

Equity Indexed Annuities

Product Positioning Guide

Courtesy of Tim Gelinas

Senior Financial Planning, LLC

Marietta, Georgia

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Value Proposition

Index annuities offer the ability to participate in a portion of the upside in the market, and avoidance of the downside. The sale is pretty simple, as it comes down to whether or not the client wants to protect anything. If they don't want protection and don't mind taking risks, then there is no real reason to purchase an indexed annuity.

Overall, the two reasons to purchase an indexed annuity:

1. Protection features
2. Create income for some time in the future (when the client doesn't want an immediate annuity)

Target Client Profile

Age: High 50s to low 70s

Goals:

- Risk-adverse
- Seeking a guarantee to protect some portion of their money
- Wants to protect investment, as opposed to maximizing their investment return
- Wealth preservation, as opposed to asset accumulation to pass on to beneficiaries

Value Prop Positioning

Begin by asking: "What is your goal?" or "What are you trying to accomplish?" If the response indicates they want to grow assets and make sure the money is passed on to loved ones, then an indexed annuity isn't the right solution. If the client's response is that they need to make the money last throughout their lifetime, that points to the need for protection beyond diversification, including a mix of stock and bond mutual funds.

Next ask: "Would you like any guarantees on your investments?" If your client responds positively, then you should introduce the indexed annuity idea.

The indexed annuity introduction: There is a product, the indexed annuity that provides growth potential. Meaning, when the market goes up, you get a portion of that growth - but you don't partake in all of it, just a portion. However, if the market goes down, you lose nothing. Your value stays right where it is. With this product, you are giving up some growth potential as compared to mutual funds or variable annuities. In return, you have no risk of loss if the market spirals out of control.

Support Docs

Illustrations, carrier marketing pieces, etc. from your BGA wholesalers.

Sales Processes

Your BGA can help you identify indexed annuity opportunities that may exist in your book of business. If you are not currently working with a BGA/IMO The Leaders Group can help you find one.

Top Carriers

Athene | Performance Elite 10 and Performance Elite 10 Plus

North American | VersaChoice 10

Lincoln | OptiBlend 5

Nationwide | New Heights 9

Allianz | Allianz 222