

## In an Uncertain Market, Variable Annuities Still Losing Ground to More Reliable and Increasingly Versatile Fixed Annuities

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MEDFORD, Ore., June 24, 2013 /PRNewswire/ -- In 2012, sales of annuities hit their lowest levels since 2005, dropping 8.4% from the prior year. Variable annuities, which entail investment risk, have accounted for a substantial portion of this decline. In the May 27 issue of Barron's, Ken Nuss, founder of AnnuityAdvantage.com, explains that annuity providers (insurance companies) have shifted their thinking about how to package and market their products in the light of economic realities and a more cautious investing community. The complete article is available here.

The global economic downturn has contributed to annuity providers' woes. This has been especially true for variable annuities, where performance is inextricably linked to the health of the stock market. Low interest rates and market volatility have combined to make variable annuities an even more uncertain proposition than normal. Bearing in mind these risk factors, Nuss advises clients to seriously consider the less exciting but more dependable option of principal guaranteed fixed annuities. The numbers bear him out: Sales of fixed index annuities broke records last year, hitting an all-time high of \$34.2 billion, despite the overall annuity market decline.

Fixed annuity products offer a variety of valuable features and benefits, not the least of which is guaranteed income for life. Fixed annuities are available in several different sub-categories, including fixed index annuities, multi-year guaranteed annuities (commonly referred to as CD-type annuities), traditional fixed annuities and immediate income annuities. Meanwhile, as the climate for variable annuities has become more hostile, many of their perks, such as income riders, are being added to fixed annuities. In fact, 60% of fixed index annuities now come with living benefit riders, once only available when purchasing a variable annuity.

As the annuities market continues to evolve, providers must be quick to adapt. "A one-size-fits-all approach is no longer adequate in this market, as evidenced by the recent decline in overall annuity sales numbers," explains Nuss. "Providers have therefore begun to think carefully about how to craft specific products for specific investor needs. Stratification has been one of the keys to curtailing the costs associated with trying to offer an annuity product that does all things for all people. Likewise, fixed annuities offer the kind of practical, reasonable approach to retirement savings that today's weary investors are looking for."

### About AnnuityAdvantage.com

Founded in 1999 by veteran financial and retirement planner Ken Nuss, AnnuityAdvantage.com is the leading online provider of fixed-rate, equity-indexed, and immediate income annuities. Consumers planning for retirement have come to rely on AnnuityAdvantage.com for individualized, expert recommendations and guaranteed, high-value annuity products that have been thoroughly screened by Nuss and his staff. The company's client-centered approach allows consumers to find the best mix of annuity products for their unique needs from the hundreds of annuities available through AnnuityAdvantage.com. There are no fees for the service.

Nuss is an active member of the National Association of Insurance and Financial Advisors (NAIFA), the National Association for Fixed Annuities (NAFA), and the National Ethics Association (NEA). He holds an Oregon insurance consulting license, along with an individual producer license in all 50 states and the District of Columbia.

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