

Is Jack Marrion Truly Independent?

A lot of noise is made about the 'impartial and independent' information dispensed by Jack Marrion. But is this a fair and accurate evaluation? The insurance industry is all about disclosure, disclaimers, and Statements of Understanding so that consumers can best evaluate what they are getting. Perhaps it is time to look behind the curtain and take a fresh look at this "Oz" of the EIA world.

Jack Marrion is without a doubt very knowledgeable and insightful about products and the industry – that is evident by his commentary and writings. Things don't get cloudy until we try to confirm his impartiality and independence claims. Unfortunately, his web site only serves to help confuse this issue, not clarify it. (You'll probably want to avoid telling consumers about his web site: the ".org" is misleading and this is NOT a site for the general public, although when he is quoted in publications they fail to mention this fact.)

Let's begin with the domain name of the Advantage Compendium Ltd. (aka Jack Marrion) web site: "indexannuity.org". Generally accepted web-domain naming conventions recognize that the designator ".org" is generally reserved for use by not-for-profit groups and institutions. Although it is nowhere disclosed why they are an ".org", I think one can safely venture a guess that neither Jack Marrion nor the Advantage Compendium is not-for-profit. On the home page of the web site, it is prominently proclaimed that "The Advantage Compendium neither markets nor endorses any financial product." But is that only telling half the story? Jack is by and large known as an industry consultant, with "retainer clients" (insurance companies and marketing firms) supporting his company by subscribing to his research. These clients greatly influence the information he dispenses as a whole. In his own words:

"I almost never "dis" products and there are three reasons for this. The noblest reason is I usually dislike a product due to some personal bias and this dislike is squishy and not factual (I like green more than red but that doesn't mean green is better). The second reason is I was raised to be polite and I try not to say bad things. The third reason is I try not to kill my data sources by being overly nasty. My factual research may be negative regarding a product, or some aspect of a product, but I usually try to be extremely pleasant in mentioning any faults, because I don't want to lose sources of other meaningful data." (from *Index Compendium topic My Full Disclosure*, 12/04)

Agents and marketing organizations are making product selection decisions every day that affect in a very real way the investment lives of consumers. If they are making these decisions in whole or in part based on Jack Marrion's "squishy" or white-washed product evaluations, who is truly benefiting? This smacks of conflict of interest. Where is the disclosure about his compensation? Again, we have to play detective and deduce our own answers.

Click the "Sponsored Links" hyperlink on the web site home page and you see right at the top that "indexannuity.org is supported by quality sponsors that provide index annuities and other financial solutions to producers." A little lower down on the home page we also see an "endorsement" of a software tool. Jack Marrion is apparently also paid for this endorsement through a portion of sales, although this is not disclosed on the home page. Instead, we find in his July e-newsletter that this arrangement was revealed, although in the copy now posted under the "Article Library" this disclosure has disappeared.

If one is being paid by product issuers and marketers for commentary and advice on their products – and one admits that this colors their evaluations - can that commentary ever be considered truly impartial? Jack has much to contribute to the industry, but he probably needs to step out from behind the 'impartial and independent' curtain and heed his own advice:

"And I believe a person should reveal any personal agenda that might affect perceptions. Whether it is an annuity producer revealing they get paid a commission or earn a trip for making a sale, a consultant saying he gets paid to speak, or an attorney general revealing unannounced gubernatorial aspirations, I believe the information should be available." (from *Index Compendium topic My Full Disclosure*, 12/04)

To be sure, Oz lost his mythical aura of fear and power when he was stripped of his showmanship and gadgetry. But he was no less the wizard and still had much to contribute.