

Annuities

Simply put, an annuity is a contract in which an insurance company makes a series of income payments at regular intervals in return for a premium or premiums you have paid. Annuities are most often bought for future retirement income. Only an annuity can pay an income that can be guaranteed to last as long as you live. Annuities can help protect against outliving your earning years or your retirement resources. Compound interest is credited to these payments and the earnings are not currently taxed during the accumulation period, which is an important reason why people purchase annuities.

Annuities have advantages in a number of situations:

- Well-off individuals may purchase annuities to secure future income, even if their other holdings become lost. They seek the safety, tax-favored treatment and guarantees that annuities have to offer, rather than the yield.
- Middle-aged and elderly people with modest estates may rely on annuities to help provide a continuous source of income that cannot be outlived. In addition, they will be free of the responsibility of investing and managing assets.
- Annuities are attractive to those who have yet to accumulate estates but want financial independence in retirement.

Farmers Life[®] offers several different types of annuities based on structure, risk and rate of return to assist prospects in meeting specific retirement, financial or business goals. Contact Michael Miller Insurance for more information.