



Simplicity Sales Discussion Kit



Sales Training

The Formula for Success



What to Say

The financial solution and benefits that you are presenting.



How to Say It

Communicating sincerity and empathy when presenting the solution.



Trust

You've established an emotional connection with the prospect.

#1. Retirement Goals



What Not to Say

I want to show you how you're doing, relative to your peers.



What to Say

What we have found is that financial goals are personal to each individual and couple, so let's focus on how you can achieve your goals and retire the way you want.

General Question



What is important to you when it comes to your retirement goals?

Prospect's Reply

We'd like to retire in five years, and possibly relocate, but maintain our lifestyle.

Specific Question



Help me understand this a little bit more – When you say relocate and maintain your lifestyle, can you share more detail around that?

Prospect's Reply

My husband would like to retire in five years, and our son and daughter-in-law moved to Florida last year. We'd like to be close to them and our grandchildren.

Emotion Question



Describe what that looks like – you're in Florida with your family? What are you up to? What kind of place are you living in?

Why It Works

Peer-based is fear-based shaming and isn't a good move. If you approach in a more positive manner, you will appear empathetic and begin to build trust with the prospect.

#2. Market Risk

What the Research Says...

When addressing market risk, **63% of investors surveyed prefer to hear “making sure you can participate in the gains while reducing downside risk,”** as compared to 37% who prefer to hear “managing market risk.”

Source: Alliance for Lifetime Income “The Conversation Guide” – Page 5



What Not to Say

Let’s talk about managing market risk.



What to Say

Understanding your goals and finding the right balance to maximize potential market gains, while reducing downside risk, is a constant focus for our clients.

General Question



What are your thoughts and feelings as they relate to investing in the stock market?

Prospect’s Reply

I’m highly concerned, especially due to the uncertainty of the current environment.

Specific Question



You’re not the first person who has shared that with me. In fact, we find that lot of people feel this way. Can you help me understand more specifically what about the current environment makes you uneasy?

Prospect’s Reply

I don’t get why the market continues to go up while unemployment goes up, as well. Why hasn’t the market bottomed out?

Emotion Question



If I’m hearing you correctly, your sense of anxiousness is caused by the lack of understanding why the market continues to go up, while things seem uncertain?

Why It Works

The phrase “managing market risk” is abstract. It’s better to ground the conversation and get a barometer on the prospect’s view of market risk, as well as their risk tolerance regarding their financial goals.

#3. Tax Risk



What Not to Say

We manage tax risk.



What to Say

What the data tells us is that when you are living on a fixed income in retirement, taxes can become an expensive issue if not planned for ahead of time.

General Question



What type of conversations have you had through the lens of minimizing taxes in retirement?

Prospect's Reply

None, as it pertains to my retirement.

Specific Question



Help me understand this a little bit more — when you think about taxes in the future, do you think they will go up or down?

Prospect's Reply

I think they are going up.

Emotion Question



I'm not surprised to hear you say that. Would having a plan that can intelligently address potential future tax increases would be important to you?

Why It Works

While the concept of taxation isn't new, understanding the effect of taxes on retirement will require a little more explanation other than using the phrase "tax risk." It's important to ask questions to get a thorough understanding as to how sensitive this topic is for the prospect and their retirement goals.

#4. Inflation Risk

What the Research Says...

When addressing inflation risk, **81% of investors surveyed prefer to hear “making sure you can afford to maintain your lifestyle,”** as compared to 19% who prefer to hear “managing inflation risk.”

Source: Alliance for Lifetime Income “The Conversation Guide” – Page 5



What Not to Say

Let’s talk about managing inflation risk.



What to Say

What we know to be true is that inflation is typically unaccounted for in most retirement plans, and it’s our job to help our clients maintain their lifestyles in retirement.

General Question



What we’ve discovered is that after illustrating the effects of inflation on a retirement plan, and offering solutions for minimizing its effects, our clients gain peace of mind knowing that we are proactively working to protect against it. Has anyone ever illustrated the impact of inflation for you on your retirement plan?

Prospect’s Reply

No, no one has.

Specific Question



Am I correct to assume that this is something that you would like to see and understand?

Prospect’s Reply

Yes, I think we would.

Emotion Question



Is there anything specific that concerns you as it relates to inflation, such as the likely rise in medical or long-term care costs in the future?

Why It Works

We are not only addressing the topic of inflation, but also identifying other areas of concern, while at the same time collecting key information for establishing a plan that is specific to the prospect.

#5. Longevity Risk

What the Research Says...

When addressing longevity risk, **90% of investors surveyed prefer to hear “making sure you have enough money as long as you live,”** as compared to 10% who prefer to hear “managing longevity risk.”

Source: Alliance for Lifetime Income “The Conversation Guide” – Page 5



What Not to Say

Managing longevity risk is important in retirement.



What to Say

We want to help ensure that you have enough money to last for as long as you live.

General Question



Has anyone stress-tested your retirement plan against things like living longer than expected, or needing long-term care? What types of conversations and opinions do you have on these topics?

Prospect’s Reply

No, no one has stress-tested either of those items.

Specific Question



Does one of those topics concern you more than the other, or are they both equally concerning? If so, would you mind sharing more detail about your concerns?

Prospect’s Reply

They’re both equally concerning, but recently, my mother started receiving in-home care, and I was shocked at the daily costs needed to support her.

Emotion Question



I’m really sorry to hear that news. If you don’t mind sharing, what are you learning from your mother’s experience and how does that make you think about your own retirement plans?

Why It Works

The term, “longevity risk” may be obvious, but it’s not personal enough. When you put it in terms of outliving one’s money and affording long-term care, it becomes a more tangible concern.

#6. Survivorship Risk

What the Research Says...

When addressing survivorship risk, **77% of investors surveyed prefer to hear “making sure that your family is taken care of when you die,”** as compared to 23% who prefer to hear “death benefits.”

Source: Alliance for Lifetime Income “The Conversation Guide” – Page 5



What Not to Say

Let’s talk about death benefits.



What to Say

It’s important that we ensure that your loved ones are taken care of when you pass.

General Question



Have you talked about how your income will adjust when one of you passes away? What types of decisions have you made, or do you need to make them?

Prospect’s Reply

We have talked about it and decided to buy life insurance for my husband.

Specific Question



I’m glad to hear you say that. One of the exercises we like to walk our clients through is a stress-test of their retirement income in survivorship scenarios. Have you examined survivorship and lifetime income together?

Prospect’s Reply

No, what do you mean by that?

Emotion Question



When one of you passes, the remaining spouse’s income will more than likely decrease. I’m assuming that downgrading your lifestyle isn’t an ideal solution in retirement. How would it make you feel to know that after you pass, your spouse is provided for in the manner that we planned for?

Why It Works

Using the words “death benefits” can feel impersonal on a very personal topic and may also only imply life insurance solutions. But, by framing the conversation in terms of providing income for the surviving spouse to maintain his/her lifestyle, it gives you the opportunity to open the recommendation to life and/or annuity products.

#7. Plan Deficiencies

What the Research Says...

Before a change is made to their portfolios, **81% of investors surveyed that they would like their advisor to address how the proposed change can help them achieve their goals.**

Source: Alliance for Lifetime Income “The Conversation of a Lifetime” Presentation – Slide 46



What Not to Say

After reviewing your plan, I found some holes.



What to Say

After listening to your goals and reviewing the information that you’ve shared, I believe there are some areas of concern that are important to address.

General Question



Do you see longevity, inflation, and potential tax increases as potential challenges for securing guaranteed income in retirement?

Prospect’s Reply

Yes, we do now.

Specific Question



So that I can have a better understanding, do you mind ranking those challenges for me?

Prospect’s Reply

Longevity first, then taxes, and lastly inflation.

Emotion Question



Thank you for that information. What I would like to do next is put together a plan that meaningfully addresses your concerns and works to achieve your specific goals for retirement. Then, I’d like to walk through that plan with you in detail. How does that sound?

Why It Works

Starting the conversation off with a positive sequence will naturally lend the prospect(s) to be more open to what you have to say. Negative statements tend to be off-putting to some people.

#8. Setting Up Moving Assets

What the Research Says...

If the investor’s financial advisor recommends **putting a portion of their portfolio** into a single, well-diversified fund that seeks to maximize the potential for growth while minimizing their downside risk, they are **90% more likely to move forward with the recommendation.**

Source: Alliance for Lifetime Income “The Conversation Guide” – Page 6



What Not to Say

Let’s move your portfolio into...



What to Say

Next, I’d like to identify the proper balance between safety and risk inside your portfolio.

General Question



If we are looking at your overall portfolio, what percentage of your investable assets would you like us to review as it relates to solving some of the challenges we’ve identified?

Prospect’s Reply

We’re not too sure. What do you think?

Specific Question



Based upon the information that we’ve discussed, and your overall financial goals, I recommend that we come back with a holistic analysis for us to review together. How does that sound?

Prospect’s Reply

We think that sounds good. How do you do that?

Emotion Question



What we’ve learned is that successful retirement plans identify the balance between securing guaranteed income, liquidity, and providing the proper portfolio allocation for long-term growth.

Why It Works

If you don’t specify that your recommendation is only for a “portion” of the portfolio, your clients will hear (assume) that the entire portfolio is moving. By engaging them in making the decision upfront, they will be more inclined to agree with your recommendation for moving the majority of the assets.

How to Position a Fixed Index Annuity

Avoid Fear-Based Tactics and Focus on Goals

Lead with Potential Benefits and Not Features

Make Recommendations Based on a Portion of the Portfolio

Address Costs and Value Provided Head-On

Client Data Worksheet

To be completed by your client to determine if the proposed fixed annuity meets his or her needs and objectives.

Section A: Personal Data

Client	First Name	Last Name	DOB/ Age	SS/Tax ID No.	Marital Status	Number of Dependents	Occupation
Owner							
Joint Owner							

Section B: Contact Information

Client	Home Phone	Office Phone	Cell/Other	Fax	Address	City/State	ZIP
Owner							
Joint Owner							

Section C: Cash Reserves

Institution Name	Current Balance	Account Type	Taxable?	Maturity Date	Interest Rate
		Emergency reserves	Y / N		
		Savings account	Y / N		
		Money market	Y / N		
		Checking account	Y / N		
		Other	Y / N		

Section D: Other Investments/Insurance Products

Institution/Insurer	Current Balance	Account Type	Taxable?	Maturity Date	Interest Rate
		CDs	Y / N		
		Mutual funds	Y / N		
		Stocks	Y / N		
		Bonds	Y / N		
		Life insurance	Y / N		
		Other annuities	Y / N		
		LTC insurance	Y / N		
		Health insurance	Y / N		

Section E: Risk Tolerance

Client	Conservative ► Aggressive (circle)									
Owner	1	2	3	4	5	6	7	8	9	10
Joint Owner	1	2	3	4	5	6	7	8	9	10

Section F: Purchasing Objectives

Purchasing Objectives	Owner		Joint Owner	
Principal protection	Yes	No	Yes	No
Earnings guarantee	Yes	No	Yes	No
Liquidity	Yes	No	Yes	No
If yes, what percent?	____%		____%	
Retirement income	Yes	No	Yes	No
Flexibility for future needs	Yes	No	Yes	No
Estate planning	Yes	No	Yes	No
Tax deferral	Yes	No	Yes	No

Section G: Goals

Define Short-Term Investment Goals
Define Long-Term Investment Goals
Other Goals

If you have a short-term liquidity need, a long-term annuity may not be appropriate.

Note to Producer: Be sure to maintain in your files any other information or notes not listed that was used or considered in making your recommendation.

Section H: Professional Data

Type	Name/Firm	Phone
Accountant		
Attorney		
Financial Advisor		

Section I: Financial Profile

- Annual gross income:

<input type="checkbox"/> \$0 – 29,999	<input type="checkbox"/> \$75,000 – 99,999	<input type="checkbox"/> \$250,000 – 399,999
<input type="checkbox"/> \$30,000 – 49,999	<input type="checkbox"/> \$100,000 – 149,999	<input type="checkbox"/> \$400,000+
<input type="checkbox"/> \$50,000 – 74,999	<input type="checkbox"/> \$150,000 – 249,999	
- Income sources (check all that apply):

<input type="checkbox"/> Salary	<input type="checkbox"/> Pension Plans	<input type="checkbox"/> Other
<input type="checkbox"/> Investments	<input type="checkbox"/> Disability	
<input type="checkbox"/> Social Security	<input type="checkbox"/> Unemployment	
- Estimated net worth (excluding primary residence, furnishings, automobiles):

<input type="checkbox"/> \$0 – 74,999	<input type="checkbox"/> \$150,000 – 249,999	<input type="checkbox"/> \$500,000 – 999,999
<input type="checkbox"/> \$75,000 – 149,999	<input type="checkbox"/> \$250,000 – 499,999	<input type="checkbox"/> \$1,000,000+
- Length of investment experience:

<input type="checkbox"/> 0 – 5 years	<input type="checkbox"/> 5 – 10 years	<input type="checkbox"/> 10+ years
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- Federal income tax bracket:

<input type="checkbox"/> 15%	<input type="checkbox"/> 28%	<input type="checkbox"/> 33%	<input type="checkbox"/> 38%
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- Do you currently handle your financial matters? Y/N Explain _____

Section J: Proposed Annuity Purchase

- Length of time you plan to keep money in this annuity:

<input type="checkbox"/> 4 years or less	<input type="checkbox"/> 4 – 8 years	<input type="checkbox"/> 8 – 10 years	<input type="checkbox"/> 10 years or more
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- Have friends or family been consulted about this purchase? Y/N If not, please indicate whom, if anyone, you would like contacted:
 Name _____
 Phone _____
 Relationship _____
- Has your agent discussed with you whether an existing life insurance or annuity will be replaced in connection with the proposed sale of this annuity and whether surrender charges will apply? Y/N
- Source of funds for fixed annuity purchase _____

Section K: Miscellaneous

- Do you or your spouse have any major medical problems? Y/N
If yes, explain _____
- What, if any, changes do you expect in your family or financial situation in the next 12 months? _____
- Survivors' needs:
 Immediate _____ Future _____
 Source to provide for needs _____ Source to provide for needs _____

Note to Producer: Be sure to maintain in your files any other information or notes not listed that was used or considered in making your recommendation.

Works Cited

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Disclosures

The Alliance for Lifetime Income is a nonprofit 501(c)(6) organization formed and supported by 24 of the nation’s leading financial services organizations, non-profit consumer and industry groups. The Alliance is committed to creating awareness and educating Americans about the risk of outliving their savings, so they can enjoy their retirement lives. The Alliance’s nationwide, multi-year educational campaign is designed to inform consumers and their financial advisors about the importance of including protected lifetime income from an annuity into today’s comprehensive retirement plans.

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Annuities are long-term investments offered by insurance companies. Annuity guarantees and protections are backed by the claims-paying ability of the issuing insurance company.