

PROSPECTING GUIDE TO
Small Business Retirement Plans



**START
HERE**

AMERICAN NATIONAL INSURANCE COMPANY

Every business owner needs a plan for retirement.



WHY?

They work hard to build both a solid and profitable business, now they want to focus on keeping more of the money they make.

They want to leave a legacy for future generations.

They want to create an environment of empowered employees that will help drive business even higher.

A good retirement plan can accomplish the wealth accumulation needed for tomorrow as well as provide for tax advantages and other benefits today.

IT'S TIME to identify the business owners you know and share this with them.

IT'S TIME to address these reasons with them.

IT'S TIME to allow American National to help create custom solutions based on these future goals and needs.

RADIO ADS



LOCAL
PAPER



EXISTING
CLIENTS



PERSONAL
OBSERVATION



LISTS OR
DIRECTORIES



LOCAL
MEMBERSHIPS



Identifying Potential Clients:

PLACES WHERE YOU DO BUSINESS

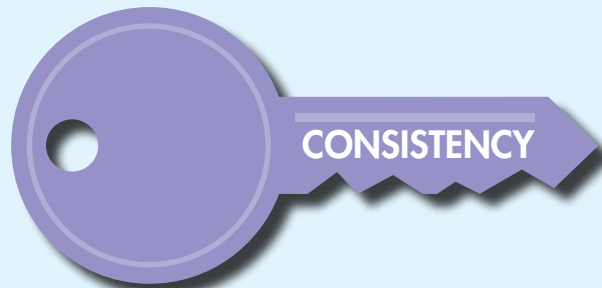


**You have something they need.
How do you approach them?**

TALK to them!

- Telephone Approach
- Pre-approach letter (with follow up)
- Walk in and visit
- Lunch/Dinner/Drinks
- Lunch & Learn
- Recreation Events (golf, Rotary, celebrations)

What are the KEYS to being successful and opening doors for the business owners you know?



Telephone Approach

The next few pages illustrate a few different ways to approach current clients and unknown prospects on the telephone.

Confidence is key in this approach. It is important to practice these sample scripts and adjust them to create a natural flow for yourself.

TELEPHONE SCRIPT 1 FOR **CURRENT CLIENTS**

- Hello, this is _____.
- I'm calling to let you know about something I think you'll find really interesting. There are a couple of IRS approved strategies that might let you cut your taxes by significant numbers this year.
- If you're self-employed or you own a company with few to no employees, there are retirement plan strategies that might let you take a tax deduction for as much as \$100,000 or more that you simply set aside for retirement.
- This is much more than we have traditionally understood as possible with SEP or SIMPLE plans, even 401(k) plans. Would you have a few minutes to talk today if I stopped by? I want to get a little information from you and run some calculations on just what might be possible. It shouldn't take long to get the results then we can sit down to review them.



TELEPHONE SCRIPT 2 FOR **CURRENT CLIENTS**

- Hello, this is _____.
- You were on my mind this week and I wanted to give you a quick call. I've started working with small business retirement plans and some of the newer strategies available.
- I know you had talked about starting a retirement plan and I remember you thought it would be expensive or at least not cost effective. I've seen some calculations and plan examples that I think might work for you.
- Would you have a few minutes for me to stop by?



TELEPHONE SCRIPT 3 FOR **CURRENT CLIENTS**

- Hello, this is _____.
- I'm calling to let you know about something I think you'll find interesting. I have started doing retirement plan reviews for clients.
- I've discovered that many of my clients haven't had their plans reviewed in the last few years (if at all) and that they aren't completely aware of the total fees they pay, or the tax advantages they might be missing out on.
- Tax laws have been liberalized over the last several years, paving the way for more creative plan designs. Fee Disclosure rules have tightened up but some plan sponsors don't know how to ask for the information they are entitled to.
- Would you have a few minutes for me to stop by? I just need a little information on your current plan to do a review and see if there are ways to change or enhance it.



TELEPHONE SCRIPT 1 FOR **UNKNOWN PROSPECTS**

Be sure to comply with Do Not Call laws.

- Hello, this is _____.
- I live here in _____ and I work with business owners and their accountants to help develop tax strategies using a retirement plan. Do you have a current retirement plan at your business/firm/company?
- Have you considered starting a plan in the past?
- Did you know that it is still possible to generate large tax deductions this year?
- There are IRS approved strategies that could help a business owner see a tax deductible contribution of \$100,000 or more and still see some flexibility if they need it.
- Business owners also have the discretion to choose different options for plan funding.
- Since plan assets are protected from creditors, it can be a safe way to accumulate retirement dollars.
- When would you have a few minutes to visit with me?



TELEPHONE SCRIPT 2 FOR **UNKNOWN PROSPECTS**

Be sure to comply with Do Not Call laws.

- Hello, this is _____.
- I live here in _____ and I work with business owners and their accountants to help develop tax strategies using a retirement plan. Do you have a current retirement plan at your business/firm/company?



Yes



- That's great. What kind of plan is it?
- Who handles it for you?
- If you could name one thing about your plan that you love, what would it be?
- Ok, what is one thing you would change if you could?
- Have you had your plan reviewed in the last few years? Even though there are new Fee Disclosure rules in place, some business owners don't know how to ask for the information they are entitled to.
- It could be costing you money if you don't have a plan that benefits you as much as possible.
- My firm wants to help the business owners in our area by offering a free review of their plan to see if there are ways to improve or enhance it.
- Would you have a few minutes for me to stop by and visit?



No



- Have you thought about starting one?
- (if cost is objection) There are newer cost-effective ways to start a plan. There are even incentives and tax breaks available.
- I've seen some designs that can work to structure more of the plan's benefits in favor of the owner.
- I've also seen some designs that can empower employees and help an owner drive business even higher.
- Would you have a few minutes for me to stop by?



Overcoming Objections

Preparing your response to common objections is an important sales strategy. Your prospect may not be aware of all the options available to them. Make sure you are ready!

These plans are always too expensive.

I work with a group that offers low cost administration and handles all our plan needs in one place. Most plans are only \$600 to set up and as little as \$420 for annual administration. They offer a variety of investment options depending on the plan and your objectives.

My income fluctuates from year to year.

There are many plan designs that allow for flexible funding from year to year. They can let you fund more in years when you need it or less in years when you don't. What does it hurt to look at the options and make sure you are taking advantage of any options available?

I don't want to make large contributions for my employees.

There are some plan design options that can limit what must be given to employees. There are also designs that can skew contributions specifically to a particular group if you want to favor yourself or a group of KEY employees. We can look at the options for your situation and see what might work for you.

These plans are too complicated and too much work.

I work with a group that handles all of the plan set up and administration. They will explain everything to us about your plan so that you understand the benefits, the features and your responsibilities. They are great at walking a client through the steps, answering any questions and handling the complex details.

I need to talk to my tax advisor/attorney about this.

That is a good idea. American National actually advises that and they would be happy to get on the phone with us and answer any questions your advisor/accountant/attorney might have.

Conversation Starters

As you know, how you break the ice to a potential prospect can make all the difference during a sales call. Your goal is to catch the interest of your prospect quickly. The following pages include conversations starters to help get the conversation flowing.

As with the telephone approach, the most important thing you can do to prepare for a conversation on retirement or pension plans is to act natural, bringing your own voice and personality to the conversation. You are your best asset.

FOR PROSPECTS WITH A **CURRENT PLAN**

Good morning/afternoon, I'm _____, a pension consultant/financial planner here in (city). How are you today? I work with local business owners that have existing retirement plans. Do you have a couple of minutes?

Did you know that the laws for small business retirement plans have been liberalized over the last few years?

Has your plan been reviewed lately?

I can give you a free review of your plan to insure you still have the best plan for your situation.

It is costing you money if you don't have the plan design that benefits you as much as possible.

All I need from you is a census and some information on your current plan.



FOR PROSPECTS **WITHOUT A CURRENT PLAN**

Good morning/afternoon, I'm _____, a pension consultant here in (city). How are you today? I work with local business owners to help make them aware of the possibilities available to them through retirement plans. Do you have a minute?

Did you know that the rules for small business retirement plans have been liberalized over the last few years? When was the last time you explored the options you might have?

I'd like to give you a free look at what a tax deductible retirement plan could look like for your situation. With all the tax increases, it could be costing you money not having a plan.



OTHER CONVERSATION STARTERS

Does your business have all the tax deductions it needs?

Do you have all the retirement income you are going to need?

You know, I've recently added small business retirement planning to my services and I thought about you. I remember that you had mentioned once that you often thought about starting a 401k plan, but you thought it was too expensive...I think I can help you with that!

I was thinking about your situation, I think I've found a solution to help you avoid writing that large check to the IRS each year. Have you considered putting a retirement plan in place?



Pre-Approach Letter Templates

If you are looking to use direct mail or email as your door opener, we have several letter templates to get you started. If you need more information on the available pre-approved letter templates, contact us at 888-909-6504.

SAMPLE LETTER #1

Cut your taxes by thousands of dollars this year

Dear Business Owner:

There are retirement plans for businesses, defined by the Internal Revenue Code, that can help you cut your current tax bill by \$30,000, \$40,000, \$50,000 or more. These retirement plans are specifically designed for situations like yours.

With these plans, you:

- Might be able to make a tax-deductible contribution of \$100,000 or more each year.
- Decide how much you want to contribute each year, as long as it is within deductible parameters.
- Can grow your retirement account on a tax-deferred basis.
- Have a range of options when you retire that let you decide how you want and need to receive the money.

You don't have to change your standard of living to start or maintain this plan. I can show you how you might pay for it with money you are now paying in income taxes. This may be just the opportunity you were looking for in order to cut your taxes for 2019, however the plan has to be in place by the end of the fiscal year for your business. For most businesses this date is December 31. Did you know that you do not have to make the full plan contribution until your taxes are due next year?

These plans are not for everyone but it may be right for your business. Give me a call at xxx-xxx-xxxx and let's talk about it.

Sincerely,

(Your name)

Reduce Your Taxes With A Qualified Plan

Dear Business Owner:

Are you aware of the tax savings available with a qualified plan?

I would like to review the various IRS-Approved plans with you. Many business owners today are not aware of the tax advantages of starting a retirement plan.

The laws that govern retirement plans have been liberalized over the last several years, especially since passage of the Pension Protection Act of 2006. They have paved the way for business owners to achieve larger tax deferred retirement accounts based on their goals and objectives.

I am enclosing a brochure that highlights some of the many options available. I would love to visit with you on specific strategies that might just benefit your situation. I'll be happy to stop by or you are welcome to call me at xxx-xxx-xxxx.

Sincerely,

(Your name)

TO BE USED WITH THE PLAN COMPARISON CHART!

Plan Type	401(k)	401(k) with ROTH	Simple 401(k)	401(k) with ROTH	Profit Sharing	SEP IRA	Money Purchase	Keogh (Solo)	Keogh (Partnership)
Target Benefit	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Key Features	Can include loaning feature or grace period, automatic hardship	No additional loaning or automatic hardship, automatic hardship	Can include loaning or automatic hardship, automatic hardship	No additional loaning or automatic hardship, automatic hardship	None	None	None	None	None
Contributions	Employee and optional Employer	Employee and optional Employer	Employee and optional Employer	Employee and optional Employer	Employer only	Employer only	Employer only	Employer only	Employer only
Investment Options	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Required Rollover	Age 55 and 1 year of service	Age 55 and 1 year of service	Age 55 and 1 year of service	Age 55 and 1 year of service	Age 55 and 1 year of service	Age 55 and 1 year of service	Age 55 and 1 year of service	Age 55 and 1 year of service	Age 55 and 1 year of service
Maximum Annual Contribution	\$14,500 (2019) with \$5,500 catch-up contribution	\$14,500 (2019) with \$5,500 catch-up contribution	\$12,000 (2019) with \$3,000 catch-up contribution	\$12,000 (2019) with \$3,000 catch-up contribution	\$12,000 (2019) with \$3,000 catch-up contribution	\$12,000 (2019) with \$3,000 catch-up contribution	\$12,000 (2019) with \$3,000 catch-up contribution	\$12,000 (2019) with \$3,000 catch-up contribution	\$12,000 (2019) with \$3,000 catch-up contribution
Maximum Annual Employer Contribution	25% of eligible employee compensation	25% of eligible employee compensation	25% of eligible employee compensation	25% of eligible employee compensation	25% of eligible employee compensation	25% of eligible employee compensation	25% of eligible employee compensation	25% of eligible employee compensation	25% of eligible employee compensation
Rolling to Employer Contribution	May be rolled up to 5 years or 10% after 2 years	100% immediately on termination	100% immediately	100% immediately	May be rolled up to 5 years or 10% after 2 years	100% immediately	May be rolled up to 5 years or 10% after 2 years	100% immediately	May be rolled up to 5 years or 10% after 2 years
Loan	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
When Established	Anytime	Anytime with 20-day notification for new plan year to October 1st	Year to October 1st	Year to October 1st	Year to first year end	Anytime prior to the 15th day of the month including subsequent	Year to first year end	Year to first year end	Year to first year end
Has ROTH Option	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

SAMPLE LETTER #3

MILLION DOLLAR SALES IDEA FOR BUSINESS OWNERS

Dear Business Owner:

Are you saving enough for retirement?

Most business owners and professionals will need at least \$1 million in retirement to maintain their lifestyle – and will your family be able to maintain their lifestyle and meet ongoing and future expenses if something should happen to you?

Would you be interested in a retirement plan that, if properly designed and funded, provides at least \$1 MILLION to you and your family whether or not you live to retirement – and provide a current tax deduction for your business?

Are you aware of 412(e)(3) Defined Benefit plans? These plans can be designed to favor the owner and provide large business deductions. These plans are particularly suited for business owners and professionals who have few or no employees – or only family members. They are designed to maximize the plan contribution for the owner to enable him to accumulate funds for his retirement over a short period of time. Continue reading to learn how life insurance and annuities are used to implement the \$1 million goal:

\$1,000,000 PLAN			
Age	Life Insurance Premium	Annuity Premium	Total Annual Deductible Contribution
45	\$20,961	\$31,517	\$52,478
50	\$29,174	\$49,046	\$78,220
55	\$43,958	\$96,933	\$140,891

The contributions above are based upon the guaranteed annuity purchase rates, the guaranteed insurance cash values, and the guaranteed annuity accumulation rates of American National Insurance Company 412(e)(3) qualified life and annuity products. These examples assume a life insurance policy with an insurance amount of \$1,000,000. Normal retirement is age 62 in these examples.

These plans are not a “gray area” and have been in existence for more than 35 years. The IRS created special code section 412(e)(3) for these plans to exempt them from many of the requirements of traditional defined benefit plans since an insurance company must guarantee the plan benefits.

I plan to call you soon to arrange an appointment to see if you would like to know more about how you can meet your retirement goals with the \$1 MILLION plan. These plans are ideally suited to certain unique situations in many small businesses and yet are not well known.

I’m looking forward to speaking to you in the near future.

Sincerely,

(Your name)

SAMPLE LETTER #4

Dear Business Owner:

Are you aware that Profit Sharing plans have evolved over the years? The GOOD NEWS is allocations are no longer required to be the same percentage of salary for all employees.

If you have or wish to have a Profit Sharing Plan for your firm, you owe it to yourself to become familiar with the concept called a NEW COMPARABILITY. Consider the example below for 2019. Which plan best suits your particular needs?

	Age	Salary	Traditional Profit Sharing Allocation	Percent of Total Allocation	New Comparability Profit Sharing Allocation	Percent of Total Allocation
Owner	60	\$165,000	\$36,083	57%	\$57,000	90%
Employee	51	\$38,000	\$8,310	13%	\$1,900	3%
Employee	42	\$32,000	\$6,998	11%	\$1,600	3%
Employee	29	\$28,000	\$6,123	10%	\$1,400	2%
Employee	26	\$26,000	\$5,686	9%	\$1,300	2%
		\$289,000	\$63,200		\$63,200	
Owner's Share			57%		90%	

The owner above, for the same contribution from the business, can almost double his own allocation of the Profit Sharing contribution! Also his contribution, as a percentage of salary, is significantly more than the percentage of other employees.

Would you like to hear more, or discover you, as a business owner, could receive a larger slice of your firm's Profit Sharing contribution?

I work exclusively in Qualified Plans for the small business owner and will call you soon to see if I can be of service to you.

Sincerely,

(Your name)

No Cost Retirement Plan Review

Dear Business Owner:

During our business relationship, I have come to appreciate the unique needs of your business. As a seasoned business owner, I know you recognize the value employees place on benefits available through their employer. That is why I am excited to tell you about the Retirement Plan Review program and why it's an essential component of both your future as well as the future of your business.

The Retirement Plan Review is a no cost analysis of your current retirement plan (pension or 401(k)) to determine if your current plan still meets your goals and objectives. The Retirement Plan Review may accomplish one or more of the following:

- Increase the amount of annual contribution for you, the owner
- Reduce the annual administration fees
- Increase the number of investment choices for employees
- Allow access to professional investment management for all employees

The enactment of the Pension Protect Act dramatically increased benefits and solutions available to owners and top executives like you. If your plan has not been reviewed recently, you owe it to yourself to have this done. If I find that your current plan is the best available, at least you have the peace of mind knowing this fact.

I will contact you soon to set a meeting to discuss the information needed to perform this no cost review.

Sincerely,

(Your name)

SAMPLE LETTER #6

Dear Business Owner:

During our business relationship, I have come to appreciate the unique needs of your business. As a seasoned business owner, I know you recognize the value of fulfilling current needs as well as future planning. That is why I'm excited to tell you about the Retirement Plan Review program and why it's an essential component of both your future as well as the future of your business.

Ask yourself these questions...

- Am I receiving the maximum benefit from my current retirement plan?
- Is there a way to increase the plan contributions for my benefit while decreasing plan costs for my employees?
- Do I have the ability to reward staff differently based on their importance to my organization?
- Is my plan's design right for me and my company?

If your answer to any of these questions is "I don't know", you owe it to yourself to obtain a no cost Retirement Plan Review. The enactment of the Pension Protection Act dramatically increased the benefits and solutions available to owners and top executives like you. If I find that your current plan is the best available, at least you have the peace of mind knowing this fact.

I will contact you to set a meeting to discuss the information I need to perform this no cost review.

Sincerely,

(Your name)

Your American National Pension Sales Team

Don't forget! The American National Pension Sales Team is available to assist with any questions you may have.

Our plan designers average over 20-years experience each in the industry and want to use that experience to help you, whether it's your first experience with retirement plans or you have been selling them for years.

It's our job to make your retirement plan sales easier. We want to work with you to provide your prospects with a retirement plan to meet their needs.

Pension Sales and Marketing Contact Information

Contact Pension Sales for information and questions about Pension and Retirement Sales for Small Businesses including marketing materials, proposals, and general sales support.

Phone	888-909-6504, Option 1
Email	PensionProposals@AmericanNational.com
Mailing Address	American National – Pension Sales 9th Floor One Moody Plaza Galveston, TX 77550
Fax	409.766.6995



The American National Story

Chartered on March 17, 1905 by the company's founder, W. L. Moody Jr., American National began operations with \$100,000 of capital and \$20,000 surplus. Following a conservative investment philosophy, Mr. Moody believed that the company's profits should finance future growth, so American National did not pay dividends to investors in those early years. Mr. Moody envisioned a company that would flourish for centuries. His conservative business approach created a unique corporate culture that remains the heart of the Company today. This culture has helped American National persevere through wars, hurricanes, economic volatility, extraordinary technological advancements, evolving products, and the changing needs of policyholders and agents. American National remains financially strong and will continue to manage its business respecting the conservative principles of its founder, driven by its corporate vision to be a leading provider of financial services for current and future generations.

Form Series: LPWL17, DAGA99, GUVAURO3 (Forms May Vary by State)

In defined contribution plans, the amount of funds accumulated and the investment gains or losses solely determine the benefit at retirement.

Distributions made to a Participant before age 59½ may be subject to a 10% premature distribution penalty.

Qualified Plans have minimum distribution rules that govern the timing and amount of distributions. You should refer to your retirement plan, adoption agreement, or consult a tax advisor for more information about these distribution rules.

Neither American National Insurance Company nor its agents give tax advice.

Clients should contact their attorney or tax advisor on their specific situation.

American National Insurance Company, Galveston, Texas.

