

SPIA Sales Solutions



Overcoming Objections to Immediate Annuities

Immediate Annuities Place in the Market

Planning for the retirement of millions of baby boomers will be a hot topic for the next 30 years.

And while clients will seek guarantees and assurances that their money will fund a lengthy retirement, many factors could disrupt the best-laid plans. One strategy that you should consider to help provide stability to your client's retirement portfolio is an immediate annuity.

It's safe to say that many consumers are not aware of immediate annuities. Consequently, if you suggest an immediate annuity as part of distributing retirement assets, you may hear several objections, like:

- An immediate annuity, what is that?
- I don't want to lose access to my assets by placing them in an immediate annuity
- What is the rate of return on the annuity?
- What if I die five years from now, then I've wasted all that money?
- Will there be anything left to give to my heirs?

How to Answer Your Clients' Objections

An immediate annuity, what is that?

Focus on its positive qualities. In exchange for a one-time premium payment, the immediate annuity provides income during retirement that can last as long as the annuitant lives.

I don't want to lose access to my assets

Not all immediate annuities require losing access to the client's money. United of Omaha offers immediate annuities with access to the premium. If an emergency arises or an unexpected change in the client's retirement plans occurs, the client can receive a refund of the remaining premium from the insurance company.*

What is the rate of return on the annuity?

Focus your clients' attention on the cash flow the annuity provides rather than the rate of return. An immediate annuity provides a source of cash that your clients can use. If your clients think of the annuity in terms of what percent of the premium the annuity provides annually, they may value the product more.

What if I die five years from now, then I've wasted all that money?

Let your clients know about the option to purchase a lifetime annuity that provides payments for the period certain or life. If the annuitant dies before the guaranteed period expires, income payments continue to the named beneficiary.

A joint and survivor annuity is also an option. The joint and survivor annuity provides income payments for as long as one of the annuitants is living. This type of annuity provides income for life with a smaller risk that both annuitants will die before they've received their premium.

Will there be anything left to give to my heirs?

Immediate annuities are designed to provide income during retirement. They are not created as a means of passing on wealth. The immediate annuity, however, may provide enough stability in the retirement portfolio to preserve other assets so that they may be transferred to heirs.

If you have additional questions about how immediate annuities can help your clients, call Tom Fridrich in Mutual of Omaha's Advanced Markets area at 1-877-617-5589