

AMERICAN

FROM PAGE 1D

grown in popularity in recent years, largely because of marketing efforts by Des Moines-area insurers such as American Equity and AvivaUSA. Authorities and consumers have complained that the products were sold to people who didn't understand their complexity or were misled by dishonest sales tactics.

In the Kentucky case, plaintiffs alleged that Addison Insurance

Marketing — a Dallas, Texas, company contracted by American Equity — sold the annuities after first approaching them about estate planning.

William F. McMurry, attorney for the plaintiffs, said in a statement that attorneys and insurance agents persuaded senior citizens to buy a living trust out of fear that probate proceedings were costly and not in their family's best interest. After the seniors bought the trust, agents of Addison Insurance Marketing appeared as representatives of the law firm and encouraged

the victims to sell their current investments and purchase annuities from American Equity, McMurry said.

Carlson said her company has cut its ties to Addison. Further, she said Addison paid \$2.5 million in plaintiffs' legal fees.

Equity-indexed annuities are regulated by the states as insurance products. Citing its belief that improper sales tactics have been used, the U.S. Securities and Exchange Commission is considering whether to label them as investments and be regulated by the federal agency.

Des_Moines_Register_2008_Am_Equity_Settlement_p2

Clipped By:



bill19917

Sat, Jan 4, 2020