



National Association of Insurance and Financial Advisors

2901Telestar Court • Falls Church, VA 22042-1205 • (703) 770-8188 • www.naifa.org

July 11, 2007

Dear Editor,

On July 8, 2007, the New York Times published an article, "For Elderly Investors, Instant Experts Abound," about allegedly improper sales of deferred annuities to seniors by licensed agents professing to be experts in giving financial advice to seniors. Their credential for making that claim was the fact that they carried the title "Certified Senior Advisors."

It is not NAIFA's intent to comment on the CSA designation; however, we do feel it is appropriate to point out that annuities, both deferred and immediate, can play a vital and valid role in sound financial and retirement planning. It is not the products that are abusive. It is the use or misuse to which they are sometimes put.

In fact, deferred annuities are an excellent vehicle for accumulating tax deferred money over a long period of time in the context of a sound financial plan. Immediate annuities are outstanding products for guaranteeing a lifetime income to a retiree and, if they so choose, his or her spouse. And deferred annuities can become immediate annuities at any time the annuitant chooses.

NAIFA believes full and easy to understand disclosure of all the pertinent facts about these and all insurance and financial products are in the public interest. NAIFA members subscribe to a Code of Ethics which requires that they always act in their client's best interest based upon full knowledge of the facts of that client's situation. NAIFA deplores any producer or other advisor who puts his or her own interest above that of their client.

Without full knowledge of the situations described in the article, we express no opinion about the actions of the individuals mentioned. However, we do emphasize that each person's financial situation is unique and must be evaluated, addressed and resolved in the context of what is best for that client.

David Woods
CEO

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