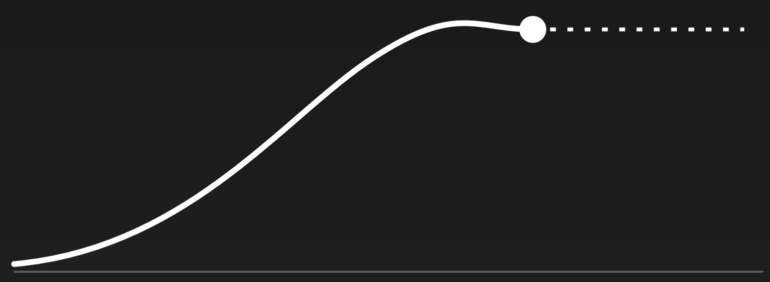
MYANNUITY STORE
LIVE LIFE BETTER

2026 EDITION

The Annuity Buyer's Guide

An independent, plain-spoken guide to buying a deferred annuity with confidence.

- The four product types, explained in plain English
- What actually backs the guarantee
- The 12 questions every buyer must ask



A line held steady against the arithmetic of years.

MYANNUITYSTORE.COM

★ TOP MULTI-CARRIER ANNUITY PLATFORM 2025 · LICENSED IN 47 STATES

A NOTE BEFORE YOU BEGIN

Why this guide exists.

Annuities are one of the most powerful retirement tools available to American savers, and one of the most misunderstood. The fine print is genuinely complex. The jargon piles up fast. And consumers are routinely expected to make six- and seven-figure decisions with limited time, limited information, and limited access to plain-English answers.

This guide is here to fix that. Its structure is informed by the National Association of Insurance Commissioners' (NAIC) consumer guidance for deferred annuity buyers. We took that regulatory framework, translated it into plain language, added the questions and pitfalls we see most often after years inside the industry, and put it in front of you with no email gate, no sales pressure, and no fluff.

If you read this end-to-end, you'll know more about how annuities actually work than the majority of people who buy them. That's the point.

Jason

Founder, My Annuity Store, Inc.

> **ONE THING TO KEEP IN MIND**
>
> An annuity is a long-term contract. The right one, bought from the right carrier at the right rate, can be transformative for your retirement. The wrong one can lock up your money for a decade and cost you more than you'll ever get back. The difference is almost always in the details. This guide is about the details.

> **WHAT BACKS AN ANNUITY GUARANTEE**
>
> Every guarantee in this guide, including "principal protection," is a promise made by an insurance company and backed by that insurer's claims-paying ability. Annuities are not bank products, are not FDIC insured, and are not guaranteed by any federal agency. Chapter 02 explains the state guaranty association backstop that applies if an insurer fails.

CONTENTS

What's inside.

HOW TO READ THIS GUIDE

Each chapter ends with a "Questions to ask before you sign" list. Bring those lists to every annuity conversation. The full master checklist, twelve questions in one place, is in Chapter 11.

PART 01 · FOUNDATIONS

CHAPTER 01

What an annuity actually is.

A long-term contract. Three trade-offs: how your money grows, when you can access it, and what guarantees you get. Everything else is a variation.

01

A contract with three trade-offs.

An annuity is a long-term contract with an insurance company. You give the insurer money. In exchange, the insurer gives you some combination of guaranteed growth, tax deferral, and, if you choose, guaranteed income payments.

That's the whole concept. Everything else is a variation on those three trade-offs: how your money grows, when you can access it, and what guarantees you get in return.

Immediate vs. deferred

IMMEDIATE

Begins paying you income shortly after purchase, usually within a year. You hand over a lump sum, and the insurer turns it into a paycheck.

DEFERRED

Lets your money grow for a stretch of time before any income payments begin. The deferral period can last years or even decades.

This guide focuses on deferred annuities because that's what the vast majority of buyers are choosing today. Most people buying an annuity are still working or in early retirement, and they want their money to grow before they tap it.

> **AN IMPORTANT REALITY CHECK**
>
> Industry data consistently suggests that most annuity owners never "annuitize," meaning they never convert the contract into a guaranteed income stream. Most owners use their annuity for tax-deferred growth, a guaranteed interest rate, or principal protection, then take distributions in other ways. The income guarantee is part of what you're paying for, and for some buyers it is exactly the right feature. Worth knowing before you pay extra for features tied to that guarantee.

The four products that dominate today's market

TYPE 01

Fixed / MYGA

Guaranteed interest rate, like a CD with tax deferral.

+ Predictable growth, principal protected
+ Often higher rates than CDs
– No upside above the locked rate

Risk **Lowest**

TYPE 02

Fixed Indexed (FIA)

Interest tied to a market index, with a 0% downside floor.

+ Principal protected from market drops
+ Some equity-linked upside
– Caps and participation rates limit gains

Risk **Low**

TYPE 03

Registered Index-Linked (RILA)

More upside than an FIA, with partial, not full, downside protection.

+ Buffers or floors absorb part of a drop
+ Higher caps than typical FIAs
– You can lose money in a bad year

Risk **Moderate**

TYPE 04

Variable Annuity

Money is invested in subaccounts; you bear all the market risk.

+ Full equity exposure in an insurance wrapper
+ Tax deferral on a large balance
– Layered fees and full downside risk

Risk **Highest**

We'll cover each one in detail, with the specific questions you should ask before signing.

> **A WORD ON "PRINCIPAL PROTECTED"**
>
> When this guide says principal is protected, it means the insurance company contractually guarantees it. That guarantee is only as strong as the insurer behind it. It is not FDIC insurance, and no bank or federal agency stands behind it. That's why carrier financial strength matters, and why every state maintains a guaranty association as a backstop (see Chapter 02).

CHAPTER 02

The anatomy of a deferred annuity.

Every deferred annuity has the same basic skeleton. Once you understand the parts, you can compare any product to any other.

02

The skeleton, in one diagram.

Three phases. Two timelines. One critical overlap that trips up more buyers than any other part of the contract.

The accumulation period

This is the growth phase. Your account value rises (or sometimes falls, depending on the product type) based on contributions, credited interest, and any fees. This phase can last anywhere from a few years to several decades.

The payout period

This is when the annuity actually pays you: as a lump sum, scheduled withdrawals, lifetime income, or some combination. Many buyers never reach this phase in the formal "annuitization" sense; they take partial withdrawals during accumulation instead.

The surrender period

This is where many buyers run into trouble. A surrender period is the first several years of the contract, typically 5 to 10 years, during which pulling out more than a small amount of your money triggers a surrender charge. These charges can be steep: often 7-10% in year one, declining by a percentage point each year.

5-10 yr	7-10%	10%/yr
Typical surrender period length	Year-one surrender charge, before declining	Standard free withdrawal allowance

Most contracts allow a free withdrawal of up to 10% of the account value per year. Anything above that during the surrender period is subject to charges. Read your contract. The exact percentages and the schedule are negotiated up-front and locked in.

The premium bonus (and why it's not free money)

Some annuities offer a "premium bonus," a lump sum the insurer adds to your account when you buy. Sounds great. But almost always, the bonus comes with a vesting period, often 7-10 years. Pull money out before then, and you forfeit some or all of the bonus. Insurers offer bonuses to encourage long-term retention. Make sure the bonus is worth the lock-up.

The three documents you must read

Contract	The legal agreement between you and the insurer. You receive this after purchase, but you can request a sample beforehand. This is the binding document; everything else is supporting material.
Disclosure	A plain-language summary of the key features: what's guaranteed, what isn't, fees, charges, and how the product works. Required in most states, and the fastest way to spot a mismatch between the sales pitch and the product.
Illustration	Hypothetical projections of how the product might perform. Illustrations are not promises. Ask which numbers are guaranteed and which are projected, and compare the guaranteed column to your actual needs.

What actually backs the guarantee

"Principal protection" means the insurance company guarantees it. That guarantee is backed by the insurer's claims-paying ability, not by the FDIC or any federal agency. An annuity is not a bank deposit, and the insurer's financial strength rating (A.M. Best, S&P, Moody's) is the first thing to check before you hand over a large sum.

As a backstop, every state maintains a guaranty association that steps in if a licensed insurer becomes insolvent. Coverage is typically up to $250,000 in annuity present value per owner, per insurer, and a few states go higher (Connecticut, New York, and Washington cover up to $500,000), and California covers 80% of the value up to $250,000. Limits vary by state, and coverage applies only to insurers licensed in your state. Check your state's limit before assuming coverage, and consider splitting very large purchases across more than one carrier so each contract stays within it.

> **NOT FDIC INSURED**
>
> Annuities are not FDIC insured, are not bank deposits, are not obligations of or guaranteed by any bank, and are not insured by any federal government agency. Guarantees are based solely on the claims-paying ability of the issuing insurance company. State guaranty association coverage is a limited backstop, not a substitute for choosing a financially strong carrier.

> **THE MOST COMMON COSTLY MISTAKE**
>
> The single most common annuity regret we see: a buyer who didn't fully understand the surrender period, then needed liquidity earlier than expected, and paid thousands in charges to access their own money. Match the surrender period to your actual time horizon, not to the agent's preferred product.

PART 02 · PRODUCT TYPES

CHAPTER 03 · TYPE 01

Fixed annuities and MYGAs.

The simplest annuity product. The insurer guarantees a fixed interest rate for a set number of years. Often called the "annuity equivalent of a CD."

03

The CD's tax-deferred cousin.

Your principal is protected by the insurer's guarantee. Your money grows tax-deferred. The insurer guarantees a fixed interest rate for a set number of years.

How they work

You give the insurer a lump sum. They credit a guaranteed interest rate, let's say 5.40%, for a guaranteed term, often 3, 5, or 7 years. At the end of the term, you can take your money, renew, or roll into a different product via a 1035 exchange (a tax-free transfer from one annuity contract to another).

MYGA stands for "multi-year guaranteed annuity." It's a fixed annuity where the rate is locked for the entire surrender period. That's what makes them the closest annuity equivalent to a CD, but with two advantages: typically a higher rate, and tax-deferred growth.

What makes them attractive

PREDICTABILITY

You know exactly what you'll earn and when.

PRINCIPAL PROTECTION

You can't lose money to market movements. The insurer guarantees your principal (not the FDIC).

TAX DEFERRAL

No 1099 each year. Taxes are due only when you withdraw.

HIGHER RATES THAN CDS

In most markets, MYGAs from highly rated carriers beat comparable-term CDs by 0.5-1.5%.

> **INSIDER NOTE**
>
> MYGA rates change frequently, sometimes weekly, sometimes daily. Two carriers offering the same nominal "5-year" product can have rates 75 basis points apart (0.75%). Always shop a multi-carrier shelf, not a single-carrier offering. Same product type, very different outcomes.

Questions to ask before you sign

01 What's the guaranteed rate, and for how long?

02 What's the contractual minimum rate after the initial term?

03 How long is the surrender period, and what penalties apply for early withdrawal beyond the free amount?

04 What happens at the end of the guarantee term? Does the rate reset, and does a new surrender period begin?

05 Is there a Market Value Adjustment (MVA), and if so, how could it affect early withdrawals?

FIXED & MYGA · IN BRIEF

"The closest annuity equivalent to a CD: typically a higher rate, and tax-deferred growth."

℞

CHAPTER 04 · TYPE 02

Fixed indexed annuities (FIAs).

Interest is credited based on the performance of a market index, without you actually being invested in that index. Upside with a hard 0% floor.

04

Index-linked, with a 0% floor.

An FIA credits interest based on the performance of a market index, typically the S&P 500, without you actually being invested in that index. If the index goes up, you can earn interest (subject to limits). If it goes down, your principal is protected by a 0% floor.

This protection is the headline benefit. FIAs were designed for buyers who want some upside exposure but cannot tolerate the prospect of losing principal in a down market. The trade-off: your gains are limited by formulas the insurer uses to calculate your credit.

The four formulas that determine your interest

CAP RATE

The maximum interest credited in a term, regardless of how high the index rises.

`5% cap → index rises 10% → annuity earns` **`5%.`**

PARTICIPATION RATE

The portion of the index gain applied to your account.

`50% participation → index rises 8% → annuity earns` **`4%.`**

SPREAD RATE

An amount deducted from the index gain before crediting interest.

`2% spread → index rises 6% → annuity earns` **`4%.`**

TRIGGER RATE

A flat interest rate credited if the index rises by any amount.

`3% trigger → annuity earns` **`3%`** `whether the index rose 1% or 30%.`

Other terms you'll see in FIA contracts

INDEX TERM

The period over which index performance is measured (1, 2, or 5 years).

ANNUAL POINT-TO-POINT

Compares the index value at the start and end of a one-year period.

MULTI-YEAR POINT-TO-POINT

Same idea, but measured over multiple years.

MONTHLY AVERAGING

Uses the average of multiple monthly index values over the term.

MONTHLY POINT-TO-POINT

Measures each month's change (often capped), then sums them at year-end. Sensitive to volatility.

0% FLOOR

Your account value cannot decrease due to index performance. Fees may still reduce it.

IMPORTANT TO REMEMBER

You are not investing in the market when you buy an FIA. Your interest is calculated based on the index, but your money is held by the insurance company in their general account (the pool of assets that backs their guarantees to policyholders). You don't earn dividends. You don't get the full upside. What you do get is principal protection that direct market exposure can't offer, backed by the insurer's claims-paying ability rather than by the FDIC.

Questions to ask before you sign

01 How is interest calculated? Caps, participation, spread, or some combination? What are today's values?

02 How long are those values guaranteed? Can the insurer change them after the first term?

03 What's the surrender period, and what penalties apply for early withdrawal?

04 What's the floor? Is it truly 0%, or are there fees that could reduce your account value in a flat year?

05 Is there an income rider, and what does it actually guarantee?

FIXED INDEXED · IN BRIEF

"Index-linked upside, a hard 0% floor, and formulas that decide how much of the gain is yours."

℞

CHAPTER 05 · TYPE 03

Registered index-linked annuities (RILAs).

The fastest-growing category. More upside than an FIA, with the trade-off that your account value can actually go down.

05

Partial protection, more upside.

RILAs blend features of fixed indexed and variable annuities. The defining difference: an FIA has a 0% floor. A RILA does not. RILAs offer partial downside protection, not full protection.

Buffer vs. floor: what they actually do

10% BUFFER

The insurer absorbs the first 10% of a market drop.

```
Market drops 5% → you lose 0%
Market drops 15% → you lose 5%
Market drops 30% → you lose 20%
```

10% FLOOR

Your maximum loss in the term. You can't lose more than that.

```
Market drops 5% → you lose 5%
Market drops 15% → you lose 10%
Market drops 30% → you lose 10%
```

Other RILA mechanisms

NEGATIVE PARTICIPATION RATE

The portion of a market loss applied to your annuity. 60% negative participation → market drops 10% → annuity drops 6%.

INTERIM VALUE ADJUSTMENT (IVA / MVA)

Applies if you withdraw before the end of an index term. Often ignores buffers and floors, meaning you can lose more than the stated downside protection if you exit early.

> **THE EARLY WITHDRAWAL TRAP**
>
> Buffers and floors typically only apply at the end of an index term. Pull money out mid-term, and an interim value adjustment may apply that doesn't include those protections. Always ask: "If I withdraw money on day 200 of a 365-day term and the market is down 15%, what is my actual loss going to be?" Get the answer in writing.

Why RILAs are growing so fast

RILAs sit at a sweet spot for buyers who want more growth potential than an FIA can offer but can't stomach the full risk of a variable annuity. They're typically registered as securities (regulated by both the SEC and state insurance departments), so the disclosure documents are more detailed.

> **INSIDER NOTE**
>
> RILAs require a prospectus. Read it. The prospectus is dense, but it contains every detail of how your money can move. If your agent can't walk you through the prospectus in plain English, that's a signal to slow down.

Questions to ask before you sign

01 What's the most I could lose in a term, and what's the most I could lose if I withdrew early?

02 What are the caps, participation rates, and buffers for each available index?

03 How are early withdrawal adjustments calculated?

04 What fees apply, and how do they affect the buffer or floor?

05 How long are the current crediting rates guaranteed?

REGISTERED INDEX-LINKED · IN BRIEF

"More upside than an FIA, and the first annuity on this list where a bad year can cost you principal."

℞

PART 02 · PRODUCT TYPES

CHAPTER 06 · TYPE 04

Variable annuities.

Money is allocated to investment "subaccounts," typically mutual funds. You bear all the market risk. The most complex and most fee-laden of the four.

06

Market risk inside an insurance wrapper.

Variable annuities don't earn a guaranteed interest rate. Your money is allocated to investment "subaccounts," typically mutual funds, and your account value rises and falls with their performance. You bear all of the market risk. There's no 0% floor like an FIA and no buffer like a RILA, unless you pay extra for a rider that adds those protections.

Why anyone buys them

- **Tax deferral on a large balance.** Earnings grow tax-deferred, which can matter for high earners with maxed-out qualified accounts.
- **Living benefit riders.** Some VAs offer riders that guarantee a minimum income or withdrawal amount even if the subaccounts perform poorly. These cost extra, but can provide real downside protection.
- **Market exposure inside an insurance wrapper.** Some buyers want stock-and-bond exposure with the death benefit and beneficiary advantages an annuity provides.

What to watch out for

LAYERED FEES

Mortality and expense charge, administrative fee, subaccount expense ratios, rider fees. Each is independent. Aggregate cost can run 2-4% per year.

SHARE CLASSES

The same product can be sold in multiple share classes with different fees and surrender schedules. The "best" one depends on your time horizon.

RISK OF LOSS

Without a rider, you can lose principal. Make sure your tolerance for that risk matches the product.

COMPLEXITY

VAs are the most complex of the four major product types. Make sure your agent can explain every fee in plain English.

A side-by-side of all four product types

Feature	MYGA	FIA	RILA	Variable
Principal protection*	Yes / Strong	Yes / Strong	Partial	No / Minimal
Market upside	No / Minimal	Partial	Partial / Strong	Yes / Strong
Tax deferral	Yes	Yes	Yes	Yes
Layered fees	No / Minimal	Low	Moderate	Yes / High
Complexity	Low	Moderate	Moderate	High
Surrender period	3-10 yrs	5-10 yrs	5-10 yrs	5-10 yrs
Best for	CD-style savers	Conservative growth	Mid-risk growth	Tax-shelter buyers

∗Principal protection is a contractual guarantee of the issuing insurance company, backed by its claims-paying ability. Not FDIC insured. Not a bank deposit. State guaranty association limits apply if an insurer fails (see Chapter 02).

BOTTOM LINE

Variable annuities are the most complex of the four major product types and the most likely to be inappropriate for the average retirement saver. They can be excellent for the right buyer in the right circumstances, and a costly mistake otherwise. If you're considering one, get a second opinion from someone who isn't getting paid on the sale.

VARIABLE · IN BRIEF

"Full market exposure inside an insurance wrapper. Every protection is a rider, and every rider has a fee."

℞

PART 03 · RIDERS, PAYOUTS & TAX

CHAPTER 07

Long-term care riders.

Optional protection that pays additional benefits if you need long-term care. Valuable in the right situation, and often misunderstood.

07

Useful protection, but not LTC insurance.

Some annuities offer optional riders that pay out additional benefits if you need long-term care, either at home or in a facility. These riders can be valuable, but they're not the same as standalone long-term care insurance, and they're often misunderstood.

What an LTC rider can do

ACCELERATED PAYOUTS

Access annuity value sooner if you meet specific health triggers (like inability to perform two activities of daily living).

ENHANCED BENEFITS

Some riders provide a multiplier, for example paying out 200-300% of your account value over time if you qualify for care.

COVERAGE LIMITS

Riders specify daily, monthly, or annual maximums and total lifetime benefit caps.

HEALTH TRIGGERS

Typically tied to a doctor's certification of cognitive decline or inability to perform 2+ activities of daily living.

What an LTC rider isn't

An LTC rider attached to an annuity is not a substitute for standalone long-term care insurance. Key differences:

- The rider pays from your annuity account first; the insurer's separate benefit kicks in only after your account is depleted (or sometimes only at end of life).
- Coverage tends to be more limited than dedicated LTC policies.
- Taking benefits reduces or eliminates your annuity's other features (death benefit, income rider, account value).

Questions to ask

01 How does the rider qualify? What triggers payments, and what documentation will I need?

02 What's the additional cost, and how does it affect the annuity's growth?

03 What are the daily, monthly, annual, and lifetime maximums?

04 If I never need long-term care, what happens to the additional rider cost? Am I just out that money?

05 How does an LTC rider compare to a dedicated long-term care policy at the same cost?

PART 03 · RIDERS, PAYOUTS & TAX

CHAPTER 08

How annuities pay out.

Three primary ways to take money out, each with different consequences for the contract, your taxes, and any remaining benefits.

08

Three ways money comes out.

Listed from most flexible to most committed. Most owners start at the first and never reach the third.

ROUTE 1 · MOST COMMON

P

Partial withdrawal

Take some money out without ending the contract. Most allow up to 10% per year penalty-free.

ROUTE 2

F

Full surrender

Take your full cash value as a lump sum, ending the contract. Surrender charges may apply during the surrender period.

ROUTE 3 · LEAST FLEXIBLE

A

Annuitization

Convert your account value into a stream of guaranteed payments, for life or for a fixed period. Strongest income guarantee.

Partial withdrawal

You take some money out without ending the contract. Most annuities allow up to 10% per year penalty-free. Larger withdrawals during the surrender period trigger charges. Partial withdrawals also reduce future income payments, death benefits, and any other features tied to your account value.

Full withdrawal (surrender)

You take your full cash value as a lump sum, ending the contract. If you do this during the surrender period, you'll likely pay a surrender charge. After the contract is surrendered, all annuity benefits (death benefits, income riders, future credits) are gone.

Annuitization

You convert your account value into a stream of guaranteed payments, for life or for a fixed period you choose. Once payments begin, you typically can't change them, can't make additional withdrawals, and (depending on the option you chose) your beneficiaries may not receive payments after you die. Annuitization gives you the strongest income guarantee available, but it's also the least flexible. Most buyers never annuitize.

Living benefits (lifetime withdrawal benefits)

Some products, especially fixed indexed and variable annuities, offer guaranteed lifetime withdrawal benefit (GLWB) riders. These guarantee you can take a specified annual income for the rest of your life, even if your account value falls to zero. The unused account value continues to earn interest, and you can typically stop, restart, or take additional withdrawals (subject to fees). If you die while receiving GLWB payments, beneficiaries may receive any remaining account value depending on the rider's terms.

> **THE GLWB SWEET SPOT**
>
> For buyers who want guaranteed lifetime income but don't want to fully give up access to principal, a GLWB-rider annuity can be the best of both worlds. The trade-off is the rider fee (typically around 1-1.75% of the benefit base annually; some products run higher). Verify the exact fee in your illustration, and make sure the value of the guarantee justifies that cost in your situation.

PART 03 · RIDERS, PAYOUTS & TAX

CHAPTER 09

How annuities are taxed.

Tax-deferred isn't the same as tax-free. The differences matter at both the contribution and distribution stages.

09

Three phases. Three tax rules.

Annuity tax treatment is one of the product's most attractive features, and one of the most commonly misunderstood.

PHASE 1 · INSIDE

Earnings grow tax-deferred. No annual 1099 for interest credited or investment gains. Compounding works without an annual tax drag, which is one reason annuities can build cash value faster than equivalent taxable accounts.

PHASE 2 · WITHDRAWAL

Withdrawals are taxed as ordinary income, not at the lower capital gains rate. For non-qualified annuities, withdrawals are earnings first, principal second, so early withdrawals are usually fully taxable. Under age 59½ may add a 10% federal penalty.

PHASE 3 · INHERITANCE

Beneficiaries typically owe ordinary income tax on the deferred earnings portion. Annuities don't get the same step-up-in-basis treatment that taxable brokerage accounts do at death, an important estate-planning consideration.

Annuity vs. IRA

You can hold an annuity inside an IRA, but you can also fund the same IRA with mutual funds, ETFs, or other vehicles and receive the same tax deferral. The annuity wrapper doesn't add a tax benefit when it's inside a qualified account. It can still add insurance benefits (guaranteed income, death benefit protection), but make sure those are what you actually want before paying for them.

> **TALK TO A TAX PROFESSIONAL**
>
> Annuity tax treatment is genuinely complicated and varies by funding source (qualified vs. non-qualified), state of residence, age, and contract structure. Any annuity purchase over $50,000 should involve a quick conversation with a CPA or tax professional. The cost of an hour of their time is trivial compared to a tax surprise on a $250,000 distribution.

PART 04 · BUYING SMART

CHAPTER 10

Your rights as a buyer.

Codified in state regulation through the NAIC's model rules. Most consumers are never told about them, so here they are, in plain language.

10

What the regulation actually says.

When you buy an annuity, you have specific rights, many of them codified through the NAIC's model rules. Most consumers never hear about them. Here's what you should know.

Your agent must act in your best interest

In states that have adopted the NAIC's best-interest standard (most have), an agent recommending an annuity is legally required to put your interests first. They must use care and skill to recommend products that match your finances, needs, and goals, not products that pay them the highest commission.

To do this properly, your agent should ask about:

- Your age and when you expect to retire
- Your current income and ability to afford the purchase
- Overall financial situation, debts, regular expenses
- Familiarity with financial products and tolerance for risk
- Specific financial goals and how this annuity helps
- How long you plan to keep the annuity
- Other savings, investments, and insurance you have
- Whether you need access to this money in the near term
- Your tax situation and whether deferral actually helps
- Where the funds for the annuity are coming from
- Whether you're replacing an existing annuity
- What you might lose by replacing

If your agent skips most of these and goes straight to product recommendations, that's a flag. A best-interest sale starts with a real interest in you.

> **ASK ABOUT THE AGENT'S COMMISSION, AND THEY MUST ANSWER**
>
> Commissions vary by product type and carrier, and the insurance company pays them; they're not deducted from your premium. But, and this is important, if you ask your agent how much commission they'll receive, they're required to give you an estimate. Most consumers never ask. Most agents never volunteer it. Asking isn't rude; it's a regulated right.

If you're replacing an annuity, ask what you're giving up

A common scenario: an agent suggests replacing your current annuity with a "better" one. Sometimes that's the right move. Often, it isn't. When you replace an annuity, you may lose:

- A guaranteed minimum interest rate locked in at a higher historical rate
- Vested portions of a premium bonus from the original contract
- Income or death benefit riders you've been paying for
- Surrender period progress. Your old contract may be near the end of its surrender schedule, while the new one starts the clock over

Always ask: "What benefits or guarantees am I giving up by replacing my current annuity, and what new charges will I face on the new contract?" Get the answer in writing before you sign.

You have the right to take your time

- The right to request and review a sample contract before purchase
- The right to take the contract documents home and review them with a CPA, family member, or independent professional
- The right to a free look period (typically 10-30 days, depending on your state) after you sign, during which you can return the contract for a full refund or your current account value

You have the right to know what stands behind the guarantee

Annuity guarantees rest on the insurer's claims-paying ability, and your disclosure documents should say so. You have the right to ask for the carrier's current financial strength ratings and to see them before you sign. You also have the right to know your state guaranty association's coverage limit, typically $250,000 in annuity present value per owner per insurer (higher in Connecticut, New York, and Washington), and agents in most states are prohibited from using guaranty association coverage as a selling point. If an agent leads with "the state will cover you," that is itself a red flag.

> **IF YOU FEEL PRESSURED, THAT'S THE ANSWER**
>
> If anyone, your agent, a sales manager on the phone, a closing officer, pressures you to sign without taking these steps, you're being sold to, not advised. The right product will still be available next week. The agent who's pushing today is telling you something about the deal, even if they don't realize it.

PART 04 · BUYING SMART

CHAPTER 11

The 12 questions every buyer must ask.

Print this list. Bring it to every annuity conversation. If your agent can't answer all twelve clearly and in writing, you're not ready to sign. Period.

11

Twelve questions. Print and bring.

If your agent can't answer all twelve clearly and in writing, you're not ready to sign.

01 What type of annuity is this, and why is it right for me?
Don't accept "it's a great product." Get specifics about your situation.

02 How long is the surrender period, and what's the charge schedule by year?

03 What is guaranteed, and what isn't?
Distinguish hypothetical illustration values from contractual guarantees.

04 What's the minimum interest rate guaranteed?
Not the current rate. The floor locked in for the entire term.

05 What every fee, charge, and adjustment will I pay annually?
Total all of them and ask for the all-in cost.

06 How much can I withdraw each year without a charge, and what happens if I exceed that?

07 What are my income options at the end of the term?
Annuitize, withdraw, renew, exchange. Get the full menu.

08 If I die before taking income, what do my beneficiaries receive?
Get death benefit terms in writing.

09 How is this annuity taxed for me, and for my beneficiaries?

10 What commission or compensation are you receiving?
By regulation, your agent must answer if asked.

11 Have you compared this to products from at least three other carriers?
If not, ask why.

12 What's my free look period in this state, and the process for returning the contract?

ONE MORE QUESTION

If your gut says something is off, ask: "Can I take this contract home and review it for a week before I sign?" Any agent unwilling to give you a week is selling, not advising. Walk away. The right product will still be there next week.

CHAPTER 12

After you buy: the free look period.

A 10-30 day window during which you can return the contract for a full refund or your current account value. Your last meaningful safety net.

12

Use the window. Read the contract.

Most states give annuity buyers a window, typically 10 to 30 days, during which you can return the contract for a full refund or your current account value. This is your last meaningful safety net.

What to do during your free look

1. **Read the entire contract.**
   Not the brochure. The actual contract. Compare every term to what you were told during the sales conversation.
2. **Verify the surrender schedule matches what your agent described.**
   Year-by-year. In writing. Don't accept ranges.
3. **Confirm the rate, caps, participation rates, and rider terms match the illustration.**
   Any discrepancy is a reason to exit during the free look.
4. **Check the beneficiary designations are correct.**
   Verify that any joint owner arrangements are properly structured.
5. **Get a second opinion from a fee-only professional or a CPA.**
   Especially if the purchase is significant. The cost of an hour of their time is trivial relative to the size of the contract.

If something doesn't match

If anything in the contract differs from what you were told (fees that weren't disclosed, a longer surrender period, different rider terms), exercise the free look. Contact the insurance company directly (not just the agent) to return the contract within the window. Get the return confirmed in writing.

> **DON'T WASTE THE WINDOW**
> The free look is the most consumer-friendly feature of the entire annuity purchase process. It's a built-in chance to verify the deal is what you thought it was. Use it. Read the contract carefully even if you're confident in the purchase. Especially then.

PART 04 · BUYING SMART

CHAPTER 13

Why a multi-carrier platform matters.

The single most important decision you'll make isn't the product type or the rate. It's where you shop.

13

Single-carrier vs. multi-carrier.

A single-carrier agent is captive to one insurance company. They can only show you that company's products, and they're typically incentivized to favor specific products within that lineup. Their "best for you" recommendation is necessarily limited to their employer's shelf.

A multi-carrier platform represents dozens of carriers. The same buyer profile gets shown options from across the market, which means the recommendation is shaped by what's actually best for you, not by what the agent's employer offers.

What to look for in any platform you use

CARRIER BREADTH
The platform should represent at least 10-15 carriers across all four major product types.

LIVE RATE TRANSPARENCY
Rates change frequently. Quarterly or monthly updates aren't enough. Daily or near-daily updates protect you from quoting on stale data.

LICENSING
Confirm the platform is licensed in your state. Most states require state-specific authorization.

DISCLOSURE OF COMPENSATION
A reputable platform will tell you, on request, what it earns on each product it recommends.

EDUCATION-FIRST ORIENTATION
If a platform's main offering is a "lead capture" form rather than answers to your questions, you're a lead, not a client.

CARRIER RATINGS
Know every recommended carrier's A.M. Best financial strength rating, and what it means, before you get a quote.

About My Annuity Store

We're an independent multi-carrier annuity platform. Licensed in 47 states. We represent 90+ top annuity companies across fixed, MYGA, fixed indexed, RILA, and variable products, and we have brochure-level coverage of every product on our shelf, meaning our AI Annuity Agent can answer specific product questions instantly without you having to wait for a callback.

Insurance Business Review named us its Top Multi-Carrier Annuity Platform 2025. But more importantly: we built this whole company around the belief that consumers deserve the same product specificity an agent gets, available the moment they need it, without an email gate or a sales pitch.

If that sounds like the kind of platform you want to work with, or you just want to use our tools to compare what your current agent is offering, we're here.

No email gate.
No sales pitch.
Just answers.

Compare today's MYGA rates from 90+ top annuity companies, ask our AI Annuity Agent any product-specific question, or speak with a licensed annuity agent.

COMPARE RATES

Live MYGA shelf

Daily rate updates from the 90+ carriers we represent. Filter by term, carrier rating, MVA, and state availability.

ASK ANYTHING

AI Annuity Agent

Brochure-level coverage of every product on our shelf. Specific answers, instantly.

TALK TO A HUMAN

Licensed annuity agents

Our team is licensed in 47 states and represents 90+ carriers. No commission pressure, no captive products.

FREE SECOND OPINION

Already own an annuity?

Send us your contract. We'll tell you, for free, whether the rate, surrender period, and riders still make sense.

Get a Free Quote →

myannuitystore.com · 855-277-8088 · info@myannuitystore.com

REFERENCES

Sources.

The regulatory and data sources behind the facts in this guide. Rules vary by state, so confirm details with your state insurance department.

NAIC	Buyer's Guide for Deferred Annuities, the consumer guide this guide's structure is adapted from. content.naic.org/sites/default/files/publication-anb-lp-consumer-annuities-fixed.pdf
NAIC	Annuity Suitability and Best Interest Standard (Model Regulation #275, revised 2020); adopted by 48 states as of February 2025. content.naic.org/insurance-topics/annuity-suitability-and-best-interest-standard
Model #275 FAQ	On request, the agent must give you, in writing, an estimate of the cash compensation from the sale. Nassau Financial Group, Model Reg #275 Disclosure FAQ. salesnet.nfg.com/model-reg-275-faq
NOLHGA	How You're Protected: annuity coverage of at least $250,000 in most states, $500,000 in Connecticut, New York and Washington, 80% up to $250,000 in California; coverage comes from your state of residence. nolhga.com/policyholders/how-youre-protected
CT Guaranty Assn.	Connecticut Life and Health Insurance Guaranty Association FAQ: annuity benefits $500,000 per contract owner. ctlifega.org/FAQ
FINRA	Annuities: free-look periods generally range from 10 to 30 days; variable annuities and RILAs are securities regulated by the SEC and FINRA; variable annuity expenses are likely much higher than a typical mutual fund's. finra.org/investors/investing/investment-products/annuities
IRS	Publication 575 (2025), Pension and Annuity Income: nonqualified withdrawals come from earnings first; 10% additional tax before age 59½. irs.gov/publications/p575
IRS	Revenue Ruling 2005-30: deferred annuity death benefits above basis are income in respect of a decedent and get no step-up in basis. irs.gov/pub/irs-drop/rr-05-30.pdf
LIMRA	Final U.S. Retail Annuity Sales, 2025 (March 23, 2026): RILA sales rose 20% to $79.5 billion, the 11th straight year of growth. limra.com

ONE MORE THING

If anything here raised a question about your annuity, we're happy to give you a no-obligation second opinion. Use our tools. Ask our AI Agent anything. Talk to our team. We're genuinely better when more people understand what they're buying.

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855-277-8088

Licensed annuity agents, M-F 8:30-6:00 ET

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Send your existing contract for a free review

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