

FORTUNE

— TO EARN A FORTUNE, TO KEEP A FORTUNE —



GLENN HERRING

A few days ago, a baby boomer asked me, "How can I protect my retirement account?" He asked this after sharing that upon building a sizable 401k, he then watched it fall from an all-time high at the pinnacle of the dot-com era to a value of less than 50%. His retirement funds had finally just returned to the value they were in 2000. I could tell that he was more distraught at the thought of losing his "fortune" than building his "fortune."

My answer for him? A savings tool that can guarantee peace of mind against the loss of retirement funds: the fixed indexed annuity (FIA). It has these five

outstanding features:

1. **Principal Protection:** I often tell my clients, "You may use your money, but you'll never lose your money with the FIA." I am finding more retirees and pre-retirees who are concerned about keeping their "fortune," their retirement assets. In most cases, this money was earned by them, not given to them. They want to protect it, letting it carry them through their retirement years. That's why they earned it; now they strive to protect it.

2. **Guaranteed Minimum Growth:** The FIA contains a guaranteed minimum growth, somewhat like CDs, money markets, bonds or traditional savings accounts. However, the guaranteed growth is tax-deferred. Therefore, the FIA gains triple compounding growth through interest on the principal (simple growth), interest on interest (compound growth), and additional interest earned on the interest that stays in the annuity, which is NOT sent to the IRS in the form of taxes (triple growth).

3. **Indexing Features:** The "I" in the FIA is the sizzle to the steak. This feature creates the excitement in the savings tool – guaranteed participation in a market index. In the early 1990s, the insurance industry had only two annuities: the basic fixed annuity described in feature #2 and the variable annuity (VA). The VA is a true market investment where the investor can "make a fortune" or "lose a fortune" overnight, taking on 100% of the risk.

Then the FIA was born, which gives the same basic guarantees as the fixed annuity, but also gives a guaranteed percentage of the growth of a market index of your choosing. Some more recent FIAs give you 100% of the market index growth, minus a spread, currently ranging from 0.75% to 1.5%. The indexing return is restricted to upside movement of your market indexes. We all love "making a fortune" in the market, but we all hate "losing a fortune." Now, the FIA gives you the best of both worlds: guaranteed participation in the upside market growth and guaranteed protection against the downside market risk. What a great tool to not only protect your fortune, but also continue to grow your fortune – with ZERO risk!