

At Witt's End

Complexity and Confusion - Don't Let Them Knock You Out! May 2014

This newsletter marks the start of a series that will highlight some of the most common mistakes that consumers make with permanent life insurance.

Mistake #1: Failing to recognize that complexity and confusion form a killer one-two punch for insurance agents and companies.

As product choices multiply and product designs become more complex, most consumers have neither the time nor the expertise to wade through all of the various options that are presented to them.

When you couple that with the fact that most consumers don't want to even talk about life insurance in the first place, is it any wonder that most consumers simply throw up their hands and rely on advice from the person sitting across the table from them?

While most consumers probably appreciate on some level that the insurance agent has a conflict of interest, the complete lack of transparency and disclosure regarding agent compensation prevent the consumer from knowing just how much of a vested interest the agent has in the recommendations being made. To paraphrase an old insurance adage: **When you get paid richly to use a hammer, everything begins to look like a nail!**

There is no other area where the services of a fee-only insurance advisor are more desperately needed than permanent life insurance. Complexity and confusion are formidable weapons in the hands of an agent with an inherent conflict of interest, but fee-only insurance advisors can deliver their own knockout punch on behalf of their clients.

As always, please do not hesitate to contact us if we can assist you in any matter that requires objective advice regarding life insurance or annuities. Witt Actuarial Services is a **fee-only insurance advisory firm** that derives no compensation other than the fees paid directly by its clients. **You can also follow us on Twitter [here](#).**

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