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FROM THE EDITOR

What Successful Advisors Do

By Ayo Mseka

After interviewing dozens of top-producing advisors over the years, I have come up with a short list of what most of them do to stay ahead of the pack. Here are a few of the attributes that separate the best-in-class from the rest of the class:

1. *They see setbacks as opportunities for comebacks and have an unwavering belief that hard times often come with opportunities.* They wake up each day with this mindset and make it a point to look for these opportunities wherever they may be hiding.
2. *They have a sustainable prospecting system*. They develop systems for using the most effective methods to attract high-quality prospects. They focus on referrals, but do not ignore other tried-and-true methods like centers of influence marketing, seminars, client-appreciation events, social media, the telephone, and yes, the U.S. mail.
3. *They have a sustainable customer-retention system*. This involves putting in place a process that allows them to consistently offer impeccable service to their clients because they know that if they give unerring service, their clients will stay with them and encourage their friends and family to join them. Unbelievable customer service invariably produces unbelievable production.
4. *They have a high-tech, high-touch system that supports all of their income-producing activities*. Highly automated procedures make them more efficient and help them gain new business, demonstrate their products and services to prospects, and stay in touch with their clients 24/7. But they know that reaching out and touching their clients *personally is* the great differentiator in a business that is still built on relationships; so they never miss an opportunity to "see the people." High-tech, it turns out, goes only so far if it is not accompanied by high-touch.

More tips for thriving

These systems are at the heart of all the success strategies you will read about in this issue—from the article on selling to seniors, to how to deal with customer objections, to how to ride out the current stock-market roller coaster. And these systems are also a critical part of the article on the five things successful advisors do early in their careers. Even if you are a seasoned veteran, this article will remind you about the important tasks you need to perform each day, no matter your level of success.

Maintaining a thriving practice year after year is not easy. But it can be done; in fact, most winners I've talked with seem to have had their "lucky breaks" simply by adjusting their perspectives to see opportunities where others saw challenges, and by making sure they had the necessary systems in place to support their vision as they moved forward.

So if you do not have the systems that the best in the business use, why not start developing them right now? They might be just what you need to get to the head of the class. at

Ayo Mseka

New NAIFA Center to Advance Awareness of Long-Term Care

By Kevin Mayeux, CAE

NAIFA will soon launch the NAIFA Center for Excellence in Long Term Care to equip agents and advisors with information, designation and educational resources to meet consumers' growing need for advice and solutions in long-term care. Carroll Golden, the Center's director, announced the launch at the 2018 Intercompany Long-Term Care Insurance Conference, held recently in Las Vegas.

Scheduled to start this summer, the Center will be a one-stop shop solution for all things relating to long-term care and meeting the needs of an aging population. As Golden noted, "Through the power of a virtual, private online community, we will bring together solution and service providers, producers and thought leaders to network, share best practices and access research, training and expert advice on the latest trends and issues affecting the industry and consumers."

The Center will be supported and housed on www.NAIFA.org. It will be governed by an Advisory Board of long-term-care thought leaders and sponsor representatives, who will contribute critical insights and education, as well as information on community development and advocacy.

Visitors will have 24/7 access to the Center through multiple media platforms, including videos, expert interviews, articles, case studies, webinars and infographics. Content will cover traditional and combination products, as well as worksite selling, short-term care, critical illness, reverse mortgages, claims management, senior housing options, and robotics.

NAIFA will support the general and administrative activities of the Center and sponsors will underwrite additional development and maintenance costs.

Over the years, the long-term-care industry has heard the call for innovation and has responded by providing a wide range of products as well as expanded services, research studies, and professional insights and training. But with the various options now available, it is sometimes difficult for professionals, distributors and consumers to understand them and act upon them.

The Center will address this issue by bringing all stakeholders together to communicate, organize and share market intelligence. Through this collaborative effort, the industry will be better positioned to work together and provide effective solutions that meet the changing needs of the long-term-care market.

For more information on the NAIFA Center for Excellence in Long Term Care, please visit *www.naifa.org*. at

Kevin Mayeux, CAE, is CEO of NAIFA. Contact him at kmayeux@naifa.org.

Standard of Care Issues on the Front Burner Again

The most significant issue, and a major victory for NAIFA, is the federal appeals court ruling in a case challenging the validity of the so-called "DOL fiduciary rule."

By Gary Sanders

After several years of relative quiet, issues dealing with the standard of care applicable to broker-dealers and registered representatives have once again become front-burner topics on both the federal and state levels.

Federal activity

The most significant development—and a major victory for NAIFA—is the federal appeals court ruling in a case challenging the validity of the so-called "DOL fiduciary rule." The Department of Labor issued a final rule on April 8, 2016, re-defining who is an investment advice fiduciary when working with retirement plans such as 401(k)s and IRAs. NAIFA had several concerns with the rule, the primary one being that it would result in mid-market consumers having less access to service, advice and retirement products.

On March 15, 2018, the Fifth Circuit Court of Appeals ruled in favor of NAIFA, the ACLI, NAIFA-Texas and several NAIFA local associations, vacating the DOL fiduciary rule. In terms of next steps, the DOL could ask for a rehearing before the full Fifth Circuit or petition the Supreme Court to hear the case. Alternatively, the DOL could let the decision stand and abandon the rule. Without further action by the DOL, the rule will be deemed null and void as of May 7, 2018.

The Dodd Frank Act gave the Securities and Exchange Commission the authority to adopt rules addressing the standard of care applicable to broker/dealers, investment advisers and their representatives. While the SEC conducted a lengthy study on the issue and requested public comments on multiple occasions, to date the SEC has not reached a consensus on whether to move ahead with a rule. This period of inaction appears to be coming to an end, as new SEC Chairman Jay Clayton has made it clear that this issue is a high priority for the SEC and that a proposed rule will be released for public comment by mid-2018.

NAIFA met with Chairman Clayton and other SEC Commissioners to discuss how "Main Street" advisors work with their clients and to express our concerns that any rule adopted by the SEC should not harm the ability of mid-market consumers to have access to products, advice and service. While the SEC has not tipped its hand as to what the rule will include, Chairman Clayton told NAIFA that the SEC was considering a best interest standard that would reduce consumer confusion and would not favor any specific business model.

State developments

For the past year, an NAIC subgroup has been working to amend the NAIC's Suitability in Annuity Transactions Model Regulation to incorporate a requirement that annuity recommendations and sales be evaluated under a "best interest of the consumer" standard. NAIFA has testified several times before the NAIC on this topic, and we submitted a detailed comment letter in response to draft amendments published by the NAIC.

Standard of care issues will continue to be of major interest to legislators and regulators, and NAIFA will continue to look out for the interests of our members and their clients.

In light of the 5th Circuit's decision in the DOL fiduciary rule case, the NAIC has decided to pivot in a different direction, and has now requested suggestions on how the existing model regulation should be revised to incorporate a best interest standard. NAIFA is working with our industry colleagues to develop a commonly agreed upon set of proposed revisions to present to the NAIC.

Several states are also focused on standard of care issues. Nevada recently amended its existing fiduciary duty law to now include broker-dealers and investment advisors under the fiduciary duty. The Nevada Securities Division is currently working on regulations to implement this law. New York state regulators have proposed a regulation that would not only implement a best interest standard for annuity recommendations and sales, but would also apply such standard to life insurance.

In addition, other states have considered laws that would require non-fiduciary advisors to disclose to the client

that the advisor is not a fiduciary and is not required to act in the client's best interest. NAIFA's state associations have successfully opposed these proposals wherever they have cropped up.

Looking ahead, standard of care issues will continue to be of major interest to legislators and regulators, and NAIFA will continue to look out for the interests of our members and their clients as we engage on these issues. at

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Gary Sanders is Counsel and Vice President - Government Relations at NAIFA. Contact him at gsanders@naifa.org.

Protection UL Product with New Benefits Makes its Debut

CHINNAPONG/SHUTTERSTOCK.COM

By Ayo Mseka

John Hancock Insurance has introduced an improved protection universal life insurance product with extended guarantees and new optional benefits, providing consumers with coverage that offers lifetime protection tailored to meet their individual needs.

Protection UL guarantees, often to life expectancy and beyond, along with affordable premiums and cash value growth potential, can help consumers replace lost family income and fund future expenses such as helping to pay for college or supplementing retirement savings.

"Seven years ago, with interest rates at near all-time lows, we designed a breakthrough product with real value that could respond to the changing needs of consumers," said Brooks Tingle, president and CEO, John Hancock Insurance. "As of today, customers have entrusted us with $5 billion in premiums, making Protection UL our No. 1 selling permanent life insurance product. The most recent enhancements demonstrate our ongoing commitment to offering meaningful and leading-edge solutions to financial advisors and their clients."

With the John Hancock Vitality Program, Protection UL policyholders have the opportunity to significantly save on their annual premium and earn valuable rewards for the everyday things they do to stay healthy, like walking, eating well and getting regular check-ups. In fact, the healthier their lifestyle, the greater their rewards, including $600 in annual savings on healthy food purchases, as well as the opportunity to earn an Apple Watch Series 3 by exercising regularly.

The new Protection UL also offers several attractive and innovative optional living benefit riders. The new Critical Illness Benefit provides consumers with additional financial protection when faced with a serious medical diagnosis, such as a heart attack, cancer or stroke. Another optional rider allows policyholders to accelerate their death benefit to help pay for long-term care expenses.

Additional information about John Hancock may be found at *johnhancock.com*. at

(Protection UL policies automatically include a no-lapse guarantee called Death Benefit Protection. This feature guarantees the policy will not default, even if the cash surrender value falls to zero or below, provided the Death Benefit Protection Value remains greater than zero and policy debt never exceeds the Policy Value. Once terminated, the Death Benefit Protection feature cannot be reinstated.)

HealthyFood savings are based on qualifying purchases and may vary based on the terms of the John Hancock Vitality program.

Insurance policies and/or associated riders and features may not be available in all states.

Guaranteed product features are dependent upon minimum premium requirements and the claims-paying ability of the issuer.

Insurance products are issued by: John Hancock Life.

New Dental and Vision Coverage Now Available

Colonial Life is now offering two supplemental health benefits with the launch of Colonial Life Dental and Vision. The addition of dental and vision insurance–the most sought after voluntary health offerings by employers and their employees—rounds out Colonial Life's competitive product portfolio.

"Dental and vision benefits help to maintain and promote overall health, and are fundamental parts of any competitive employee benefits package," said Colonial Life president and CEO Tim Arnold. "This new offering is just one example of how our employees deliver on our commitments to protect America's workers and their families."

The dental and vision plans offer employers and their employees Colonial Life's strong industry reputation, simplified administration with consolidated billing, and personalized, professional service.

According to Colonial Life, the dental plan is easy to use for individuals and families, with accessible benefits and access to a provider network, with more than 323,000 access points across the nation.

For more information, visit *www.coloniallife.com*. at

New Long-Term-Care Insurance Trends

Current solutions are easier to understand, provide value whether care is needed or not, and are more modular and affordable.

MONKEY BUSINESS IMAGES/SHUTTERSTOCK.COM

By Larry Nisenson

As the nation's population ages, the need for long term care insurance (LTCI) has never been greater. LTCI carriers are responding to the financial challenges of aging by creating more flexible, affordable products to better meet consumers' needs and making radical changes to fix the pricing problems of the past.

Product innovation

As we look ahead to the future of the LTCI industry, there is a movement away from the one-size-fits-all approach of the past to a continuum of solutions that are easier to understand, less complex, provide value whether LTC is needed or not, and are more affordable and modular so that consumers are not trying to solve for the entire need at one time and can buy protection as their budgets allow.

While combo or hybrid products incorporating life insurance or an annuity with LTC benefits have gained in popularity in recent years, the industry and public policy advocates are exploring a number of exciting new concepts.

The Society of Actuaries recently published a report[1] on the viability and consumer appeal of two potential products. One of these is "life stage" protection insurance, which would provide a term life insurance benefit up to age 65 or retirement, when consumers need family protection the most. It would then provide LTC benefits from age 65 and on.

The other is a "retirement plus" approach, which allows tax-advantaged savings for future LTC needs with an insurance element that can be used to supplement savings if LTC is needed.

Another example is an LTC add-in to Medicare supplement plans, which is envisioned as a mandated offering in all Medicare supplemental plans sold in a state, with an opt-out for consumers who already had equivalent LTCI protection. It would pay for qualifying home and community services, but not for assisted living or nursing-home care.

Recent innovations are addressing the needs of older people in ill health who need immediate care and are worried about outliving their money.

Recent innovations in LTC funding solutions also are addressing the needs of older people in ill health who find themselves in immediate need of care and worry about outliving their money. Several carriers are now offering medically underwritten, single premium immediate annuities, which convert assets into a guaranteed, monthly income that is paid for the life of the care recipient. The monthly payment is generally larger than traditional immediate annuities if the care recipient is less healthy and/or needs care. The income begins immediately and can be used for any purpose, such as for care or for medical or living expenses.

A new approach to pricing

To mitigate the need for large premium increases in new traditional LTCI policies going forward, a handful of state regulators are currently considering piloting a promising new way to oversee LTCI pricing. This new approach will behave similarly to homeowners and auto and health insurance, with premiums adjusted annually as claims experience and projections emerge, resulting in smaller, more frequent increases or decreases if needed, ultimately reducing the likelihood of a policyholder experiencing several years of level premiums followed by a significant rate increase.

In the past, carriers had to wait so long for actuarially justified increases that they incurred large losses and were forced to raise premiums by double or even triple digits. Although carriers are entitled to receive these actuarially justified rate increases when claims are anticipated to be higher than originally expected, they are difficult for policyholders, carriers and state regulators to manage. This solution could help bring more carriers back to the industry and offer much needed predictability in pricing to consumers.

Also, carriers now have the benefit of substantially more LTCI claims experience under their belts, which should help them more accurately price new policies.

Implications for advisors

As people live longer and care costs continue to rise[2], financial advisors need to talk to their clients about how they will pay for ever costlier LTC services as part of retirement planning. According to a recent PwC study,[3] the current average lifetime cost of long-term care is $172,000, a significant amount of money for many people. Long-term-care protection, in whatever form that makes the most sense to your clients, can help ensure that they will be able to live out their lives in the manner in which they wish, with dignity, choice and control. at

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Larry Nisenson is chief commercial officer for Genworth's U.S. Life Insurance division.

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At 35, CI Insurance Is Finding Its Niche!

Critical illness insurance is growing rapidly because it continues to change to meet the needs of consumers.

ALEXANDER RATHS/SHUTTERSTOCK.COM

By Pam Jenkins

By the time most of us turn 35, we've settled into our own skin and learned who we are meant to be. It can be difficult to change as we approach middle age. The same can't be said of critical illness (CI) insurance, which is turning 35 this year. It's still growing and evolving to meet the ever-shifting needs of your clients and their employees.

Sales of CI insurance saw double-digit growth each year from 2010 to 2016, according to the *Eastbridge U.S. Voluntary Worksite Sales Report*. Overall, sales during that time grew approximately 175 percent to more than $550 million. Voluntary sales of CI insurance policies have now exceeded those of long-term disability, universal/whole life or cancer, according to Eastbridge.

Why CI insurance is growing

Its growth, in part, can be attributed to the fact it continues to change to meet consumer demand. So, what's next for CI insurance? And how can you use it to help your clients meet their goals and objectives?

One reason we've seen growth is the expansion of illnesses and diseases that can be covered. Medical costs are high for treatment of any illness, not just the top three (cancer, heart attack and stroke).

CI insurance has become vital to an offering that helps with out-of-pocket expenses not covered by a major medical plan.

Coverage for children and diseases unique to them has also become important. The cost of care for a child can often be higher than the care for an adult. Add to that the lost income for time away from work while the parent is providing care and the gap widens.

Trends shaping the industry

There are several emerging trends in the critical illness insurance space:

- **Increased options for second opinion, transportation and lodging benefits.** These have previously been typical in cancer plans but are now being offered as an option for critical illness.

- **More flexibility of choice for your clients and their employees.** You can work with some providers to custom-design plans to fit different needs.
- **Coverage for occupational diseases, such as exposure to HIV/AIDS and hepatitis.** The ability for plans to be tailored for an industry's specific needs will be a great feature for many businesses and their employees.
- **Additional benefits to encourage healthy behaviors to help manage or prevent disease.** Some insurance carriers are offering benefits if a covered person participates in an athletic competition, walking challenge, alcohol or tobacco cessation program, or a stress or weight management program.

We work with brokers and agents who like the simplicity of a lump-sum critical illness product. It's easy to explain to employees. And both employers and employees connect with the product because they've been impacted by these illnesses already, whether through a family member or a friend.

CI insurance has become vital to an offering that helps provide relief for out-of-pocket expenses that aren't covered by an employee's major medical plan. As more employers shift to a high-deductible medical plan with a health savings account, offering critical illness, accident and hospital indemnity plans can help round out the benefits employees need–perhaps even with employer dollars paying some or all of the premium.

But it's important you partner with a quality benefits provider who can be trusted to deliver an on the protection promise. Here are the top qualities to look for in a provider partner:

- **Full portfolio of products:** The best partner is going to be one that can provide a full portfolio of financial protection products. In addition to your core medical benefits, today's employees want the option of adding voluntary benefits such as dental, vision, life, disability and critical illness coverage to their benefits options.
- **Package options that allow employers to meet employee needs:** Many businesses don't have the staff or resources to effectively enroll employees in their benefits, communicate the benefits and help them understand their value. Because many enrollment companies only offer enrollment for large companies, it's important to find a partner willing to help enroll businesses of any size.
- **Strong service record:** Benefit options and choices are only as good as the service of the company providing the coverage. Make sure your provider partner has a long history of strong customer satisfaction results.

Integrating CI insurance from a strong benefits provider partner can help protect your clients' employees, as well as boost company productivity, morale and employee retention. It can truly be a win-win-win for brokers, employers and employees. at

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Pam Jenkins is assistant vice president of product and market development at Colonial Life & Accident Insurance Company. She can be reached at 803-678-6220 or PLJenkins@ColonialLife.com.

Trends in Life Insurance: What's Next?

Transformation is under way, demonstrated by the emergence of instant-issue policies and the evolution of a digital buying experience.

GOIR/SHUTTERSTOCK.COM

By Brooks Tingle

One of the greatest challenges we face in the insurance industry is our ability to stay relevant in today's digitally-driven world. Everyone has heard stories of companies that failed to keep up with the rapidly changing needs of consumers and industries that were reluctant to embrace emerging technologies, only to be displaced by upstart companies and innovators. Remember, it wasn't long ago when people rented movies from the local video store or listened to their favorite music on CDs.

The case for change in the life insurance industry has never been greater, with consumer expectations and demands driving the need for ongoing innovation. That's why it's essential we transform the way we do business and make significant investments in digital technology to make life insurance easy to buy and rewarding to own.

It starts with the customer

Our future depends upon our ability to better understand consumers and continue to innovate and deliver meaningful solutions and services that address their unique needs. From underwriting and customer service to product innovation and claims processing, leveraging the latest technologies such as AI and advanced analytics gives us the insights needed to evolve our products and to provide a personalized end-to-end customer experience.

This includes enhancing the customer journey by offering a variety of ways to connect with us. Insurance advisors are very effective in serving this market, and now with the addition of apps, websites, and other digital solutions, we can reach an even larger portion of the underinsured U.S. population.

At the same time, we are transforming an invasive and lengthy buying process into a fast and easy one. In fact, advancements in technology are helping to significantly simplify the application and underwriting process from weeks to minutes! That's good for you and your customers.

This is just the beginning. Once a customer becomes a policyholder, we need to deliver a value-added ownership experience and keep clients engaged throughout their lifetime.

The case for change

As an industry, our commitment to our policyholders should extend beyond financial protection to include helping people live healthier lives. After all, consumer health and longevity are in everyone's best interest.

A great example of broadening the life insurance value proposition is the John Hancock Vitality Program, which integrates traditional life insurance with a technology-enabled wellness program that rewards people for the things they do to stay healthy.

The need for speed and an agile approach within the life insurance industry has never been greater.

Since launching in 2015, John Hancock Vitality has saved policyholders millions of dollars, helped them live healthier lives, which led to a dramatic increase in customer engagement, with members interacting with the program more than 22 times a month, compared to once or twice a year with traditional life insurance. The program is working to help people take steps to lead longer, healthier lives.

The need for speed

Looking beyond the boundaries of our own industry, there are many great examples of companies that have successfully made the next evolutionary leap, and in doing so, set a new standard for transformation.

If we are to take lessons from innovators like Apple, Google, and Amazon, we know good things do not come to those who wait. Good things come to those who act. And when it comes to bringing new products, services, and capabilities to market, the need for speed and an agile approach within the life insurance industry has never been greater.

The transformation of the life insurance industry is clearly under way, demonstrated by the recent emergence of instant issue policies and the evolution of a digital buying experience. While we're making some good strides, we need to move faster and with urgency, and our focus must remain firmly on the future, anticipating the expectations and needs of millennials and Generation Z in order to stay relevant and valued by future generations.

As we move forward with innovations such as John Hancock Vitality, not only will consumers see the tremendous value life insurance can provide in their lives, their advisors will also be rewarded with increased customer engagement, greater loyalty, additional opportunities to help clients with other financial needs and more referrals.

Nothing excites me more than being at the forefront of the transformation of our industry. We can continue to have a profound impact on the lives of millions of Americans and their families, well into the future. at

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Brooks Tingle is president and CEO of John Hancock Insurance.

cover story

What's New in Employee Benefits?

Forward-thinking firms are offering value-added services like health and wellness discounts, employee assistance programs, and flexible spending accounts.

ALFA PHOTO/SHUTTERSTOCK.COM

By Stephanie Shields

When it comes to benefits, it is time to wave goodbye to the status quo and say hello to the new and innovative.

With health care costs expected to increase by 6.5 percent this year1 and health care legislation in a state of flux, employers want to provide employees with diverse benefits solutions that turn traditional, one-size-fits-all health insurance packages into those that are unique and flexible.

As a benefits expert, you know the necessity of responding to the changing demands of your clients and accounts. That means coming to the table armed with cost-effective ideas that deliver value to your customers and their workforces.

If you are up on current trends, you know what is driving companies' interest in robust benefits: the demands of their workforces. Today's employees want more than the basics and are willing to make career moves to get them.

Just how powerful are benefits to career happiness? According to the *2017 Aflac WorkForces Report*, employees who are extremely or very satisfied with their benefits are more likely to be content with their career choices (80 percent vs. 40 percent). Conversely, 50 percent would likely look for jobs with better benefits if their employers did not offer adequate health insurance.

Guiding employees through the changing benefits landscape and serving as an information source are great ways to boost your business.

In today's environment, companies are increasingly focused on efforts to recruit and retain the best and brightest employees. As a result, they are motivated to provide their workforces with highly competitive benefits – and in today's world, "competitive benefits" often include a variety of value-added services to help round out benefits packages and bring additional appeal.

The value of value-added services

According to Aflac's study, companies with benefits programs that meet business objectives are likely to offer value-added services, such as health and wellness discounts, employee assistance programs and flexible spending accounts. There is also increased interest in a number of nontraditional perks. These include:

1. **Telemedicine.** The flexibility of consulting with a physician and getting treatment online is a high-demand option for employees juggling work responsibilities and family obligations.
2. **Fraud protection.** Identity theft is a growing problem that is on the minds of companies and their employees. More businesses are offering workers fraud protection, including ongoing internet monitoring and help in the event of identity theft.
3. **Financial and legal assistance.** Employees value access to financial and legal advisors who can educate them on the preparation of wills and other legal documents.
4. **Health advocacy.** Access to around-the-clock personal health advocates who can help answer questions related to health care and insurance makes it easier for employees to monitor their physical and financial wellness, including providing a second opinion and referral to a specialist.
5. **Bill negotiation.** The changing health care system is often difficult to navigate, including the cost of services and treatments. Ongoing education, as well as help in understanding and negotiating medical and dental bills, may help employees nurture their financial health.

The common denominator

What do all of these value-added services have in common? They work hand in hand with voluntary insurance. The work so well that insurers like Aflac have worked to develop suites of services that serve as add-ons to voluntary insurance policies. The good news is that voluntary plans are increasingly viewed as must-haves by employees: 81 percent see a growing need for voluntary benefits, which can help pay costs that major medical insurance may not cover. These include mortgage or rent payments, credit card bills, car payments, child care, and even copayments and deductibles.

The current demand for voluntary insurance, combined with traditional and nontraditional perks, opens doors for insurance professionals. Guiding current and prospective accounts through the changing benefits landscape, as well as serving as a knowledgeable source of information for employees, is a great way to boost your business in 2018 and beyond. at

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Stephanie Shields is vice president of Premier Broker Solutions at Aflac. Her responsibilities include driving growth and deepening partnerships with Aflac's top broker and consultant partners and driving innovation through the expansion of Aflac's U.S. product portfolio.

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feature

Selling to Seniors

Selling to senior clients takes time, empathy, and listening to the advice of these top producers.

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By Stephen Mathieu, CLU, ChFC, RHU, Jean Mathieu, CLU, and Philip Harriman, CLU, ChFC

From *Stephen Mathieu, CLU, ChFC, RHU, and Jean Mathieu, CLU*:

In our practice, we have the following objectives: Bring simplicity where there is complexity, clarity where there is confusion, and confidence where there is fear or doubt. Whether we do business with someone or not, we attempt to leave everyone who walks out of our door better off than they were before they walked in.

Here are a few steps to take as you work with senior prospects and clients:

Establish trust and credibility through referrals. Successful, long-lasting partnerships with seniors hinge on trust, just like any other client relationship. It's ideal to establish credibility from the outset and leverage recommendations from a trusted source if possible. Strong referrals, like endorsed speaking engagements or introductions from other professionals and friends, provide added trust and help validate your message. The common touchpoint between you and the prospect will help them feel at ease and expedite the relationship building process.

Integrate multigenerational planning model. A multigenerational model, where a trusted family member is involved in the financial planning process, can streamline the financial planning process for both senior clients and their adult children. Encourage loyal clients to invite a relative to join a planning meeting or consultation to establish peace of mind and ensure they are cared for.

Seniors often elect their children or other close relatives to help take care of their account and act as a custodian in the event of health concerns or confusion, particularly as mental capabilities decline with age.

It's especially common for seniors to misunderstand complex financial matters, or question who to trust or what to look for in a new financial professional.

It's especially common for seniors to misunderstand complex financial matters, or question who to trust or what to look for in a new financial professional. They are inundated with information and desire a simple and understandable breakdown with clear, actionable steps to secure their financial futures. A familiar, responsible and trusted family member as an advisor will help alleviate concern and deepen their relationship as a client.

Streamline services for clients. Position your practice as a comprehensive planning service that acts as a one-stop-shop and enables seniors to accomplish all their goals and answer questions in one visit. Address the most common financial concerns seniors face in-house in order to streamline efforts for them and simplify their lives.

Money management, tax planning, risk management (life & LTC insurance planning) and legal documentation (including wills, trusts and powers of attorney for financial affairs and healthcare) will cover all aspects of their plan. Unfamiliar disciplines can be outsourced or contracted to local professionals, if needed.

Stephen Mathieu, CLU, ChFC, RHU, and Jean Mathieu, CLU, are a husband and wife team who run their own practice. They are both Life nine year Qualifying MDRT members.

From *Philip Harriman, CLU, ChFC:*

Successful and lasting relationships with senior clients are built on a foundation of trust and patience. Financial dignity is top of mind for many clients as they approach retirement age and make new key financial decisions. Although they lack decades of wisdom to support their portfolio recommendations, seniors can count on younger advisors to still be in business at the time of their retirement.

Align seniors' head, heart and stomach. Present any recommendations, plans or products for client consideration in a way that helps seniors feel comfortable on several levels. It's best to create an environment focused on client service and counsel rather than on sales. Conversations with prospective senior clients should focus on their top-of-mind concerns, including what keeps them awake at night, and what makes them excited or motivated. Ensure that the presentations you have with them are aligned and support the main decision-making areas: the head, the heart and the stomach.

Appeal to the head with logic, make sure the financial tools are affordable and support a personal priority. Put a client's heart in concert with their desire for loved ones who will be affected by their financial decisions or unexpected life events.

Advisors who help lead seniors through the decision-making process and focus on relationships rather than on sales will thrive with this important demographic.

Finally, a client's stomach will fall in alignment when you demonstrate that the advice is in their best personal interest. If clients feel that their needs have been heard and that your ideas support their motivations, they will usually be interested in exploring in more detail the financial tools you are offering.

Focus on key strategy products. Seniors are typically more interested in sustaining good cash flow than in growing their net worth during retirement. Help them understand how low-risk, maintenance-minded products like annuities, long-term-care and life insurance policies can be tailored to fit their financial strategies and help preserve their assets during their lives and beyond. These defensive tools protect their wealth and are just as important as investments--they bolster a plan with guaranteed income independent of stock market performance.

Seniors tend to be deeply loyal clients when they feel heard and understood. Advisors who can help lead them through the decision-making process and focus on a relationship rather than on a sales plan will thrive with this age group and earn their business throughout their retirement years. at

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Philip Harriman, CLU, ChFC, is a Qualifying and Life member and Past President 0f MDRT. He is the co-founder of his Valmark affiliated insurance and investment brokerage firm, Lebel & Harriman, LLP.

feature

5 Things Successful Advisors Do Early in Their Careers

They work harder than others, they brand and market themselves, they have an ideal work-week, they are coachable, and they are process-driven.

WUTZKOWPHOTO/SHUTTERSTOCK.COM

By Brad Dufrane, LUTCF, CLF

There are many contributing factors to early success in the financial services industry. The demographics of the industry continue to change, as does the success rate of new Advisors. Not only that, but the process of how new Financial Professionals are recruited and trained continues to evolve as well. You have an ever-changing industry with new products, concepts and regulations to contend with.

However, there is one thing that has remained constant over my 23 years in the business: Success is predicated on the fact that the successful are willing to do certain things that those who fail are unwilling to do. Changing your mindset or being motivated to perform certain activities will drastically improve the likelihood that you will remain in this tremendous industry.

Here are five things successful Advisors do in the early stages of their career:

***They outwork it.** They start their workday early and end late. Sounds easy, but until you are getting to the office earlier than anyone else and staying later than others, don't expect to see Year 2 in the business. Nothing replaces work ethic, desire and motivation. I know we live in a virtual society and people can work remotely, but there is something to be said for being around the heartbeat of an office. Soaking in the knowledge, culture and learning from everyone in an office is critical. Learning from those that are struggling as well as those who are thriving is important. You must have the ability to look at someone who comes in late or works 30-40 hours a week and say to yourself: "That's not me, that will never be me and I will work harder and smarter than anyone else!"

Here is one idea: For one week, get to the office at 7 a.m. and do not leave until 7 p.m. Do this every day and do not have any excuses. Build the habit for a week and see where it goes. If you aren't already doing this, it could be a game changer. If you aren't blessed with a natural ability to outwork people, you must form the habit of doing so.

***They market and brand themselves.** Marketing ... Branding … Marketing … Branding … Marketing … Branding. That should be your mantra for the first few years. If no one knows or understands what you do, how are you going to make it? New Advisors spend valuable time in understanding aspects of products they may never sell. Instead, spend time in marketing yourself. You do have to have a basic knowledge of the products and services you are selling, but deeper knowledge can come with time. If you become a tremendous marketer, you will also become valuable to those veteran Advisors in the office.

The successful have a mapped-out schedule, week in and week out. There is time for family, marketing, prospecting, phone calls, appointments, training, coaching and anything else that matters.

Sometimes the more seasoned veteran Advisors don't embrace change and technology as well as others. If you embrace those things and market yourself, you will become valuable to others in the office which could prove invaluable. Build your brand. Market yourself. Remember that no one is going to market for you. Even if you have a marketing department, why would you rely on someone else to get your message to the people you want to help? You cannot over-market or over-brand yourself. The successful do it in all forms as well, including via social media, emails, newsletters, letters, postcards, networking events, and business groups.

Here is one idea: Spend 15 minutes a day on finding new connections on social media. Really explore relationships you have now for new introductions virtually.

***They have an ideal workweek.** Are you going to work this business or is it going to work you? Our time is the most important resource that we have. The successful have a mapped-out schedule, week in and week out. There is time for family, marketing, prospecting, phone calls, appointments, training, coaching and anything else that matters. Some look at this and say that they don't want to be regimented.

I got into this business because of the flexibility most people talk about. You are going to exit the business if you aren't doing the activities it takes to be successful. The only way I know how to get all of the essential weekly activities done is to schedule them. What a great opportunity to sit down with your family at the start of your career and put together your work schedule! I never missed games, parent teacher meetings, doctors' appointments or anything else for my children. To this day, every activity of mine is scheduled.

You must also be flexible for the all-day training that will pop up or for something that might happen. Oddly enough, once you take control of your time and schedule, a lot less of the unexpected happens.

Here is one idea: Get your family together and come up with your work week. Once you have it scheduled for a week, fill in the next quarter using that week as a template. Plan every activity. I know you don't know the names of the people scheduled for appointments yet, but you should know you are going to see someone, say, on Thursday at 6 p.m. Think about how that sounds: Mr. Client, I can see you on Tuesday at 1 p.m. or on Thursday at 6 p.m. When I say this to my clients, I cringe when I hear the response: I am wide open that day. Some

Advisors will make the mistake of trying to schedule an appointment and letting the prospect know that they are wide open all day.

***They are coachable.** Some people are waiting to speak, and others are listening. Most people who are coaching you in this industry have been in the position you are in and are trying to help you. There is no need to play defense. Accept what is being said and don't make excuses. The most successful Advisors that I have coached—the Advisors that make six figures in their first year—will do anything they are told. The Advisors who struggle try to come up with a new way or try to figure out why what they were just told would or wouldn't work.

Find a great coach and mentor if you don't already have one. Make sure you are open-minded when listening to a coach. There is always room for you to add your personality or design to something, but don't try to reinvent the wheel. Being coachable doesn't mean you don't bring new ideas to the table; it simply means that you are open to direct feedback on those ideas.

Here is one idea: Find a mentor or coach if you don't have one already. Set up at least an hour with that person every week. Don't wait at your desk for them to come and get you when it's time—be at his or her office. If they need to cancel, reschedule the meeting. Meet for one hour every week for 13 weeks. In the first meeting, let them know you want honest, direct feedback every week even if they feel it may hurt your feelings.

***They are process driven.** What do you do during a call session? How does an appointment run? When you write business, how is it tracked? What is your referral process? When you get a referral, what is the process? How often do you communicate with your clients during the year? The best first-year Advisors can answer all of these questions. If you aren't sure about some of them, don't spend a ton of time developing the processes. Go to your mentor or peers in your office and learn what processes have proved to be successful for them.

For example, prior to a call session, the best advisors will have already printed their lists of names to call, have a script ready and are willing to dial the phone for a few hours straight. Again, time is critical and you shouldn't be wasting it by not having a process. Another example: Once you have written business for someone, does a letter of thanks go out to them? Put a process like this in place immediately if you don't have one now.

Here is one idea: Figure out your referral process immediately. Go to the best professionals in the office—those who are achieving the best results or go to your coach and get, from beginning to end, an idea of what that process looks like. For example, are you talking about referrals and introductions in the opening of your appointment? Are you then planting seeds throughout the appointment? Once you get referrals, are you having the client call them first? Once the client calls them, are you sending a thank you letter to that client? When you call the referral, are you letting them know you promised Bob and Mary you would reach out to them? No matter the process that is used, you must have one and follow it every time. at

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Bradley Dufrane, LUTCF, CLF, became a financial advisor in 1995. After building a successful practice, he transitioned into leadership. For the last 17 years, he has recruited, trained and coached advisors. His unique ability is to passionately coach advisors so that they achieve their individual and professional goals. He was recognized as New York Life's Partner of the Year with the Finger Lakes General Office in Syracuse, New York in 2017—the most recent of the many accolades he has earned over the years.

member profile

In Step with a Winner: David Simkowitz

By Ayo Mseka

David Simkowitz has done quite well for himself since he won *Advisor Today's* Four Under Forty Award a few years ago. When we caught up with him recently, he shared with us some of the obstacles he encountered when he first became a financial advisor and the steps he took to overcome them.

Advisor Today: What motivated you to work in this industry?

David Simkowitz: My older brother, whom I greatly respect, encouraged me to consider a career in financial planning and life insurance. Obviously, he saw something in me that I did not see in myself. In retrospect, I did not really understand what I was getting into. I didn't know that the job is 90 percent focused on listening, consulting and helping people, and only 10 percent focused on selling a product. I didn't understand how life insurance solves many financial and estate planning challenges. Had I known then what I know today, I would have been extremely motivated to enter the business.

Advisor Today: What were some of the biggest obstacles you faced initially?

Simkowitz: My biggest obstacle was my lack of knowledge and information. I wanted to service successful, high-net-worth clients, but at first, I did not have the tools, resources, capacity and knowledge to do that well. I also did not enjoy the fact that I had to find new clients and sell and peddle products.

Advisor Today: Did these obstacles make you consider leaving the industry? If so, what inspired you to stay?

Simkowitz: Yes, they did. One of my peers once told me that every person in the life insurance industry thinks about leaving the industry. The frequency of that thought depends on your degree of success. If it's really rough, you think about leaving once an hour. Even when you're doing well, you may think about leaving once a week. And then after a while, you think of leaving once a quarter and so on because you are thinking that with the time and energy you put in, you might as well do something different.

At this point, I can't see myself doing anything else but meeting people, listening and solving their problems and creating family harmony.

I'm inspired to continue this work because I see that people are desperate for our help. Our work truly changes clients' lives and the lives of future generations.

Advisor Today: What additional knowledge have you gained since winning the Four Under Forty Award?

Simkowitz: I learn every single day. My focus now is on developing my ability to train others and instill quality processes so that we can ensure consistent client experiences as we grow and scale. By doing so, we can reach more families and touch more lives.

Advisor Today: Why is being a NAIFA member important to you?

Simkowitz: It's critically important to be involved in industry associations. By networking with others, you know you're not alone, and you can share resources and ideas with like-minded professionals. You can also get involved in issues and legislation that affect our industry. NAIFA is there to protect what we do – you have to be part of that.

Advisor Today: What do you value the most when working with a client?

Simkowitz: Above all else, I value the family harmony that we can help facilitate. I also love the problem-solving process of working with families. In the beginning, you see a million different pieces. Then, over time, you start to see how the pieces of the puzzle can fit together to result in a fluid, defined result. It's highly rewarding.

Advisor Today What advice do you have for advisors just starting out?

Simkowitz: First, identify your strengths and delegate the rest. When I hired my first assistant, she asked me for her job description. I told her: "I can't tell you what your job is, but mine is meeting with people. If you see me doing anything else, you're not doing your job."

Second, embrace the opportunity to know what you are doing and be an expert in the area you choose. Clients

desperately need smart, capable, professional and caring advice. at

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David Simkowitz is the founder and president of SimkowitzCo in Brooklyn, New York. Simkowitz has had the honor of helping hundreds of high-net-worth clients complete effective estate plans and is consistently a top-ranked leader and innovator in the industry. For more information, visit www.simkowitzco.com.

(SimkowitzCo does not provide tax, legal, or accounting advice.)

How to Prescribe a Happier Retirement for Your Clients

Advisors who understand healthcare and its costs can help their clients have peace of mind for the future and position themselves as valued resources.

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By Mike Lynch

Longevity and evolving expectations present a new set of challenges for today's financial advisor. Clients rely on financial advisors to help ensure their money stretches further to cover the costs associated with living longer, while advisors constantly need to find new and unique ways to reach and engage clients.

To meet both their own and their aging clients' needs, advisors should consider expanding their knowledge of, and experience with healthcare. It would be unrealistic to expect advisors to have an extensive mastery of healthcare; however, taking the time to understand the basics of healthcare, as well as offer legitimate recommendations, could be beneficial to both the client and the advisor.

The price of longevity

Although investors may be planning for a 10- or 15-year retirement, a higher life expectancy means that retirement has the potential to last for 20 or 30 years. The financial implications of a longer retirement can be significant when accounting for just the basic cost of living, and the expenses become more substantial when factoring in healthcare needs. Many aging individuals already have recurring medical expenses; so, living longer means paying for those costs for a longer period of time. Additionally, chances are that as we age, we will develop new or worsening medical conditions that may require expensive treatment, such as surgery, hospital stays, medications, home modifications or hands-on caregiving.

While it's impossible to predict the unknown and healthcare needs are unique to each individual, advisors need to inform their clients about healthcare-related challenges that may accompany longevity.

While it's impossible to predict the unknown and healthcare needs are unique to each individual, advisors need to inform their clients about healthcare-related challenges that may accompany longevity. There could be many unexpected expenses, and this potential lack of awareness presents an opportunity for advisors to demonstrate

real value to their clients.

Advisors don't need to know the answer to every healthcare question, but being able to explain the monetary impact that healthcare can have on their clients' retirement is not only necessary to help clients maintain their quality of life for however long retirement lasts, but is also the perfect chance to gain their attention and, more importantly, their trust.

Building a healthy advisor-client relationship

To broach the healthcare topic, advisors could start by offering to meet with clients for a discussion solely focused on health. The objective of the conversation is to help the advisor understand the client's current health and their particular risks, so that the advisor has a better sense of any potential healthcare costs a client might incur, so they can then discuss the possible financial impact of those specific health risks.

Clients may be hesitant to discuss their health with their advisor; in order to mitigate that concern, the advisor should explain the benefit these conversations can have on financial strategizing as well as emphasize confidentiality. Making the client feel comfortable and earning his trust will be paramount for effective conversations.

Another proactive step advisors can take is to form partnerships with healthcare professionals. Developing relationships with experts such as Medicaid or Medicare insurers, specialists, doctors, nursing home professionals or even a nutritionist or physical trainer can help advisors understand different aspects of healthcare, and therefore allow them to take a more holistic approach to financial wellness. Additionally, establishing this network enables the advisor to recommend healthcare professionals to their clients when the need arises, again working to gain their trust and offering a service that extends beyond traditional financial advice.

Advisors who want to go one step further could develop a health and wellness program for their clients. As part of this program, the advisor could host interactive events related to healthy eating, beneficial exercise for seniors or understanding Medicare/Medicaid.

These types of events can help aging clients learn how to better care for their health, and can also give them the opportunity to build relationships and a support system with other retirement-aged people. While these events may seem out of the box for a financial advisor, they are a great opportunity to go above and beyond to help clients prepare for their future.

Advisors don't need to be doctors, but they need to understand why preparing for medical costs in retirement should be a significant part of financial planning.

Financial advisors don't need to be doctors, but they do need to understand why preparing for medical costs in retirement should be an increasingly significant part of financial planning.

Extended longevity almost guarantees retirees will suffer from a few medical issues, and it also presents the possibility of outliving savings. Financial advisors who have a general understanding of healthcare and its costs, and can offer real, actionable guidance have a unique opportunity to not only help clients and their families have peace of mind for the future, but also to position themselves as a valued resource to clients. at

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Michael Lynch is Managing Director, Strategic Markets, Hartford Funds.

The Biggest Mistake in Marketing?

It is failing to message yourself and your business properly.

DIZAIN/SHUTTERSTOCK.COM

By Maribeth Kuzmeski, Ph.D.

If your marketing isn't working the way you want it to, it is likely not because of a lack of money or time invested. The most important element in ALL business development efforts is actually the **words you use**.

- If someone says your fees are too high, it is most likely because of the words you use to describe your value.
- If a seminar doesn't work, it's likely because of the words on the invitation or in your presentation.
- If your website isn't converting visitors into appointments, it is likely because of your words, not the design.
- If your email messages do not get recipients to click and find out more, it is likely because of the words you are using.
- If your prospect meetings fail to close a prospect, it is likely because of the words you are using.
- If your prospects aren't paying attention, this is a sign that change needs to be made!

Solving the problem

Do you know the best way, with the least cost, to upgrade your marketing and business development efforts? Change the words you use. Change the words on your website, during your events, in front of clients, with strategic alliances, and especially with prospects. Also, what is important today is having the correct words to verbalize your value, your fees, and why a prospect should choose you!

We have proven when you use better messaging for everything—from your value/fee discussion, client appreciation invitations, scripts for asking for referrals, discussions with potential strategic alliances, and more, everything changes. Your **words** are what will produce dramatic effects on marketing and new business development efforts.

Do you know the best way, with the lowest cost, to upgrade your marketing and business development efforts? Change the words you use.

The No. 1 mistake in marketing is NOT messaging yourself and your business properly. Describe your value clearly every time you mention your product or service. It should be direct, simple, and understandable to grab the attention of your prospects.

The key to standing out cannot be by using a blanket statement that targets, for instance, everyone in the United States who needs investment services. You could of course focus on this market, but it would require an incredible marketing budget to get the kind of exposure and name recognition that would lead you to become a nationally-known entity for investing.

Here is a *Messaging Your Value Formula* that will help you truly stand out and use more compelling words.

1. **Focus your message on a target.** Focusing on everyone with more than $1 million to invest is not a target.
2. **Describe what your target market wants, which you offer.** What does your target market truly desire?
3. **Share information on how you are different from most.** You don't have to be uniquely different from everyone; just offer a key differentiator.
4. **Have a story that proves it.** Give an example of what you do.

Below is a statement from a financial advisor who works with different types of target markets and people. However, when he is talking with a business owner, this is what he shares:

We are a financial advisory firm that specializes in working with business owners. In fact, to date, we have helped more than 30 business owners successfully prepare to sell their businesses and move on to the next phase of their lives.

Here is a breakdown of the differentiating message:

1. **Focus your message on a target:** *Business Owners*
2. **Describe what they want that you offer:** *Guidance in selling a business*
3. **Share how you are different from most:** *Understanding of what business owners really want (Hint: they don't "want" a 401k)*
4. **Have a story that proves it!** *More than 30 business owners …*

The key is to describe your value clearly by following the *Messaging Your Value Formula*. Marketing to the masses is fine for some but is ineffective for most. So, focus on grabbing the attention of the person right in front of you. at

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*Maribeth Kuzmeski, Ph.D., is the president of Red Zone Marketing, a consulting firm specializing in strategies for achieving measurable new business growth for financial services firms. She has consulted with some of the nation's top advisers and teams and has guided firms through significant net new business growth. She is the author of 7 books including The Connectors. (*www.RedZoneMarketing.com*)*

Security Begins at Work

Many workers feel more financially secure because of workplace benefits.

AYA IMAGES/SHUTTERSTOCK.COM

Ayo Mseka

Nearly six in 10 middle-income Americans say they feel more financially secure as a result of financial and insurance benefits they receive through their employer, according to a study by Massachusetts Mutual Life Insurance Co. (MassMutual).

However, not all workers agree, especially those with lower-incomes, which may indicate a need for more financial education through the workplace.

Fifty-eight percent of middle-income workers say they feel more secure because of benefits at work, according to the *MassMutual Workplace Benefits Study.*

Seven in 10 millennials want financial planning services and six in 10 want budgeting assistance.

The Internet-based research was conducted on behalf of MassMutual by Greenwald & Associates and polled 1,010 working Americans ages 25-65 who had annual household incomes between $35,000 and $150,000 and participated in making household financial decisions.

While 65 percent of upper-middle-income Americans or those with annual household incomes of $75,000 to $150,000 point to employee benefits as a source of greater financial security, only 42 percent of those with incomes of less than $45,000 say the same, the study finds.

Those who do not feel as financially secure are less likely to have access to benefits such as a 401(k) or other retirement savings plan, or life, disability, accident or dental insurance.

"MassMutual's study indicates there may be a knowledge gap in the understanding and use of employee benefits among certain employee populations," said Jon Shuman, leader of MassMutual's voluntary benefits unit. "More low- and middle-income workers are likely to say they wish their employer did more to help them set financial priorities than upper-middle-income workers."

MassMutual is stepping up its efforts to educate workers about how insurance benefits may help solve some individual financial problems and protect household finances. The insurer is systematically training dozens of retirement education specialists around the country to educate workers about how insurance benefits may complement their retirement savings and be used to meet individual financial security needs.

Although only one in four employees is offered financial education at work, MassMutual's study finds as many as half would welcome additional help or guidance on personal finances from their employer. Moreover, 51 percent expressed a desire for their employer to provide more education about saving for retirement.

What workers want

Millennials are dramatically more open and interested in receiving help at the workplace. Seven in 10 millennials would welcome financial planning services and six in 10 would be interested in budgeting assistance at work, according to the study.

Middle-Income Workers' Interest in Workplace Benefits (very or somewhat interested)				
		Household income		
	Overall	$35k-$44k	$45k-$74k	$75k-$150k
Disability insurance	78%	83%	78%	76%
Continuation of retirement plan contributions while disabled	74	65	78	74
Critical illness insurance	74	74	81	70
Accident insurance	67	65	72	64
Low-cost emergency loans	57	60	61	54
Repayment of college loans while disabled	36	34	38	36
Pet insurance	24	22	30	22

When polled, many workers expressed interest in specific employee benefits. For example, 78 percent of survey respondents said they were "very interested" or "somewhat interested" in disability insurance, MassMutual's study found, with interest high across all income levels.

"While workplace benefits can help employees feel more financially secure, each employee's personal financial situation is unique," Shuman said. "Employers and brokers can help through education and make a wide range of benefits available on a voluntary or employee-paid basis to meet as many individual financial needs as possible."

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Riding Out the Stock Market Roller Coaster

Use these ideas to help clients weather market volatility.

©ISTOCK.COM/RETROROCKET

By Andrew Crowell

Market gyrations in 2018 have caused many to question whether or not the strong bull market that began in March 2009 is about to come to a crashing end. The relative calm and upward trajectory enjoyed in 2017 has been followed by extreme moves both up *and* down this year.

For example, the S&P 500 made daily moves of 1 percent or more just 10 times during 2017, whereas just the first quarter of 2018 has already seen 27 moves of at least 1 percent, according to D.A. Davidson Wealth Management Research. Risks associated with inflation pressures, trade disputes and the upcoming midterm elections have all provided fuel for the volatility fire.

Reassure and reaffirm

It is in such times of volatility that it is most important for advisors to reassure their clients, helping them navigate these choppy waters so they can still arrive safely at their desired investment goals.

But how is this done? A good starting point is to advise clients to relax and keep perspective. Advisors should keep in mind that the markets were unusually calm and placid during the past year and should remind their clients that market volatility is actually quite normal and that corrections happen with regularity. Choppy markets are to be expected as part of a healthy bull market, and the good news is that they don't last forever. Today's 24/7 news cycle and myriad portable messaging devices make it nearly impossible not to hear and want to react to the latest sound bite.

However, acting on those emotional impulses may actually sabotage an investor's long-term plan. Emotional responses to headlines can cause investors to both buy and sell at inopportune moments.

Review and rebalance the plan

Advisors should refer to their clients' financial plans and, if they don't have one presently in place, use this time to develop one. Having a comprehensive financial plan can help keep a client's eyes focused on the destination rather than on the daily distractions. Comprehensive plans anticipate periods of volatility and are constructed to withstand periods of turbulence. Thanks to advances in medicine, we are living longer and that means a financial plan is going to need to weather not just occasional corrections, but even bear markets.

Assuming your client has a financial plan in place, there are some additional actions that may be warranted in

light of volatility. Has their asset allocation drifted from their plan targets? If so, they may want to use the current volatility to rebalance and reaffirm those targets. Rebalancing should be a regular part of managing to a financial plan.

Comprehensive plans anticipate periods of volatility and are constructed to withstand periods of turbulence.

For example, if an investor had a 60 percent equity and 40 percent fixed income portfolio that had not been rebalanced since the bull market began over nine years ago, this same portfolio would now be nearly 80 percent / 20 percent just due to market moves. This makes the portfolio even more vulnerable to volatility at a time when the investor is nine years older and might be trying to reduce the risk of steep losses!

One of the other important benefits of rebalancing is psychological. Taking some action during times of extreme market moves scratches an itch many investors feel and helps in preventing radical "all in" or "all out" moves that can be so hazardous to plans.

Rebalancing gives your clients a practical action to take while still maintaining and reaffirming their broader financial plan objectives. Part of advising clients on rebalancing might also involve recommending that they raise a bit more cash. Having some cash reserves as part of a financial plan out of harm's way provides the mental peace of mind to help investors navigate the stormy waters.

Reassess risk tolerance

Perhaps the markets have better clarified a client's true risk tolerance. After all, it is quite easy for almost anyone to think they're a long-term investor who can ride through the drops—until these drops actually happen.

Sometimes market volatility provides the clearest insight into a client's real investment temperament. Advisors should have these discussions with their clients during times of market extremes and consider whether allocation targets should be adjusted in the context of the broader plan goals.

Having a thoughtful discussion first and gauging the impact that any revised targets could have on plan success will help ensure clients do not sabotage a well-crafted plan by getting too conservative too early.

While there are a number of actions that advisors can take with their clients in response to market volatility, it's important to always think in the context of a client's overall financial plan. After all, the plan is created to help clients think long term and should already have strategies in place for weathering volatile periods in the market. If advisors use these actions and stick to the plan, their clients should remain free from any potential emotional investing pitfalls. at

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Andrew E. Crowell is Vice Chairman of Wealth Management at D.A Davidson & Co.

Fixed Indexed Annuities May Outperform Bonds, According to Economist

Uncapped FIAs help control equity market risk, mitigate longevity risk and have the potential to outperform bonds in the near future.

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Ayo Mseka

Roger Ibbotson, economist and creator of the iconic "Stock, Bonds, Bills, and Inflation" (SBBI®) chart, unveiled his latest research that analyzed the emerging potential of Fixed Indexed Annuities (FIAs) as an alternative to bonds in retirement portfolios.

Researched and written by Ibbotson and his team at Zebra Capital Management, the whitepaper titled "Fixed Indexed Annuities: Consider the Alternative" suggests that bond returns in today's historically low interest rate environment may be insufficient in meeting the anticipated retirement needs of U.S. investors, potentially placing many at risk of outliving their retirement savings.

Ibbotson is a 10-time recipient of Graham & Dodd Awards for financial research excellence and a professor emeritus at the Yale School of Management. In 1979, his research on risk premiums changed the trajectory of the financial industry, demonstrating the relationship between risk and return and illustrating equities are needed in a portfolio in order to generate long-term growth. During that time, he gained national notoriety for his daring prediction that the Dow would hit 10,000 by the year 2000, which proved accurate within just months of his estimate.

Today, Ibbotson's latest research demonstrates that uncapped FIAs help control equity market risk, mitigate longevity risk, and have the potential to outperform bonds in the near future.

Bond returns in today's low interest rate environment may be insufficient in meeting the anticipated retirement needs of U.S. investors.

"What financial advisors should acknowledge is the immense impact that shifting market conditions, longer life expectancies and uncertainties surrounding the future of Social Security have made on our U.S. economy," said Ibbotson. "In recent years, we recognized the potential of these conditions to result in a perfect storm where investors may be left with insufficient funds to carry them through retirement.

"Conventional wisdom has most investors de-risking their portfolios by allocating more heavily to bonds as they approach retirement," continued Ibbotson. "However, investors should consider other alternatives such as FIAs. In this low interest rate environment, complacency can be a danger to our clients' futures."

In collaboration with Annexus, the researchers utilized the S&P 500 Index dynamic participation rates to simulate FIA performance over the past 90 years and presented the results in similar fashion to Ibbotson's iconic SBBI® chart. The subsequent data, which considered historical volatility, interest rates and dividend rates, indicated the following:

- Uncapped FIAs would have outperformed bonds on an annualized basis *for the past 90 years*.
- It is highly unlikely that bond investors will realize as high a return from capital gains in the coming 10 years as they have realized in the past 10 years. In fact, if rates rise, capital gains in the future will be negative (capital losses).
- Uncapped FIAs offer a more tailored risk profile than bonds, capturing a portion of the growth offered by large-cap stocks, while lowering overall market risk.

"This is the single most important body of work I have seen in my 25 years of working in this industry, and the first to validate Fixed Indexed Annuities as an asset class," said Don Dady, co-founder of Annexus. "The evolution of the industry has made these vehicles more flexible and attractive than ever with the emergence of uncapped product designs and Smart Beta indices. In today's fiduciary environment, it is imperative that advisors know what products are available and best suited to address the needs of their clients." at

Learn to Earn at NAIFA's 2018 Performance+ Purpose Conference!

By Tara Laptew

If you are looking for an opportunity to acquire the skills you need to succeed, the place to be this September is NAIFA's Performance + Purpose Conference. The program for this year's conference, which takes place Sept. 13 – 16 in San Antonio, offers a wider array of workshops than before, designed to appeal to a new group of advisors and help them take their practices to a higher level of success.

For years, the NAIFA Annual Conference has focused largely on association business. But the transition to the NAIFA Performance + Purpose conference continues, with nearly 30 educational workshops presented by experts from across the industry.

This expanded workshop schedule features a track of sessions by industry associations. For example, there is a workshop by the Society of Financial Service Professionals (FSP), a special workshop by GAMA International, and a breakfast and workshop hosted by Women in Insurance and Financial Services. NAIFA has dedicated the P+P Conference to serving the professional-development needs of all advisors and creating a community for every advisor--from the newest member of NAIFA's Young Advisor Team to the most experienced and successful advisor.

"The Society of FSP track for advisors with advanced practices is probably the biggest news we've had in years," said NAIFA President-Elect and P+P 2018 Chair Jill Judd. "Combine that with the new workshop from GAMA International for advisors looking to make the jump to management and our continued programming with WIFS, and you can understand why we're so excited about this program. P+P has really become an industry-wide meeting for advisors from every type of practice and with every level of experience."

Workshops feature four sessions by FSP, including "The Uses of Life Insurance in Charitable Planning and Estate Planning," by Jim Aussem. An expert in mergers and acquisitions, business succession, and trusts and estates, Aussem is recognized as One of America's Best Lawyers in Trusts and Estates and Corporate Law.

Perry Olson will show how he went from writing 100 applications a month to over 900 a month.

There are workshops for multiline agents, as well, such as "Aligning Performance in a Multiline Agency" by Perry Olson. During this informative workshop, Olson will tell his story of starting from scratch as an agent to qualifying in the top 50 at State Farm 22 times across all lines. He will also show how he hired his employees and implemented processes that allowed him to go from writing 100 applications a month to over 900 a month.

Succession planning will also be a hot topic at the conference. During his presentation, Michael DiCenso will discuss the different aspects, types and structures of succession planning and share opportunities for the successful succession of your firm. He will also talk about the key succession-planning areas that are generally overlooked and identify opportunities to grow and monetize the business.

If you are looking to build your business, you should also plan to attend Barbara Pietrangelo's workshop titled, "Insuring Success and Succession." She will offer tips on how to approach colleagues about building a relationship that would benefit you both.

And you do not want to miss Van Mueller's session on how to be successful and significant. What if you could ask questions that would dramatically increase your appointments and inspire prospects to act? Mueller travels the world sharing these types of questions with advisors just like you.

Disability income insurance will also be an area of focus for a couple of presenters who will share their personal stories and experiences. In "While She Was Sleeping", for example, Jeff Kyle will tell a personal story about the need for DI insurance and offer tips on how to sell this valuable product.

During another session on DI insurance, Thomas Wong will share the story of an agent's development--from his struggles as a young agent to a top producer in his agency. And Jim Silbernagel will simulcast a special session of the Power Session LIVE webinar, "Fast and Furious Sales Ideas with Life Insurance Legends." This session will feature industry icons like Van Mueller, Marv Feldman and John Wheeler.

Another must-attend workshop is Connie Kadansky's "Prioritize Profitable Prospecting – Get Your "Ask" in Gear!" Attend this session and you will learn about the five components of profitable prospecting and the four

steps you can take to overcome sales call reluctance.

For more information on these and other workshops at the 2018 Performance + Purpose Conference, visit *www.naifa.org/conference*.

NAIFA Performance + Purpose 2018: The PLUS Makes all the Difference.

By Tara Laptew

NAIFA's Performance + Purpose provides opportunities for all advisors to improve their career performance. But remember that the conference is titled Performance PLUS Purpose. The "plus" is the extra that reminds you that helping others is just as important as helping yourself.

As a result, NAIFA P+P is teaming up with Together We Rise, a non-profit organization dedicated to changing the way children experience foster care.

Together We Rise has three main programs: **Sweet Cases**, **Build A Bike**, and the **Family Fellowship Scholarship Program**. When foster children move from home to home, they are usually given trash bags to carry their belongings.

The Sweet Cases program replaces these trash bags with decorated blue duffel bags to make foster care transitions a little easier. Build a Bike provides foster youth with bicycles that can be vital transportation to them to jobs or to school. Together We Rise's Family Fellowship is a safe and supportive scholarship award that benefits successful youth who have aged out of the system.

As an attendee at NAIFA P+P 2018 in San Antonio, you will have an opportunity to give a little of your time to assemble bicycles and prepare Sweet Cases in support of the work of Together We Rise. Devote a couple hours on Thursday, September 13, and work toward making a difference in the lives of foster children across America.

For more information about NAIFA's Performance + Purpose, please visit *www.naifa.org/conference*. at

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By Marvin Feldman, CLU, ChFC, RFC

Life Happens and LIMRA have just released the *2018 Insurance Barometer Study*, which tracks the financial perceptions, attitudes, and behaviors of U.S. consumers with an emphasis on life insurance. The research findings are interesting and can help you understand how to best interact with your clients and prospects.

Three in five adults own some type of life insurance—individual or group—and almost everyone believes a family's primary wage earner should own life insurance. But over a third of all households would feel adverse financial impacts within one month if the primary wage earner died.

A common question people have is how much life insurance to own. Six in 10 millennials say confusion about how much and what type of life insurance to buy keeps them from getting the coverage they need. Industry research shows most of those with coverage only own three times their income in death benefits. Historically, the rule of thumb was to own 10 times your income in life insurance. But with today's low interest rates, 20 times may be a more realistic number.

The easiest and best way for a prospect to make this determination is to go the Life Happens calculator at *www.lifehappens.org/howmuch*. Your prospect can enter their numbers to calculate their specific needs. And, with an easy-to-use mobile app, prospects can do these calculations anytime and anywhere.

A critical finding of this year's *Insurance Barometer Study* is that 73 percent of millennials say it's important to meet with an agent or advisor before buying life insurance. Surprising? Yes, but it's good news.

About half of all consumers visited a life company website and/or sought life insurance information online, and almost one in three purchased or attempted to purchase life insurance online. This is about the same as last year.

The easier we make it to buy, the more consumers will say yes to the purchase.

What *has* changed is the percentage of consumers who say they would research and buy online, up 7 percent in 2018 to 29 percent. I would tell you this is a concern, but many of the insurance companies are responding with expedited online applications and underwriting, cutting the time of issue from weeks or months to days.

In fact, half of all consumers say they are more likely to purchase life insurance if it is priced without a physical exam. Nobody likes to get weighed in front of a stranger or be stuck with a needle for blood. The easier we make

it to buy, the more consumers will say yes to the purchase. This is what consumers want, and our industry is responding in ways that still include the agent and advisor in the process.

What about social media? The study found the majority of millennials (57 percent) and 44 percent of GenXers would check a potential agent's or advisor's social media presence before working with them. In addition, 67 percent of consumers say they wouldn't do business with an agent or advisor who has no website or has an out-of-date website.

While there are many platforms to help you post content, there are only a few that specialize in creating fresh and relevant content. The good news is *www.LifeHappensPro.org* has thousands of resources to use on your website or for posting to social media. Resources include an automated version to making posting to social media easier. All of these resources are available to you with a discount as a NAIFA member.

Life Insurance Awareness Month (LIAM) starts in September. Get prepared for this marketing opportunity now! Danica Patrick will return as the spokesperson for LIAM, and her effect on the industry and the consumer is fantastic. Along with your guidance, share her videos, email messages and social posts with prospects and clients to inspire them to take action to insure their financial fitness and to complete their financial journey.

This is a great time to be in our business. Use the resources provided to you and start making calls today. at

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