Why Choose an Indexed Annuity?

Is an Indexed Annuity Right for You?

An indexed annuity provides the opportunity to benefit from potential gains in the equity markets, while paying a stated minimum interest rate during market downturns. An indexed annuity is a compromise between a fixed interest annuity and a variable annuity. The return on an indexed annuity varies more than a fixed interest annuity, but not as much as a variable annuity. As a result, an indexed annuity has more risk and more potential return than a fixed interest annuity, but less risk and less potential return than a variable annuity.

An indexed annuity may be right for you if you want to participate in the potential gains from the equity markets, while limiting your potential losses during market downturns. As a result, indexed annuities may be best suited for individuals who:

- Are adverse to risk
- Understand that a rate of return linked to stock market performance provides the potential for higher returns than fixed interest investments, together with the risk of losing money if the issuing company does not guarantee 100% of the principle and no index-linked interest is credited, or if the indexed annuity is surrendered while a surrender charge is in effect
- Prefer to delegate investment decisions to others
- Want less market risk than with a variable annuity