



THE AGENT QUARTERLY

spring 2013 issue THIRTEEN

5 Tips for Smooth Sailing

Getting cases submitted and processed smoothly is one of our top priorities at GFD. There are many things an advisor can do to ensure that their case proceeds smoothly through the pipeline and closes successfully. This year, we will provide a few tips in every newsletter that will help you process cases quickly and smoothly.

1
2
3
4
5

Ensure that the income information on the LUF is based on the individual (not company revenue) and that it matches the client's tax returns.

Confirm that tax returns are signed by the client. If the return was an electronic filing, please ask the client to sign the copy sent in as part of the financial documents.

Let us know the carrier you are using so we may provide you carrier specific premium finance forms.

Send the Life Insurance application to us for review, do not send to the carrier directly. It is important that we review the application to ensure all riders are marked and that the correct commission information is listed.

If a letter of credit is being used, the issuing bank must have an A1 rating by S&P and P1 rating by Moodys. We are happy to research the ratings of your potential bank.

whatsINSIDE



- Interview with the President's Club Winner
- GFD ARC Program
- Leaders in Leverage
- Case Study Executive Compensation

Research Trends

According to the 2013 Retirement Confidence Survey conducted by the Employee Benefit Research Institute, workers' confidence levels have remained nearly unchanged from the record lows in 2011. Just over half of those surveyed expressed some level of confidence, while 49 percentage lacked confidence.

Despite the recent economic improvements, workers are realizing the significant amount they may need to save. Nearly one-quarter of those surveyed, stated they need to save 30 percent or more of their income, while 20 percent say they need to save between 20 and 29 percent.

A recent study by the Urban Institute indicates that young Americans from Gen X and Gen Y have saved less than those in their 20s and 30s over a quarter-century ago. As financial professionals and insurance agents, it is essential for us to educate these generations and provide them with ways to help catch-up on their retirement.





AN INTERVIEW WITH PRESIDENT'S CLUB WINNER Jason Zicarelli, President of Integrity Financial Group

1 BRIEFLY DESCRIBE YOU, YOUR BUSINESS AND YOUR CLIENT FOCUS.

I am a creative entrepreneur specializing in building and creating unique opportunities. We have developed an innovative turnkey business model that drives significant business volume and opportunity for our advisors. Our focus, and that of our advisors, is consulting. We train our advisors on our many proprietary consulting services, products and programs that drive an unlimited stream of high-end businesses and business owner clients.

2 HOW DID YOU COME TO INCLUDE LEVERAGED PLANNING® SOLUTIONS AMONG YOUR BUSINESS OFFERINGS?

We have been very active in the business owner market space for many years and decided to reach out to GFD to see what we could do. With GFD, we worked together to create the Integrity Retirement Program (IRP), a program we own exclusively and only our agents can offer.

3 WHO, IN YOUR MIND, IS THE IDEAL CANDIDATE FOR A LEVERAGED PLANNING SOLUTION AND WHAT DOES THEIR BUSINESS LOOK LIKE?

Great question! There is no such thing as a limited group of sectors or business types that are better than others - thinking that only limits the available opportunities. If a client is cash flowing positively and could benefit from alternatives to traditional qualified structures, then they are ideal. Our advisors have completed IRP cases with every imaginable client type.

4 WHAT IS THE MOST COMMON REASON THAT YOUR ADVISOR'S CLIENTS IDENTIFY FOR LOOKING INTO LEVERAGED PLANNING SOLUTIONS?

Initially, it's the relationships and confidence they have in our advisors after working with them and our programs. Then it quickly moves to the many benefits inherent to this model. The potential for tax deductions, deferral and tax advantaged or tax-free distributions all excite and interest clients. The reality is, most business owners are not afforded the opportunity to sufficiently save for retirement in a tax-advantaged manner and even where they are, they're very concerned with market volatility.

5 TO WHAT WOULD YOU ASCRIBE YOUR SUCCESS IN IMPLEMENTING LEVERAGED PLANNING SOLUTIONS AMONG YOUR ADVISORS CLIENTS?

We spend a lot of time working with the individual advisor, getting him/her comfortable with the simplicity of the model and its application before we enter the engagement process which is what all of our other programs are for. Our firm helps the advisor build a relationship through immediate, measurable and substantial financial success.

6 FOR SOMEONE JUST BECOMING ACQUAINTED WITH LEVERAGED PLANNING SOLUTIONS, HOW WOULD YOU ADVISE THEM TO BEGIN PROSPECTING?

An advisor cannot expect to succeed in working with business owners by knocking on doors or sending mailers with this program. The successful advisor has a plan and a tool through which they push past the gatekeepers that make working with business owners so difficult. This is what our model is for.

7 WHAT DO YOU SEE AS THE BIGGEST CHALLENGES IN EDUCATING CLIENTS AND PROSPECTS ABOUT LEVERAGED PLANNING SOLUTIONS? HOW DO YOU OVERCOME THOSE?

The biggest challenge for many agents is getting past the client's CPA. Many agents are intimidated by CPAs and the influence they have on their clients. As part of the Integrity Retirement Program we work directly with the advisor through every step of the case. From creation of the initial presentation to appointments with the CPA where we obtain their sign-off on the program (something we require in all cases), we easily bring the advisor over the largest perceived hurdle.

8 WHERE DO YOU SEE THE BIGGEST OPPORTUNITIES IN 2013 AND BEYOND FOR GROWING YOUR ADVISOR'S BUSINESS? WHAT GENERAL TRENDS DO YOU SEE IN THE INDUSTRY AND BEYOND?

The biggest opportunities in 2013 are the year 2013 itself. What I mean is that we have new taxes on the "super rich", those business owners making \$250k per year or more (think tax deductions where applicable). We have an oversold market ripe for correction (think indexing vs. market volatility). We have record low interest rates (think positive arbitrage). The cumulative circumstances will never be better than they are right now relative to the applicability of this program.

Earning Power: **MAGNIFIED**

THE ADVISOR'S RECOGNITION AND COMPENSATION PROGRAM
FROM GLOBAL FINANCIAL DISTRIBUTORS



HAVE YOU MISSED THE WORD ABOUT GFD'S REVOLUTIONARY COMPENSATION PROGRAM?

The Advisor Recognition and Compensation Program, is the industry's first and only non-qualified, restricted deferred compensation program. ARC gives advisors who are closing Leveraged Planning cases the ability to earn a stream of future income from their closed cases.

ARC is open to advisors who meet certain, pre-defined annual goals for case fundings ARC offers a vesting period of just 6 years and, so long as the advisor continues meeting minimum annual funding goals, they are 100% vested for every year after in which they successfully meet the minimum funding goals.

Who will you be?



SO WHAT'S THE BIG DEAL?

» AN ADVISOR CLOSING JUST TWO TYPICAL CASES FUNDED WITH A LEVERAGED PLANNING SOLUTION EVERY YEAR COULD POTENTIALLY EARN IN EXCESS OF \$250,000 IN ADDITIONAL COMPENSATION OVER THE NEXT TEN YEARS.

Couple the potential for dramatic earnings with the opportunity for up to two advisors to receive credit for the same case AND the opportunity to earn interest on your account balance and you have a recipe for powerful earnings growth.

We strongly encourage any advisor who is considering implementing a financed life insurance or annuity case to talk with GFD first – with our competitive rates and the ARC program, we are positioned to provide the best possible opportunities for you and your clients.

Call us today at 800-515-2599 or visit GFDARC.com to learn more.

upcoming **WEBINARS**

MAY 2013

INTRODUCTION TO LEVERAGED PLANNING PROGRAMS

May 8, 2013, 3:00pm - 4:00pm

PROSPECTING

May 15, 2013, 3:00pm - 4:00pm

INTRODUCTION TO LEVERAGED PLANNING PROGRAMS

May 22, 2013, 3:00pm - 4:00pm

CASE MANAGEMENT: FROM APPLICATION TO CLOSE

May 29, 2013, 3:00pm - 4:00pm

JUNE 2013

INTRODUCTION TO LEVERAGED PLANNING PROGRAMS

June 5, 2013, 3:00pm - 4:00pm

PROSPECTING

June 12, 2013, 3:00pm - 4:00pm

INTRODUCTION TO LEVERAGED PLANNING PROGRAMS

June 19, 2013, 3:00pm - 4:00pm

CASE MANAGEMENT: FROM APPLICATION TO CLOSE

June 26, 2013, 3:00pm - 4:00pm



CASE STUDY

Executive Compensation

ADVISORS WORKING WITH BUSINESS CLIENTS DON'T ALWAYS CONSIDER THE MYRIAD OF PLANNING OPTIONS AVAILABLE WHEN A LEVERAGED PLANNING® SOLUTION IS USED TO FUND A HIGH CASH VALUE LIFE INSURANCE POLICY. WHILE RETIREMENT PLANNING AND ESTATE PLANNING FOR ENTREPRENEURS ARE TYPICALLY THE FIRST THINGS TO COME TO MIND, THERE ARE MANY OTHER PLANNING OPTIONS AVAILABLE FOR A BUSINESS OWNER TO CONSIDER.

In this issue, we will look at the use of Leveraged Planning as the mechanism to fund a hiring and retention tool for a prospective key executive employee.

James Franks, 49, is a prospective new hire for the position of CFO of ABC, Inc. The firm is hoping to hire him away from a competitive organization in order to get their own financial house in order and to gain access to his expertise and connections.

ABC, Inc. is able to offer Franks a competitive salary, but the incentive for him to change firms is still not enough to push him to make the decision. ABC, Inc.'s head of HR happens to discuss the matter with a financial advisor friend who, in turn, indicates that he may have a solution available in the form of a financed, high cash value life insurance policy implemented using a Leveraged Planning program from Global Financial Distributors.

In this case, the firm will take out a loan through GFD for \$2,000,000. The loan proceeds will be used to make the premium payments to fully fund the life insurance policy. The firm will make monthly simple interest loan payments and the policy's cash value will grow during Mr. Franks' employment. The program is designed to provide for principal payoff for the firm at the end of 15 years and the table below illustrates the program's expected performance.

Age	Year	Premium	Origination Fee	Gross Interest Payment	Net Interest Payment ²	Gross Total Client Out-of-Pocket	Net Total Client Out-of-Pocket	Policy Surrender Value	Surrender Value Net of Loan Repayment	Policy Death Benefit	Death Benefit Net of Loan Repayment
49	1	400,000	15,000	18,047	11,731	33,047	21,481	400,000	-	8,105,320	7,705,320
50	2	400,000		36,094	23,461	36,094	23,461	800,000	-	8,105,320	7,305,320
51	3	400,000		54,142	35,192	54,142	35,192	1,200,000	-	8,105,320	6,905,320
52	4	400,000		72,189	46,923	72,189	46,923	1,601,294	1,294	8,105,320	6,505,320
53	5	400,000		90,236	58,653	90,236	58,653	2,085,246	85,246	8,105,320	6,105,320
....
64	16	-		90,236	58,653	90,236	58,653	2,023,248	2,023,248	2,917,839	2,917,839

> In this case, the LLC elected to deduct the payments. GFD does not provide tax advice. All clients must confer with their financial and tax advisors on matters of deductibility or tax treatment.

> The client's loan utilized a floating interest rate based on the 1 year LIBOR rate plus spread

> Policy growth assumed as illustrated

> Results will vary depending on interest rates and policy crediting rates.

> Franks is a hypothetical client, program specifics are based on actual loan and insurance policy illustrations

In the end, the decision by ABC, Inc. to structure a deferred compensation arrangement using a high cash value life insurance policy funded with a commercial loan was the catalyst that helped Mr. Franks make the decision to take the new position.



In case you missed our email last month, the Leaders in Leverage awards were announced in early March and it was a banner year for many advisors. Launched last year, the Leaders in Leverage awards are a way to recognize those advisors whose efforts and results in implementing Leveraged Planning solutions excel above their peers.

2012 was the strongest year in GFD's history and the Leaders in Leverage contributed dramatically to our success. We congratulate every advisor who qualified as a Leader in Leverage, and recognize the dedication and work they all put into their business on a day-to-day basis. We are proud to be working with this group of individuals.

In 2013, we will be continuing the Leaders in Leverage program and we hope to see your name on the list!

Please read the compelling interview in this issue with our 2012 President's Club winner, Jason Zicarelli, President of Integrity Financial Group in Arcade, New York.

Introducing...

the GFD Leaders in Leverage Awards

*Recognizing leading agents in the marketing of
Leveraged Planning strategies.*

Gold Leaders

Must close at least
one case with at
least \$1million in
booked loan value*

GFD is proud to launch our Leaders in Leverage awards. Created as a means to enhance the recognition that successful agents so richly deserve, these awards are given out to those individuals who excel in the marketing of Leveraged Planning strategies.

There are three levels of awards given to GFD's Leaders in Leverage. The blocks to the side outline the awards and criteria for receiving them.

Platinum Leaders

Must close at least
three cases with at
least \$5million in
booked loan value*

In addition to the awards themselves, GFD will highlight select awardees from each category on an ongoing basis in both the GFD Newsletter and on the GFD website.

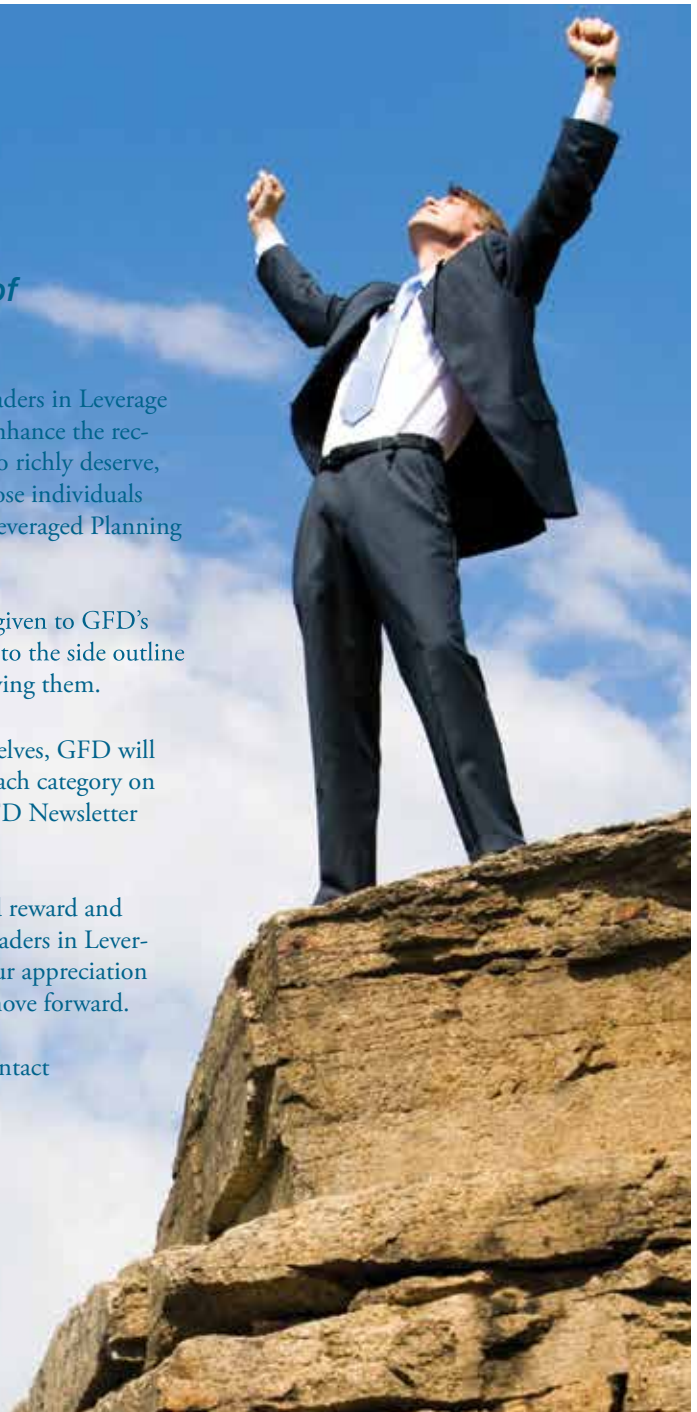
Success deserves recognition and reward and GFD is excited to launch the Leaders in Leverage program as a way to show our appreciation to the people who make us all move forward.

President's Club

These awards will be given at the sole discretion of GFD management and will require a minimum of \$5million in booked loan value for initial consideration*

For more information, please contact your FSM at 800-515-2599.

**Note: cases must be closed within a calendar year. Award eligibility resets at beginning of each calendar year. For 2012, awards will be given retroactive to January.*

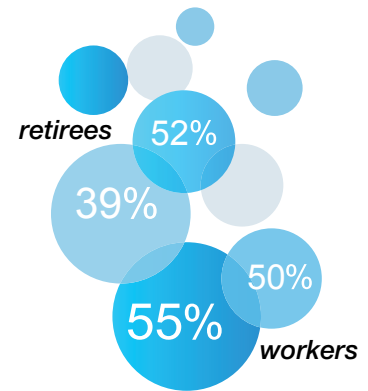


Interesting Statistics.

55 percent of workers and 39 percent of retirees report having concerns about their level of debt. Only half (50 percent of workers and 52 percent of retirees) state, if necessary, they could come up with \$2,000 if an unexpected need arose in the coming month.

(Source: 2013 Retirement Confidence Survey)

The median annual retirement income is projected to be \$34,500 (in 2012 dollars) for future retirees. (Source: Middle Class Security Project by the AARP Public Policy Institute)



WEALTH
CREATION

SUPPLEMENTAL
RETIREMENT
INCOME

LEVERAGED
PLANNING

IMPORTANT NOTES:

Please be sure to periodically check the Global Gateway for updated documents, including rate sheets, case studies, program highlights, etc. As you are certainly aware, the specifics of our offering can change from time to time and we can only guarantee that the details reflected in the most up to date documents are valid and applicable to cases currently in process.

Call your FSM for specific details on commissions, rates, actual terms and conditions, etc.
1200 Ashwood Pkwy, Ste.150 | Atlanta, GA 30338 | 1-800-515-2599 | www.globalfd.com

