

Barron's took a broader look at the ever-changing annuities industry this year, which resulted in double the number of contracts evaluated.

## This Year's Best Annuities

By Karen Hube

After decades of sharp criticism for being complicated, expensive, and unnecessary, annuities are finally getting some respect. The industry has made some strides in cleaning up its act, and annuities are increasingly being recognized for their unique ability to ease investors' greatest fear in retirement—running out of money.

With a retirement-savings deficit looming as a generational crisis, many financial advisors who once swore off annuities are now recommending them as an important piece of the retirement-planning puzzle. These insurer-sold products are also getting a nod at the policy level: The Senate and the House of Representatives have each proposed sweeping changes to retirement-savings rules, including opening the door for annuities to be offered in 401(k)s—a measure that has bipartisan support.

Investors, meanwhile, are increasingly turning to annuities out of fear that a stock market decline will cause unrecoverable losses in their nest eggs. Annuity sales were up 17% in 2018, after three consecutive years of declines. And sales were up 38% in this year's first quarter over last year's, according to the Limra Secure Retirement Institute.

"We're hearing, 'I want to create a retirement paycheck, but I also don't

want to lose money,'" says Geri Pell, a wealth advisor at Orth Financial, who looks for annuities with growth potential.

Annuities are insurance contracts with an underlying investment component. When good annuities are used properly, they can provide a measure of comfort and safety by limiting your losses in a down market, mimicking a personal pension by generating a lifetime of guaranteed income, or offer a cheap way to invest on a tax-deferred basis.

To improve their appeal, insurers have launched a range of fee-based annuities and are emphasizing simplicity. Sometimes it's lip-service, but there are some real improvements in shorter prospectuses, simpler marketing language, and fewer moving parts in some products.

But even with recent progress, annuities remain tediously complicated, and their fees can gouge the value of underlying investments. Good products can also be carelessly sold by agents simply trying to pocket a commission. If that happens, there's no turning back: Without thoughtful selection, investors can find themselves locked into unwanted contracts that are illiquid, or that charge high fees for withdrawing assets early.

**To help investors** navigate the changes and complications in the industry, we

expanded Barron's annual Best Annuities list of competitive contracts to 100 from 50. (Actually, the final count came to 101—consider it a bonus.) The expanded list isn't just more of the same; we've added categories that represent more products and better reflect investors' buying habits. For example, rather than only highlighting contract payouts for men, as we have in the past, we added assumptions for women and couples, which can dramatically alter the pricing and benefits. On many products, women get less income per year because they tend to live longer; joint-life contracts for spouses pay out the least because they cover the longer of two life spans. According to Limra, 57% to 62% of single-life, income-generating annuities are owned by women.

We also added variable and fixed-indexed annuities with the highest potential average income based on probability analyses by Cannex USA, a data firm that tracks and studies annuities. While these types of contracts guarantee a minimum annual income, investors often select them for their upside potential, based on the performance of underlying investments.

The final major change to our Best Annuities list is the addition of several new products. Insurers' creative teams have been grinding out annuity variations at a rapid rate, trying to stay ahead of investors' fears as market uncertainties rise.

*(over please)*

## Best Fixed Income Annuities: Guaranteed Income, No Frills

Fixed income annuities' only purpose is to turn a lump sum into a lifelong income stream, either immediately or sometime later. Single-life payouts for women are generally lower because their life expectancies are longer.

**IMMEDIATE INCOME ANNUITIES** Steady payments begin right away. Assumes a \$200,000 investment at age 70. Payments for "joint life" assume a man is 70 and his spouse is 65.

**10-Year Certain:** If an investor dies within 10 years of starting income, payouts go to heirs for what's left of the 10-year period.

	Company	Rating*	Annual Income for Life	Annual Payout Rate	Total Income At Age 90
Single-Life <sup>1</sup> Man	Protective Life	A+	\$15,133	7.57%	\$302,667
	Penn Mutual Life	A+	14,386	7.19	287,720
	New York Life	A++	14,319	7.16	286,380
Single-Life Woman	North American Co. for Life and Health	A+	\$13,813	6.90%	\$276,260
	Midland National Life	A+	13,813	6.90	276,260
	Penn Mutual Life	A+	13,783	6.89	275,666
Joint Life <sup>1</sup>	Protective Life	A+	\$11,611	5.80%	\$232,220
	North American Co. for Life and Health	A+	11,496	5.70	229,920
	Midland National Life	A+	11,496	5.70	229,920

**Cash Refund:** When an investor dies, any remaining principal is paid to heirs in a lump sum.

	Company	Rating*	Annual Income for Life	Annual Payout Rate	Total Income At Age 90
Single-Life Man	Protective Life	A+	\$13,974	6.98%	\$279,482
	North American Co. for Life and Health	A+	13,231	6.62	264,620
	Midland National Life	A+	13,231	6.62	264,620
Single-Life Woman	Protective Life	A+	\$12,973	6.49%	\$259,460
	North American Co. for Life and Health	A+	12,841	6.42	256,820
	Midland National Life	A+	12,841	6.42	256,820
Joint Life	Protective Life	A+	\$11,422	5.70%	\$228,437
	Symetra Life	A	11,220	5.60	224,400
	Prudential	A+	11,097	5.50	221,940

\*AM Best Rating. <sup>1</sup>Single Life pays for one person's lifetime; Joint Life pays for both spouses' lifetimes.

"Product innovation is at the highest level I've seen in my career," says Todd Solash, chief executive of individual retirement at American International Group. AIG's latest annuity has a flexibility feature that allows investors to change the payout arrangement—for example, whether it pays out for just one spouse or both—as long as they haven't started drawing income.

The best way for investors to make sense of the annuity universe is to focus on a primary objective and size up how different options can help achieve it.

### If You're Looking for: Downside Protection With Some Return

Many folks want a cushion under a portion of their assets and, in exchange, are willing to give up some return.

Given how little bonds are paying these days, investors have been pouring money into fixed annuities, which

protect principal and generally pay at least one or two percentage points more than traditional bonds. The five-year Treasury yield is at 1.79%; a plain fixed annuity will pay up to 3.2%.

Sales of fixed annuities rose 25% in 2018, to a record \$132 billion—60% of the industry's total \$234 billion in sales, according to Limra. Variable annuities account for 40%, a significant change since 2013, when the fixed/variable proportions were flipped. Fixed annuities gained even more ground in the first quarter this year—up 38%—while variable annuity sales were down 7%.

The most basic fixed annuity is a fixed-rate annuity, which works like a certificate of deposit—investors get a guaranteed rate for a fixed period.

A gussied-up version of these are fixed-indexed annuities, which have exploded in popularity in recent years as the market has steadily climbed. Fixed-indexed annuities pay returns linked to indexes, albeit with caps, and guarantee that you won't lose your ini-

tial investment if the market falls.

But while they boast a link to a stock index, these fixed-income investments don't actually invest in stocks; the return is generated by option strategies that mimic an index's performance. Average caps on S&P 500-linked contracts are around 5%, down from about 6% at the end of last year when interest rates had temporarily ticked up. The caps are subject to change each year.

Don't assume that more bells and whistles produce better results. A recent analysis by Cannex found that the simplest choice—a plain-vanilla fixed annuity—produced higher returns for investors than fixed-indexed annuities 50% of the time.

The inner mechanics of a fixed-indexed annuity can indicate its likelihood to outperform. Those with consistently better results typically have high caps, combined with so-called point-to-point interest crediting methods—meaning the value of the under-

## Best Fixed Income Annuities, continued

**DEFERRED INCOME ANNUITIES:** A contract is purchased now, but pays out later.

**Personal Pension:** Assumes a 60-year-old invests \$200,000 and turns income on at age 70. Any remaining principal at death is paid to heirs. Joint life assumes a man is 60 and his spouse is 55.

	Company	Rating*	Annual Income For Life	Total Income By Age 90
Single-Life Man	Symetra Life	A	\$21,525	\$430,500
	CUNA Mutual Group	A	20,741	414,820
	Lincoln National Life	A +	20,592	411,840
Single-Life Woman	Symetra Life	A	\$19,860	\$397,200
	CUNA Mutual Group	A	19,839	396,780
	Lincoln National Life	A +	19,644	392,880
Joint Life	CUNA Mutual Group	A	\$18,876	\$377,520
	New York Life	A ++	18,007	360,148
	Principal Financial	A +	17,451	349,020

**Personal Pension as Longevity Insurance:** Assumes a 60-year-old invests \$200,000 and turns income on at age 80. Any remaining principal at death is paid to heirs. Joint life assumes a man is 60 and his spouse is 55.

	Company	Rating*	Annual Income At Age 80	Total Income By Age 90
Single-Life Man	Symetra Life	A	\$55,763	\$557,630
	Integrity Life	A +	49,297	492,970
	Lincoln National Life	A +	48,652	486,520
Single-Life Woman	Symetra Life	A	\$47,436	\$474,360
	CUNA Mutual	A	45,049	450,490
	Lincoln National Life	A +	44,061	440,610
Joint Life	Lincoln National Life	A +	\$41,167	\$411,670
	Symetra Life	A	39,935	399,350
	Global Atlantic—Forethought Life	A	38,138	381,380

**Personal Pension Within IRA:** Up to \$130,000 of IRA assets can buy an annuity and be exempt from required minimum distributions. Assumes a 70-year-old puts in \$130,000 and takes income at 84; what's left at death goes to heirs. Joint life assumes a man and wife are age 70 and 65.

	Company	Rating*	Annual Income At Age 84	Total Income By Age 90
Single-Life Man	Integrity Life	A +	\$33,664	\$201,984
	Lincoln National Life	A +	30,000	180,000
	Brighthouse Financial	A	29,382	176,292
Single-Life Woman	Integrity Life	A +	\$28,918	\$173,508
	Lincoln National Life	A +	26,790	160,740
	Brighthouse Financial	A	26,520	159,120
Joint Life	Lincoln National Life	A +	\$19,693	\$118,158
	Brighthouse Financial	A	19,428	116,568
	Principal Financial	A +	18,264	109,584

\*AM Best Rating.

Source: Cannex

lying index is calculated based on two points in time. They also have low participation rates, which is another lever in these products reflecting what percentage of an index's return you can realize.

The worst performers in the study—lagging behind plain fixed annuities 90% of the time—are contracts with low caps and a monthly average crediting system, which does the return accounting at the end of each month.

The details of these products are beyond most investors' expertise, and therefore aren't included as asset accumulators in Barron's list. "The overall trend has been making these things more complex," says Wade Pfau, a

professor of retirement income at the American College of Financial Services. "It's all about trying to find the marketing angle to make a nice, convincing story."

**In contrast,** the new "structured annuities" provide protection and upside in a way that's easier to understand—but they're only for investors willing to take on more risk.

The most popular is a buffer annuity, in which investors choose a percentage of losses they want the insurer to protect against. Beyond that percentage—usually 10%—the investor absorbs the rest. With a 10% buffer, if the market is down 8%, the investor's loss is zero. If

the market plunges 28%, the investor eats 18% of the loss.

A structured annuity with a floor—a new addition to Barron's list—sets a maximum loss. With a -10% floor, an investor can lose only 10% and the insurer absorbs the rest. In exchange for downside protection, the annuities set caps on gains in an index. While most have embedded fees, those with explicit fees usually have a higher cap. For example, Allianz provides a -10% floor and a 14.3% cap on the S&P 500, while charging a 1.25% annual fee. CUNA Mutual offers the same protection with no fee and a 10.75% maximum gain.

Several variations have been launched in recent months, each with its own downside-and-upside combination. AXA recently introduced a contract that has a 10% buffer and, when linked to the S&P 500, guarantees a 7.7% return as long as the index has flat or positive returns. Whether the index returns zero or 15%, you earn 7.7%.

While these products are complex under the hood, they aren't difficult to understand. With sales up 60% in this year's first quarter, they're challenging market mainstays.

### If You're Looking for: Guaranteed Income in Retirement

A guaranteed income stream no matter how long you live is one of annuities' most compelling value propositions. So, which is best?

That depends. The simplest types of contracts—immediate income annuities and deferred income annuities—are usually credited with having the highest payouts. With these, you invest a lump sum and a contract begins paying out either immediately or at some specific point in the future.

But that conventional wisdom isn't always spot-on. As interest rates have fluctuated over the past few quarters, some unusual differences have emerged among different products. These days, fixed-indexed annuities with income riders are paying significantly more than income annuities.

Consider a \$200,000 investment by a 60-year-old man who wants his income stream to "turn on" in 10 years. By age 70, he would begin drawing \$24,000 a year from a fixed-indexed contract

## Best Annuities for Flexibility and Income: Guaranteed Income With Some Liquidity, and Growth Potential

**FIXED-INDEXED ANNUITY INCOME GUARANTEES:** These are riders purchased on S&P 500-linked fixed-indexed annuity contracts. Assumes a \$200,000 investment by a 60-year-old. Payout begins at age 70.

**Best Guaranteed Minimum Annual Income:** *The minimum continues to be paid if the underlying account value drops to zero.*

	Company	Rating*	Annuity Contract	Rider	Annual Min. Income at Age 70 for Man or Woman	Annual Income By Age 90
Single-Life Man	Global Atlantic-Forethought	A	Advisory ForeIncome II	Guaranteed Income Builder	\$24,000	\$480,000
	Athene Annuity & Life	A	Ascent Pro 10 Bonus	Ascent Income Rider Guaranteed Growth	23,460	469,200
	American Equity Investment Life	A-	IncomeShield 10	Compound Interest LIBR	22,994	459,880
Single-Life Woman	Global Atlantic-Forethought	A	Advisory ForeIncome II	Guaranteed Income Builder	\$24,000	\$480,000
	Athene Annuity & Life	A	Ascent Pro 10 Bonus	Ascent Income Rider Guaranteed Growth	23,460	469,200
	American National	A	Strategy Indexed Annuity Plus 7	Lifetime Income Option 1	22,267	445,340
Joint Life	Global Atlantic-Forethought	A	Advisory ForeIncome II	Guaranteed Income Builder	\$22,000	\$440,000
	Athene Annuity & Life	A	Ascent Pro 10 Bonus	Ascent Income Rider Guaranteed Growth	21,160	423,200
	Lincoln National Life	A+	Optichoice 9	Lifetime Edge	20,361	407,220

**Best Potential Annual Income (Not Guaranteed):** *Based on probability analysis of 10,000 S&P 500 market simulations, some contracts are likely to pay more than the guaranteed minimum.*

	Company	Rating*	Annuity Contract	Rider	Annual Income at Age 70 for a Man	Total Income By Age 90
Single-Life Man	Symetra Life	A	Advisory Income Edge	Guaranteed Lifetime Withdrawal	\$30,720	\$614,400
	American General Life	A	Power Index Plus Income	Lifetime Inc. Plus Multiplier Flex	29,010	580,200
	American National	A	Strategy Indexed Annuity Plus 10	Lifetime Income Option 1	26,920	538,400
Single-Life Woman	Symetra Life	A	Advisory Income Edge	Guaranteed Lifetime Withdrawal	\$32,200	\$644,000
	American General Life	A	Power Index Plus Income	Lifetime Inc. Plus Multiplier Flex	30,520	610,400
	American National	A	Strategy Indexed Annuity Plus 10	Lifetime Income Option 1	27,190	543,800
Joint Life	Symetra Life	A	Advisory Income Edge	Guaranteed Lifetime Withdrawal	\$30,270	\$605,400
	American General Life	A	Power Index Plus Income	Lifetime Inc. Plus Multiplier Flex	27,750	555,000
	American National	A	Strategy Indexed Annuity Plus 10	Lifetime Income Option 1	23,010	460,200

**VARIABLE ANNUITY INCOME GUARANTEES:** These riders are sold as add-ons to variable annuities. Assumes a \$200,000 investment by a 60-year-old. Payout begins at age 70 and is the same for a man and a woman.

**Best Minimum Guaranteed Annual Income:** *There is potential for higher payouts depending on the performance of underlying investments. Joint life assumes man and wife are age 65 and 60.*

	Company	Rating*	Annuity Contract	Rider	Annual Income At Age 70	Total Income By Age 90
Single Life	Transamerica Life Insurance	A+	Principium III	Retirement Income Max	\$20,042	\$400,840
	Prudential Life	A+	Premier Retirement	Highest Daily Lifetime Income	19,759	395,180
	Jackson National Life	A+	Perspective II	LifeGuard Freedom Flex	19,671	393,400
Joint Life	Transamerica Life	A+	Principium III	Retirement Income Max	\$18,038	\$360,760
	Prudential Life	A+	Premier Retirement	Spousal Highest Daily Lifetime Income	18,025	360,500
	Lincoln National Life	A+	ChoicePlus	Lifetime Income Advantage 2.0	17,920	358,400

**Best Potential Average Income (Not Guaranteed):** *Based on probability analysis of 10,000 market simulations assuming 60% stocks and 40% bonds, some contracts are likely to pay more than the guaranteed minimum income.*

	Company	Rating*	Annuity Contract	Rider	Annual Income At Age 70	Total Income By Age 90
Single Life	Prudential Life	A+	Premier Retirement	Highest Daily Lifetime Income	\$23,100	\$462,000
	Transamerica Life	A+	Principium III	Retirement Income Max	22,240	444,800
	Minnesota Life	A+	MultiOption Guide	MyPath Ascend 2.0	22,210	444,200
Joint Life	Prudential Life	A+	Premier Retirement	Spousal Highest Daily Lifetime Income	\$21,060	\$421,200
	Lincoln National Life	A+	ChoicePlus	Lifetime Income Advantage 2.0	20,740	414,800
	Minnesota Life	A+	MultiOption Guide	MyPath Ascend 2.0	20,263	405,260

\*AM Best Rating.

Source: Cannex

offered by Forethought Life Insurance. That is 12% more than what the top-paying deferred income annuity pays.

This reflects the fact that income annuities are far more sensitive to interest rate changes. Their rates are regularly reset and respond almost reflexively to interest rates' rise and fall.

The best-paying contracts can be different depending on an investor's age, deferral period, gender, and whether they cover one person or include a spouse.

According to a study last year by Cannex, plain income annuities are best for those looking for immediate income, but aren't always the best

payers for deferred contracts. A single person deferring income for five to 10 years would be better off with a fixed-indexed annuity than a either a deferred income annuity or a variable annuity. The benefits of fixed-indexed annuities are even greater for women, because they don't factor in gender differences as much as deferred income annuities. For joint-life payouts, variable annuities often are most competitive.

**This is an important point:** Investors must compare different types of annuities, as well as all the products within a particular category, to determine which one is most advantageous.

For example, the sweet spot for buying a variable income rider with a five-year income deferral is now around age 60, according to an analysis of contracts by Valmark Financial Group.

Consider Prudential Life Insurance's PDI variable annuity rider. Assuming a \$200,000 investment and a five-year income deferral, if you buy the contract at age 55 and turn on income at 65, it promises \$18,446 a year. If you buy it at age 60 and turn on income at 65, the contract will pay \$20,057 a year. But if you wait and buy it at age 65, payouts drop to \$14,998.

Keep in mind that some variable annuity contracts have income floors. If

## Best Structured Annuities: Downside Protection With Stock-Like Returns

**Buffer-Style:** Protects against a certain percentage loss; investors are exposed to any losses lower than that. Assumes S&P 500-linked products.

	Company	Rating*	Contract	Surrender Charge	Separate Fee	Protected Loss	Cap On S&P 500 Return
Commission-Based	Allianz	A+	Index Advantage	6 years	1.25%	10%	16.25%
	Symetra	A	Symetra Trek	6 years	None	10	12.25
	Lincoln National Life	A+	Lincoln Level Advantage	6 years	None	10	12.0
Fee-Based	Allianz	A+	Index Advantage ADV	6 years	0.25%	10%	16.25%
	Lincoln National Life	A+	Lincoln Level Advantage	None	None	10	13.50
	BrightHouse Financial	A	Shield Level Select Advisory	None	None	10	13.0

**Floor-Style:** Guarantees investors will not lose more than a certain amount.

	Company	Rating*	Contract	Surrender Charge	Separate Fee	Maximum Possible Loss	Cap On S&P 500 Return
Commission-Based	Allianz	A+	Index Advantage	6 years	1.25%	-10%	14.50%
	CUNA Mutual Group	A	Members Zone Annuity	6 years	None	-10	10.75
	Protective Life	A+	Market Defender	6 years	None	-10	10.75
Fee-Based	Allianz	A+	Index Advantage	6 years	0.25%	-10%	14.50%

**Hybrid:** Combines downside protection and upside in unique ways.

	Company	Rating*	Contract	Surrender Charge	Separate Fee	Protected Loss	Upside
Commission-Based	Great American Life	A+	Index Summit 6	6 years	None	50% of index's loss	Participation in either 80% of the S&P 500 or 100% in the MSCI EAFE Index or Dow Jones Real Estate Index—not including dividends.
	AXA	A	SCS Plus Step-Up	6 years	None	The first 10% of loss	Return is guaranteed to be 7.7% if the S&P 500 performance is flat or higher.

\*AM Best Rating.

Source: Company information

## Best Annuities: Tax-Deferred Savings

**TRADITIONAL VARIABLE ANNUITIES:** Tax-deferred accounts with mutual fund-like investments. Withdrawals are subject to income tax rates. If taken prior to age 59 1/2, there's a 10% penalty. Average annual fees are 1.25%. The contracts below charge far less.

Company	Annuity	Annual Contract Fee*	Avg. Expense Ratio on Subaccounts**	Surrender Charge	Total Inv. Options (Total Alternative Options)	5-yr Avg. Annual Return for Best-Performing U.S. Growth Fund***
Lincoln National Life	Investor Advantage Advisory	0.10%	1.00%	None	148 (15)	15.01%
Jackson National Life	Elite Access Advisory II	\$240 <sup>1</sup>	0.89	None	134 (16)	16.22
Nationwide	Monument Advisor	\$240 <sup>1</sup>	1.14	None	365 (63)	15.36
Protective Life	SmartTrack Advisor	0.20%	0.49	None	143 (5)	14.47
Nationwide	Advisory Retirement Income	0.20	0.90	None	152 (12)	14.24
Fidelity Inv Life Ins	Personal Retirement	0.25 <sup>2</sup>	0.60	None	61 (2)	16.39
Transamerica	Vanguard Variable Annuity	0.27	0.21	None	19 (1)	12.98
Lincoln National Life	ChoicePlus Advisory	0.30	0.94	None	114 (4)	14.78
Pacific Life	Pacific Odyssey	0.30	0.80	None	96 (6)	13.89
TIAA	Intelligent Variable Annuity	0.35 <sup>3</sup>	0.71	None	66 (5)	14.76
Northwestern Mutual	Fee-Based Select	0.35	0.67	None	33 (7)	15.37

\*Fee includes: administrative and mortality and expense charges. There is no added fee on these contracts for return of contract value at death. \*\*Asset-weighted average expense ratios on underlying mutual fund-like investments. \*\*\*Through June 30, 2019. <sup>1</sup> Flat annual fee for any size investment; equivalent to .12% on a \$200,000 investment. <sup>2</sup> Drops to .10% when assets reach \$1 million. <sup>3</sup> After 10 years the annual fee drops to 0.10%. Source: Company Information

**FIXED ANNUITIES WITH A MULTI-YEAR GUARANTEE:** Contracts pay a fixed interest rate for a specific period. Withdrawals during the fixed period are subject to surrender charges.

Company	Contract	AM Best Rating	Fixed Rate Period	Guaranteed Rate
Securian Financial—Minnesota Life	SecureOption Choice 3	A+	3 years	2.75%
Fidelity & Guaranty Life	FG Guarantee-Platinum 5	A-	5 years	3.20
Oxford Life	Multi-Select 10	A-	10 years	3.45

Source: AnnuityAdvantage.com

an underlying account value drops to zero—which can happen if investment performance doesn't outpace the erosion of fees and withdrawals—income guarantees can plummet. These tend to have high guaranteed minimum payouts, so for folks who want more income early in retirement and aren't concerned about later expenses, these may be attractive—but their mechanics can trip up uninformed investors.

Some contracts, such as those on the Barron's list, have no floor beneath the guarantee and can potentially pay out significantly more than the guarantee.

"The more income an annuity guarantees, the less potential upside it can

pack in there," says Tamiko Toland, head of annuity research at Cannex. "If you take less of an income guarantee, you may have more opportunity to get a higher income."

### If You're Looking for: Tax-Deferred Savings

Like a 401(k), annuities allow your assets to grow tax-deferred and can't be accessed without a 10% penalty until age 59 1/2. Withdrawals are subject to income tax.

Traditional variable annuities create an opportunity to significantly expand tax-deferred savings. There is no specific maximum investment, but

it is usually many times higher than the 401(k)'s \$19,000 limit. Some variable annuities charge exorbitant fees that can erode the benefit of the tax deferral. But some, like Nationwide Insurance's Monument Advisor Variable Annuity and Jackson National Life Insurance's Elite Advisor II are cheap—\$240 a year for any size investment—and have a broad assortment of investments, including alternative strategies.

As with all categories of annuities, there's the good, the bad, and the ugly. Take time, and find help from a trusted advisor, to find the best for your circumstances. ■



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Variable annuities are long-term investment products designed for retirement purposes and are subject to market fluctuation, investment risk, and possible loss of principal. Variable annuities contain both investment and insurance components and have fees and charges, including mortality and expense, administrative, and advisory fees. Optional features are available for an additional charge. The annuity's value fluctuates with the market value of the underlying investment options, and all assets accumulate tax-deferred. Withdrawals of earnings are taxable as ordinary income and, if taken prior to age 59½, may be subject to an additional 10% federal tax. Withdrawals will reduce the death benefit and cash surrender value.

A fixed annuity is intended for retirement or other long-term needs. It is intended for a person who has sufficient cash or other liquid assets for living expenses and other unexpected emergencies, such as medical expenses.

Contract may be referred to as "policy" or "certificate" in certain states (certificate may not be available in all states). The certificate is a group annuity certificate issued under a group annuity contract issued by The Lincoln National Life Insurance Company to a group annuity trust.

**Investors are advised to consider the investment objectives, risks, and charges and expenses of the variable annuity and its underlying investment options carefully before investing. The applicable prospectuses for the variable annuity and its underlying investment options contain this and other important information. Please call 888-868-2583 for free prospectuses. Read them carefully before investing or sending money. Products and features are subject to state availability.**

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LCN-2652296-072219