

10 TRUTH'S ABOUT ANNUITIES

Annuities have been around for hundreds of years, but few people know the truth.

TRUTH #1. Fixed annuities are not investments: An annuity is a contract with guarantees between the insured and an insurance company with the ability to guarantee an income stream throughout retirement.

TRUTH #2. Mutual Funds – Bonds – Stocks – Bank CD's – Annuities: of these retirement savings choices, only annuities can solve longevity risk and provide a guaranteed lifetime income.

TRUTH #3. Fixed annuities are a safe asset class. Federal and state regulations provide strict reserving guidelines for insurance companies to ensure the security of their policy holder's annuity principal and interest.

TRUTH #4. Fixed annuities can provide lasting income to a surviving spouse. A surviving spouse can keep receiving a guaranteed income stream for their lifetime, if elected.

TRUTH #5. Fixed annuities have liquidity options. The vast majority of annuity contracts allows for penalty free withdrawals and contains provisions for emergencies and other contingencies.

TRUTH #6. Annuities provide an income that cannot be outlived.

TRUTH #7. Annuities provide a reasonable rate of return. Due to the safety of principle and interest, as well as the power of belonging to an insurance pool, there is a solid rate of return with annuities, both in deferral and when used for income.

TRUTH #8. A substantial portion of retirement income should be longevity insured. For the pre-retiree or retiree concerned about outliving their assets, or not having an income last throughout their life time is what an annuity is designed for.

TRUTH #9. Fixed annuities are a simple, safe, asset-to-income strategy. For many of those who have accumulated a nice "nest egg" at retirement, the great question becomes how to convert savings into a solid, predictable, guaranteed lifetime of income.

TRUTH #10. Fixed annuities provide choices.

Today's annuities have options that keep you in control. You can choose income now later or both. You can choose a guaranteed lifetime income and still change your mind.

This condensed brochure and excerpts are from "The Truth About Annuities and Retirement Income".

An annuity and investment are two different things. You don't buy an annuity just to make money. You buy it to make sure that when you're 97 years old you have income coming in" – *Professor Olivia S. Mitchell, Wharton School of Business. "How Much Money Will You Need for Retirement?" Knowledge@Wharton, August 27, 2003.*