

Smart Buyer Checklist

Before purchasing a fixed indexed annuity, consider the following important questions to ask yourself or an insurance agent.



1) How much retirement income do you need beyond the resources you already have?

- Calculate how much you can expect to receive from your 401(k), IRAs, Social Security, and/or pension payments.
- Consider your fixed monthly costs (e.g., housing, food, transportation, etc), discretionary costs (activities, hobbies, travel), as well as projected costs (medical expenses, inflation, taxes, etc).
- If you do not think your current guaranteed income sources can cover your future costs, you will want to consider other sources of guaranteed income, like a fixed indexed annuity.

For more help estimating your retirement income and expenses, [click here for relevant cost calculators](#).

2) How and when would you need to access the money you put into a fixed indexed annuity?

- Fixed indexed annuity payments can be received as a lump sum or as smaller payments over time.

Looking for money in the near-term:

A lump sum may make more sense for you.

Looking for a steady stream of income down the road:

Smaller payments over time may be a better option.



INDEXED ANNUITY
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What is your risk tolerance?

- If your current financial plan is comprised largely of riskier investments like stocks, it may be time to bring more balance to your portfolio with a safer product designed for the long-term, like a fixed indexed annuity.

To better assess your risk tolerance, [click here to use our Risk Tolerance Calculator](#).

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What are the specific features of the fixed indexed annuity?

Be sure to discuss the following important questions with an insurance agent before you make any purchases:

- How is the interest calculated and applied?
- What are the terms and conditions for receiving payments?
- Are there extra charges for withdrawals if something major comes up in your life?
- What, if any, penalties must you pay for ending your contract early?

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Is the insurance company reputable?

- To confirm that the company issuing the fixed indexed annuity is licensed in your state, check out your state's Department of Insurance.
- There are several ratings services that conduct financial analyses and grade insurance companies. These include [A.M. Best](#), [Fitch](#), and [Standard & Poor's](#), among others.

For more information on the safety of insurance companies, [click here](#).

