A Helpful Guide to

Simplify and Explain

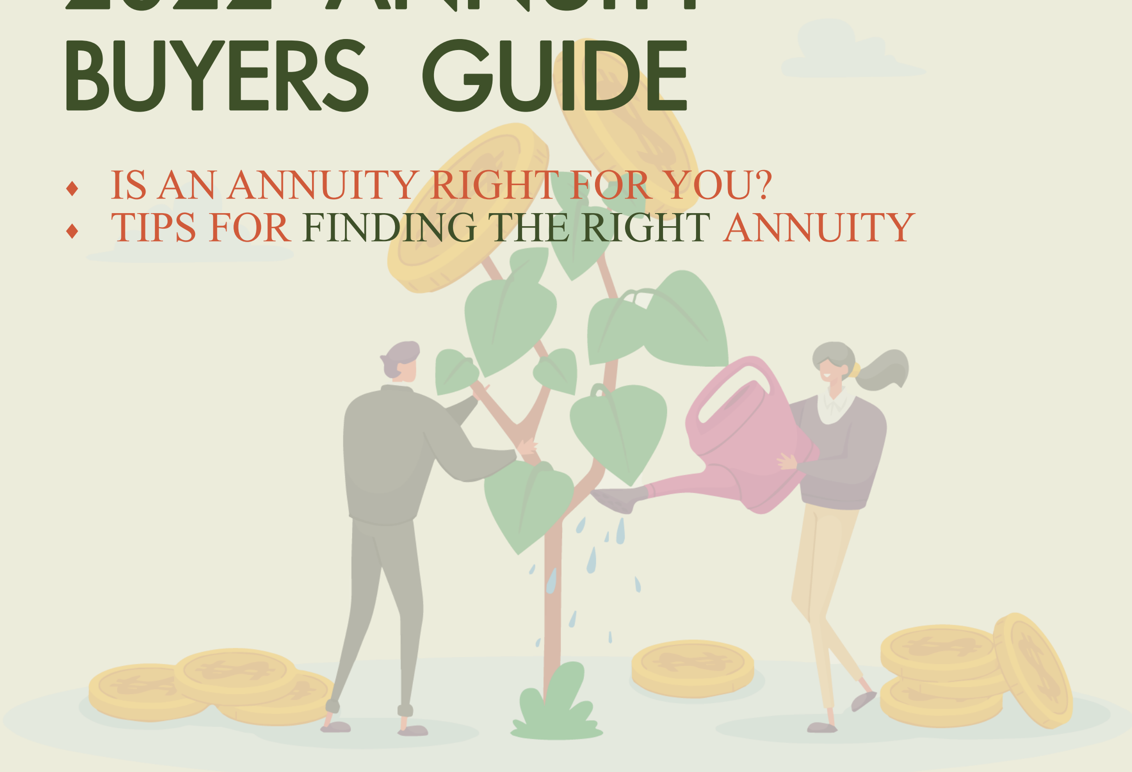
The World of Annuities

ANDERSON FINANCIAL GROUP

THE • ANNUITY Advisor

THE 2022 ANNUITY BUYERS GUIDE

- IS AN ANNUITY RIGHT FOR YOU?
- TIPS FOR FINDING THE RIGHT ANNUITY



Featured Information in this Issue:

“A true advocate is one that asks the questions you would ask, if you only knew to.”

Who’s On Your Side?

What is Reg BI?

Regulation Best Interest or Reg BI describes the way firms will work with clients going forward. It requires that the broker/dealer firm always act in the "best interest" of the client. This new standard is higher than the existing suitability standard. Reg BI applies to recommendations of security transactions or any investment strategies involving securities. This regulation also applies to "recommendations to hold" if account monitoring is offered.

"Best Interest" is expressly not defined. That being said, SEC Chairman Jay Clayton has stated that the "standard of conduct draws from many key fiduciary principles," which reaffirms that Reg BI intends to support a higher standard of care.

PROPER PLANNING IS VITAL

The days of choosing the right saving or investment options based on a commercial of a seminar are over. It’s important to have someone that can objectively research solutions based on your needs.

EXPERT ADVICE

advocate noun
ad·vo·cate | \ ˈad-və-kət , -ˌkāt \

Essential Meaning of **advocate**
1. *US:* a person that works for a cause or a group

advocate verb
: to support or argue for (a person, group or cause)

There seems to be a never ending supply of opinions on what is the best investment option. Some profess that annuities are the only tool that someone should consider while doing their financial planning. While others claim that annuities should never be used. At the end of the day, what we’ve discovered is that these are merely opinions. And unfortunately, they’re only the opinions of the so-called “***professionals***”, not of their clients. The truth is, there isn’t just one perfect solution to all the problems or situations we face in thinking about our financial future. It’s important to consider a number of financial tools when formulating an effective strategy. Whether if be an annuity, a mutual fund, a stock, a bond or any of the other multitude of investment or saving options, the one truth is that they all have strengths and weaknesses. So, the important thing is to know what questions to ask. Throughout this guide we will focus on when and where annuities can serve your planning needs. This advice should only be considered as one part of an effective

SUPPORT THROUGH THE PROCESS

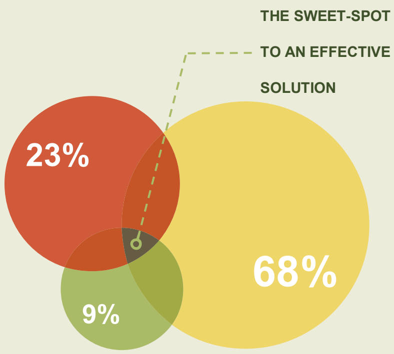
Our overriding goal and role in this process is to serve as an advocate for you.

We’ve taken on the role and responsibility of serving as a fiduciary on your behalf. Which means, not only do we have a moral and ethical obligation, we have a legal obligation to always put your needs first.

The funny thing is, this seems like common-sense. But as Voltaire once said, “*Common sense is not always so common”*. Not everyone has to play by the same rules. In fact, some firms actually prohibit their representatives from holding themselves out as a fiduciary. We get the impression they don’t want the potential liability of having their representatives being held accountable for their words and deeds.

Can you believe that?

So, a word of pretty simple advice, only work with those people and firms that you know will always put your needs first. Sometimes that may mean getting advice that you don’t want to hear. But rest assured, a true advocate can, and will, always be ready to explain why a recommendation will serve you best. (If they can’t, it may be time to get a second-opinion)



Our Mission:

Our mission is to provide you with truthful, clear, and understandable information regarding your annuity choices. We believe that when you are equipped with this knowledge, you then can make a well-informed and educated decision regarding your financial future.

- TAX-PLANNING
- PRODUCT KNOWLEDGE
- CLIENT GOALS

4 LESSONS FROM HAPPY RETIREES

When talking about retirement, it only seems natural to discuss savings and income. After all, that is what will get you "where you want to go" in terms of being able to pay your living expenses, and hopefully a little extra so that you can enjoy all that retirement has to offer. But there is another element that people rarely talk about when planning for retirement - the "happiness factor."

What We Do:

- Research and review the universe of annuities in the United States
- Identify leading products and options in each category
- Educate investors on the different types of annuities and their advantages and shortcomings
- Help investors buy their chosen annuity

Please use this buyers guide and our website to get more educated on your annuity and investment options.

Please feel free to call or email us with any of your questions. No matter is too trivial. One of our team members will personally respond within 24 hours.

We would love to hear from you. Call us or fill out the contact us form on our website.

1.866.545.8686
or visit
www.MyAFG.net

1

WHAT DOES HAPPINESS MEAN?

Several years ago, the Wall Street Journal conducted a study, and they discovered something very interesting. What they found is that those who are surrounded by their family and friends - and who also have a guaranteed paycheck coming in every month for the rest of their lives - are much happier

2

HAPPINESS EQUALS LIFE

Countless studies have shown that those people who consider themselves to have a positive outlook on life, simply live longer. Interesting enough, those individuals who have a guaranteed income for life also live longer than people that don't.

3

RID YOURSELF OF WORRY

The number one worry of retirees is running out of money. Regardless of the reason—people are stressed. So it only makes sense to find a solution. Through proper planning, there are a number of strategies that can help rest easy.

4

TAKE CONTROL

You have much more control over your finances than you may think. But you can't leave it to chance. It's time to start asking, "***What if?***"

HOW TO GET IT RIGHT...

In the past, retirees could typically rely on the ongoing income from Social Security and an employer-paid pension. Unfortunately, many companies have done away with pension plans today, leaving the responsibility of saving enough for retirement mostly up to the employee. And,while income from Social Security still makes up a sizeable income staple for many retirees, this cash flow source only makes up for about 40 percent of the average wage earner's pre-retirement income.

So, how can you supplement the remainder of that guaranteed income in order to achieve your happiness factor?

It's important to understand that you have much more control over creating this type of income than you may think. Today, many insurance companies are offering annuities, that can provide you with a guaranteed lifetime income option.

By choosing this annuity payout option, you will be able to receive a guaranteed income for the remainder of your life - regardless of how long that may be. Many annuities will also offer an option for a joint income recipient. This means that your spouse or another individual of your choosing can also receive a guaranteed lifetime income for the remainder of his or her life too.

According to Freakonomics.com, One huge factor in retirement happiness is reducing or eliminating the stress surrounding money and income.

15 Tips for Finding the Right Annuity

Throughout the years, the financial services market has truly evolved. One way it has done so is by continuing to create and offer products that better fit the needs of consumers, which can allow you to not just pick a particular product, but rather to more closely customize the plan that will take you to exactly where you want to go.

Before moving forward on any type of financial vehicle, though - including an annuity - it is important that you understand how the product works, how much it will cost, and what the potential advantages and drawbacks may be.

It is also essential to determine how the annuity will fit into your specific financial plan. This can help you in narrowing down not just how to find an annuity, but also how to find the right annuity for you.

Here are 15 Tips that will help get you closer to the annuity that's best for your specific financial needs and goals:

Tip #1: Determine whether an annuity is the right product for you. First and foremost, you will need to determine if an annuity is even the right product for you at all. While these financial vehicles can offer many benefits such as guaranteed lifetime income (Footnote 1), for one reason or another, an annuity may not be the right fit for everyone. Therefore, you should ask yourself some key questions prior to moving forward, such as:

- How much income will you need in addition to what you will receive from Social Security and your pension (if applicable)?
- Will you need supplemental income for anyone else in addition to yourself?
- How long do you plan on leaving money in the annuity? (Keep in mind that annuities are long-term commitments).
- When do you plan on needing the annuity's income payments?
- Will you be able to gain access to the funds from the annuity if you should need them?
- Do you want a guaranteed interest rate and little to no risk of losing the principal or are you willing to risk losing principal for the chance of higher earnings that are not guaranteed?
- Do I have enough cash reserves to meet expected needs?

Tip #2: Decide how you will be using the money that is in the annuity. For example, are you using the funds to save for retirement, to generate a retirement income - or both? There are many different types of annuities available in the marketplace today, so knowing how - and how long- you plan to use the product, will help you to make a more suitable choice.

Tip #3: Understand the types of annuities that are available. Although annuities are considered long-term vehicles, some will begin paying out income very soon, while others will allow you to make deposits for many years prior to converting

Tip #6: Understand your risk tolerance. Just as when deciding upon various investments, it is equally important to understand your risk tolerance when choosing the best annuity for you. Your risk tolerance will depend on several different factors, such as your age, your investment time horizon, and your retirement goals. The good news is that annuities can offer a wide range of different options to choose from based on your specific risk tolerance, as well as the financial goals that you're trying to accomplish.

Tip #7: Know the tax implications. Annuities can have a number of tax advantages, such as allowing the funds inside of the account to grow on a tax-deferred basis. It is important, however, to also understand any other potential tax implications that may also be present in the annuity transaction. For instance, if you are purchasing the annuity contract for an Individual Retirement Account (IRA) or another type of tax-deferred retirement program, be sure to consult with a tax professional regarding eligibility and tax consequences in order to ensure that you are following all of the pertinent regulations. Annuity withdrawals are subject to ordinary income tax versus capital gains.

Tip #8: *Shop around.* Once you have a good idea of the type of annuity that's right for you and your specific goals, you will still need to shop around in order to find the annuity that's best for you. There are lots of insurance companies that offer annuities - and each can have differing guarantees on their products, as well as overall company reputations when it comes to financial strength and claims paying ability. It's important to find someone that truly represents you, and not the insurance company, that can research a multitude of different carriers based on **your** needs.

Tip #9: Know what happens in various situations or circumstances. Here, for instance, know what happens if you die before receiving some or all of the annuity's income payout. Depending on the type of annuity that you have and how your payments are calculated, there could be different outcomes. With some payout options, a named beneficiary could receive the money in your annuity when you pass away. Other options simply pay out during your lifetime, and the payments stop when the annuitant dies.

Tip #10: Understand your investment / index options. This will depend on the type of annuity that you choose. For example, variable annuities will typically offer a range of options, from aggressive growth funds to more conservative investments, such as money market subaccounts and fixed rate instruments. They can also offer features that provide protection for your investments against downside market risks. (Footnote 1) Index annuities generally provide you with one or more underlying index options on which to base your return. On the other hand, fixed annuities can minimize your overall risk by

Tip #12: Know what potential charges and fees you will/may be subject to. While not all annuities will have charges and fees, there are others that will - so it is important that you are aware of what you could be charged with in certain situations. For instance, a surrender charge will typically be applied f you decide to cancel the annuity within the first several years of the contract or if you withdraw more than a certain amount of the funds you have invested. Over time, however, the percentage that is charged for surrenders will usually decline until the surrender charge eventually disappears altogether. There are also other fees and charges that could exist, so you should consult with your financial advisor in order to determine what these are and when they may be enforced.

Tip #13: Will your beneficiaries receive a benefit in the event of your death? This is a critical question. When choosing to provide for beneficiaries, some build this into an annuity, others choose an annuity that does not include a death benefit, but use other types of investments to provide for beneficiaries.

Tip #14: Check out the insurer. Certainly, a key goal when purchasing an annuity is to create long-term income security - so, you will want to be sure that the insurer you purchase the annuity from is stable financially and has a good reputation for paying out its claims. You can check the insurance company's credit rating by reviewing the grades that are given by ratings agencies such as A.M. Best, Standard & Poor's, Moody's, or Fitch.

Tip #15: Ask questions. Even if you've read over all of the information provided, if there's something that you still aren't sure about, ask. Remember what they say - there really are no silly questions. And, better to have your answers now, than to find out later, and wish you'd known prior to purchasing a product that may or may not truly been the one that was right for you.

WHICH ANNUITY IS RIGHT FOR ME?

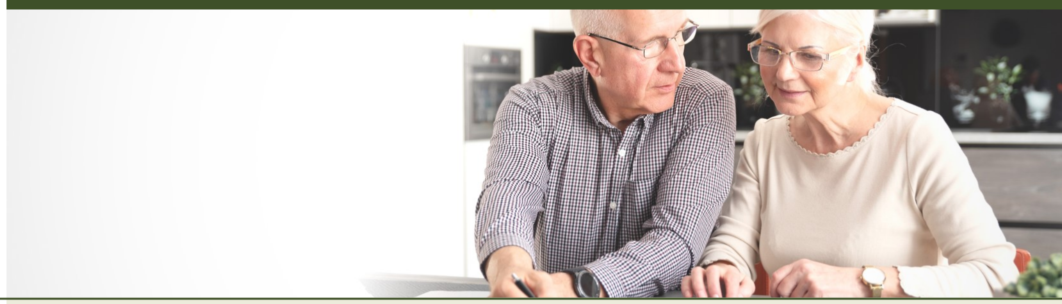
In the world of annuities, you have many choices when it comes to your options for making deposits and for receiving income. Some individuals would prefer to use an annuity as a retirement savings vehicle, making deposits over a long period of time, while others would rather begin to receive an income stream right away - or at least very soon after making just one large lump sum deposit. This is where an immediate annuity may be able to serve you well.

The following pages will give you a good understanding of the different options you may have in selecting the right annuity. If you come across any questions, please call us at 866.545.8686

WHAT IS AN IMMEDIATE ANNUITY?

With a single premium immediate annuity, or SPIA, a single sum is deposited in return for a stream of income that typically starts approximately one month after the deposit is made. The income stream is generated from the funds based on an assumed annual growth rate, as well as the withdrawal period that is chosen, and the age and gender of the recipient.

In most cases, you can choose from a number of different income payout periods such as a certain number of years, or for the remainder of your life - regardless of how long that may be. Income may also be paid out to a joint recipient such as a spouse for the remainder of his or her lifetime as well. (Footnote 2) The Internal Revenue Service considers the income from a non-qualified immediate annuity to be a partial return of principal, plus interest. Therefore, only the portion of the annuity's income that is considered interest will be taxed at your ordinary income tax rate upon receipt. The remainder will be received tax-free.



ADVANTAGES OF IMMEDIATE ANNUITIES

- **POTENTIAL FOR HIGHER RETURNS**
- **BENEFIT OF EXCLUSION RATION**
- **PROTECTION FROM CREDITORS**
- **GUARANTEED LIFETIME INCOME**

> *"You can only be financially free when your passive income exceeds your expenses."*
> *Warren Buffet*

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One advantage of immediate annuities is their potential for higher returns over other "safe," guaranteed vehicles such as bonds, CD, and money markets. Please keep in mind that while CDs are typically FDIC insured, bonds backed by the Federal Government, and money markets may have their own guarantees, annuities are backed by the claims paying abilities of the issuing insurance company. Also, if you invest in an annuity, please consider that you generally need to keep your money in an annuity at least until you are 59 1/2 years old, or you may be subject to a tax

The exclusion ratio refers to the amount of the annuity's income that is considered a return of principal (which has already been taxed) and is therefore not taxed again. Because of this, immediate annuities will typically attract lower current tax when

In many states, an immediate annuity is shielded from the claims of creditors. This means that you can still continue to receive an income during times of financial difficulty - including bankruptcy. As we don't give legal advice, check with your

One of the very best advantages that an immediate annuity can provide is an ongoing guaranteed stream of lifetime income. By choosing this payout option, you can receive income for the remainder of your life - regardless of how long you live. (Footnote 1) You may also opt to add another income recipient such as your spouse, so as to ensure that they, too, will have guaranteed income for their remainder of their lifetime as well. (Although this may lower the payment somewhat because you are covering two lives).

IS AN IMMEDIATE ANNUITY RIGHT FOR YOU?

An immediate annuity or Single Premium Immediate Annuity (SPIA) can provide for a steady, ongoing income in retirement. But, how do you know if this is the right type of annuity for you? There are some important factors to consider before moving forward:

First:

- **Consider your age. As their name implies, immediate annuities are best used to create immediate income. This makes these vehicles a good choice for someone who is either in, or very close to retirement.**

- **You should also think about your other assets. Because an immediate annuity converts a lump sum into an income stream, the funds you use for the annuity will no longer be available in case of an emergency. Therefore, be sure you still have liquid assets available for other needs.**

What's an Exclusion Ratio?

The exclusion ratio only applies to annuities that are purchased with money that you have already paid taxes. Once you begin receiving payouts from your annuity, a portion of each payment is not subject to income tax because it is considered a return of your principal. Since this principal was paid for with after-tax money, the IRS won't tax you on it again. The ratio is a percentage that represents the portion of an annuity payment that is excluded from taxable income. It is calculated by dividing the premium by the expected return.

5 KEY QUESTIONS WHEN BUYING AN IMMEDIATE ANNUITY

1

AREN'T THEY ALL THE SAME

Just like any car can get you from point A to point B, any immediate annuity may be able to get the job done for you. But there are enough differences in companies and their products that it's vital to do some comparisons.

2

WILL MY PAYMENTS CHANGE?

The good news is the answer to this questions is No. This type of annuity guarantees that your payments won't change - regardless of the upsand downs of stocks or financial markets. With a SPIA, your annuity income payments are locked in and guaranteed. (Footnote 1).

3

WHAT HAPPENS TO MY MONEY WHEN I DIE?

Fortunately, with this type of annuity you are in control. When you purchase a SPIA you can decide what you would like to happen. For instance, if you have a spouse or partner you can set up your SPIA as a joint annuity. That way it would pay you for your lifetime and then continue to pay the joint-annuitant for the remainder of their lifetime as well. Or, you could set it up with a Cash Refund option that would return any unused balance to the beneficiaries of your choice

4

HOW IS MY INCOME TAXED?

The taxation of your income payments will depend on the source of the money that you used for your deposit. If you use tax-deferred or qualified funds such as those from a traditional IRA or a 401(k), then you will be subject to taxes on the entire amount of your monthly payment. This is because none of that money has yet been taxed.

If, you use non-qualified funds from checking, savings, or CDs, this money has typically already been taxed. Therefore, only a part of your annuity may be taxed.

WHAT IS AN INDEX ANNUITY?

Throughout the years, there have been many financial products created to help in meeting the needs of consumers. Index annuities often also referred to as fixed index annuities - are one such example.

Where regular fixed annuities base their growth and their income payout streams on a set fixed rate of interest, an index annuity provides its key benefits by being linked to an external reference, or index.

This means that the value of the annuity is actually correlated to a market index such as the S&P 500 or the Dow Jones Industrial Average. So, the way in which an index annuity credits interest to its account will differ from that of a regular fixed annuity in that it is related to the changes in the underlying index to which it is linked. Most index annuities will cap the upside potential, although some now have non-capped strategies.

How Do Index Annuities Work?

In many ways, index annuities work in a similar manner as regular fixed annuities. However, an index annuity will have the primary distinguishing factor of being linked to an underlying market index. For example, the S&P 500 or the Dow Jones Industrial Average.

One of the best features about an index annuity is that, while the interest earnings are locked in - up to a stated cap each year - these types of annuities do not incur any negative return. Therefore, an index annuity will provide its holder with protection of principal from possible decreases that could result from market losses.

In addition, even though index annuities are linked to an underlying market index- or in some cases, more than one index - the value of these financial vehicles will not vary from day to day. Rather, index annuities can provide you with a predictable amount of interest that is credited and locked in each year on the anniversary date of the annuity contract.

Are Index Annuities Liquid?

As with other types of annuities, fixed index annuities possess surrender charges if you withdraw your funds prior to a certain time after purchase. However, you can typically access up to 10 percent of your principal each year - penalty free -without incurring a fee. Once the surrender period has ended, you will be able to access the remainder of your account value without incurring a surrender charge. However, please note that surrenders of non-qualified annuities prior to age 591/2 may subject the owner to a 10% penalty.

What If You Pass Away Prematurely?

If you pass away prematurely, prior to receiving back the amount of your original non-qualified annuity deposit in income payments, your named beneficiary will receive a tax-free death benefit in the amount of the difference. Thismeans that those who are counting on you won't need to struggle financially - even in the event of the unexpected.

Advantages of Owning an Index Annuity

In many ways, an index annuity can offer the "best of both worlds." On the one hand, these vehicles can allow you to obtain growth based on the underlying index (or indexes) that it tracks. This can help to keep funds on pace with inflation, which in turn can provide the ability to maintain future purchasing power in retirement. It is important to see which index your annuity is tracking. This is because some indexes can be capped at a particular return, whereas other indexes are not.

Index annuities can also protect funds from market declines, eliminating the fear of loss. These financial vehicles regularly lock in the prior year's earnings - and because of this, funds in the account will not fall during a downward moving market. This featurecan also give the funds that are inside an index annuity even more upward potential, as they are able to "reset" at the new low.

As with other types of annuities, the funds that are inside of an index annuity are allowed to grow on a tax deferred basis, which can provide the ability to compound growth exponentially over time.

Key Questions to Ask When Buying an Index Annuity

Index annuities are unique, and they tend to have many "moving parts." Because of that, it is essential that you have a good understanding of what it is you are purchasing in order to ensure that the product is right for you.

In order to do so, there are several key questions that you should ask so that you can narrow down your choices. Having the answers to these can help you in determining how and why a particular index annuity may be the right choice for meeting your financial goals.

How long is the index annuity term?

When considering an index annuity, it is important that you first review the term of the contract in order to ensure that it fits in with your lifestyle needs. In doing so, you should make sure that you will be able to start receiving income from the annuity when you need it.

In all cases, it is important to understand that annuities are long-term commitments. With that in mind, you should plan to keep the annuity long enough so that you won't incur any early withdrawal, or "surrender," penalties if you should need to cancel your contract or access your funds prior to a certain time. Also, if you are using a non-qualified annuity, you would need to leave the funds in one annuity or another to age 59 1/2 to avoid the tax penalty.

What penalties will you incur if you remove your money early?

Surrender fees are typically charged on amounts that are withdrawn prior to a certain time. However, in most cases, you will be allowed to withdraw up to 10 percent of your principal each year penalty-free.

With many index annuities, however, surrender charges will be waived in various instances, such as if you die, you become confined to a hospital or nursing home for a specified period of time, or if you choose to take a guaranteed stream of income from the annuity.

In addition, withdrawals that are made prior to age 59 1/2 will also be considered an "early withdrawal" in the eyes of the IRS. Therefore, you will be charged a 10 percent early withdrawal penalty by the IRS on withdrawals that are made prior to this time.

Which indexing method is used with the annuity?

The indexing method refers to the way in which the amount of change in the index is measured. Some common indexing methods are the annual reset, the high water mark, and the point-to-point. The indexing method that is chosen for the index annuity will essentially determine when interest is added to the annuity, as well as how the interest will be calculated.

What is an interest rate cap?

The interest rate cap will determine the maximum amount of interest that the insurance company offering the annuity will pay out on the contract. Since an index annuity will only credit the amount of interest up to the maximum cap rate, the holder of the annuity may only receive a certain percent of interest.

What is the annuity's participation rate?

The participation rate refers to the amount of "participation" that the insurance company offering the annuity is willing to give the annuity holder in the underlying index. For example, having a participation rate of 75 percent will allow the annuity holder to capture 75 percent of the index upside movement - but not the full amount of that movement.

What this essentially means is that if the underlying index has a gain of 10 percent in a given year, an index annuity with a 75 percent participation rate and no cap will return 7.5 percent. (10 X 75% = 7.5%)

While fixed and variable annuities may be familiar terms to you, hybrid annuities may not be. Yet, these financial vehicles could offer some very nice advantages when it comes to both saving for retirement, as well as receiving an ongoing, guaranteed lifetime income.

WHAT IS A HYBRID ANNUITY?

How Do Hybrid Annuities Work

With a hybrid annuity, you can have both fixed rate of return and / or the option of a return linked to the growth of the stock market index. You also have a lifetime income feature that can be turned on whenever you want your income to start.

As with other types of annuities, the funds that are inside of a hybrid annuity are allowed to grow on a tax deferred basis. This means that the money will not be taxed until the time it is withdrawn.

Features Offered with Hybrid Annuities

With a hybrid annuity, your deposits remain entirely in your control. You are not giving up access to your cash. It offers the potential for higher annual returns than other safe money solutions such as CDs or bonds.

It provides 100% guarantee (Footnote 1) of your principal - you can't lose money. The growth is tax-deferred. It also provides income for life when you select the optional income rider. Many times there is a 1% annual fee for this option. You have the option of deciding at a later date when you would like to start your income for life.

Other riders may provide the annuity owner with the ability to withdraw funds if he or she is diagnosed with a certain illness. Likewise, if the annuity owner requires funds for certain needs such as long-term care, then they can typically access funds from the hybrid annuity through what is referred to as an accelerated payout rider.

With a hybrid annuity, you won't lose principal, bonus, or any prior interest credits that have been earned due to poor market performance provided you hold your investment past its surrender charge period. This means that you get your market linked benefit of upward market potential, yet without the downside loss.

Often a hybrid annuity has a lifetime income option attached. This guarantees that you will receive a retirement income paycheck each month for the remainder of your life - regardless of how long that may be. (Footnote 1)

You can also opt for the joint lifetime income option which means that a spouse or other individual (related or not) can also receive lifetime income for the remainder of his or her life as well. (Footnote 2)

Should you pass away prematurely before all of your deposited funds have been paid out as income, your named beneficiary will receive back the remainder of your funds in the form of a tax-free death benefit. If your annuity funds are in an IRA, your beneficiary will still receive the remainder of your money, although just like with any IRA, it will be subject to taxes.

With a hybrid annuity, you can obtain a number of nice benefits, including safety of principal, the potential for growth, and guaranteed income for life. These financial vehicles can help you to eliminate the fear on most retirees' and pre- retirees' minds today - that of outliving your money in retirement.

Key Questions When Buying a Hybrid Annuity

Because there are so many types of annuities that are available on the market today, it is important that you ensure the annuity you choose is the right one for you. When shopping for a hybrid annuity, there are several important questions that you should ask in determining if the particular annuity will be right for your specific retirement savings and income goals.

Some of the key questions that you should ask regarding hybrid annuities include the following:

IS THE PRINCIPAL OF AN ANNUITY GUARANTEED?

Yes. The hybrid annuity is a fixed annuity, which means the account is guaranteed never to go down due to the market. No matter what happens in the market, you will never lose your original deposit. Remember, all guarantees are based on the claims paying ability of the issuing insurance company.

DOES THE ANNUITY OFFER A LIFETIME GUARANTEE?

Hybrid annuities do offer a guaranteed lifetime income option. If chosen, the annuity will pay out an income for the remainder of your life - regardless of how long you live. This feature can help to alleviate the biggest fear that most retirees and pre-retirees have on their minds today - that of outliving their money in retirement.

WHO IS A GOOD CANDIDATE FOR A HYBRID ANNUITY?

While hybrid annuities offer many beneficial features, they may not be the right product for everyone. Hybrid annuities can be a good choice for those who have longer time horizons and who wish to take advantage of the higher potential returns than some other fixed income investments along with a guaranteed lifetime income.

Many people like the idea that income can be turned on when they choose to turn it on, and they can make that choice at a future date. They also like the fact that the asset remains in their control, which gives them the ability to change their mind or to access the funds if needed.

WHAT ARE SOME Of THE PRIMARY BENEFTIS OF HYBRID ANNUITIES?

There are many advantages of hybrid annuities. These can include the following:

- Safety of principal, along with growth for a hedge against inflation
- Upside market potential via the use of indexes such as the S&P 500 and the Dow Jones Industrial Average (DJIA)
- Essentially no direct market investment and no downside market risk
- A majority control of assets that may be used for expenses such as long-term care
- The ability to leave unused funds to heirs
- A retirement income that cannot be outlived. (Footnote 1)

WHAT IS A DEFERRED INCOME ANNUITY?

Today, the fear of outliving one's assets has fueled many financial companies to create products that address the needs for consumers who will be spending much longer periods of time in retirement. One such vehicle is the Deferred Income Annuity.

Deferred Income Annuities, or DIAs, are defined as a type of income producing annuity where the payout begins at some time that in the future.

These annuities will grow based on some predetermined methodology and pay their holders an income for life, based on the owners needs. They are in essence a deferred annuity and an income annuity combined.

NOT ALL COMPANIES ARE CREATED EQUAL...

The purchase of an annuity can help to ensure that you don't run out of income in retirement. When deciding on the right annuity, however, it's important to consider the type of product you're purchasing, as well as the potential tax implications, how and when income can be received, and what additional riders - if any - can be added to the contract.
In addition to all of these criteria, though, there is one factor that many people tend to overlook when considering an annuity - and that is the insurance company itself. Yet, this could end up to be one of the most important elements of all.

WHY THE UNDERLYING INSURER MATTERS

Today, there are literally hundreds of insurance companies that offer annuities - so it can seem a bit overwhelming when trying to pare down your top choices for current retirement savings, and likewise, future retirement income.

But, when entrusting an insurer to provide you with your ongoing, lifetime income, you want to be sure that the company will be there in the future when you are going to need them most. So, how do you go about researching these firms? There are a couple of good rules of thumb.

Checking Your Insurance Company's Report Card

One way that you can conduct a "background check" of sorts on a potential annuity carrier is to review the ratings that have been assigned to it by the various agencies that provide them. There are several agencies that focus on providing information on the financial strength and stability of insurers - and all life insurance companies must become rated by at least one of these agencies. Such ratings could be thought of as a "report card" for insurers.

THE FIVE MAJOR RATING SERVICES:

- A.M. BEST
- STANDARD & POOR'S
- MOODY'S
- FITCH
- THESTREET.COM

Each of the services uses its own unique criteria for issuing a report card to the insurance companies that it rates - although all use a letter grading system using grades that range from either A++, AAA, Aaa, or A+ to F, D, C, or R.

What Do These Ratings Mean?

The ratings that are given to an insurance company are based upon certain factors. For example, A.M. Best issues financial strength ratings measuring insurance companies' ability to pay claims. Its Financial Strength Ratings represent the company's assessment of an insurer's ability to meet its obligations to its policy holders. The rating process involves quantitative and qualitative reviews of a company's balance sheet, operating performance, and business profile. It's long-term credit ratings assess the ability of an insurance company to meet its senior obligations.

How to Determine an Insurer's Rating

There are several ways that you can go about checking an insurer's ratings. One of the best ways to do so is to go directly to the insurance company's website. Typically, the ratings - as well as an explanation of what the rating signifies - will be provided there.

In addition, this type of information is usually found on each states' Department of Insurance website. Each of the 50 U.S. states has its own website that provides a great deal of information regarding the types of insurance coverage that are offered, as well as details on how to go about choosing the right insurance carrier for consumers' specific coverage needs.

Rolling Over Your Retirement Funds?
Here's What You Need to Know First:

If you've just left the world of employment - or you soon will be entering into retirement - it's likely that you may have a substantial amount of savings stored in your employer-sponsored retirement plan that you aren't quite sure what to do with.

Don't worry, you're not alone. Many of us spend the bulk of our working years setting money aside for the future. We are nearly bombarded with an endless array of investment options throughout our "accumulation" years while we save for our retirement.

Yet there is comparatively little information to be found on what we need to do when we've finally reached that point of walking away from our employer (or our business), and turning our savings into what will hopefully be a life-time stream of income. This is referred to as the "de-cumulation" stage of our life.

One very viable option to consider is to take advantage of the many benefits of rolling your 401(k) or 403(b) funds - as well as money you may have saved in an IRA (Individual Retirement Account) - into an annuity.

How Does a Rollover Work?

When you rollover your retirement funds to an annuity, you can move the money that you have in your employer-sponsored account or your IRA over to the annuity tax-free. Annuities that are funded with 401(k) or IRA funds are considered to be "qualified" plans, which enables the insurance company that is offering the annuity to create an IRA annuity.

There is no requirement that you leave the funds inside the IRA annuity for any particular length of time before you can take an income. So, if you are ready to begin taking retirement income distributions from your funds, the account can be set up as an immediate annuity. This means that your income stream can begin the month following your rollover deposit.

The amount of your monthly income will be dependent on several factors. These include the amount of funds you have deposited in the annuity, as well as your age, your gender, and the income payout option that you decide upon.

What are the Tax Consequences of a Rollover?

Although 401(k) funds and other pre-tax savings can be subject to taxation when they are withdrawn, by law you are allowed to directly rollover these funds on a tax-free basis. It is, however, important to follow all of the rules when doing so.

If your employer's distribution check is made out to you personally rather than to the insurance company, it is important that you get the funds to the insurance company and settled in the annuity within 60 days. Otherwise, the distribution will be considered taxable.

Where Can You Find and Purchase an IRA Annuity?

There are many options when it comes to locating IRA annuities. They key is finding the right IRA annuity for you. We can assist you in narrowing down your choices based on your financial goals and your retirement income needs.

We have a number of tools for you to take advantage of that can be found directly on our website. Feel free to review the annuity rates, as well as to go over the information provided on the different insurance carriers.

We can also help in walking you through, step-by-step, the rollover process so that you can be sure that all of the necessary forms are completed and paperwork is intact. All of our services are free of charge, and we are happy to answer any questions or concerns that you may have along the way. (Footnote 3)

The Goal
Isn't To Live Forever,
It Is to **Create**
Something That Will
-Chuck Palahniuk

WHAT WILL YOUR LEGACY LOOK LIKE?

Leaving a Legacy That They'll Always Cherish

While a one-time gift may be a loving gesture, what if you were able to provide a gift that keeps on giving, year after year, for the rest of your grandchild's life? It is a guaranteed fact that if a person receives a check from someone every year, the recipient will continue to remember that gift giver on a regular basis. How nice would that be to have them remember you regularly!

There are many ways that you can set these gifts up, but some suggestions may include having the annuity check arrive each year on your grandchild's birthday, on Christmas, or on another significant holiday.

In addition, these checks do not have to remain at the same amount. You can also add an inflation protection rider to them so that the amount will go up over time. This will help the recipients to make better use of the money in terms of future purchasing power.

Over time, an initial deposit of $100,000 could essentially grow to $1 million, $2 million, or more in total gifts received, depending on how long the income pays out, the rate of return offered by the insurance company, and how many recipients are set up to receive the income payouts. What other financial product will allow you to do this?

When income is received, only a portion of that income will typically be taxable. This is because part of the income from an annuity is usually considered to be a return of principal and part is considered to be earnings. While the part considered earnings is taxed, the portion that is a return of principal from a non- qualified annuity is not taxed again.

As time moves onward, we all begin to think more about how we want to be remembered. When we have people we care about, we certainly also want to leave something behind. Unfortunately, when reality sets in, the truth is that as much as we'd like to hand over all of our treasured assets, Uncle Sam may have a say in how - and how much - we can offer.

Different situations will call for differing ways in which we can, and should, leave something of ourselves to those we love. For some -especially if you are considering leaving a gift to your grandchildren - it may be life insurance proceeds, and for others, a 529 college savings plan could be the ideal planning option.

But if you really want to leave an ideal legacy, while at the same time provide a gift of true value, planning with an annuity may just allow you some benefits that no other financial vehicle can provide.

The Very Best Gift You Can Give

While this entire guide is designed to help you make the best financial decisions you can, based on your individual needs and circumstances, the best gift you can give, to build a legacy for the ages, is to give of yourself. The memories you create will always stand the test of time.

With proper planning, you too can have the peace of find knowing you can help create those memories for years to come.

HOW WE CAN HELP?

*Our opinion is that much of the annuity advice out there may be flawed. All too often the people giving the advice may have a hidden agenda, and serving the best interests of their clients may not be it. For instance, have you ever received one of those invitations to a "Complimentary" steak dinner? How do you think they pay for those dinners? One of the "dirty little secrets" in some, (**Not All**), of those seminars is that some annuity company is helping to sponsor the event. So the question begs, in those circumstances, "Is the advice really unbiased?"*

As you've discovered through this guide, not all annuities are created equal. For some, the costs may be too high or the benefits too low. All too often we witness first hand poor advice that hurts investors more than it helps them.

This special 2022 Annuity Buyers Guide, and everything we do is designed to prevent that.

We launched our firm with one simple goal, "To create a work optional lifestyle for anyone that wants it". As you can imagine, that idea looks different for everyone. We realize that annuities are not the solution to every financial situation. But we have discovered they can be a vital part of most effective financial planning. So we decided that providing simple, easy to understand information and independent reviews of the most popular annuities being sold today can provide a great service to all investors throughout the country.

What started out as a simple mission to provide unbiased annuity information so individual investors confidently made good decisions with their money, has really taken off.

WHY IT WORKS...

One of the reasons we've been so successful is that we ask the questions you would, if you only knew to ask them. We hear the word Advocate bantered around a lot in the financial industry. But for us, it's not just a word, it's a lifestyle.

We think annuities can be a great part of a retirement income plan – when used correctly. Unfortunately, there seems to be a disconnect between advice that is actually good for people and the advice most get when it comes to annuities.

That's why we just lay all the facts out so you can easily see if a particular annuity is a good fit for you. Some annuities are better than others, and all annuities are different.

We do the "investigations" just so people know what they're getting into before they make what is often a large, lifetime (and irreversible) commitment.

If a particular annuity isn't going to work for you, we'll let you know. If it's great, we'll let you know that too. If an annuity works well for one particular situation, but not for anything else… you guessed it, we'll let you know.

We have discovered that the more goodwill we share, the more people we can help.

Often times many of the recipients of this guide become happy and lifelong clients, whether that happens or not, our mission is to help consumers make informed and clear decisions when it comes to purchasing annuities.

If you have questions and would like to talk to a retirement planning expert we have trained a team of quality, experienced advisors and annuity agents that would be happy to chat with you.

Phone calls are always free, 100% confidential, and there is never an annoying high-pressured sales pitch, just good, quality advice to help point you in the right direction.

We help investors all over the country build a financial plan that helps you reach your goals, protect your assets, and do so in the lowest risk, lowest cost manner possible.

Based on your answers we can find help you find the best annuity for you.

Since insurance carriers change their annuity terms from time to time, you need to compare one annuity against other top annuities to ensure you're receiving the best benefits and income with the highest guarantees right now.

We can also show you a visual, step-by-step demo of how annuities *MAY* work for you and ensure an annuity makes sense given what you have read in this report.

We firmly believe that the some parts of the financial industry has gotten too expensive, too complicated, and too out of touch with actually helping people reach their goals.

We want to change the status quo and start a high quality, information-driven financial planning revolution.

Do you still have some questions on whether a particular annuity is right for you? Are you concerned that you are paying too high in fees?

We'd be happy to help. Click the link below, and we'll do our best to point you in the right direction.

Click Here To Find Out Exactly How Much You Are Paying In Fees!

Get An Objective Second Opinion On Your Annuity By Getting Your Annuity Tested Against Numerous Others Using Our Proprietary Review Process

Our Closing Thoughts:

We sincerely hope this report was enjoyable and educational for you and we would love your feedback. If you have suggestions for improvement, or words of encouragement, please reach out to us at info@myafg.net or fill out our contact us form.

Some annuities can be complex, confusing, and dangerous when used incorrectly. By reading this exclusive consumer report you are now armed with knowledge that will help make you a better investor.

If you know anyone else you might benefit, feel free to send them a copy. Or better yet, just have them go to our website at www.myafg.net to request their own.

It is our wish that you do the best you can with the resources you have. Never assume there is only one correct way to do anything, including the use of annuities. Continue to educate yourself, and surround yourself with those who care about your well being more than their own (especially those who espouse financial advice).

Sincerely,

Todd R. Anderson Managing Partner

P.S. Got questions or comments?

Feel free to give us a call at (866) 545-8686

No Pressure. No Hype. No Shenanigans - Just The Straight Answers... PERIOD.

Disclaimer:

This report discusses issues that many seniors, retirees, and pre-retirees may wish to consider when making the decision as to whether or not they should purchase an annuity - and, if they do decide to purchase, which type of annuity and which annuity features and riders may be most appropriate for their specific situation. This information is not designed to be a recommendation to purchase any particular financial product or service.

The Anderson Financial Group offers independent annuity product reviews. Nothing on this website is a recommendation to buy or sell an annuity. All content is for educational purposes only. No product companies have endorsed the reviews on this site, nor is AnnuityGator.com compensated for reviews. Reviews are posted at the request of readers so they could see an independent perspective when breaking down the positives and negatives of specific annuity contracts. Before purchasing any investment product be sure to do your own due diligence and consult a properly licensed professional should you have specific questions as they relate to your individual circumstances. By contacting us you may speak with an insurance licensed agent in your state, and you may be offered insurance products for sale, but again, don't worry you won't be pressured or hassled to buy anything.

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Footnote 1) Guarantees backed by claims paying ability of the insurance company and subject to contract provisions.

Footnote 2) Guaranteed joint income may have additional cost or have reduced payments.

Footnote 3) The insurance company you choose pays us for these services.

Nothing in this guide should be construed as legal or tax advice

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