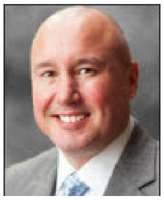

How to identify annuity clients

Jason E. Lang, Annuity Specialist

Since many advisors are not familiar with annuities, they may shy away from marketing them to prospects and clients. This is understandable since life insurance and annuities play two different roles in a client's financial portfolio.

Number one, it's important to recognize that current economic conditions need not be a consideration when discussing annuities. It makes no difference if the stock market is up or down or the times are good or bad, when it comes to annuities.

Second, the purpose of an initial annuity discussion is to find out the client's goals and objectives. Typically, the response will be 1 or 2 of the following:

1. **Preserve principal from risk**
2. **Guaranteed income stream**
3. **Passing money on to others**
4. **Creating a personal pension**
5. **Avoid losing money**

If a client/prospect can articulate any of these concerns, next comes selecting the type of annuity that meets the objective. Of the four types—Fixed, Immediate, Variable, and Indexed—one has a solid appeal currently.

Indexed annuities, like other indexed products, provide a guaranteed minimum return and possible upside growth. In exchange for this benefit, there may be a cap, spread, or participation rate.

Among the 200 or so Indexed annuity products, the top rated 5 or 6 come close to mirroring each other. As a result, selection becomes a matter of preference.

Unlike some other investments, there is no wrong time to purchase an annuity. When an annuity meets a client's objective, it's the right time.

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