

ARTICLE: “Fixed Indexed Annuities are almost out of the SEC's claws”

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BYLINE: Lisa Cintron

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ORIGINAL ARTICLE CAN BE FOUND AT:

<http://www.examiner.com/x-43550-LA-Womens-Business-Examiner~y2010m7d19-Fixed-Indexed-Annuities-are-almost-out-of-the-SECs-claws?#comments>

The following email was sent to Lisa Cintron of AdvisorWorld.com in addition to the editors and legal team at Examiner.com regarding the article below.

Lisa and Examiner.com Staff,

I recently had the occasion to read an article that Ms. Cintron had published at the Examiner.com website. “Fixed Indexed Annuities are almost out of the SEC's claws,” was very inaccurate. This article reflects poorly on *LA Women’s Business Examiner* because of the misinformation in the article. I am contacting you, as an expert in the insurance field, to ensure that you can make appropriate corrections to this article and have a reliable source for fact-checking in the future.

I am an independent market research analyst who specializes in the fixed and indexed annuity and life markets. I have tracked the companies, products, marketing, and sales of these products for over a decade. I used to provide similar services for variable products, but I believe so strongly in the value proposition of indexed products that I started my own company focusing on IAs and IUL exclusively. I do not endorse any company or financial product, and millions look to us for accurate, unbiased information on the insurance market. In fact, we are the firm that regulators look to, and work with, when needing assistance with these products.

First, indexed annuities are not “complex insurance instruments.” They are merely fixed annuities that use a different way of crediting interest.

Second, the reason that 151A was adopted by the SEC was not “because fixed indexed annuities were so complex and the value of these annuities was linked to securities.” The SEC’s position was initially that 151A was needed for consumer protection due to perceived rampant unsuitable sales. When my firm presented the SEC with evidence that no such problem existed; that consumer complaints on indexed annuities are very, very low and insurance companies adhere to rigorous annuity suitability standards, the SEC’s position changed. Their most recent justification for 151A was “risk,” as the purchaser did not know what amount of interest, if any, they would receive in addition to their premiums paid. While ludicrous, it is certainly more entertaining that the reasoning that Ms. Cintron seems to have pulled out of thin air.

This article gives a negative portrayal of a product that has the power to protect its purchaser's principal and gains during times of market volatility. If a person can understand that they have the ability to deposit their money with an insurance company, defer taxes on the monies until they begin taking income, receive 10% withdrawals of the account value annually without being subject to penalties, and have the ability to pass on the full account value to their beneficiaries upon death- then they can understand nearly every indexed annuity sold today.

While I recognize that Ms. Cintron's intentions were to favorably lend support to the indexed annuity industry, she has gone about it in the wrong manner. I wonder how her key annuity marketing clients would feel to see her misrepresenting the products that they love dearly?

Please make necessary corrections to this article. I appreciate your assistance in this matter. Thank you.

*Sheryl J. Moore*

**President and CEO**

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