



Insurance & Annuity Reviews

By Jon S.

At P&A, we like to stay in our own lane. You won't find us preparing taxes or doing estate planning. We don't offer loans or sell insurance. We know what we do best—investment management and financial planning--and we focus our efforts here. Additionally, we believe in transparency, the fiduciary standard of care, and reducing costs to our clients whenever and wherever we can.

Some financial services companies and advisors prefer to straddle lanes by combining two separate disciplines into one. For example, insurance and investments. In its pure form, insurance is meant to protect you and loved ones against catastrophic events—loss of life, your car being totaled, a damaging house fire, etc.

In their pure form, investments can be easily sold for cash, they don't have exorbitant fee structures, and they should capture the risk and return profile of their asset class. Stocks, bonds, some mutual funds, and most exchange-traded funds (ETFs) qualify.

We view insurance and investments as two separate silos. Combining these into one product often leads to high expenses relative to the coverage offered, lower returns than what you could receive in the marketplace, and lock-up periods where you can't access your own money. It's like paying Mercedes-Benz prices for Yugo performance, when what you really want is Yugo prices that yield Mercedes performance.

Over the last 18 months, we've seen a noticeable uptick in new and existing clients coming to us with questions about these expensive insurance products masquerading as investments, including:

- [Annuities](#) with all-in annual expenses approaching 4%.
- Life insurance policies on children sold as college savings tools.
- Products that treat the company and salesperson better than the client.

At P&A, we have an Insurance Consultant on our team who is licensed in the state of Nebraska. She can take apart and put back together these products, tell you about their fees, and explain your options to you. We can lean on our financial planning program to help determine the right amount of insurance for you as well.

As a [full-time fiduciary](#), we do not sell any financial products, earn commissions, or receive compensation from any of the investments we use in client accounts. If you have any insurance or annuity products you'd like us to analyze, feel free to email us through our [Connect page](#), or call the office (402) 328-8800.

Clicking on the links above may result in you leaving the Pittenger & Anderson, Inc. website. The opinions and ideas expressed on these external websites are those of third-party vendors and Pittenger & Anderson, Inc. has not approved or endorsed any of this third-party content. For the full Terms & Conditions of using the Pittenger & Anderson, Inc. website, [click on this link](#).

Pittenger & Anderson, Inc. does not provide tax, legal, or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal, or accounting advice. You should consult your own tax, legal, and accounting advisors before engaging in any transaction. Additionally, the information presented here is not intended to be a recommendation to buy or sell any specific security. To learn more about our firm and investment approach, check out our [Form ADV](#).

To view this article and others like it online, visit the P&A blog at <https://pittand.com/blog/>.