
Annuity wholesalers should be consultants for advisors: Global Atlantic

By Editorial Staff *Thu, May 17, 2018*

Many advisors prefer 'a multi-product annuity platform' that allows for 'customizable retirement planning,' the survey by the multi-product annuity provider showed.

If annuity issuers want to win hearts and minds in the fee-based advisory world—and they patently do—their wholesalers need to stop pushing one-product solutions for advisors and investors. A recent survey by Global Atlantic Financial Group supports this old (but often forgotten) wisdom.

In a survey of 400 advisors, Global Atlantic whose Forethought Life Insurance unit issues fixed, indexed, variable and income annuities, found that about half (56%) believe annuities are an important part of a retirement plan, with one important caveat.

Of the 56%, about 90% say they would likely increase their use of annuities if they had access to “a multi-product platform and distribution partners who could help select the best strategies based on client objectives.”

The survey findings support Global Atlantic’s position as an annuity company that provides open-ended consultative services to advisors about a variety of annuities, rather than advocating a particular type of annuity.

Global Atlantic also viewed the findings as support for the idea that advisors need to demonstrate objective expertise in a broad range of solutions if they want to be seen as acting in the clients’ best interests, as the new SEC fiduciary proposal requires.

“Advisors need to show clients that they have a full set of solutions at their disposal to meet income planning and retirement savings needs,” said Paula Nelson, president, Retirement at Global Atlantic Financial Group, in a press release. “We see this as a great opportunity considering Global Atlantic’s focus on taking a consultative approach in supporting advisors across all channels.”

Most of the advisors surveyed (57%) said that a multi-product annuity platform “allows for customizable retirement planning based on client need and lifestyle,” and half (51%) acknowledged the simplicity of a single point of contact for multiple product offerings, the survey showed.

In the survey, three-quarters of advisors (76%) said they understand annuities but 62% said their clients don't. When asked how they educate their clients, 62% of advisors said they spend time to explain product features and answer questions.

About half (53%) use written materials supplied by partners or their company. When asked what would help them better use annuities among clients, 50% said better guidance and education from distribution partners on the differences between products while 46% said they would like the ability to withdraw from the annuity's value for emergencies. Only 31% cited a desire for fee-based rather than commission-based annuities.

The 2018 Global Atlantic Financial Advisor Survey was completed online by Echo Research in March 2018, among 400 financial advisors who offer portfolio investment and retirement advice that includes annuities. The surveyed financial advisors work at full-service brokerages, wirehouses, banks, registered investment advisors, and independent and regional broker-dealers.

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