

Rick [REDACTED]

April 30, 2018

The Honorable Mark Brnovich  
Arizona Attorney General  
2005 N. Central Avenue  
Phoenix, AZ 85004

Re: [REDACTED] issued 12/12/2011  
[REDACTED] issued 12/12/2011  
[REDACTED] issued 8/5/2014

Dear Attorney General Brnovich,

I am writing to you as a 65-year-old retiree regarding the above Security Benefit Annuities that I had purchased back in 2011 and 2014. After years of hard work, we feel deceived and taken advantage due to the lack of full disclosure on these annuities. The agent that sold us the annuities dazzled us with illustrations that reflected 9-10% annualized returns. The truth is, we have barely averaged less than 2% since we purchased these annuities.

We were also misled about the GLWB Rider. We were told our money would grow at 8% annually but what we were not informed of is that when I pass away that money will be lost to the insurance company and not paid as a death benefit to my family. To add insult to injury, we realized we're paying a 0.95% annual fee on a rider where upon my death the insurance company keeps the money. Also upsetting is that the insurance company can raise the rider fee as high as 1.5% which means the low returns and high fees are eating into my account value. I was told that this was a Fixed Index Annuity with Principal Protection, but if the fees are eating into my account value that contradicts the Principal Protection feature I was convinced I had.


There is a clause in the annuity called Market Value Adjustment Endorsement (MVA) and we do not understand how this insurance company can use this clause to benefit themselves. When you read this MVA and the formula, it appears we may have purchased an investment or a security, but we were told it was a Fixed Indexed Annuity and not a variable annuity.

I am coming forward in hopes it will prevent other seniors and retirees from becoming victims of the index annuities. We were lured with a risk-free sales pitch about a high rate of return, but that's not what we've ended up with. It's the insurance companies and agents selling these inappropriate annuities who are being rewarded. We have lost thousands of dollars in penalty to get out of this bad situation and we would appreciate your help in recouping these losses.

I urge you and your office to investigate this matter right away, as I believe there are other victims out there. By acting immediately, you can help prevent others from falling into this terrible trap.

Please do not hesitate to contact me at [REDACTED] if you would like more information.

Sincerely,

 [REDACTED]

Rick [REDACTED]

[REDACTED]