



How to Diffuse the Surrender Charge Objection

Objections should always be anticipated and handled early in the presentation. You know they're coming, so take the offensive and tackle them before they tackle you.

What's the catch?

As long as there are annuity sales presentations there will be surrender charge objections. There are many ways to address this concern, however there is one aspect of handling objections that should be paramount.

It doesn't matter if you're presenting a traditional fixed annuity or an indexed product, all annuities offer many attractive features that are hard to find in other financial investments. Whether it's the potential to share in the upside of the market without the downside risk, a bonus, lifetime income, avoidance of probate, or contract guarantees... Sometimes it all sounds too good to be true. Your prospect will sooner or later ask the all-important question, "What's the catch?"

If you wait for that question to handle the objection it's too late. Now you're on the defensive and that's never a good place to be in a sales presentation. Get rid of the elephant in the room at the start of your presentation by making objections a part of your client's annuity education and incorporate the reason companies have surrender charges.

How to Present the Surrender Charge

One of my most successful ways of presenting surrender charges is to say:

"[Your Client's Name], we just discussed a series of benefits that make the deferred annuity a product unmatched in the market today. In fact, you may be thinking that this sounds way too good to be true. Well like most products if there is a considerable up side, there must be some down side.

Annuities are no different. The question is, can we live with the downside? If we can, an annuity may be the perfect product for you. If not, we need to change gears. Remember that I mentioned there are no fees and no up-front charges? Well, based on the product you choose there is a commitment that you need to make to the company – a commitment of time.

Should you choose a product with a 10-year surrender charge period the company will invest your money with a 10-year time line in mind. If you choose to surrender the policy early, that's fine. However, the company will sustain a loss on their investment to get you your money back. Rather than penalize everyone that owns an annuity, they will just assess a charge to those that change the timeline. That way if you don't break the timeline there is no penalty."

Given that most annuities today are purchased with the thought of using the accumulated funds as a future income stream the client usually has no plan of surrendering the product anyway. Turning the surrender charge objection into a simple discussion about which surrender periods best suit the prospect acts as an assumed close.

There are several ways to handle the surrender charge objection by turning it into a positive. Contact us to discuss them and develop a plan to increase your annuity sales.

Visit our website at www.urlinsgroup.com/aries or contact Annuity Solutions at 1-800-926-8875 x4 to see how you can start saving time and making money today!