

## **Why have Americans invested over 3 Trillion Dollars into annuities?**

If you could read just *one* article to better understand annuities, **this is it**. I dare you to read this entire article and not change the way you think about annuities.

I am not sure if annuities are right for you, but the information below will let you decide that for yourself. How open-minded are you?

### **7 Reasons Why Americans Have Invested Over 3 Trillion Dollars Into Annuities**

1. Safety - Insurance companies are forced to set aside \$1 for every \$1 invested into annuities. Banks often fail because they take \$1 and make \$10 in loans that go bad. Annuities don't do this. A banker I used to work with had a huge penny on her desk. She used to tell bank customers that the penny was more than anyone ever lost in a fixed annuity.
2. Guaranteed income for life - Annuities can fill in the gaps when social security, pensions, and other retirement accounts don't provide enough retirement income. Annuities allow you to take a lump sum today and create a steady stream of income paid monthly, quarterly or yearly.
3. Reasonable returns - Traditional fixed annuities provide a safe alternative to bank CDs and savings accounts. Some uncapped index annuities have earned 7-17% in specific years. You earn a portion of the market upside without risking your principal. Some of the gains, none of the losses.
4. Tax-deferred growth - Annuities offer triple compounding on your interest. Earn interest on your principal, interest on your interest, and interest on the money normally lost to taxes.
5. Long-Term Care Benefits - Some annuities offer 200-300% of your initial deposit in long-term care benefits with an optional rider. There is no cost, and everyone qualifies regardless of health.
6. Leave a Legacy - You can leave a lovely one a monthly, quarterly, or annual check. This can be especially beneficial if you think they might not spend it wisely.
7. No fees - Many fixed, indexed, and income annuities have no fees whatsoever.

Bonus Reason - Some annuities offer up-front bonuses on deposits.

### **Little-Know Tips To Consider Before Buying An Annuity**

- There are many types of annuities. Some are designed for growth. Others are designed for income. Choose the right type for your situation.

- Rates vary considerably! The top 5 year fixed annuity is paying 220% more interest than the bottom ONE.
- Invest in annuities for what they will do, not what they might do. Compare their contractual guarantees.
- The US Treasury and IRS have endorsed certain types of "income annuities" for those looking for retirement income.
- Several states have banned annuities with terms over 10 years. You should do the same. Texas will not allow an annuity to have a longer term than 10 years.
- Income annuities (SPIA's) usually provide the highest payouts if you need income to start right away
  - Considering an index annuity? Find out what the cap is and in plain English how the gain is calculated. If looking at index annuities with income riders, request our free report because we can compare 150+ products and show which ones are the best.
  - Consider your situation if you need income. Some annuities are better for single men, single women or couples with a large age difference. Shop around as your situation matters.
- If you purchase an immediate annuity with "life with cash refund or life with installment refund" your listed beneficiary will receive 100% of remaining dollars.
- Be careful with the fees on variable annuities. Whenever someone says something negative about annuities its almost always about variable annuities.
- Seen annuity ads where they promise 12-15% returns without market risk? They come from uncapped index annuities. These returns are possible when the market goes up considerably but keep in mind these are not normal returns.
- If you purchase a traditional fixed annuity find a company with strong "renewal rates". This is important because the rates can change. MYGA annuities rates are locked in for the entire term and are sometimes called "CD Annuities"
- Diversify. Don't invest all of your savings with one company. Shop wisely and look for stable, highly rated companies.
- Shop around. Find the best products on the market. Don't settle for anything but the best. Look for research from third parties.
- Don't buy an annuity until you compare the rates, benefits and fees of all of the products available.