



Tips to Consider Before Purchasing an Annuity

- Annuities are not as liquid as some other investment alternatives such as certificates of deposit or stocks.
- Do not place monies in a deferred annuity if you need the funds within a year or two, or for emergencies.
- Seek the advice of an impartial third party such as a tax attorney, CPA or other financial professional before purchasing an annuity.
- Consider the financial risks, including surrender charges, early withdrawal penalties and tax consequences.
- Make sure the agent and company you are dealing with is licensed in Florida.
- Ask the agent to put in writing and sign their name to any claims made as to interest rates, bonuses or other benefits of the product they are recommending.
- Never sign blank insurance forms or other documents. Demand copies of anything you sign.



STATE OF FLORIDA

Florida Department of Financial Services

Commonly Asked Questions

I need to make a decision on whether to purchase the annuity right away since the special rates will expire soon.

There are no time-limited special offers with insurance products. Interest rates do change with the market conditions, but should not justify a rushed decision or high pressure sales tactics.

My current investments provide monthly income. An agent says I should cancel my investments and purchase a deferred annuity.

Annuities can provide income right away (an immediate annuity) or at a later date (a deferred annuity). Be sure you understand the provisions of the annuity product presented to you.

If I purchase a deferred annuity and then need access funds to pay for a medical emergency, can I withdraw money without a penalty?

Some annuities will waive surrender charges if you become disabled and confined to a hospital, nursing home or extended care facility for a specified period. Ask your agent or check your contract for any restrictions.

Will I have to pay a surrender charge if I sell my annuity or exchange to another one?

A surrender charge and penalty for early withdrawals often apply during the early years of the policy. Read your contract carefully.



FOR MORE INFORMATION

Florida Department of Financial Services
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