

Annuity Review Worksheet

Use this annuity checklist to help you decide whether to invest in an annuity contract.

1. Will you need the money before age 59 _? Withdrawals before age 59 _ face a 10% penalty.

___ Yes ___ No

2. Have you checked the rating of the insurance company that is offering you the annuity?

___ Yes ___ No

3. If the answer to #2 is Yes, is it a top rating?

___ Yes ___ No What is the rating? _____

4. Review the surrender period and surrender penalties. Summarize the surrender period and charges. (Avoid annuities with surrender charges that don't go away after 7 years.)

Surrender period _____ years

Surrender periods	Charge %
1	_____ %
2	_____ %
3	_____ %
4	_____ %
5	_____ %
6	_____ %
7	_____ %

Some annuities have teaser rates – high initial rates that fall after some initial period. Review the annuity rate structure and summarize below by noting the rate and circling the period during which the rate is in effect. If the rate is fixed for the life of the contract, then circle life.

Initial Rate _____ % for _____ (years months life)

Subsequent rate _____% (not applicable for fixed rate contracts)

6. How can you get your money out of the annuity. Summarize the various ways and any penalty or charge that you would incur.

Ways of Getting Out

Penalty or Charge

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

7. If the annuity is a variable one, what is the annual fee % (anything more than 2% could be excessive.

Variable annuity annual fee _____%

8. Variable annuities should offer at least 5 different investment accounts.

How many choices _____ What are they?

Variable Annuity Investment Choices

Material provided by Michael P. Griffin.