

LIFESTYLE LESSONS

Provided by: Alliance 360° Insurance Solutions

Did You Know?

An annuity may be a viable option for your retirement financial security. An annuity is a contract between you and the insurance company by which you make a lump sum payment or series of payments. In return, the insurer agrees to make periodic payments beginning immediately or at a set date down the road.

ANNUITIES: ARE THEY RIGHT FOR YOU?

Types of Annuities:

- **Fixed:** The insurance company guarantees that you will earn a minimum rate of interest during the time that your account is growing. It also guarantees that the periodic payments will remain at an established dollar amount. These periodic payments may last for a defined period of time or for an indefinite period (such as the lifetime of the account).
- **Variable:** You choose to invest your purchase payments from various investment options (typically mutual funds). Rate of return and amount of periodic payments will vary.
- **Equity-indexed:** During the accumulation period, when making a lump sum payment or a series of payments, the insurance company credits you with a return that is based on changes in an equity index. The insurance company typically guarantees a minimum return that can vary.

Benefits of an Annuity:

- Diversifies your portfolio among a number of assets and manages your portfolio.
- Avoids outliving your assets, since annuities pay indefinitely.
- Protects your assets from creditors.

Plan Ahead

Look at your immediate and long-term financial needs to determine if you can afford to open an annuity. Should you have a sudden need for cash, you can usually withdraw a small amount from a deferred annuity without suffering a penalty. However, you will likely suffer a penalty if you withdraw a significant amount of money after only a few years of having an annuity.

Alliance 360° Insurance Solutions

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