
Insurance Annuity

Posted by Sumo - 2008/01/10 15:52

I have a little problem. My elderly father was recently tricked into buying a 30 year annuity which consumed his whole life savings. there is a stiff penalty for dumping it early, can I do anything about this? He is in his late 80's and the annuity simply does not make any sense for him, he got conned by an insurance salesman. Thoughts?

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Re:Insurance Annuity

Posted by steve - 2008/01/10 21:40

This happens often. Some financial advisors ("FA") sell annuities that are in the best of themselves rather than their client. Its hard to believe that someone would process a 30 yr annuity on an 80 yr old man. You would think there are checks and balances.

The Attorney Generals office posts notices about such frauds & misrepresentations on the elderly.

I would contact the FA that sold the annuity to your father and attempt to cancel the annuity without penalty or costs. Usually, an annuity has a grace period where you can cancel the policy without costs.

If the FA does not cooperate with you then consider contacting your State Attorney General's office to report the abuse. You can also contact the state licensing department to file a complaint. The state licensing department will investigate the matter and sanction the FA if necessary. Finally, you can contact the SEC and file a complaint against the FA and the financial institution.

Let me know how it works out for you.

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