ROHRER ASSOCIATES MARKETING GROUP

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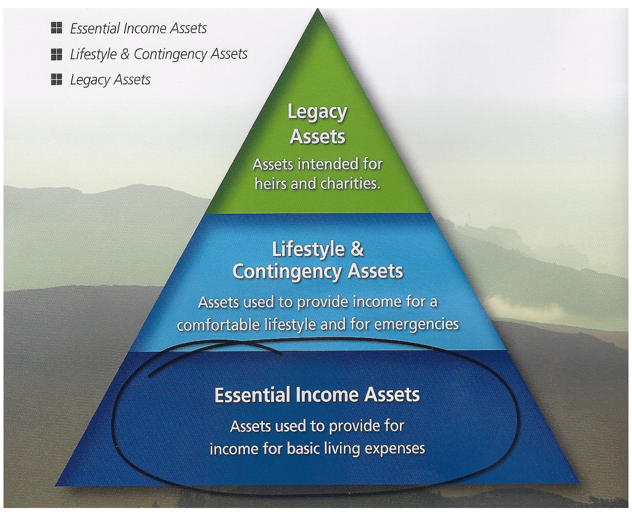
Confidence is what you have before you understand the problem. ----Woody Allen

June - 2010



Yep. There's that pyramid again.

Show it to single parents… especially single moms. Explain that the 'essential income' portion of it applies to them - *but can also be applied to their children if they passed away.*

Their children will need 'essential income' just like everyone else. And, with a smaller lump sum up front, as a 'contingent asset' plus guaranteed monthly income paid to the guardians of the minor kids, the IPO beneficiary payouts make it much more improbable that the kid's guardian(s) will squander the money a ---or be lured into some stupid speculation - or simply be the victims of a volatile market.

The pyramid makes sense. It's something everybody can understand. And it applies no matter how much money clients have.

What are the roots that clutch, what branches grow / Out of this stony rubbish?" ---T. S. Eliot

Acres of Diamonds

With our SPCs, we have the "edge." We are sitting on gold mines. ---On acres of diamonds.

Here's a diamond. **Transamerica's IPO** (income protection option) is automatically available on their term and UL policies. And there's no cost for it, either.

Opportunities abound, especially if you work with Benefits Houses and P & C shops.

The P& C agents know who their single parent clients are -- and the benefits houses are constantly trying to penetrate their rank and file group-insureds for additional business. They want a single company with an all-in-one life insurance, DI, LTC, retirement product and estate planning product – with guaranteed issue – and with a commitment of $100 a month. Let's get real. Ain't no such thing.

But…. many of these employees are in single family homes and blended families. They need more help than most agents can provide, since most agents are 'transactional.'

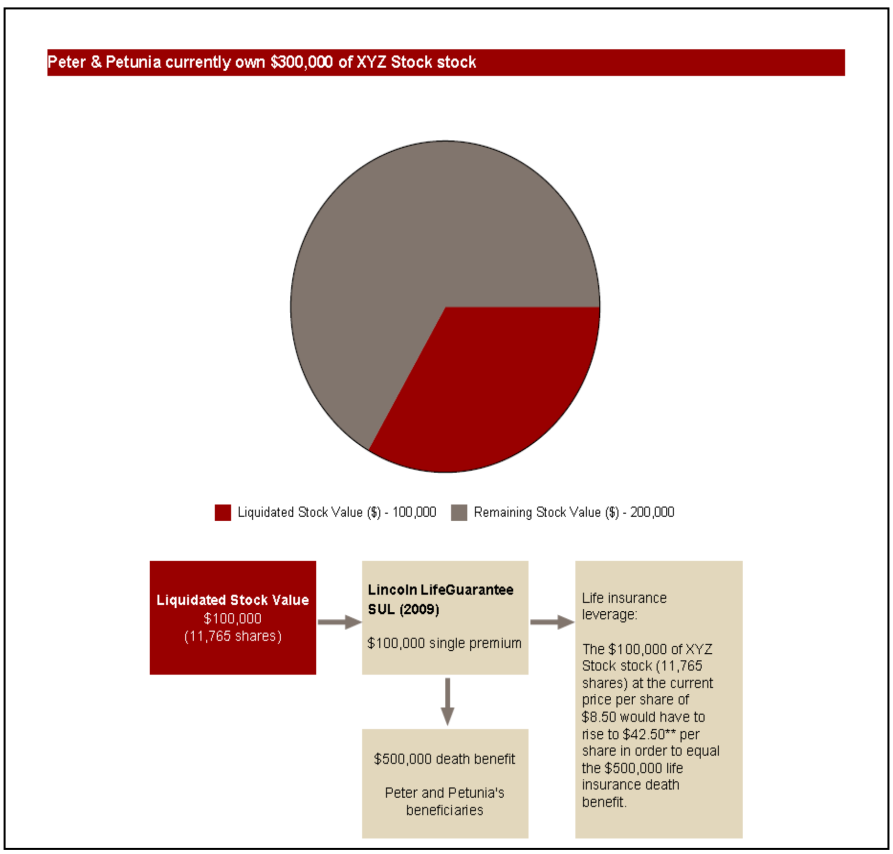
84% of single parents are women. They are concerned for their children. 80% are divorced or have never been married. 83% are not living in poverty and most (80%) are working. They don't have a lot of money to spend on legal matters and most are inexperienced or quite conservative when it comes to investing. Many don't have wills (or have not appointed guardians for their kids). If an insurance policy for $100K or $250K (always the flat amount we quote) paid off, the money for the minor children could be vulnerable. The IPO product is perfect. It can't take the place of a will. It can't do everything. But, it could save the farm. ***See Page 3 for more.***

"No they're not photos of my 'loved ones', that's the wife and kids."

ANOTHER DIAMOND

Lincoln National software is big on graphs. Remember the "four ways to pay estate taxes…?" That was so good most companies stopped using it. Lincoln still has it. But, wait! There's more!

They have another canned presentation called **Concentrated Stock Diversification Strategy.** Today, many people still have concentrations of stock or other property – perhaps inherited, or perhaps from a long career with a company. That property helped build the family wealth. But, today, concentrations like this also may make clients more vulnerable. Things are volatile today. As the markets move up and down, diversification can help. But it can especially help if there is an asset that provides leverage no matter what the correlation. Diversification doesn't guarantee a gain or protect against losses and finally, people are admitting it. Life insurance isn't correlated to the stock or real estate markets and it's internal rate of return is based on life expectancy – not market returns. What Lincoln National did is great. They can show the effect of taking just a small portion of these stock market or real estate assets and repositioning the money into life insurance. _Obviously, this works the best when you use a last –survivor product. If SOME shares, for example, were liquidated and used to buy life insurance, the benefits are terrific. Repositioning just a small part of the family stock or real estate holdings and using life insurance can leverage the value 500%. In today's market, how could you duplicate this immediate and future GUARANTEED leverage? You can't. What Lincoln folks could have done is point out one huge application of this – the benevolence angle.



While some people with a ton of Costco stock or a mountain of property in the Bitterroot Mountains may want is the utmost show of benevolence to their children, there are other uses for this. Here are two: estate equalization and charitable planning. Using a life insurance policy, the guaranteed IRR at death can easily be between 7% and 10% over the long haul. What better way to 'guarantee' some heirs their 'fair share' of an estate and eliminate them from the genetic inheritance pool – if that's what the client wants? Or to leverage an asset into a charitable gift. Whether a client wants to actually sell a portion of their stocks or real estate and could actually do this, is another matter. But it sure is nice to have options. ***How many asset-types are guaranteed to increase in value by 500% tax- free immediately AND have a guaranteed gain over the next 20 years? Especially in this market?***

More on the Transamerica IPO option

We had a great presentation from Genworth last year (not attended by all RAM agents) down in Mexico. The topic was connecting with women clients. Women ask more questions that need to be answered. They have more criteria that matters to them. They are very deliberate in their decision making. And women want a 'trusted' relationship. 70% of women throw out their financial advisors within three years of divorcing. But they are loyal, too, and refer prospects 3 to 5 times more than men do. The folks from Protective Life also tell us that there are 13 million single parent households out there – 80% run by ladies. Now, some rhetorical questions. How many of these single mom's have enough life insurance – and how many have wills and trusts set up? How many have a trusted investment advisor? We know the answers. This could be a lucrative area to practice in.

This concept provides the best excuse in the world for agents to call clients for a routine policy review every couple of years!

Additional uses? How about making sure your middle-aged spouse is protected with monthly income so that the invested assets can stay invested? Or if you trust the government, delaying Social Security payments to get a higher monthly benefit? Or insuring that Buy-Sell agreement with guaranteed monthly payments rather than taking chances on lump sums? Or funding for a special needs child? Or a family member in a nursing home? What about making the monthly payout benefits available to contingent beneficiaries only?

Design a 'package sale' for your agents. For example: $50,000 immediate benefit, plus $2,500 per month for 20 years, plus another $50,000 at the end. Total value? $700,000. Clients only buy $531,229 to get the payouts – so effectively they get all the goodies -- PLUS a 24% discount. What a deal. Here are some monthly prices for this scenario. Try it out – and make up some of your own.

Age	Male	Female
25	$ 32.84	$ 24.47
30	$ 33.30	$ 25.87
35	$ 34.70	$ 30.05
40	$ 46.32	$ 39.81
45	$ 72.35	$ 57.94
50	$ 108.81	$ 85.36

Rates here are preferred non-nicotine use. Note that there will be income taxes on amounts received in excess of the base death benefit, but the taxation is minimal.

NEED OFFICE EQUIPMENT? *Get the RAM Discounts!*

Don't forget Tracy Modersohn at CDW! She has been a friend to RAM – and her service is terrific. But in addition to the touchy-feely stuff, their prices are INCREDIBLE. Need a great new printer/scanner/copier? Look at the HP Office Jet Pro 8500, This is a great printer. Fast, reliable, and does everything.

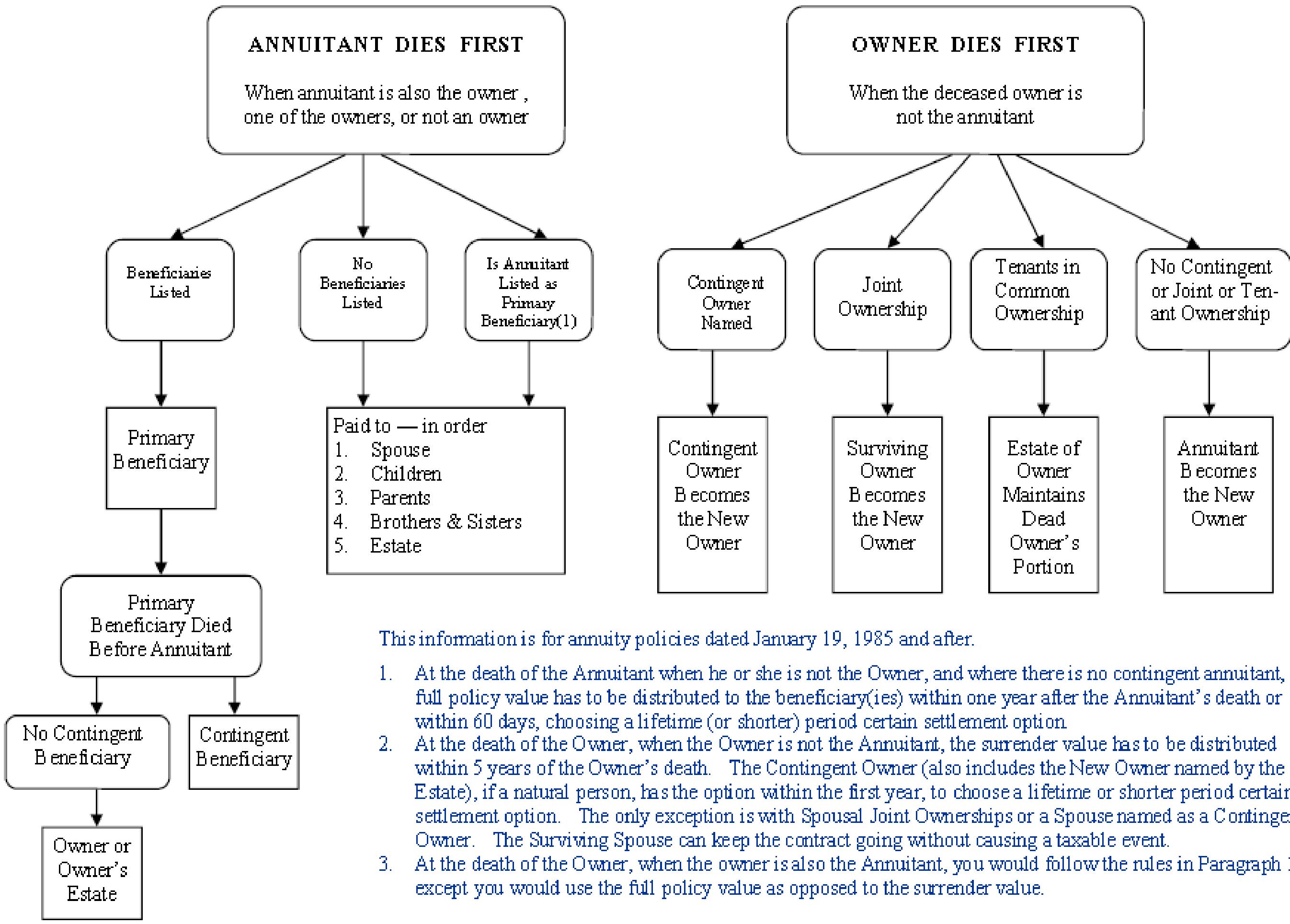
Your RAM price is MUCH less than you'd find at Office Depot or Best Buy – but there are lots of great products and options. *So call Tracy for details.* <u>*Her service is great.*</u> *(866) 704-6236.*

Selling Annuities?

Are your agents setting them up correctly?   Do you have a chart like this?

Deferred Annuity—Death Proceeds

Illustrating Who Receives the Death Proceeds Upon Death of Annuitant or Owner



This information is for annuity policies dated January 19, 1985 and after.

1. At the death of the Annuitant when he or she is not the Owner, and where there is no contingent annuitant, the full policy value has to be distributed to the beneficiary(ies) within one year after the Annuitant's death or within 60 days, choosing a lifetime (or shorter) period certain settlement option.
2. At the death of the Owner, when the Owner is not the Annuitant, the surrender value has to be distributed within 5 years of the Owner's death. The Contingent Owner (also includes the New Owner named by the Estate), if a natural person, has the option within the first year, to choose a lifetime or shorter period certain settlement option. The only exception is with Spousal Joint Ownerships or a Spouse named as a Contingent Owner. The Surviving Spouse can keep the contract going without causing a taxable event.
3. At the death of the Owner, when the owner is also the Annuitant, you would follow the rules in Paragraph 2 except you would use the full policy value as opposed to the surrender value.

Senate Panel adopts resolution to reinstate the estate tax.   *June 2, 2010*

A Senate panel has adopted a budget resolution that would reinstate the federal estate tax at 2009 levels for two years. The non-binding resolution approved by the Senate Budget Committee exempts estates worth up to $3.5 million for individuals and $7 million for couples; estates worth above those amounts would be taxed at 45%. The House has not yet approved a budget resolution. Meanwhile, the House already has passed HR 4154, which provides for estate tax exemptions, but the Senate has yet to act on the bill.

Remember that we can provide dollars for estate taxes using last survivor products with a discount of 50% to 90% depending on health and ages of clients.

Caution: Cape Does Not Enable User to Fly

Indexed products are no panacea. Reality is that no one can accurately predict the future movement of a stock market index. In fact, if you are not licensed to give investment advice, you should not be discussing your opinion about potential future index movements with your clients at all. However, remember that the past performance of the index has nothing to do with the index-linked interest crediting on a new sale, or even on a new interest crediting period on an in-force policy, for that matter. So, just because we are in a lengthy dry spell where index-linked crediting methods have not credited interest, that doesn't mean that we'll still be in a dry spell one year from now when these policies come to their policy anniversaries.

UNDERWRITER'S CORNER

High Cholesterol and Senior Clients – it's not what you think

Total cholesterol is a well-known risk factor for atherosclerotic heart disease for younger and middle age people. And the well-known HDL to total cholesterol ratio is a much better predictor of heart disease – especially for women and diabetics – which is why Genworth will issue preferred rates up to 300 total – if the HDL ratio is good. The effects of total cholesterol and cholesterol / HDL ratio are less clear in old age however.

However, total cholesterol levels did not predict who would die of heart disease. In fact, for every 1 mmol/L increase in total cholesterol, there was a 15% decrease in mortality. The important difference in using cholesterol to assess risk in the elderly is simply that higher levels are associated with increased longevity, not mortality. For most insurance companies – higher total cholesterol means higher mortality, but for more elderly clients, it just doesn't make sense. If you have cases on older clients, especially males where cholesterol might be a little high, go to a company like Genworth who can understand these issues enough to actually have incorporated them into their formal guidelines. Preferred DOES make sense for older clients since they actually become much more different from one another…. They eventually are either frisky – or they are frail.

New cure for Hepatitis C -- A hepatitis C treatment being developed by Vertex Pharmaceuticals Inc led to a 75 percent cure rate in a pivotal trial of previously untreated patients. The results from the first late-stage Phase III study of telaprevir came in at the high end of expectations for a cure rate of 70 to 75 percent, with slightly lower discontinuation rates due to side effects than previously seen. That compared with a 44 percent SVR rate for patients who received the usual 48-week regimen of the standard drugs.

Psychiatrists' Relationships with Pharmaceutical Companies. **–** Antidepressants and antipsychotics represent 40% of the top 5 classes of drugs sold in the USA -- $25 billion in sales. And 'shrinks' get more money from these companies than any other medical specialists – PLUS their ties to the Rx companies are significantly under-disclosed compared to other docs. A new book, "*Anatomy of an Epidemic: Magic Bullets, Psychiatric Drugs, and the Astonishing Rise of Mental Illness ion America*" by Robert Whitaker says: "**although psychiatric medications may be effective over the short term, they increase the likelihood that a person will become chronically ill over the long haul."** The main reason for all the drug use in the last 20 years is that we now live in a drug-based system of care.

Something new to note in your underwriting cover letters.

There are new studies involving 270,000 adults that show correlations between coronary artery disease and alcohol use. Females who drink up 2 oz and males who drink up to 3 oz of alcohol per day had significant lower (23%) risk or coronary artery disease than total abstainers. But, greater alcohol intake is generally associated with much higher incidence of cigarette use (80%) so that wipes out any gains for most people. The alcohol use in NONsmokers, was also accompanied by lower prevalence of hypertension and greater levels of physical activity. And diabetes was much more prevalent in total abstainers than in those averaging one drink per day. So, now you have one more thing to include in your underwriting cover letters. Just make sure your underwriter isn't a non-drinker.

Clients a 'standard' risk? - GO TO WEST COAST LIFE!

West Coast Life introduced their new **Secure-T** products last week. Following the lead of Genworth, the products will enable the company to remain competitive. While no new barnstormer news was released about underwriting changes, the company still has some of the best 'Standard" rates on the street – number one in most cases. And the maintenance of their **very liberal build chart** will get those 'jumbo' clients every time.