the sport celebrity circle. Dean planned a huge party with Mr. Famous Golfer as the celebrity draw. Dean rented a nice restaurant in downtown San Francisco, hired a band and invited everybody they could think of, including every possible client, every prospect, their mortgage banker, their attorney, and even I was invited. The prestige party cost about $110,000, and Mr. Famous Golfer charged them an additional $25,000 to use his name on the invitation and for showing up at the party to press the flesh.

Everybody seemed to have a good time at the party, with one exception, their guest of honor, their big draw. Mr. Famous Golfer was too famous to show up. I do not think they got a single piece of new business out of this entire event.

Your Solution: Make sure your marketing plans are business and not ego-driven. Sometimes it pays to work with a reputable marketing firm to help give you an insight into what will work, and what will not work in your marketplace. Remember to make the business work; you need “derrieres in chairs.” Hanging out with the rich and famous may seem like a lot of fun, but it rarely brings in new clients.

Katherine Vessenes, JD, CFP®, RFC®, is a nationally known author and speaker, focusing on sales, marketing, compliance and practice management issues for broker/dealers and advisors. Look for her latest book: Become a Multimillion Dollar Financial Advisor. She can be reached at katherine@vestment.net. www.vestment.net

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At the International Convention Centre, nestled in a curve of the Vemanad water course in the city of Cochin in the state of Kerala on the southwestern tip of India, we had a unique opportunity to introduce financial planning to 350 members of LIRT — the Life Insurance Round Table. Kerala calls itself “God’s Own Country” which is an interesting name for a state that is governed by the Communist party.

Prior to LIRT we were hosted by veteran insurance agent Pal Kochhar on a three-day tour through the high tea plantations in Nedum Kandam and the rubber forests in Thekkadi. Fortunately our trip coincided with the festival of Onam, and everywhere we were greeted by gaily dressed families who smiled and wished us “Happy Onam” despite the fact that we were obviously not native. We joined a throng of thousands climbing Mt. Ana Mudi, the highest peak in South India, hoping to see the reincarnation of the legendary King Mahabali, a popular local king who a thousand years ago promised to return every year to visit with his people. However, we had to settle for wild goats. The sides of the mountain were adorned with a marvelous blue bush, the Neelakurinji, an exotic flowering plant which bathes the hills in bright blue when it flowers — blooming only every twelve years. Timing is everything!

During the ten day festival the ladies dress in colorful Sarongs. The children are in bright shirts or dresses, with happy dark eyes peeking out of colorful caps. Everywhere we saw Pookalam, six to ten foot circular floral displays made of blossoms spread in intricate patterns on floors or the ground.

We enjoyed the traditional meal of Onam, the Onasadya — eleven courses of spiced vegetables, served on a large Pappadum banana leaf. We used our hands and nan (pancake-like bread) to cup the vegetables. Fortunately the old custom of 64 dishes has been discontinued.

One morning while breakfasting we were greeted by a small group of monkeys who pounced from trees to the roofs of buildings and peered around walls — chattering and begging for food scraps.

As we drove in to the city of Cochin there was a lot of traffic: cars, vans, motorcycles and even buses swerving between lanes and jockeying for position to gain an extra twenty feet. Suddenly the flow of traffic came to a halt. It was an

continued on page 21
“elephant jam” caused by a large work elephant carrying a trunk full of green bamboo. It seems elephants have the right of way.

The convention opened with a colorful parade of agents, each costumed in the ceremonial clothing of their region and proudly waving the flags of the sixteen states of India. With the flags held high there was a singing of a national anthem.

All of the attendees at the LIRT conference spoke English, but as a courtesy to those who understand complex terms better in their native language of Hindi, there were headsets available for each attendee to receive simultaneous translation provided by Multi-Lang International.

You wouldn’t expect a rather secular session on such capitalist topic such as insurance and personal finance to be presented in a Communist state, would you? Then you’d have been even more surprised by the opening speaker, Joseph Menezes, who talked with great fervor of the benefits of prayer and service to God! Yes, he talked about the strengths, weaknesses, opportunities and threats of financial advisors — describing the typical SWOT evaluation in terms of ethical performance and service in a fashion approved by God. Money and religion — in a city controlled, nominally at least, by Communists!

This moral attitude was welcome reassurance of the goodness of the Indian society — especially since in Malegaon, a suburb of Mumbai just to the north of Cochin, terrorists had recently exploded bombs in two Mosques causing 31 deaths and more than 277 injured. There was much conversation among those in attendance about the tragic event and subsequent investigations. Most blamed Muslim terrorists encouraged by Pakistan-based organizations loosely affiliated with Al Qaida.

At the start of the LIRT convention we breakfasted under a canopy on the bank of the river watching the brown water slowly flowing with giant collections of river plants. Large birds swooped through our tent to dive into the river and emerge with struggling fish. We got a peaceful start at six o’clock in the morning having local Masala tea with milk and honey.

We were joined by two other non-Indians within the very busy LIRT program. Terence O’Halloran of Lincoln, England is an accomplished fee-based financial advisor who also sells a lot of life insurance. Terry is the author of a training and support system for financial advisors, FEE-PAC, and a comprehensive course and documentation for estate planning, Trusts — a Practical Guide.

Frank Furness is a native of South Africa who now calls England home, but who does consulting throughout the world to corporate executives and insurance organizations. Frank is the author of a Client-Based Selling system and he has produced a Sales Marketing Toolkit. He is a very accomplished user of technology to communicate his creative concepts and Frank has already posted a video interview made while at the LIRT conference.

Both Terry and Frank have been MDRT Top of the Table producers — so they shared a global perspective mixed with true life insurance experience. All four of us each gave four distinct presentations to the very attentive audience during the three days. Plus, we all participated in various breakout sessions — a very intense schedule.

On the second day of the event, held at La Meridian Hotel conference centre the sky was very clear — until suddenly dark clouds appeared, and there was a torrential downpour of rain. You couldn’t see more than a hundred feet! August isn’t even the monsoon season, but we got a clear picture of what it must be like.

Life insurance has only been offered for the past 30 years in India, and at the outset it was a monopoly — available through the state-owned Life Insurance Corporation of India. The first qualifier in 1982 for MDRT was at the LIRT conference, J.P. Sharaf, and he still has enthusiasm for the product and the important need it fulfills for Indian families.

Now there are twenty companies offering life and illness policies, including partnerships of such as Max New York Life, Met Life, Birla SunLife and naturally AIG. There are 10 million agents, of which 1.2 million belong to Life Insurance Corporation of India. Of that many are part-time — supplementing other income sources. Approximately 20-25,000 of those representing Life Insurance Corporation of India would be considered full-time agents.

Established agencies with LIC are large, some totaling over 150 agents, many of whom are part-time. The agencies with the newer companies tend to be smaller and composed of predominately full-time agents. Some have even started moving in the direction of financial planning, and they were proud to display their organizational and promotional tools.

Many Indians invest in savings certificates offered by Western Union and through Postal Savings, which pay a small interest rate. Other popular savings instruments include mutual funds, personal savings bonds, and government-guaranteed bonds. There is a wide range of investment options available.

Frank has already posted a video interview made while at the LIRT conference, and Mehdi Fakharzadeh has posted a video interview made while at the LIRT conference.

continued from page 20  Reflections from India
The laws do not prohibit a life agent from offering securities independently of their life company, so a number of agents are now adding this to their product offerings. However, the volume of securities sales is still small, and the emphasis is on steady investing, rather than asset allocation, diversification or portfolio management. The LIRT attendees were very interested in financial planning, since it offers a way to encourage their clients to start making investments and it is a pathway to reach more affluent prospects and business owners.

Insurance sales include endowment policies, whole life, term, critical illness, and disability income protection. Because the industry is fairly young, there are no very sophisticated products or complex selling techniques.

The sale of life insurance to corporations is quite limited. Because of misuse of the product by some purchasers as a way to avoid tax, the regulators restricted the sale of permanent insurance to companies. Term coverage may be purchased, and the premium is generally deductible. However, the death benefit is also subject to income tax — which is not a desirable provision. This effectively makes life insurance unavailable as a long term holding of corporations, since the term premiums continue to escalate — with no cash value.

There’s a real need to educate the regulators and legislators of India on the proper uses of permanent coverage as an appropriate funding mechanism for:

- Buy Sell Agreements
- Stock Redemption Plans
- Executive Deference Compensation
- Officer Retention Plans
- Corporate debt coverage

We were surprised at how many Indians commented, “You know, India has a smaller population (1.1 billion) than China (1.3 billion) but we are gaining on them. Our country should become the biggest nation in the world in about 15 years!”

When we were in China last month there seemed to be no conscious awareness of competition with India. The Chinese are just racing ahead, not to pass others, but to achieve greater business or personal success.

The sheer size of India really qualifies it to be a continent, bordered on the Southwest by the Arabian Sea and on Southeast by the Bay of Bengal, both part of the Indian Ocean. India is bordered on the Northeast by the giant Himalaya Mountains and by the Great Indian Desert to the Northwest. So it is geographically as well as culturally a separate entity.

Everywhere you see the same emphasis on education as its rival, China. Many of the states of India are proud of their 100% literacy rate and there are schools everywhere — technical, scientific, academic and industrial. In fact a number of local residents volunteered, “You know, here in the State of Kerala, we have a 100% literacy!” There is a lot of national pride among the Indians and both of us found this to be very refreshing.

However, India is beset by terrorism — which may be in-fighting among Muslim sects — or attempts to influence local government. But the police and courts are diligently pursuing the culprits. China does not seem to have the same domestic violence problems, but it may be more oppressive of free speech. Frankly, it isn’t easy for Americans visiting these two countries to make an accurate judgment or comparison. But, everywhere in India, as in China — (except on a more modest scale in India) you see building activity. Roads are being widened, new bridges are being built and all types of buildings are under construction. Commerce is king and American know-how, advice and capital are welcome.

As we left the smiling members of LIRT it was much easier for us both to understand the true meaning of the motto of the State of Kerala, “God’s Own Country.”

It isn’t the land — beautiful though it may be. It isn’t the expanding technology or the graceful structures. It is not the festivals or the brightly colored décor and clothing. It is the people — and their open affection — for their families, for their friends, for their business associates, and for two visiting Americans....

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Ed Morrow, CLU, ChFC, CEP, CFP®, RFC® is Chairman of the International Association of Registered Financial Consultants who has established financial training programs in nine Asian countries.

Mehdi Fakharzadeh, CLU, RFC® is a non-retired agent and the leading producer of MetLife who has addressed MDRT and many other national conferences many times. He has traveled to China seven times and addressed agent organizations in 49 countries.

Both Mehdi and Ed spoke at LIRT — Life Insurance Round Table in Cochin, India in September. It will lead to new RFC® classes in the second most populous country in the world.
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Generally regarded as the father of financial planning, Dunton organized financial professionals in the late sixties and with their help created the financial planning movement — including the formation of associations, magazines, colleges, university programs and foundations. Some persons believed then that “planning” was totally separate from the “sale” of insurance and investment products, but Dunton always recognized that they were but different roots of the common tree.

Dunton was able to use his experiences to frankly explain what all of us now recognize. Having been a successful businessman, but never a financial advisor, his comments were obviously from the heart. Dunton realized and publicly espoused that salesmanship is taught by the managers and trainers of the financial services industry, and that the ethical sale of financial products and the delivery of competent advice is a noble calling.

In 2000, at the Financial Advisors Forum in Dallas, the first annual Dunton award was presented to Ben Baldwin. It has been followed by presentations to those, who early embraced the financial planning process, and have written, spoken and served widely in the financial community. In 2004 the Award was also made to a person outside of the U.S.

In commemoration of the founder of financial planning, the International Association of Registered Financial Consultants will each year honor professionals who have made significant contributions to the industry and the public, presented at the Financial Advisors Forum.

Nominations responsive to the criteria must be made in writing. Notice is provided to IARFC members and other financial organizations, outlining the qualifications required, and soliciting nominations to be received by Dec 31 yearly.

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- Must have provided outstanding service or leadership in the financial services industry.
- Must have promoted or participated in some aspect of financial education, either to the public or to members of the profession.
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- Must have the highest ethical and professional standards.

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__________________________________________________________

(You may attached additional comments.)

Your Name: ________________________________________________

Phone: ____________________________________________________

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Please fax to: 513 424 5752
IARFC • P.O. Box 506 • Middletown, OH 45042-0506
www.IARFC.org
Financial Advisors Forum 2007          Early Bird Raffle Registration

Bally’s Las Vegas ♦ May 15 – 17, 2007

♦ Registrant Information (please only one attendee per form)

Name _________________________________________________
First Name on Badge _____________________________________
Companion Name _________________________________________
Designations _____________________________________________
Company _______________________________________________
Address _______________________________________________
City_________________________ State______ Zip ____________
Country _______________________________________________
Phone_______________________ Fax ______________________
E-mail _________________________________________________

♦ Registrant Tuition

☐ Very Early Bird, Before 12/31/06 $450
☐ Early Bird, Before 1/31/07 $495
☐ Regular Rate, after 2/1/07 $595
☐ Spouse/Companion Rate $250
☐ Dunton Award Dinner $  30
☐ Dunton Award Dinner, companion $  30

♦ Save on your tuition with “Sign-Up-A-Colleague”

Receive a $50 rebate for one nominee who signs up for the Financial Advisors Forum. I hereby nominate:

Name _________________________________________________
Phone_________________________________________________

♦ Method of Payment

☐ Check   (Please make payable to: IARFC)
☐ MasterCard ☐ Visa ☐ Amex ☐ Discover

Card Number ________________________________ Exp. Date ____________________
Account Address (if different from above) _______________________________
Signature __________________________________________ Date ________________

♦ Hotel Accommodations

Receive special room rates by calling Bally’s and using our Forum code: IARFC

Phone: Bally’s Reservations — 800 523 9126
Online: https://www.harrahs.com/
CheckGroupAvailability.do?propCode=BLV&groupCode=SBIAR7

Reserve your room for only $125 per night. You may extend your stay to enjoy the same low rate for additional days.

♦ Additional Conference Information

Registration Location: South Tower, Second Floor.
Registration Includes: Continental breakfasts, Luncheons, Reception and admission to all session, workshops, and Exhibits.
Continuing Education Credits: Each state has different insurance and securities CE regulations. This event has not been pre-registered for CE. Varying credits will be available for IARFC, CFP, PACE, and state credits, depending on sessions attended.
Recommended Attire: Business casual is appropriate. For your comfort, we encourage long sleeves or a light sweater as inside temperatures can occasionally fluctuate. No jeans, tennis shoes or T-shirts please. A jacket is optional, but recommended, for the Dunton Award Dinner held on Friday evening.
Cancellation: A refund (less 20% administration fee) will be made if notice of cancellation is received in writing three weeks before the event. We regret that no refunds can be given after this period. A substitute delegate is always welcome at no extra charge.
Disclaimer: The program may change due to unforeseen circumstances, and IARFC reserves the right to alter the venue and/or speakers. IARFC accepts no responsibility for any loss or damage to property belonging to, nor for any personal injury incurred by attendees at our conferences, within the conference venue.

♦ Convenient Registration

Fax: 513 424 5752
E-mail: Director@IARFC.org
Call: 800 532 9060
Mail: P.O. Box 42506
     Middletown, OH  45042-0506
Website: www.IARFC.org

Fax Registration to: 513 424 5752
Get Your CE at Sea!
IARFC 2006 • Cruise Attendees
7 Day Canada/New England

New RFC, RFA and RFM Members
S. Ivor Alleyne NJ
Burns Barr PA
Myles L. Burggraf OH
Samuel F. Castronuevo HI
Jerry R. Cirearella CA
John Anthony Costa CA
Marvin R. Curtis UT
Christopher D. Dantin LA
Vicki M. Diggles WI
Carmen C. Garcia TX
Gerald G. Ginwright AL
Scott T. Gross MN
James M. Hayden CT
Warrick G. Hoopes AZ
Steve M. Hudziak WI
Jeffrey Richard Jones IL
WillaIm F. Jones ME
David R. Kennedy WA
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Glenn W. MehI NY
Jeffrey H. Miller TN
Steven C. Mooney CO
Mary T. Moore NC
Kyle M. Morton TX
Chad L. Nehring WI
Denise J. Palmer CA
Jose Ramon Perez FL
Richard Wayne Rogers CA
David Bryan Romero LA
James F. Rudolph OH
Elizabeth K. Smith CA
Marvin L. Stanford Barbados
David Wayne Varisco LA
Warren G. Woodham AR
Chao-Long Wu Taiwan

Referrer of the Month
I. David Cohen
Kevin Klug
Lew Nason
Jeff Rattiner

Members Who Recommended New IARFC Members

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From bottom left: Don David, Ed Morrow, Edwin Demeritte.
John Grable, Clifton Callahan, Jim Lifter. Danny Proulx,
Michael Fisher, Arliss Francis. Joyce Pool, Marie Bullemor,
Chuck Foster, Ron Stair, Ken Wilkinson. Dave McCullers,
Roy Henry, Lou Bortoletto, Lloyd Lowe. At the top, Steve Bailey.