

Strategies for Selling Fixed Annuities When Rates Are Low



1. Diversification: Fixed Annuities may enhance a customer's financial portfolio. Make sure your customers are educated and informed about how annuities can help them. **Don't assume they are not interested because rates are low!**
2. Security: When customers are polled, they report that **SECURITY** is the number one reason they buy fixed annuities. When agents are polled, they say clients bought because of the rate.
3. Rate: Yes! Rates! Talk in terms of tax advantages. When comparing to table investments, make sure you look at the **"after tax yield"**

$$\text{Rate} \times (100 - \text{tax bracket}) = \text{After Tax Yield}$$

$$\text{Example: } 6.00\% \times .72 = 4.32\%$$

4. Power of Tax Deferral: May be a benefit to client in several ways.
5. Liquidity Features: Free amount, 100% MBG, TI/LTC/Nursing Home Waivers, Annuitization
6. Probate Avoidance: Clients name their beneficiaries
7. Transferability: 1035 Exchanges