

Episode #221: How to Demystify IUL with this Powerful Sales Tool

Video Transcription

Hello, my name is Sal Mendoza, and welcome to "Money Script Monday." Today, we're going to be talking about how to demystify indexed universal life with this powerful sales tool. Let's get started.

First, we're going to talk about a case study. The case study that I'm referring to is an advisor who's using two powerful tools. The first is LifePro's College Planning Live Seminar system, and the second is Donald Blanton's Circle of Wealth©, combining them together to close and to submit 10 cases.

Actually, the truth is actually 12 cases, and each case is around \$10,000. This is no exaggeration either, ladies and gentlemen, that's about \$120,000 that he submitted just in the month of November using this powerful tool.

For those of you who are familiar with the Circle of Wealth©, please stay because I got a few surprises for you. For those that have never heard, well, hey, you know what? Enjoy the ride.

The first thing we're going to be talking about are the three categories of money. The first is accumulated money, the second is lifestyle, and the third is transferred money. One of the areas that we want to focus on is transferred money. Why? Because most people don't realize that they're transferring money, you got it, unknowingly and necessarily.

That can come in a form of a credit card. Credit card debt is anywhere from 18% to 24%. When I see someone's information and we're having a conversation, I ask them, "Do you have credit cards, and do you have any credit card debt?"

I'm always astonished when I hear people have credit card debt because it's just incredible that anyone would even consider paying anywhere from 18% to 24% in interest. It boggles me.

One of my jobs in this position is to really help the advisor with their clients. How do we pay off that debt as quickly as possible? What sources do we have? So they're not transferring money unknowingly and unnecessarily to banks because that's a no-no as far as I'm concerned.

Another area could be car insurance. Car insurance is another area that most people don't realize when switching your deductible, okay. Instead of having a \$500 deductible, have a \$1,000 deductible and that will immediately lower your premiums, and that will immediately increase your circle of wealth. Make sense? Unless, of course, you're a bad driver, then I would say never change that.

This software then continues onto this incredibly simple question: how well are you prepared for retirement? It gives the opportunity to pick between 1 and 10.

Now, most people are going to choose like 7, 8, 9. Occasionally, you get lower, sometimes you get that person who says 10. It doesn't matter what number they press because when the advisor clicks it on the software, it takes them to an input page. And that input page is going to ask some very general questions that you would find in a questionnaire.

How old are they? What's their life expectancy? What is their income this year? How much money are they putting away annually? How much money have they put away? Are they expecting any defined benefits when they retire, a pension, social security? Etc., etc.

It takes probably honestly about a minute and a half, two minutes tops to fill out this form. What it does, and I think one of the most amazing things that the software does, is it projects like they're 65 and how much money they need.

In this example, we have a 65-year-old who needs around \$60,000, give or take, in income. But the most powerful thing that the software does is it also shows them their account balance, and at age 77, they have already run out of money.

Now, most people, because there's a lot of numbers on this particular spreadsheet, they don't realize that, but I see it because I work with the software all the time. One of the questions I like to ask is "What's the name of your oldest son or daughter?" And they always give me a name, Mark or Heather. And I always say, "Well, Mark and Heather, are they aware that you're planning to live with them when you are 77 years old?" And they always look at me so puzzled like, "Well, what do you mean by that?"

The software, with all the inputs that you gave me, tells me that you're going to have no money at age 77; but you also said that your life expectancy is going to be around 84 years old. So we have a problem.

The problem is that you're going to run out of money and they're going to be the parachute or you're going to be living in their room. I'm sure they never want to receive that call, and I bet you probably never want to make that call.

One of the things that we can do is we can take a look at these four options that the software gives us. One is, maybe increase the rate of return on your money. Two is, maybe potentially save some more money, maybe work a few extra years. Then finally, maybe spend a little bit less, or maybe a little combination of each.

No matter what we do and when we kind of play around with the software, what we're actually showing the client is how to increase their circle of wealth; a lot of times people are transferring money unknowingly unnecessarily.

We're able to show them, are you really ready for retirement? Within two minutes, we're able to hit a button and we realize that they're going to

have a problem: they're going to run out of money. We are able to show them four levers that we're able to immediately try to patch up what's wrong with their retirement plan.

Notice that never ever did I ever bring up life insurance, I never brought up an annuity, I never talked about securities. All I really did was just sit with them, ask them some questions, and with the software in front of me, they're able to see kind of what's going on as far as their circle of wealth and their problem areas.

Ultimately, what happens is when you're able to show them, when you're able to educate them, when you're able to help them expand their circle of wealth and have money up to age 84, or 86, or 87, or age 90, and they never have to call their son or daughter for that extra room when they're age 77 because they ran out of money, all of a sudden now, like Vince has, you've written 12 indexed universal life policies for about \$120,000 in target premium. He also wrote three annuities for about \$500,000, and he picked up around \$2 million in assets under management.

That is what happens when you combine two powerful tools. The first is LifePro's College Planning Life Seminar system, and the second is the Circle of Wealth©. When you combine those, you change not only your life, but you change your client's life.

Thank you very much. My name is Sal.