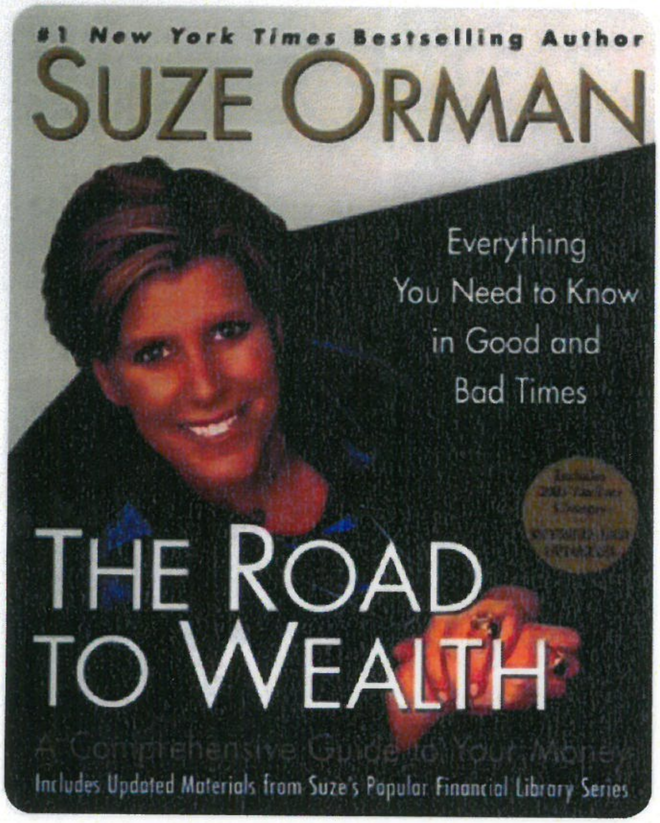

Q. *How do I know if a* ***Guaranteed Index Annuity*** *is right for me?*

A. If you do not want to take **any risks** but still want to play the stock market, a **good index annuity** may be right for you.

Q. *My financial advisor is recommending that I buy a* ***variable annuity*** *within my retirement account. What should I do?*

A. ***Get yourself another financial advisor, pronto.***

Q. *You say there is a* ***guarantee on the downside.*** *What if the S&P 500 goes down 30 percent?*

A. Yes, there is a guarantee on the downside, which is why investors in index annuities accept a ceiling of 10 percent a year on their own gains. In fact for those who do not want to take any downside risk, the index annuity can be a good option. Unlike regular index funds, where you claim 100 percent of the gains but also suffer 100 percent of the decreases, ***in an index annuity your money can only go up; it cannot go down.***

If you invest $20,000 in an index annuity on index annuity on March 15 and by the following March 15 the index has fallen by 30 percent, you will still end up with $20,000 at the end of that year. The next year, when the market rises by 20%, you will be credited with 50% of that increase up to a maximum of 10% or, in this case, 10%, or $2,000. So instead of having a total of $18,000 after two years (you would have lost $5,000 in the first year and gained back only $3,000 in the second year), as you would in a typical mutual fund account, you will have $22,000.

This kind of annuity limits your upside but effectively protects you from a downturn.