Commentary by Tom Hegna of http://tomhegna.com

Ken Fisher takes out full page ads that say "I HATE Annuities and You should too!" This ad frustrates many retirement and financial advisors, as it can cause clients to have a negative perspective on why annuities are a necessary part of your retirement plan. The negative connotation just adds to the Suze Ormans and Dave Ramseys of the World who pass out misleading and often incorrect information to readers/investors.

Actually I am 100% positive that Ken Fisher LOVES annuities. Let me explain why…. He has run an absolute brilliant marketing campaign. Annuities, in this case, variable annuities, are an easy target. They DO have higher fees than many other investment products. So when he looked across the landscape of investment products, he had to find a product that was WIDELY OWNED that had HIGHER fees than him. See, the little secret of Ken Fisher is that HE has high fees too! He can't pick on Vanguard or Fidelity – NOPE – because their fees are LOWER than his. And, there are a lot of products that have high fees – real estate, options, futures, gold, and commodities. But which of these is widely owned and can be TRANSFERRED to a Ken Fisher investment account with only just a couple of signatures? Variable Annuities! He found the PERFECT target.

So this anti-variable annuity campaign has helped Mr. Fisher grow a large practice and make a very respectable income. Rest assured, if you call his number, you will never get Ken Fisher. You will get one of his many employees who will be more than happy to transfer your Variable Annuity to a Ken Fisher account. Are they working in the best interest of their client? I cannot speak for every client situation, but what I can say is that math and science PROVES that the only way to hedge against longevity risk is with an annuity. So you have to ask yourself - where is the fiduciary responsibility of an advisor that does not have an annuity as part of a retirement plan?

Hedging against longevity risk – it is the number one problem facing baby boomers today. Stocks won't do it, Bonds won't do it, and CD's won't do it. See, Ken Fisher does not tell the whole story. Let me, as Paul Harvey said for years, tell you the REST OF THE STORY…..

Yes, variable annuities DO have higher fees that comparable mutual funds. Do you why? Because these variable annuities have guarantees that Mr. Fisher does not have. Guarantees that really only matter when the market goes down. Lately the market has been pretty good, and guarantees don't matter much when there is a BULL market, but as we all know, what goes up, does eventually come down. And stocks can go down – A LOT! Recall the year 2008? And when the market goes down, all those people who moved their money to Ken Fisher have LOST those guarantees – guaranteed death benefits, guaranteed accumulation benefits, guaranteed withdrawal benefits, and guaranteed income benefits. All the guarantees that caused those fees to be higher. Well, they are now GONE. And, the ones who followed Ken Fisher will be in a boat load of trouble with their retirement.

Some other half-truths of Ken Fisher – he says, "your broker could have received a commission of 8% or more."

- Does he mention that the 8% did not come out of your account? No.
- Does he mention that a commission is a one-time fee, paid for by the issuing company? No.
- Does he mention that HIS fees will come directly out of the client's account forever? No.
- Does he tell the client about all the guarantees that they are giving up? No.
- Does he explain the difference between a fixed, indexed and variable annuity? No.
- Does it explain that income annuities are not even FEE products, but SPREAD products? No.
- Does he explain to clients that they really must use an annuity to take longevity risks off the table? No.
- Does he tell them that PhD 's around the world recommend that you at least cover your basic expenses in retirement with guaranteed income? No.
- Does he stress the need for tax diversification using life insurance as well? No.
- Does he stress the importance of having a plan for Long Term Care? No.

To learn further why annuities need to be part of your retirement plan, get a copy of Retirement Alpha: How Mortality Credits Improve Retirement Outcomes.