



Fixed index annuity basics

Determining whether fixed index annuities (FIAs) are a good fit for your clients begins with understanding their design, purpose, and how they can work with clients' overall financial goals. Generally, FIAs work well for more conservative investor that values principle protection or guaranteed lifetime income. So, what are FIAs?

FIAs are:

- A type of fixed annuity
- Insurance contracts
- Linked to the performance of a specific stock index, such as the S&P 500
- Long term products
- Possibly subject to surrender charges and holding periods
- Variable by state and carrier

FIAs offer:

- A minimum guaranteed interest rate¹
- Potential for higher interest crediting than traditional fixed rate annuities
- No fees on the base contract
- Indexed accumulation potential, but they are never invested directly in any market index

FIAs are not:

- Replacements for mutual funds, variable annuities, equities, or other non-guaranteed financial products or investments
- Short term financial vehicles
- Bank products
- Designed to earn high interest rates

FIAs are designed to meet long term needs for retirement, not compete with the market.

Retirement Income Planning

Retirement income is especially important today.

Did you know?

- 40% of Americans admit they are unsure if their retirement savings will last their lifetime? ¹
- Half of Americans have nothing saved for retirement at all? ²
- More than half of Americans are considering a retirement plan that guarantees lifetime income like an annuity? ³



FIAs can also provide income in retirement through traditional annuitization or through the flexibility of optional income riders (optional riders may have fees and charges) with guaranteed minimum withdrawal benefits. Fees and charges do not apply to traditional annuitization but can apply for optional income riders. Check with the carrier for details. Both offer single or joint income that you cannot outlive. Some also have features for increasing income through retirement. Income riders can provide steady interest growth in deferral and lifetime income when the guaranteed minimum withdrawal benefit is activated. Policy riders are available at an additional cost and may not be available for all products. Terms and conditions apply.

 Contact your Crump Annuity Solution Center team at 800.787.2837, option 1

¹ Post-Pandemic Realities: The Retirement Outlook of the Multigenerational Workforce | 23rd Annual Retirement Survey (transamericainstitute.org)

² Half of American households have no retirement savings (usafacts.org)

³ Retirement savers eye guaranteed lifetime income amid recession fears (cnbc.com)

