FINANCIAL PROFESSIONAL INTERVIEW

JOE OVERFIELD
President,
Intelliplan Financial
Gahanna, OH

PROFESSIONAL LEARNS REAL VALUE OF PROTECTED LIFETIME INCOME

Many people heading into retirement never consider how an untimely downturn in the financial market could mean overhauling their financial plan or even worse, delaying retirement all together.

No one knows this harsh reality better than Joe Overfield, president of Intelliplan Financial in Gahanna, Ohio. He was working at a telecommunications company in 2001 when the infamous telecoms crash occurred, resulting in a $700 billion drop in market capitalization over a 24-month period. Even though Overfield wasn't planning on retiring at the time, it was quite a wake-up call as he lost a sizable portion of his assets.

"After the crash, I decided there must be a better way to save money for retirement," he says. "One with safety and guarantees."

Overfield not only changed careers to become a financial professional but also took a much closer look at his retirement portfolio. He soon realized that annuities could give him the protected income he was looking for. Because no other investment product can provide the same level of protection, he immediately became an outspoken proponent.

Armed with a new appreciation of annuities, Overfield set out to educate all of his clients on the importance of guaranteed income and how it can contribute to a more enjoyable and less stressful retirement. "People are not taught to think about guaranteed income streams," he explains. "It's always about the rate of return. But one of the concepts I teach is something called 'Bank On Yourself,' which is about protecting your wealth *and* providing a guaranteed income stream."

In initial meetings with clients, Overfield inquires about their retirement goals but also uses the meeting as an opportunity to establish a level of trust and put them at ease. "Sometimes they just don't feel

comfortable giving you all of their information until they just talk to you a bit," he says. "I find out about their goals: What are they trying to accomplish? When do they want to retire? How do they feel about the economy? Once I get a better understanding of what they're thinking, I tell them my story and how I ended up here doing what I'm doing."

Overfield has found that the best way to educate his clients on annuities is to explain things in terms he knows they'll understand. For example, he often describes an annuity as a way for his clients to create their own pension-like account. And even though they could run out of money, they'll never run out of income. "For people who are unsure about annuities because all they've heard were bad things about them — they all know what a pension is and they feel comfortable with it," he says.

Some people are simply nervous about locking up their assets in an investment product and not having access to those funds for several years. But he reminds them of their goal and what they originally set out to accomplish with regard to a retirement plan. "Probably 99% of the people I talk to today — their biggest issue is that they're afraid they'll run out of money," Overfield says.

But when he asks about their plans to prevent that from happening, a majority of people do not have an answer. "My tactic is to make them tell me their plan. But they can never do it because everything they have is based on speculation and guesswork."

He follows that up with a second question: If I can provide you with the income you need without the worry of running out of money, does it matter what product this money is coming from? "They don't care. They just want to accomplish their goals. But you have to walk them through that process to get them to accept and admit that," Overfield says.

Overfield adds that when he does get his clients to understand the benefits of protected lifetime income, they are more willing to invest additional funds and also refer him to other potential clients. "This business is built on relationships and trust," he says.

The bottom line, explains Overfield, is providing clients a better quality of life. But they have to be willing to change how they think about retirement planning.

"Everyone tells me, it's always about the same thing when they talk to other professionals — where can I get the best rate of return? It's not what people should be taught anymore. That was the traditional method that people are buying into because it's typically how their parents or grandparents made money in the market. So they just assume that's what they should be doing."

That's why Overfield cautions people heading into retirement against building a retirement plan on the assumption the market will provide the same returns it did for previous generations.

He has found that people are even more open-minded about annuities when they understand the risk of having most or all of their assets tied up in the market. Overfield will also explain how the "sequence of returns" can have a huge impact on a person's retirement plan and possibly be the difference between a comfortable retirement and running out of money.

"Let's say someone begins their distribution phase during an up market. In year one, the market earns 27%, year two earns 9%, year three earns 7%, and year four earns -15%. That is an average rate of return of 7%. However, if you receive the same returns but in reverse order, starting with a down market, your account could run out of money much faster."

The sequence of returns is when early declines coincide with ongoing withdrawals that could lead to a retirement spending shortfall for an individual.

When his clients see the numbers and how even a $1 million nest egg might not last through their retirement, they begin to see just how important annuities can be in their portfolios.

Annuities are long-term investments designed for retirement purposes. The value of variable annuities is subject to market risk and will fluctuate. Product guarantees are subject to the claims-paying ability of the issuing insurance company. Earnings, when withdrawn, are subject to federal and/or state income tax, including a 10% tax penalty for withdrawals before age 59½.

Some income guarantees offered with annuities take the form of optional riders and carry charges in addition to the fees and charges associated with annuity products. There is no guarantee that any investment will achieve its objectives, generate positive returns, or avoid losses. Investments in annuity contracts may not be suitable for all investors.

Northern Lights Distributors, LLC, a FINRA/SIPC member, was retained to facilitate FINRA review of this material in order to meet certain requirements of The Alliance for Lifetime Income. Northern lights Distributors, LLC is not affiliated with The Alliance for Lifetime Income.