

# Overcoming the Top Four Objections to Fixed and Fixed Index Annuities

**Some of the common client objections to annuities that you'll hear are simply due to a lack of education about how annuities work.** Below are four of the typical objections with some suggestions about how to address them.

## 1. "Annuities are for old people."

Many consumers in their late 40s or early 50s may think they are too young for an annuity. They believe that annuities are only for guaranteed income. What they don't know is that **fixed and fixed index annuities also can help grow assets on a tax-advantaged basis.** Addressing this misconception can show prospects in their prime working years that an annuity can be used as an accumulation vehicle and alternative to traditional fixed-income options.

## 2. "Fees are too high."

Not all annuities are created equal. **Fixed annuities generally do not charge fees or expenses as part of the contract, so 100% of your client's money goes to work on day one.** Many fixed index annuities offer an optional guaranteed lifetime income rider, at an additional charge, to ensure income for life. The key to overcoming this common objection is to help clients understand the type of annuity they're considering, its features and how fees (if any) are charged.

## 3. "Now isn't the right time to purchase an annuity."

Some prospects will use today's low interest rates as an excuse not to consider an annuity. Yes, rates for traditional CDs and money market accounts are at historical lows. But given these low yields, **a fixed index annuity could deliver greater upside potential** as well as principal protection.

## 4. "I can't get my money if I need it."

When looking at fixed and fixed index annuities compared with other options, it is important to note that while money market accounts can offer greater penalty-free access, they provide very low yields. CDs typically charge penalties for early withdrawals or termination. These penalties mean your client might lose some or all of the interest earned. While most annuities have surrender charge periods, generally between five and 10 years, **many allow up to 10% in penalty-free withdrawals of the contract value each year.**

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Service Center: PO Box 758581, Topeka, KS 66675-8581  
Sales Support: 844.DEL.SALE (844.335.7253)  
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