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.
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
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