<u>Dateline NBC</u>'s "Tricks of the Trade"

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On April 13th, 2008, **<u>Dateline NBC</u>** performed a *drive-by-shooting* of Independent Agents and Equity Indexed Annuities. Using a carefully constructed and extremely biased presentation, the show *skewered* agents for failing to adequately disclose surrender charges and for deceptive sales practices. To anyone with any knowledge of the financial services industry, **<u>Dateline</u>'s** dramatization was seriously imbalanced…only the bad was presented. If it had been me who was blindsided, you may have seen me wipe that smug look off Mr. Hansen's face…

So, even though we may despise **<u>Dateline</u>'s** portrayal of independent agents and equity indexed annuities, the lesson to be learned is that independent agents must take extra steps to ensure that they exercise their responsibilities to the public diligently and professionally. "Perception is reality" and the media will go on to say what it is going to say. So, what does this mean to you, the independent annuity agent?

- Should you get out of the business?
- Should you take a *bunker* mentality and hide until the *smoke clears*?
- Should you just market harder, *damn the torpedoes, full speed ahead*?
- Or do you stop, reflect on how you do business, and then develop a plan to ensure that you do the best for your clients and for yourself.

To me, the choice is clear…we, in the financial services industry, know far better what is best for our retiree clients than some opportunistic, ratings-seeking actor-journalist. So, to move forward, I suggest that we direct the vigor and enthusiasm of *damn the torpedoes* into developing a plan to serve clients in a highly critical media environment. There will be other attacks…both from inside and outside of the financial services industry…you might as well be prepared for them.

Now, here is the best part of this re-energized initiative…you'll serve your clients better. None of us has perfected our services…there is always room for improvement. For me personally, this means that I am going to have every client sign an "Annuity Disclosure Form" that sets forth the annuity's key features. Specifically, the form will include a *crystal clear* presentation of surrender charges, free withdrawal amounts, and commission. That's right, I said my commission. I've disclosed the commissions paid to me by insurance companies for years…right on the application. It has never been a problem. Clients understand that advisers and agents need to be paid...it is no different than a realtor getting paid. So, despite the fact that I have been disclosing my compensation on the application, I am going to put it *front and center* on my new "Annuity Disclosure Form."

One last thought…in the past, I've recommended to fellow advisers that they provide their financial services in a professional office. There are several advantages of renting/owning professional space to provide financial services that include 1. efficiency and leverage, 2. staff support, 3. professional image, 4. separation of work/home, and 5. business focus. If you need another reason…you now have it. It would have been a lot harder for **<u>Dateline</u>** to pull the *tricks of their trade* if the volunteer had been invited to the agent's office. Do you need a professional office?

Your honor, I rest my case.

About the Author: David D. Holland is an independent financial planner/investment adviser/annuity agent in Ormond Beach, Florida. In 2007, David teamed up with industry veteran, Mike Mastowski, to establish Retiree Adviser Marketing Corporation (RAM). RAM provides independent agents with access to high quality annuity products and helps them expand their services to include real retirement advice. RAM also gives agents the opportunity to access David's marketing and planning system – the same system which allowed him to achieve such an uncommon level of success in his own personal practice. The RAM System includes: A Proven Seminar System (slides, script, invitation, prospect interview questionnaire and seminar training video), a Prospect Marketing Video and a Client Planning System. To get more information about RAM's services, agents are invited to call 888-422-7007 or visit www.retireeadviser.com.