

OUR BLOG

[HOME \(HTTPS://WWW.MINTCOFINANCIAL.COM/\)](https://www.mintcofinancial.com/)

[/ OUR BLOG \(HTTPS://WWW.MINTCOFINANCIAL.COM/BLOG/\)](https://www.mintcofinancial.com/blog/)

[/ 2019 FIXED INDEXED ANNUITIES: SUZE ORMAN AND ANNUITY](https://www.mintcofinancial.com/2019-fixed-indexed-annuities-suze-orman-and-annuity/)



[\(https://www.mintcofinancial.com/2019-fixed-indexed-annuities-suze-orman-and-annuity/\)](https://www.mintcofinancial.com/2019-fixed-indexed-annuities-suze-orman-and-annuity/)

16 MAR

2019 Fixed Indexed Annuities: Suze Orman and Annuity

[\(https://www.mintcofinancial.com/2019-fixed-indexed-annuities-suze-orman-and-annuity/\)](https://www.mintcofinancial.com/2019-fixed-indexed-annuities-suze-orman-and-annuity/)

Written by **The Financial Talker** (<https://www.mintcofinancial.com/author/the-financial-talker/>)

Categorised **annuity** (<https://www.mintcofinancial.com/category/annuity/>)

2019 Fixed Indexed Annuities: Suze Orman and Annuity

2019 Fixed Indexed Annuities: Suze Orman and Annuity

[\(https://www.mintcofinancial.com/2018-fixed-indexed-annuity-suze-orman-and-annuity/\)](https://www.mintcofinancial.com/2018-fixed-indexed-annuity-suze-orman-and-annuity/)

The newest and most talked about annuity, this vehicle has both a fixed interest rate, and a variable one which is linked to an index, usually the S&P 500 or Nasdaq index.

As the indices rise, your interest rate rises, up to a stated cap.

And since your gains are “locked in”, you’re not subject to market downturns as you would be if you invested in the market directly.

Fixed Indexed Annuities have consistently out-performed cds and money-markets, since their inception in the 90’s.

Although past performance is no guarantee of future gains, only this type of annuity can give you maximum returns with no risk to principal.

Is Fixed Indexed Annuity Right for you?

If you want to limit potential losses while participating in the potentially attractive returns of a market-driven investment but would also like a guaranteed return, an indexed annuity might be worth checking out.

The performance of indexed annuities, also referred to as equity-indexed or fixed-indexed annuities, is tied to an index (for example, the Standard & Poor’s 500*).

They provide investors with an opportunity to earn interest based on the performance of the index. If the index rises during a specified period in the accumulation phase, the investor participates in the gain.

In the event that the market falls and the index posts a loss, the contract value is not affected. The annuity also has a guaranteed minimum rate of return, which is contingent on holding the indexed annuity until the end of the term.

The percentage of an index's gain that investors receive is called the *participation rate*.

The participation rate of an indexed annuity can be anywhere from 50% to 90% or more.

A participation rate of 80%, for example, and a 10% gain by the index would result in an 8% gain by the investor.

Some indexed annuities have a *cap rate*. The maximum rate of interest the annuity will earn, which could potentially lower an investor's gain.

Fixed Indexed Annuity is NOT an Investment

We disagree with the view that annuities offer no value, but we will say that an annuity (fixed indexed or otherwise) is ***not*** an investment!

It's "income insurance", a way of guaranteeing you'll always have money coming in no matter how long you live.

Many people, especially those who don't have a pension to look forward to, find that having this insurance helps them sleep better at night.

But for an annuity to do its job properly, you need to treat it like a hen that lays golden eggs, but only one at a time.

As long as you're patient and wait for the next egg to come, they'll keep coming for the rest of your life.

But you need to have other, more liquid sources of money to supplement those golden eggs. For that reason, you should ***never*** commit all of your money to an annuity.

Benefits of Fixed Indexed Annuities:

Guarantee of Principal: With a fixed indexed annuity, you are guaranteed the safety of your principal, regardless of stock market fluctuations. The insurance industry is regulated and cannot place policyholders' money at risk.

This was big deal for many retirees after the 2007-2008 crash.

Tax Deferred Growth: Any interest earned in your fixed indexed annuity is tax deferred. What does that mean for you? Quicker growth over a shorter period of time.

Guaranteed Lifetime Retirement Income Stream: People are living longer than ever. That means your retirement income must last longer than ever before. A fixed indexed annuity guarantees a yearly sum, no matter how long you live. That means you'll have the security of a check in the mailbox every month for the rest of your life.

Liquidity: Typically, you can get penalty free withdrawals up to ten percent, once each year after the first year (check your contract). While somewhat limited, the benefits of the guaranteed annual payments outweigh the liquidity concerns for most investors. Especially when close to retirement age, this level of liquidity should not be cause for concern. Give a trusted insurance company your money and they'll guarantee X dollars now and X+ dollars in the future.

Additional Liquidity Safety Net: Some contracts give you a 100% penalty free withdrawal for a terminal illness after the first 12 months. And a 100% penalty free withdrawal after the 3rd year if confined to a qualified nursing home. Not all contracts are created equal please get competent advice.

Annuities Avoid Probate: In almost all cases, annuity proceeds go to your beneficiaries upon death of the investor. This benefit helps you avoid the additional loss of probating. Depending on the terms of your annuity, the beneficiary may receive a lump sum or number of payments.

Upfront Bonus: Some annuity companies offer incentive bonus money for moving your IRA, 401K, savings and or investments.

Do you have Long Term Care Coverage? Some fixed indexed annuity contracts offer additional payouts – up to five years – if you're unable to do two of the following tasks: bathing, dressing, feeding, toileting, continence and transferring (moving in or out of bed) by yourself. The additional payments could provide the necessary care needed.

7 Ways to access Fixed Indexed Annuities Early

The following are 7 ways that you can access your annuity early with no surrender charges. (Note: These are common exclusions, but your individual policy may be different)

Let's get the most morbid ones out of the way. These are provisions, but they are there for your peace of mind

#1 – Death

No easy way of saying this, but the full amount of the contract is payable upon the death of the annuitant.

#2 – Terminal illness

Equally morbid, but many policies also have terminal illness waivers.

#3 – Disability waivers

For many retirees who have stable retirement income, their biggest fear is that they will need to access their assets to pay long term care costs. It certainly is a valid concern, since "70% of people turning age 65 can expect to use some form of long-term care during their lives."

Fortunately, many annuity contract issuers have responded to these concerns by providing full liquidity if you fail activities of daily living tests commonly used for assessing the need for long term care. (Eating, Bathing, Dressing, Grooming, Mobility, Continence)

Additionally, you can also access your annuity in these ways:

#4 RMD's

If your annuity is an IRA, you will be able to take your Required Minimum Distributions when you reach the age of 70 ½.

#5 – Annuitization

All annuities allow for “annuitization” – or the balance paid over a number of years – or for life.

#6 Income Benefits

In addition, some annuities have income benefit riders that provide for income for as long as you live. The difference between income benefits and the aforementioned annuitization option is that an income benefit will pay your heirs a death benefit if you die too soon.

#7 Free withdrawals

After the first year, you can generally withdraw between 7 and 10 percent of the account annually

Keep in mind also, that liquidity is relative. If you invest in an S & P index fund, the investment can be liquidated with no surrender penalties. However, if you sell during a market downturn, the loss can be substantially higher than any annuity surrender charge – which is generally no more than 12% – and decreases to zero by the end of the term.

Bonds or Fixed Indexed Annuities

Bond yields are low. How can investors get a better return without taking on more risk?

Both plain fixed-rate annuities and more complex fixed indexed annuities (FIAs) can beat bonds.

A new study* from famed economist Roger Ibbotson says that investors should consider FIAs as a low-risk bond alternative likely to produce better returns.

He and his team found that uncapped FIAs would have outperformed bonds on an annualized basis over 90 years, from 1927–2016.

Furthermore, the big capital gains in bonds over the last 10 years are highly unlikely to recur over the next 10 years, Ibbotson wrote. If rates rise, bond investors will instead incur capital losses.

FIA returns are linked to the performance of stock indexes such as the S&P 500 but are guaranteed not to lose money. They thus provide some of the upside of the stock market with none of the downside.

As a result, uncapped FIAs offer a more tailored risk profile than bonds, capturing a portion of the growth offered by large-cap stocks, while lowering overall market risk, the study found.

The study is an important advance that validates FIAs as asset class thoughtful investors should consider. They are complex, however, with a wide range of designs, so it's wise to have an unbiased advisor walk you through your choices.

FIAs are tax-deferred and interest isn't taxed until withdrawn.

Suze Orman and Fixed Indexed Annuities (<https://www.mintcofinancial.com/2018-fixed-indexed-annuity-suze-orman-and-annuity/>)

"If you are willing to give up some upside potential, you can also protect yourself totally against downside risk with an index annuity", says Suze Orman in a blog called , ***Truth About Annuities*** ([http://apps.suzeorman.com/igsbase/igstemplate.cfm?](http://apps.suzeorman.com/igsbase/igstemplate.cfm?SRC=MD012&SRCN=aoedetails&GnavID=84&SnavID=29&TnavID&AreasofExpertiseID=1)

[SRC=MD012&SRCN=aoedetails&GnavID=84&SnavID=29&TnavID&AreasofExpertiseID=1](http://apps.suzeorman.com/igsbase/igstemplate.cfm?SRC=MD012&SRCN=aoedetails&GnavID=84&SnavID=29&TnavID&AreasofExpertiseID=1)

Bottom line is that that there's no perfect investment.

An index annuity is a great choice for those willing to forfeit upside potential while protecting completely from any downside risk, so it works for those who like to invest in the market but don't want to lose money.

Get More Information about Fixed Indexed Annuities

(<https://www.mintcofinancial.com/2018-fixed-indexed-annuity-suze-orman-and-annuity/>)

Like any investment product, it's important to understand how they work and if they make sense for you. Annuities are no different.

But for the clients who fixed indexed annuities make sense for, they can provide truly great peace-of-mind and security in retirement.

Call us/email us today to see if they make sense for you and your retirement.

info@mintcofinancial.com (mailto:info@mintcofinancial.com)

www.MintcoFinancial.com (http://www.MintcoFinancial.com)

Phone:716-565-1300

Phone: 813-964-7100



2019 Fixed Indexed Annuities: Suze Orman and Annuity (<https://www.mintcofinancial.com/tag/2019-fixed-indexed-annuities-suze-orman-and-annuity/>), annuity colorado (<https://www.mintcofinancial.com/tag/annuity-colorado/>), annuity florida (<https://www.mintcofinancial.com/tag/annuity-florida/>), best annuity Florida (<https://www.mintcofinancial.com/tag/best-annuity-florida/>), best fixed indexed annuity 2019 (<https://www.mintcofinancial.com/tag/best-fixed-indexed-annuity-2019/>), best fixed indexed annuity buffalo ny (<https://www.mintcofinancial.com/tag/best-fixed-indexed-annuity-buffalo-ny/>), best fixed indexed annuity florida (<https://www.mintcofinancial.com/tag/best-fixed-indexed-annuity-florida/>), best fixed indexed annuity for retirees (<https://www.mintcofinancial.com/tag/best-fixed-indexed-annuity-for-retirees/>), best fixed indexed annuity in The Villages FL (<https://www.mintcofinancial.com/tag/best-fixed-indexed-annuity-in-the-villages-fl/>), best fixed indexed annuity Miami (<https://www.mintcofinancial.com/tag/best-fixed-indexed-annuity-miami/>), best fixed indexed Florida (<https://www.mintcofinancial.com/tag/best-fixed-indexed-florida/>), best income for life Buffalo NY (<https://www.mintcofinancial.com/tag/best-income-for-life-buffalo-ny/>), best income for life tampa florida (<https://www.mintcofinancial.com/tag/best-income-for-life-tampa-florida/>), fixed indexed annuities pros and cons (<https://www.mintcofinancial.com/tag/fixed-indexed-annuities-pros-and-cons/>)

[annuities-pros-and-cons/](#)), [fixed indexed annuity for seniors](#)

(<https://www.mintcofinancial.com/tag/fixed-indexed-annuity-for-seniors/>), [fixed indexed annuity suze](#)

[orman 2019](#) (<https://www.mintcofinancial.com/tag/fixed-indexed-annuity-suze-orman-2019/>), [fixed](#)

[indexed in new york](#) (<https://www.mintcofinancial.com/tag/fixed-indexed-in-new-york/>), [how to buy](#)

[fixed indexed annuity](#) (<https://www.mintcofinancial.com/tag/how-to-buy-fixed-indexed-annuity/>),

[Suze Orman Annuity](#) (<https://www.mintcofinancial.com/tag/suze-orman-annuity/>)

SENIOR LIFE INSURANCE QUOTE

LOCATION ALABAMA

AGE 89

SEX FEMALE

SMOKER NO

AMOUNT \$5,000

GET A FREE QUOTE

Powered by  MINTCO

evoshare

Up to 40% cash-back
to fund your IRA

4,500+ online and
local businesses

JOIN FOR FREE

(<https://evoshare.com/>)

NEED HELP FINDING SOMETHING?

TYPE HERE

RECENT POSTS

5 Things about Real Estate Investment Trust (<https://www.mintcofinancial.com/5-things-about-real-estate-investment-trust/>)

2020 Medicare Open Enrollment Florida (<https://www.mintcofinancial.com/2020-medicare-open-enrollment-florida/>)

How to Compare Solo 401k vs Sep IRA (<https://www.mintcofinancial.com/best-solo-401k-vs-sep-ira-comparison/>)

36 TOP Financial Advisor in TAMPA (<https://www.mintcofinancial.com/36-top-financial-advisor-in-tampa-mintco-financial/>)

3 BEST BURIAL LIFE INSURANCE FOR SENIORS (<https://www.mintcofinancial.com/3-best-burial-life-insurance-for-seniors/>)

 ([HTTP://FEEDS.FEEDBURNER.COM/MINTCOFINANCIAL](http://feeds.feedburner.com/MINTCOFINANCIAL)) MINTCO FINANCIAL
([HTTPS://WWW.MINTCOFINANCIAL.COM/](https://www.mintcofinancial.com/))

5 Things about Real Estate Investment Trust (<https://www.mintcofinancial.com/5-things-about-real-estate-investment-trust/>)

August 9, 2019

5 Things about Real Estate Investment Trust There are 5 Things about Real Estate Investment Trust you should know: What,... The post 5 Things about Real Estate Investment Trust appeared first on Mintco Financial.

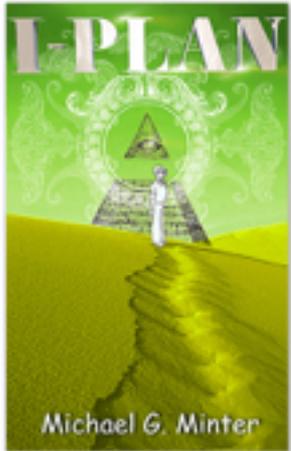
The Financial Talker

ARCHIVES

SELECT MONTH



GET YOUR I-PLAN TODAY!!



(<https://www.mintcofinancial.com/i-plan-book/>)

RECENT TWEETS

COMPANY



(TEL:8886468268)

([HTTPS://WWW.MINTCOFINANCIAL.COM/CONTACT-US/](https://www.mintcofinancial.com/contact-us/))

([HTTPS://WWW.MINTCOFINANCIAL.COM/ABOUT-US/](https://www.mintcofinancial.com/about-us/))

([HTTPS://WWW.MINTCOFINANCIAL.COM/BLOG/](https://www.mintcofinancial.com/blog/))

([HTTPS://WWW.MINTCOFINANCIAL.COM/TERMS-CONDITIONS/](https://www.mintcofinancial.com/terms-conditions/))

([HTTP://BROKERCHECK.FINRA.ORG/INDIVIDUAL/SUMMARY/2989575](http://brokercheck.finra.org/individual/summary/2989575))

([/SITEMAP](/sitemap))

SERVICES

([HTTPS://WWW.MINTCOFINANCIAL.COM/SERVICES/RETIREMENT-PLANNING/](https://www.mintcofinancial.com/services/retirement-planning/))

([HTTPS://WWW.MINTCOFINANCIAL.COM/SERVICES/ESTATE-PLANNING/](https://www.mintcofinancial.com/services/estate-planning/))

([HTTPS://WWW.MINTCOFINANCIAL.COM/SERVICES/LIFE-INSURANCE-STRATEGIES/](https://www.mintcofinancial.com/services/life-insurance-strategies/))

([HTTPS://WWW.MINTCOFINANCIAL.COM/SERVICES/MEDICARE-PLANNING/](https://www.mintcofinancial.com/services/medicare-planning/))

([HTTPS://WWW.MINTCOFINANCIAL.COM/SERVICES/FEE-ONLY-FINANCIAL-ADVISOR/](https://www.mintcofinancial.com/services/fee-only-financial-advisor/))

([HTTPS://WWW.MINTCOFINANCIAL.COM/SERVICES/PRIVATE-WEALTH-MANAGEMENT/](https://www.mintcofinancial.com/services/private-wealth-management/))

FIND US ON

f (<https://www.facebook.com/mintcofinancial>)

g+ (<https://plus.google.com/+MintcofinancialUSA/about>)

in (<https://www.linkedin.com/company/mintco-financial-inc.>)

t (<https://twitter.com/mintcofinancial>)



(<https://play.google.com/store/apps/details?id=com.instant.quoter&hl=en>)



(<https://itunes.apple.com/us/app/quoter/id1115733116?ls=1&mt=8>)

Get your I-PLAN



(<https://www.amazon.com/I-Plan-Michael-G-Minter/dp/0985553103>)



(<https://www.mintcofinancial.com/>)

Copyright © 2018 Mintco Financial, Inc. Is not affiliated with *LifeMark Securities Corp. Michael Minter, Registered Representative and Investment Advisory Representative of LifeMark Securities etc. 400 West Metro Financial Center, Rochester NY 14623 (585)424-5672 or 1-888-MINTCO-8.

Member of: **FINRA/SIPC** (<http://www.finra.org/>)

[BACK TO TOP](#)



[Privacy - Terms](#)

