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H.D. Mooers and Company has been in business for more than 75 years. The agency is an impaired risk specialist and is one of the most respected names in the brokerage industry.

Mooers currently serves on the board of directors and the editorial advisory panel at NAILBA. He won NAILBA's "Chairman's Award" in 2012. He is the past president of NAIFA Mount Diablo, the only NAIFA local in California to win the AAA Gold Award in 2013.

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Truth Be Sold

Man, I love Google.

How did we ever discover ***The Truth*** without Google? I don't think we ever actually did.

But today? There it is, clear as day, pure as the driven snow. Case in point:

I just googled (and yes, it's a word now, despite the fact that Microsoft Word underlines it in red like I'm some kind of idiot) "is dol fiduciary rule dead". I chose the "News" option, and found, in 0.38 seconds:

- DOL Fiduciary Rule Likely Delayed, not Derailed
- Rumors of DOL fiduciary rule's demise greatly exaggerated
- Fiduciary Rule a Goner
- The Fiduciary Rule Ain't Dead Yet

Each one of those news stories is on the first page of the Google search, and all were written within 10 days of each other.

So it must be admitted—and this is shockingly frightening, because it simply doesn't happen—that *not even Google knows what's going to happen*.

Not. Even. Google. ***Think*** *about that.*

So here we are, earning trust, making promises, securing retirement, preserving legacies—because, after all, we're each experts. And we're certified. We are the **Oracle**—and we really don't know what's actually happening right now, much less what will.

The truth is we don't even know what accumulation vehicles will look like in May. Accurately predicting how they'll perform in 2037 is just silly.

So how do we serve clients?

The same way we always have. Give them viable options and guide them through. Any action almost always beats no action. Some things to consider along the way:

Insurance companies want to make money.

They would love for your client to get the best possible solution to his need, but they'd rather earn a profit. These two outcomes are frequently mutually exclusive.

For instance:

I picked a random carrier and ran an illustration for a 65 year old male, standard non-

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tobacco, with a lifetime guaranteed death benefit for a million bucks. I then plugged that premium into an indexed accumulation product with the same company. According to the illustration (using defaults), this same guy just might have 17 million dollars of insurance with the non-guaranteed option! And not just insurance, but that much cash value in the contract! It's right there on the illustration!

Is it possible that this carrier is attempting to sway your client's decision? Seventeen million- plus is a really big looking number.

Or another carrier, whose accumulation alternative offers a relatively measly 11 million dollar benefit, but the commission is virtually double.

*Is it possible that this carrier is attempting to sway **your** decision?*

> "A pattern of higher interest rates should influence product design—just not right away."

Interest rate increases are not the magic elixir. At least not yet.

I am not an economist, as evidenced by this article up to this point and beyond. But an increase in the Fed's interest rates, from an insurance carrier's perspective, certainly beats both the alternatives. Up is better than flat, and flat is better than down.

Life insurers have done a pretty decent job staying afloat through the low rate environment. They have cut costs. They have battened down mortality. And they have changed product, steering sales away from those products with the toughest reserve requirements. A pattern of higher interest rates should influence product design—just not right away.

If you're looking for the real truth, look no further than the stock market (or Vegas, of course). Since the fed raised the rate in December, 2015, the life insurance industry's stock has gained less than two percent. Compare that to the S&P 500's growth of over 10 percent, and you'll see that increases in the interest rate don't necessarily benefit our industry drastically or immediately.

Guaranteed products are wonderful for accumulation.

Just not for your *client*.

It's only money.

Lost in all these 47 page illustrations and their eight digit benefit numbers with multiple commas is a simple axiom I learned from a carrier regional vice president many, many years ago: It's only money.

Insurance companies don't have a magical land where they invest their money. They're not getting 6,000 percent ROI anywhere. They have rules, frequently stringent ones, when it comes to capital investment.

Demonstrating the value of a life insurance investment can be challenging as well. That same RVP liked to tell the story this way:

"Just got off the phone with my car guy. He said he could lease me the 2017 Mercedes S-Class Cabriolet for 200 dollars a month. Is that a good deal? Darn right it's a good deal. Then I talked to my realtor. He found me a penthouse apartment in San Francisco, bay views, two bedrooms for a thousand dollars a month. Is that a good deal? Of course it's a good deal.

Then I talked to my insurance guy. He said he could get me a million dollars of life insurance for 500 dollars a month. Is that a good deal? Hello? Without the internal rate of return, we simply can't answer that question. And we're the experts! We're selling the stuff!"

Regardless of the product sold—guaranteed, indexed, variable—without an ROI, there's no way to gauge the value.

Still Tax-Favored.

Let's not forget that there are still some relatively unique benefits to life insurance as an investment when compared to other vehicles:

- There's that whole death benefit thing. That's pretty cool.
- As long as the contract doesn't MEC, there's no limit on contributions to the plan.
- Distributions are income tax free up to basis.
- Investment returns accumulate on a tax-deferred basis.
- There's no minimum age for accessing policy values or taking distributions.

Remember...

You are not asking to invest their entire portfolio.

You are not demanding they provide you with a money order for half their net worth.

You are simply suggesting—because, perhaps, you have a fiduciary responsibility—that they explore taking a small percentage of their income, maybe two, or five, or even ten percent, and "parking" it in a tax-favored vehicle that can provide them with income when they need it most.

Because it can. Will it? We don't know for sure.

For all we know, maybe, someday, "climate change" will create a giant tsunami that will wipe out the wall that Mexico built to keep **us** out.

Or maybe the Cubs will win the World Series.

We simply don't know. And neither does Google. I checked.

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