 Fixed annuities offer a unique and attractive blend of safety, growth potential, tax advantages and lifetime income – which may make them a good fit for many clients. Appreciating the true power and capabilities of fixed annuities requires understanding the key terms that are used to define them.

**Fixed Annuities:**

1. Are **insurance** products offered by major insurance carriers.
2. Are contracts with an insurance company purchased using a **premium**.
3. Earn **interest** based on the insurance company’s earnings or the positive performance of a market index.
4. Have **no downside market risk** because they do not directly participate in any market.
5. Provide **tax-deferred** growth by deferring taxes until such time when withdrawals are made.
6. Are **one** of the two types of annuity products available: fixed or variable.
7. Include **fixed indexed annuities**, which offer the same insurance guarantees as other fixed annuities but credit interest based on the performance of a market index.
8. Provide **guarantees** for individuals interested in creating a predictable income stream in retirement they can’t outlive.
9. Provide **principal protection** from market volatility with a zero percent interest floor and minimum interest guarantee.
10. Are among the **highest rated** financial products for consumer satisfaction, with complaints filed on less than one-half of one percent of fixed annuities sold in the last 15 years!\(^1\)

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\(^1\) April 2017 Annuity Perspectives, compiled by Dr. Jack Marrion, President Advantage Compendium.

*Annuity guarantees are backed by the claims-paying ability of the issuing insurance company.*

NAFA is a driving force dedicated to fixed annuities and ensuring their successful presence in retirement planning. Through education and awareness, NAFA brings industry leaders together to form a powerful alliance that grows and protects the future of fixed annuities.