Questions and concerns most asked about annuities:

Q: *I don't want to tie my money up for 10 years.*

A: You don't have to. Yes, there is a surrender charge if you want to withdraw all of your money within the first 10 years (it goes down each year), but you do have access to 10% of the balance each year without penalty. Most people, if using this for income (our recommendation), would not be withdrawing more than about 5% a year. After 10 years you can withdraw you entire balance without any penalty.

Q: *I heard these annuities charged high fees?*

A: That relates mostly to Variable Annuities, which can charge as much as 3% a year in fees, and of course, can go up as well as down. These are Fixed Index Annuities, they can go up with the S & P 500 but **never** go down, and they have **no fees** associated with them.

Q: *I like having the guarantees of the FDIC on my bank CD's. What do I get with the insurance company?*

A: Insurance companies have their own protection agency. It is called the State Insurance Guarantee Fund (each state has one) and protects client's assets up to $250,000 and death benefits up to $300,000, similar to what the FDIC does for banks. With this type of guarantee and the guaranteed 6.5%* compounded rate of return (for income), if the CD was for future retirement needs, you should definitely consider this alternative.

Q: *What happens if I die early? Doesn't the insurance company get to keep any money left over?*

A: NO. That was the case with older annuities that required you to annuitize, but most new annuities (the ones we recommend) allow you to take income without annuitizing. They also distribute the balance of the account to the beneficiary should something happen to the annuitant.

Q: *What if after taking income for awhile I decide I want all of my money back, can I get it?*

A: YES. If it is after the surrender charge period, you can always withdraw the entire amount of your balance with no penalties. If during the surrender charge period, you can withdraw your balance less the surrender penalty.

Q: *Is there any protections for inflation on the income?*

A: Actually, there are built in inflation protections with these annuities. You will receive slightly less per month in the beginning, but it catches up after about seven (7) years. You don't have to decide which option to select until withdrawals begin. If you are in good health when you start withdrawals this would be the best option, if not, then the level option might be best.

Q: *How can the insurance company guarantee a 6.5%* compounded annual return (guaranteed income rider), especially in today's volatile market?*

A: Insurance companies are great with their actuarial data and are spreading the expense over a large number of people. This is called 'mortality credits', they seem to know when each individual within the group will die, even though you don't know when you will. Because you don't know when you will die, it is impossible to 'optimize' your retirement income needs without an annuity. They deal mostly long-term bonds and in puts and calls (to protect from volatility). Also, realize that once you start taking income they only have to come up with your monthly, quarterly or annual payment, they get to keep the majority of the money working for you.

** These rates are as of 5/2013 and can change. Be sure to check with us for current rates.*