

Overcoming customer objections to purchasing a tax-deferred fixed annuity can be a challenge even for the most experienced and knowledgeable sales professional. Always keep in mind these two facts: First, it's not so much what you say, as how you say it. As you respond, customers will evaluate your personal conviction and attitude about your product. Second, learn to see customer questions and objections as learning opportunities, rather than obstacles. Your success will be rooted in your outlook, your effort and your willingness to practice.

OBJECTION: *"But, this is not an FDIC-insured product."*

RESPONSE: *"You're right. The funds in this tax-deferred annuity are guaranteed by the financial strength of the insurance company."*

Some customers are concerned about the safety and security of their hard-earned retirement dollars. Many times, the FDIC may be their only frame of reference. Remind customers that, historically, private insurance has protected much of what we value — our homes and automobiles, as well as the lives and health of our families.

OBJECTION: *"These withdrawal charges seem unusually high."*

RESPONSE: *"The withdrawal charges are intended to discourage people from raiding their retirement funds early."*

Customers should position their funds so that liquidity needs are met by other accounts with shorter terms. Also, they apply only to the amount exceeding the free allowable withdrawal limit. Always point out that withdrawals taken prior to age 59½ may be subject to a 10% federal income tax penalty.

OBJECTION: *"But, I'll have to pay taxes on this someday."*

RESPONSE: *"You'll have to pay taxes on your interest earnings at some point in the future. However, a tax-deferred annuity gives you control over when and under what circumstances you pay the taxes."*

Taxes on the interest earnings from a tax-deferred annuity are not payable until the money is withdrawn. If a customer does not intend to access the funds, but is concerned about the tax liability facing beneficiaries, point out that the control benefit extends to beneficiaries as well. Tax liability will vary directly with the payout option chosen by the beneficiary.