

ON GUARD

For Seniors

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.



Commonly Asked Questions

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

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

My current investments provide monthly income. An agent advised me to sell my investments and purchase a deferred annuity.

If you are receiving monthly income now, a deferred annuity may not be in your best interests, as this type of annuity matures at a later date. An immediate annuity pays benefits immediately. Be sure you understand the provisions of the annuity product presented to you.

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

Some annuities 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.

Must I 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
Division of Consumer Services
1-877-MY-FL-CFO (1-877-693-5236)
www.MyFloridaCFO.com/OnGuard

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