



How are annuities sold?

Financial Planning

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Annuities can be purchased through insurance agents, financial planners, banks and life insurance carriers. However, only life insurance companies issue policies.

Agents

Agents are insurance professionals who are licensed by your state insurance department. Some agents work

exclusively for one insurance company, while others represent several.

If you decide to use an insurance agent, find one who is knowledgeable about annuities and has a reputation for excellent customer service. The agent should be able to advise you and answer all your questions. If you are thinking about buying a variable annuity, the agent should also have a license to sell variable annuity products. Since variable annuities are considered securities, you should receive a prospectus describing the investment alternatives available to you.

Banks and brokerage firms

Products developed by life insurance companies are often marketed through banks and stock brokerage firms. Make sure the person who sells you the annuity is a licensed life insurance agent. In the case of a variable annuity, the agent should also be a licensed securities dealer. If you buy an annuity through a bank or brokerage firm, you should ask about the types of annuities the insurer issues and the financial strength of the insurance company.

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