

## **Five Marketing Tactics for Uncovering Rollover Assets**

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Think your marketing plan includes all the tactics necessary to acquire your share of the billions of dollars in assets that aging baby boomers will rollover? Before you forge ahead, remember that your clients and their individual investment needs must always come first. Each client's situation (taking into account factors like age, amount of savings, retirement income needs and retirement timing, investment experience, risk tolerance and overall investment objectives) must be carefully evaluated to determine whether or not he/she should stay in an existing plan or initiate a rollover.

In fact, there can be a number of advantages for leaving a client's assets in an existing plan, including potentially lower fees and surrender charges. The plan may also offer investment options that are not available outside the plan. In addition, some qualified plans allow loans. Make sure to compare the existing plan's advantages to alternate investment options.

With that said, let's take a look at six ground-level marketing tactics for uncovering hidden rollover assets.

**1. Think small using free layoff-tracking Web sites.** Do you search the newspaper everyday for big layoffs at large corporations? If so, chances are that advisors in your area are doing the same thing, targeting the same leads. After all, big layoffs generate big headlines. But what about small-scale layoffs or small-company layoffs? Regardless of company or layoff size, many downsized employees have immediate cash-flow needs and can benefit from an advisor's expertise. The trouble is that news of small-scale layoffs often gets buried in newspapers or is never reported at all. That's why thinking small using free layoff-tracking Web sites is a great idea. Layoff-tracking Web sites, found simply by using your favorite search engine, offer quick, comprehensive information about companies and layoffs of all sizes. They also present a variety of search options that can help you zero in on recent layoffs in your community. Consider this example: Using a free layoff-tracking Web site, an advisor found a notice about the shutdown of a local industrial mill. Based on his discovery, within several months the advisor acquired several million dollars in new rollover assets.

**2. Seize opportunities sparked by the termination of qualified retirement plans.**

Form 5310 must be filed with the IRS when a group decides to terminate its qualified retirement plan. The form is helpful in prospecting new clients because it provides vital information such as total plan assets and the number of affected employees. Once you've accessed the Form 5310 information (often from a Web site database), you can identify current clients employed the targeted company. When a company terminates its pension plan, this triggers an opportunity to reconnect with current clients and to offer services to other plan-affected individuals. A word of caution: Make sure the plans allow a lump sum distribution option. Without it, the assets may not be rolled over to an IRA. You can find this information by checking the distribution section of the Summary Plan

Description (SPD) that clients receive annually.

**3. Capture leads from Form 5500s.** Most plans are required to file Form 5500 annually; several Web sites publish Form 5500 databases which host a wealth of information ranging from number of employees to plan size. However, most important is the names of plan administrators or plan trustees. Given these names, you can contact them to offer free lunch-hour educational investment seminars for employees. An even more effective marketing technique is to employ the ‘list method’ with existing clients. The list method involves writing down the names of several individuals (plan administrators, in this case). Then when meeting with clients, point to a listed name and ask them if they now the designated person. In many cases, they will recognize the name and can provide you with an introduction or at least give you permission to use their names when you contact plan administrators.

**4. Target the 457 Plan rollover needs of former government employees.** Until several years ago, the 457 Plan assets of government employees were not portable to other types of plans. That changed when the Economic Growth and Tax Relief Reconciliation Act was passed in 2001. There are still many former government employees with 457 Plan assets that have not executed rollovers. Often they are simply unfamiliar with tax-law changes. Former government employees may have worked for the city, county, or state serving as police officers, firefighters, judges, or administrative personnel. Many of them are also defined benefit plan targets since larger government agencies are more likely to employ ‘lifers’ with large amounts of assets that have accumulated in their pension plans.

**5. Stimulate interest in protection for qualified plan rollovers.** Over the past few years, many plan participants have winced at statements reflecting the market’s volatility. You are in a unique position to offer retirement planning tools not accessible through most qualified plans: living benefits and death benefits available through most variable annuities.

IRAs and other qualified plans already have the tax-deferral feature found in variable annuities. But for an additional cost, variable annuities provide other benefits about which many investors are completely unaware: living benefits protection, death benefit protection, and guaranteed lifetime income. Stimulating prospective clients to think about these protection features can be as easy as asking, “What portions of your investments are you willing to leave unprotected?”

Some words of advice regarding this strategy: It should be used selectively after evaluation of your clients’ needs. Variable annuities are not an appropriate investment strategy for all clients. Advisors and their clients should carefully consider the investment objectives, risks, charges, and expenses of the variable product and underlying investment options before investing. The prospectuses for the variable product and underlying investment options contain this and other information. You and your clients should read the prospectus carefully before investing.

Variable annuities are long-term investment vehicles designed for retirement purposes

and are subject to market fluctuation, investment risk, and possible loss of principal. Variable annuities are not insured or guaranteed by the FDIC/NCUA. Past performance is no guarantee of future results. All death benefit and living benefit guarantees are subject to the claims-paying ability of the insurer. Since many investors have never heard about nor considered variable annuities, discussing them brings something 'new' to the table, setting you apart from the rest of the crowd.

Ready to charge ahead? Competition for rollover dollars is stiff, especially now that baby boomers are approaching retirement age. But by incorporating one, a few, or all five of these real-world marketing tactics into your business development plan, you'll generate new leads and identify people who need your advice and expertise.