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QUICK-START INFO FOR ANNUITY SHOPPERS

This quick-start is to help you with basic information about annuities. You need to review all the details and information about the annuity you are considering so you don't make a mistake by buying it.

An annuity is a long-term contract sold by insurance companies through licensed insurance agents. Some, but not all insurance agents, may also be financial advisors. Not all insurance agents are licensed to sell all types of annuities.

Annuities are not guaranteed by FDIC. An annuity is backed up only by the insurance company whose name is on annuity contract. If your insurance company fails, even if your policy is transferred to a healthy insurance company by the regulators, your guaranteed benefits under the original policy and its benefit riders may be reduced or eliminated. and you could lose money.
You'll find more information about annuities after this Quick-Start Info.

UNDER STATE LAW, EVEN IF YOU'VE ALREADY BOUGHT YOUR ANNUITY, YOU MAY HAVE THE RIGHT TO CANCEL IT WITH NO PENALTY OR CHARGE DURING A SHORT PERIOD OF TIME AFTER YOU RECEIVE YOUR NEW CONTRACT. REFER TO THE FIRST PAGE OF YOUR ANNUITY CONTRACT FOR HOW TO CANCEL YOUR CONTRACT.

How might you use an annuity as part of your financial plan?

- So you don't outlive your savings: You can start income payments (annuitize) and receive those payments over time. If this is the reason you might buy an annuity, ask when payments could start and if lifetime payments are an option.
- To manage certain market risks: Some annuities guarantee a minimum return for a period of time no matter what happens in the stock market. Other annuities require that you take a certain amount of risk if you want your account value to grow.
- To postpone paying income taxes on the growth of your annuity's value: You may still owe taxes on money you put in the annuity if that money wasn't already taxed. Your tax preparer or account can help you with annuity income tax questions.To plan for unexpected events: Some annuities let you buy extra benefits that could, for example, help you pay for long-term care or give you extra cash if you have a critical illness. These benefits (called riders) may increase the cost of your annuity.
- To leave money to beneficiaries: Some, but not all, annuities pay a death benefit to your beneficiaries.

What are some things to consider before you buy an annuity?

- You should consider your financial goals and evaluate how an annuity will fit into your financial plan to help you reach those goals, including comparing to other options.
- Most annuities have a surrender charge period. If you withdraw more than the annuity contract allows (typically 5% - 10% annually) or cash-in your annuity during that period, you may pay a surrender charge.
- Depending on the type of annuity, fees, charges, or adjustments may reduce your annuity's value, limit how much it grows or cause you to lose money on your investment.
- Some annuities are intended to provide income payments over time and some of these features come with a cost. If you're considering an annuity because you may want future income payments, ask questions about the annuity's features, benefits, and costs to better understand how you can use it to meet your goals.
- If you choose to convert your annuity into a stream of scheduled income payments (annuitize the contract), you generally can't withdraw the remaining value later as a lump sum.

- Some annuities include optional features, guarantees, or riders that increase the cost of the annuity contract. Before buying an annuity, think about how likely you are to use those features and whether it's worthwhile to pay the extra cost.

How can you use an annuity to get income payments?
Depending on the annuity contract, an annuity can provide income through a variety of payout options, including payments that continue for a specified period or for the rest of your life, a process commonly called annuitization.

TYPES OF ANNUITIES
Immediate Annuity: An immediate annuity is an insurance contract where you pay a single lump sum in exchange for guaranteed, ongoing income. Payments begin soon after the annuity contract purchase and continue for your lifetime or for a set period.

Deferred Annuity: A deferred annuity is an insurance contract that will accumulate the premium you pay during an accumulation phase and can provide lifetime income during the payout phase (also may be referred to as annuitization or withdrawal) should you choose to take payments.

Single Premium Immediate Annuity (SPIA): A SPIA is an immediate annuity funded by a lump sum premium payment (or short series of payments made within one year) in exchange for a guaranteed stream of income that starts within one month of the premium payment up to one year from date of purchase.

Deferred Income Annuity (DIA): A DIA is a deferred annuity funded by a lump sum premium payment (or short series of payments made within one year) in exchange for a guaranteed stream of income that starts in the future usually at a specific age or number of years you designate.

With both SPIAs and DIAs, you generally cannot access your funds as a lump sum once payments start, and payments continue for the rest of your life or the specified period.

Fixed Annuity (FA and MYGA): A FA and a multi-year guaranteed annuity (MYGA) are deferred annuities that grow at a guaranteed interest rate the insurer sets. An annuity contract will state how long the interest rate is guaranteed. A MYGA is a type of fixed deferred annuity contract with a guaranteed interest rate for an initial period.

Fixed Indexed Annuity (FIA): A FIA is a deferred annuity that protects your principal while crediting interest based on the performance of a market index. It is important to understand that a fixed indexed annuity is an insurance product, not an investment. An investment is one way to grow your money, but you risk losing money. A fixed indexed annuity protects you from that risk, but your annuity's value won't grow as much as the market index does.

Variable Annuity (VA): A VA is a deferred annuity where your money is invested in subaccounts (funds of stocks, bonds, or money markets) and the value of your annuity changes based on the value of the subaccounts. Because your money is invested in the financial markets, there is higher potential for growth compared to fixed annuities. However, because your returns depend on the financial markets, your annuity value can fall, and you can lose all the money you put into the annuity.

Registered Index-Linked Annuity (RILA and ILVA): A RILA or an indexed-linked variable annuity (ILVA), is a type of variable deferred annuity that will credit interest based on an index performance but will limit how much

you lose when the index return drops in value, so you can lose money because of the index performance. Because you can be lose money when an index return drops in value, RILA/ILVA are considered investments similar to variable annuities.

When can you access your account value?
Annuities can limit your access to your money. If you purchase a SPIA or DIA, or annuitize a deferred annuity, you generally can no longer withdraw the account value as a lump sum. Instead, you receive income payments as described in your annuity contract.

Most deferred annuities have a surrender charge period, often 5 to 10 years, sometimes longer. You may be able to withdraw a portion of your cash value each year without a surrender charge, but charges may apply if you withdraw more than the annuity contract allows (generally 5% - 10% annually). Before you buy, make sure you understand when and how you can access your money and what charges may apply.

Can you replace an annuity with another annuity?
Yes. An annuity replacement is a transaction where you use the value of an existing annuity to buy a new annuity. A replacement may involve surrendering your current annuity or transferring all or part of the annuity's value to a new annuity. Replacing an annuity requires careful consideration. Your insurance agent must provide a comparison of your existing annuity and the proposed replacement annuity. If you replace your annuity during the surrender charge period, you may pay surrender charges. Even if your existing annuity is no longer subject to surrender charges, a new annuity will generally begin a new surrender charge period. You may also lose benefits, guarantees, or other features available under your existing annuity contract.

How is my insurance agent paid to sell me an annuity?
Insurance companies pay insurance agents a commission for selling an annuity. The commission is generally based on a percentage of your premium payment. You can ask how much the insurance agent expects to be paid by selling you any annuity. The insurance agent should be acting in your best interest and help you understand why any recommended annuity fits your financial needs. You can ask whether your insurance agent is acting as a fiduciary in the sale of the annuity to you.

How can I see how my annuity will work?
Your insurance agent may show you an annuity illustration, which is designed to help you understand how your annuity value might grow and demonstrate insurance features of the annuity. An annuity illustration is based on certain assumptions and projections. **Illustrations are not promises or guarantees about how your annuity value will grow, if at all.** Ask your insurance agent which illustrated values are guaranteed and which are hypothetical. Your insurance agent can provide you with a sample annuity contract and show you where each of the guarantees is located in the contract.

After you buy an annuity
Read your annuity contract carefully. Your insurance agent can help you understand anything that isn't clear. After you carefully read your annuity contract, you should be able to answer the following important questions:

- Is your personal information correct?
- Did you name a beneficiary?
- Do you understand what parts of the annuity contract are guaranteed and what parts can change?
- How will interest be credited to your annuity?

- Are there any features in the annuity contract or benefits that you did not expect or do not understand?

If you are not satisfied with your annuity contract, you can usually return it for a full refund within a certain period, usually 10 days, after you receive it. The review period is stated on the first page of the annuity contract.

If you decide the annuity meets your financial needs, keep your annuity contract in a safe place where you can easily find it when needed. Don't "set it and forget it". Regular ongoing monitoring is important because policy guarantees are entirely backed by the insurance company's claims-paying ability, not by the federal government. Because annuities are long-term, often multi-decade contracts, you should monitor both the corporate stability of the provider and the underlying asset performance to safeguard your principal, preserve income payments, and avoid harmful fee structures. Review the annuity contract document periodically and, if the annuity includes a death benefit, make sure your beneficiaries know how to access the information they may need.

To access an online version of the NAIC Annuity Buyer's Guide, ADD FULL URL LINK AND QR CODE