

ANNUITY PERFORMANCE REVIEW

INDIVIDUAL PLANNING

Just as life insurance reviews are a standard best practice, annuity performance reviews should be a routine part of every financial professional's client strategy. Annuities are long-term solutions influenced by changing interest rates, market conditions, product enhancements, and evolving client objectives. Regular reviews help ensure the annuity continues to perform as intended—whether for income, accumulation, or protection—while identifying opportunities to better align the contract with the client's current goals and today's environment.

WHY YOU SHOULD PROACTIVELY INITIATE ANNUITY REVIEWS

Older Annuities May No Longer Be Competitive

Depending on when the annuity was purchased, today's options may look very different. Many annuities were issued during periods with low interest rates, which can limit current performance or income potential. With rates rising in recent years, a review can help determine whether your client's annuity remains competitive in today's environment.

Fees and Riders Should be Revalidated

Mortality and expense charges, rider fees, and surrender schedules can significantly affect long-term outcomes. A structured review helps confirm that clients are receiving ongoing value from elected benefits and not paying for features that no longer align with their objectives.

Client Income Needs and Planning Assumptions Change

Annuities are often designed to provide a predictable retirement income. If the expenses, income sources, or retirement timelines have changed, it may be time to revisit whether the current annuity strategy still fits.

Carrier Strengths and Guarantees Should Be Revisited

Annuity guarantees are dependent on the issuing carrier's financial strength. Periodic reviews of the insurer's ratings help confirm that those guarantees remain liable and aligned with the long-term objectives.

More Competitive Options May Be Available

Crediting methods, income riders, and contract flexibility continue to improve across the annuity landscape. By initiating reviews, you can identify opportunities to align newer product designs with current client needs, without resorting to replacement.

Beneficiary and Ownership Structures Require Ongoing Attention

Life events, regulatory changes, and estate planning updates can all necessitate beneficiary or ownership adjustments. An annuity review helps ensure assets are positioned correctly and efficiently for wealth transfer.

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