BARRON'S

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THE 100 BEST ANNUITIES FOR TODAY'S MARKET

Higher inflation, higher taxes, and lower bond yields have retirees justifiably worried about income. Annuities can help—if you choose well.

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(over please)

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There are many ways in which 2021 feels like the complete opposite of 2020, and the annuities business is no different. After one of the most challenging years on record—during which annuity providers raised fees, scaled back benefits, and saw sales drop more than 9%—it's as if a switch were flipped. Investors are pouring money into these insurance contracts as the fallout from the pandemic, the recession, and political turnover makes retirement-income planning more daunting than ever.

Consider the myriad looming threats, each of which alone could be the bane of any retirement plan: potential tax increases, inflation, an overstretched stock market, and bond yields so low they're useless for income and no longer serve as ballast during a stock market tumble. It's no wonder that investors in or nearing retirement are seeking alternatives to the traditional stock-and-bond portfolio.

Annuities, a form of insurance with underlying investments, have the unique capacity to address these issues—when used wisely. Their insurance component can protect against investment losses or guarantee lifetime income, like a traditional pension, and investments within them grow tax-deferred, like assets in an individual retirement account or 401(k). They also can offer considerably more income than would be generated by Treasuries or certificates of deposit, and their returns can be linked to stock-market indexes.

Eager to lock in these protections, investors are driving some of the biggest annuity sales increases on record. In this year's first quarter, sales of a type of contract called a registered index-linked annuity were up 89%, according to Limra's Secure Retirement Institute, an insurance research firm in Windsor, Conn. Overall, investors put $61 billion into annuities in the period, producing the strongest quarterly sales since the second quarter of 2019.

BEST ANNUITIES: GUARANTEED IMMEDIATE INCOME. NO FRILLS.

Income annuities are tools that turn a lump sum into a lifelong income stream, either immediately or sometime later. Single-life payouts for women are generally lower because their life expectancies are longer.

IMMEDIATE-INCOME ANNUITIES: Called SPIAs, these contracts turn guaranteed income on right away. Assume a $200,000 investment at age 70. Payments for "joint life" assume a man is 70 and his spouse is 65.

10-year certain: If an investor dies within 10 years of starting income, payouts go to heirs for what's left of the 10-year period.

	Company	Rating	Annual Income For Life	Annual Payout Rate	Total Income By Age 90
Single-Life Man	CUNA Mutual	A	$13,437	6.72%	$268,740
	AIG	A	13,389	6.69	267,780
Single-Life Woman	Penn Mutual Life	A+	$12,744	6.37%	$254,880
	CUNA Mutual	A	12,658	6.33	253,160
Joint Life	AIG	A	$10,537	5.27%	$210,740
	Minnesota Life	A+	10,472	5.24	209,440

Cash refund: When an investor dies, any remaining principal is paid to heirs in a lump sum.

	Company	Rating	Annual Income For Life	Annual Payout Rate	Total Income By Age 90
Single-Life Man	CUNA Mutual	A	$12,085	6.04%	$241,700
	Minnesota Life	A+	11,975	5.99	239,500
Single-Life Woman	CUNA Mutual	A	$11,530	5.77%	$230,600
	Minnesota Life	A+	11,387	5.69	227,740
Joint Life	AIG	A	$10,287	5.14%	$205,740
	CUNA Mutual	A	10,115	5.05	202,300

Note: AM Best rating. Single life pays for one person's lifetime; joint life pays for both spouses' lifetimes. Source: Cannex

As interest in annuities revs up after a tough 2020, product selection can be overwhelming. Insurers have been churning out new types, each designed to address a particular aspect of investors' unease. So, while one contract might be a good fit for one person, it could be a costly mistake with long-term consequences for another.

To help give a sense of the marketplace, Barron's looked at 100 competitive contracts across different annuity categories, based on a set of assumptions about an investor's profile. Contract terms—guarantees, benefits, rates, fees—change frequently, particularly in times of volatility or fluctuating interest rates. A contract's competitiveness—or lack thereof—can change just with the tweak of a single factor, such as age, size of investment, length of surrender charge, or how remaining principal is paid to heirs at death.

This year's tables introduce more key information on variable annuity contracts with guaranteed income riders. We included fees and, where applicable, limitations on stock allocations because these factors affect underlying account values. One of the tables also includes a new section, Variable Annuity Variations, to reflect an explosion in both product development and consumer interest.

Annuities are the Swiss army knives of financial tools. Each type is designed for a specific task. The best way to make sense of them is to assess what problem or concern you're trying to address, and then decide which category of annuity can best do the job, says Tamiko Toland, director of retirement markets at Cannex, an independent research firm specializing in retirement products. Then you can begin to sort through which specific contract best addresses your needs.

Annuities have a reputation of being problematically pricey, and it's not entirely unwarranted. Many are sold on commission and come with seven-year surrender charges, which means you'll owe additional fees if you make a withdrawal during that period. What's more, because of their tax-deferred status, assets in annuities are treated like those in an IRA—withdrawals before the year in which you turn 59½ are subject to a 10% penalty. So consider annuities as long-term commitments, and be price-conscious when shopping for them.

The illiquidity, along with costs and complexity, is fodder for critics. But advisors who use annuities generally recommend doing so for just a portion of assets, and argue that insurance always comes at a cost, and that, if this kind of investment helps give a client peace of mind, it's worth considering.

Variable Annuities:
Tax-deferred investment gains

Capital-gains taxes are expected to rise under President Joe Biden's administration, especially for investors in the top income bracket. That's led to a resurgence of interest in variable annuities used purely for tax-deferred asset accumulation, without guarantees on income. Sales of these investment-only variable products had "been a pretty flat line between $7 billion and $8 billion for the past few years, but in the first quarter this year, sales hit $9 billion, the highest level since 2015," says Todd Giesing, Limra's assistant vice president of annuity research.

Variable annuities are similar to 401(k)s—they have a menu of underlying investments and defer taxes on gains. The fees for most of them should give investors pause, however: Average contract costs are 1.4% a year, and expenses for underlying investments average 1%. And most are sold with guaranteed income riders that take, on average, another 1.3% a year, and the all-in cost can be 3.7% or more.

But in their most basic form, they serve as a cheap tax-deferred investment wrapper. Consider three of the least expensive on the market—Lincoln National Life's Investor Advantage Advisory Pro, Jackson National Life's Elite Access Advisory II, and Nationwide's Monument Advisor. On a $200,000 investment, their average annual contract fees are 0.1%, 0.12%, and 0.12%, respectively. Combined with the average costs for their underlying investments, investors will pay a total of about 1.07%, 0.96%, and 0.77%.

"A thin layer of fees essentially pays for the tax deferral and maybe a death benefit to protect your principal," says Ron Brown, president of R.L. Brown Wealth Management, a Lexington, Ky., advisory that uses variable annuities for clients looking to sock big sums into tax-deferred accounts.

For 401(k)s, the Internal Revenue Service caps annual contributions at $19,500 (or $26,000 for individuals 50 or older). For IRAs, the limit is $6,000 (or $7,000 at age 50). But there is no IRS cap for variable annuities. Insurers set their own limits—typically well over $100,000.

RILAs:

Downside protection, plus gains

Insurers never stop tinkering, hoping to come up with products for investors who want to grow their assets, but aren't sure they can stomach downside risk. For years, the fixed indexed annuity was the golden child in this area: Fixed indexed annuities offer 100% protection of principal, plus investment gains linked to the performance of an index. These annuities, however, also limit the gains that investors can capture—current caps are between 4% and 5%. If the index rises 8%, investors only get up to the cap. If the index falls 8%, investors don't lose a dime.

Now, registered index-linked annuities, or RILAs, are stealing the spotlight. They became very popular last year because their pricing is far less sensitive to interest rates and volatility, says Adam Brown, Allianz Life's senior vice president of actuarial product development. RILAs are particularly appealing to investors willing to forgo 100% principal protection in exchange for more return potential.

RILAs are typically classified as either buffer or floor annuities. Buffer RILAs absorb a certain amount of loss on the downside—say, 10%, 15%, or 20%—and cap returns on the upside. On Great American Life Insurance's Index Frontier 7 RILA with a 10% buffer and a 19.5% cap on the S&P 500's return, the insurer absorbs the loss if the market drops 8%. If it slides 12%, the insurer absorbs 10% and the investor takes a 2% hit. On the other hand, if the index returned an annual 25%, the investor's return would be 19.5%; the company would pocket the rest.

RILAs with floor protection are similar, but the floor is set under an investor's losses. With a 10% floor, if the market falls 12%, an investor eats a 10% loss; the insurer, 2%.

The fees on RILAs are usually embedded in the caps and in the fact that the index returns don't include dividends.

A gusher of new RILAs has erupted over the past year, as insurers try to differentiate their products. Allianz has added a rate-lock feature on its RILAs. Normally, a RILA's upside is credited to an account at the end of its term, which

BEST ANNUITIES: GUARANTEED FUTURE INCOME. NO FRILLS.

DEFERRED-INCOME ANNUITIES: Called DIAs, these contracts are purchased now, but pay out later.

Personal pension: Assumes a 60-year-old invests $200,000 and turns income on at age 70. Any remaining principal at death is paid to heirs. Joint life assumes a married man and woman are ages 60 and 55.

	Company	Rating	Annual Lifetime Income	Total Income By Age 90
Single-Life Man	CUNA Mutual	A	$17,923	$358,460
	Symetra Life	A	17,904	358,080
Single-Life Woman	New York Life	A++	$17,516	$350,325
	CUNA Mutual	A	17,194	343,880
Joint Life	New York Life	A++	$14,569	$291,380
	CUNA Mutual	A	14,087	281,740

Personal pension as longevity insurance: Assumes a 60-year-old invests $200,000 and turns income on at age 80. Any remaining principal at death is paid to heirs. Joint life assumes a man is 60 and his spouse is 55.

	Company	Rating	Annual Lifetime Income	Total Income By Age 90
Single-Life Man	Symetra Life	A	$45,595	$455,950
	Integrity Life	A+	41,361	413,610
Single-Life Woman	Symetra Life	A	$38,212	$382,120
	Integrity Life	A+	37,149	371,490
Joint Life	Mass Mutual	A++	$26,546	$265,460
	Guardian	A++	25,282	252,820

Personal pension within IRA: Up to $135,000 of IRA assets can buy an annuity and be exempt from required minimum distributions. Assumes a 70-year-old puts in $135,000 and takes income at 84; what's left at death goes to heirs. Joint life assumes a man and wife are age 70 and 65.

	Company	Rating	Annual Income At Age 84	Total Income By Age 90
Single-Life Man	Mass Mutual	A++	$25,128	$150,768
	AIG	A	24,754	148,524
Single-Life Woman	Mass Mutual	A++	$22,834	$137,004
	AIG	A	22,047	132,282
Joint Life	Integrity Life	A+	$16,840	$101,041
	AIG	A	16,683	100,098

Note: AM Best rating. Single life pays for one person's lifetime; joint life pays for both spouses' lifetimes. Source: Cannex

BEST ANNUITIES: GUARANTEED INCOME WITH SOME LIQUIDITY AND GROWTH POTENTIAL

FIXED-INDEXED ANNUITY INCOME GUARANTEES: These are riders with a seven-year surrender charge period purchased on S&P 500-linked fixed-indexed annuity contracts. Assumes a $200,000 investment by a 60-year-old. Payout begins at age 70. Joint life assumes spouses are age 60.

Best guaranteed minimum annual income: The minimum income is paid for life regardless of the value of the underlying investments.

	Company	Rating	Annuity Contract	Rider	Annual Income At Age 70	Income Paid By Age 90
Single Life	American National	A	Strategy Indexed Annuity Plus 7	Lifetime Income Option 1	$22,046	$440,920
	Eagle Life	A-	Select Income Focus	Lifetime Income Benefit Option 2	22,000	440,000
	Protective Life	A+	Income Builder	Guaranteed Income	20,700	414,000
	Minnesota Life	A+	SecureLink Future 7	Achiever Lifetime Income	20,000	400,000
Joint Life	American National	A	Strategy Indexed Annuity Plus 7	Lifetime Income Option 1	$20,042	$400,840
	Eagle Life	A-	Select Income Focus	Lifetime Income Benefit Option 2	20,000	400,000
	Protective Life	A+	Income Builder	Guaranteed Income	18,900	378,000
	Minnesota Life	A+	SecureLink Future 7	Achiever Lifetime Income	18,400	368,000

VARIABLE-ANNUITY INCOME GUARANTEES: These riders are sold as add-ons to variable annuities. Assume a $200,000 investment by a 60-year-old. Payout begins at age 70 and is the same for a man or a woman.

Best minimum guaranteed annual income for life: Even if the value of underlying investments declines to zero, the annuity keeps paying the minimum guarantee for life. There is potential for higher payouts depending on performance of underlying investments.

	Company	Rating	Contract	Rider	Total Annual Contract And Rider Fees[3]	Maximum Allowable Stock Fund Allocation	Guaranteed Annual Income For life Starting at 70	Income Paid By Age 90
Single Life	Delaware Life	A-	Accelerator Prime VA	Income Control	2.55%	NA[1]	$18,700	$374,000
	Delaware Life	A-	Accelerator Prime VA	Income Boost	2.70	100%	16,000	320,000
	Nationwide	A+	Destination Navigator 2.0	L.inc Core	2.60	60	15,750	315,000
Joint Life	AIG	A	Polaris Platinum III	Income Max Option 3	2.60%	56%[2]	$14,030	$280,600
	Nationwide	A+	Destination Navigator 2.0	L.inc Core	2.90	60	13,950	279,000
	Securian	A+	MultiOption Guide B	MyPath Horizon	2.85	NA[1]	13,764	275,280

Best potential average income: These have lower minimum income guarantees for life, but allow greater exposure to growth investments. If underlying account values grow, annual income can increase.

Company	Rating	Annuity Contract	Rider	Total Annual Contract And Rider Fees[3] Single / Joint Life	Maximum Allowable Stock Fund Allocation	Annual Guaranteed Income For Life At Age 70 Single / Joint Life	Income Paid By Age 90 Single / Joint Life
Jackson	A	Perspective II	LifeGuard Freedom Net	2.8% / 2.9%	100%	$14,250 / $12,000	$285,000 / $240,000
AIG	A	Polaris Platinum III	Income Plus Daily Flex 3	2.6 / 2.6	90	14,250 / 13,050	285,000 / 260,100
Lincoln	A+	ChoicePlus Signature 1	Market Select Advantage	2.8 / 2.9	80	14,250 / 12,450	285000 / 249,000

Best up-front income: These guarantee the highest payouts, but only as long as the underlying account has a positive value. Once the value hits zero, the minimum payment for life is reset at a lower level.

Company	Rating	Annuity Contract	Rider	Total Annual Contract And Rider Fees Single / Joint Life	Maximum Allowable Stock Fund Allocation	Annual Income At Age 70 Single / Joint Life	Guarantee When Account Drops To Zero Single / Joint Life
Nationwide	A+	Destination Navigator 2.0	L.inc + Accelerated	2.6% / 2.9%	100%	$20,150 / $17,050	$11,625 / $11,625
Lincoln	A+	ChoicePlus Signature 1	Max 6 Select Advantage	2.8 / 2.9	80	21,000 / 16,500	9,000 / 8,250
Brighthouse	A	Series VA	Expedite Rider	2.65 / 2.65	70	19,547 / 19,547	11,402 / 8,959

Note: AM Best rating. [1]Assets must be invested in balanced or managed volatility funds, which may include up to 60% to 80% in stocks, but allocation is not controlled by investors. [2]Percentage can be higher or lower as a result of portfolio's volatility management strategy. [3]Includes the contract mortality and expense charge and the rider fee; does not include costs on underlying fund-like investments. NA=not applicable. Sources: Cannex; Bloomfield Hills Financial; Valmark Financial Group; anonymous advisors; company information

is typically one, three, or six years. Allianz allows investors to lock in the performance up to the cap at any point during a RILA's term.

Great American added a RILA, called Frontier 7 Pro, that offers a 26% cap on the S&P's gain, for a 1% annual fee. In contrast, the Index Frontier 7 RILA, with its lower cap, has no explicit fee (although one is embedded in the cap).

Allianz and CUNA Mutual have introduced guaranteed-income riders on their registered index-linked annuities—possibly a hint of where the industry is headed.

Insurers are also adding the RILA concept to other annuities.

Fidelity & Guaranty Life Insurance introduced the first fixed-indexed annuity with a RILA investment option this year. Among variable annuities, Equitable's Investment Edge Variable Annuity, CUNA Mutual's Horizon Annuity, and Lincoln's Investor Advantage Pro also offer RILA-like options.

New York Life has introduced a variation on this theme: Its IndexFlex Variable Annuity has both regular, fund-like investments whose value fluctuates with performance, and a RILA-like option with full principal protection and, on the upside, the option of either a flat fixed rate or a cap on the S&P 500 or Russell 2000.

"It's our fastest-growing annuity product ever in the history of New York Life," says Dylan Huang, the firm's head of retail annuities and wealth management solutions.

Deferred Fixed Annuities:

Bond substitutes

Investors can't count on traditional bond portfolios for safety or yield these days, so they're turning to the simplest annuity of all—the deferred fixed annuity, similar to a CD. Sales of these products soared 46% in this year's first quarter.

"The Agg [Bloomberg Barclays U.S. Aggregate Bond Index] lost 4% in one day during Covid, and it's supposed to be safe," says Brian Bowen, founder and president of Integrity Financial Planning, a Roanoke, Va., advisory. "A client had a muni-bond fund, and our software analyzed the portfolio as high-risk—it lost 28% during Covid. That's high risk for the yield you're getting."

Deferred fixed annuities protect principal and generally pay higher interest rates than Treasuries and CDs. Recently top-paying guaranteed five-year annuity rates were 2.25% to 2.5%, compared with 1.25% to 1.35% for five-year CDs and around 0.80% on a five-year Treasury.

Registered index-linked annuities should also be sized up alongside plain fixed options, says Alexis Zuccaro, a wealth advisor at Bloomfield Hills Financial in Bloomfield Hills, Mich. "We're using the RILAs as a substitution for a bond component, for maybe 30% of the overall fixed-income invest-

BEST ANNUITIES: DOWNSIDE PROTECTION WITH STOCK-LIKE RETURNS

REGISTERED INDEXED-LINKED ANNUITIES (RILAS): These annuities provide some loss protection and returns tied to an index on the upside with limits set by caps or participation rates. Assume a $200,000 investment tied to the S&P 500.

Buffer-style: Protects against a certain percentage loss; investors are exposed to any losses lower than the buffer.

	Company	Rating	Contract	Surrender Charge Period (Yrs)	Separate Fee	Protected Loss	Cap On S&P 500 Return	Rate Term (Yrs)
	Great American Life	A+	Index Frontier 7	7	None	10%	19.5%	1
	Symetra	A	Trek Plus	6	None	10	15.5	1
	Brighthouse Financial	A	Shield Level Select	6	None	10	15.0	1
	Great American Life	A+	Index Frontier 7 Pro	7	1.00%	10	26.0	1
	Allianz	A+	Index Advantage	6	1.25	10	18.25	1
Commission-Based	Protective Life	A+	Market Defender II	6	None	15	12.5	1
	Equitable	A	SCS Plus	6	None	10	Uncapped	6
	Lincoln National	A+	Level Advantage	6	None	10	500.0%	6
	Brighthouse Financial	A+	Shield Level Select	6	None	15	90.0	6
	Symetra	A+	Trek Plus	6	None	20	70.0	6
	Lincoln National	A+	Level Advantage	6	None	30	35.0	6
	Brighthouse Financial	A	Shield Level Select Advisory	None	None	10%	16.0%	1
	Allianz	A+	Index Advantage ADV	6	0.25%	10	18.25	1
	Lincoln	A+	Level Advantage Advisory	None	None	15	8.0	1
Fee-Based	Equitable	A	SCS Plus ADV	None	None	10	Uncapped	6
	Lincoln	A+	Level Advantage Advisory	None	None	10	Uncapped	6
	Lincoln	A+	Level Advantage Advisory	None	None	20	225.0%	6
	Lincoln	A+	Level Advantage Advisory	None	None	30	55.0	6

Floor-style: Guarantees investors will not lose more than a certain amount.

	Company	Rating	Contract	Surrender Charge Period (Yrs)	Separate Fee	Maximum Possible Loss	Cap On S&P 500 Return	Rate Term (Yrs)
	Symetra	A	Trek Plus	6	None	-10%	8%	1
Commission-Based	CUNA Mutual	A	Zone	6	None	-10	7.80	1
	Athene	A	Amplify	6	0.95%	-10	15	1
	Protective Life	A+	Market Defender II	6	None	-20	18	1
Fee-Based	Allianz	A+	Index Advantage	6	0.25%	-10	9.25	1

VARIABLE ANNUITY VARIATIONS: Contracts that provide downside protection and upside in unique ways.

Company	Rating	Contract	Surrender Charge Period (Yrs)	Separate Fee	Protected Loss	Upside
New York Life	A++	Premier VA FP Series	7	1.7%[1]	100%[2]	Full returns on underlying stock or bond funds
New York Life	A++	IndexFlex VA	7	None	100%	3.55% cap rate or 3.2% flat rate based on the S&P 500
Great American Life	A+	Index Summit 6	6	None	Half of any loss	12.5% cap or 77% participation in S&P 500's annual return; 1-year term
Great American Life	A+	Index Summit 6 Pro	6	0.75%	Half of any loss	16% cap or 90% participation in S&P 500's annual return; 1-year term
Equitable	A	SCS Plus Dual Direction	6	None	10%	S&P 500 annual losses within -10% give the equivalent positive return: -8% turns into 8%. Cap of 150%/300% (commissioned/fee product) over six years
Symetra	A	Symetra Trek Plus	6	1%	10	Uncapped; participation in 110% of S&P 500's six-year return
CUNA Mutual	A	ZoneChoice	6	None	10	Uncapped; participation in 108% of S&P 500's six-year return
Equitable	A	SCS Plus S&P Step-Up	6	None	10	If S&P 500 annual return is flat or positive, you get a full 7.5% gain on commissioned contract or 8% on fee-based version.
Lincoln	A+	Level Advantage	6	None	10	If the S&P 500's annual return is flat or positive, you get a 7% gain.
Athene	A	Amplify	6	0.95%	10	Investors get 105% of S&P 500 or MSCI EAFE return, or a 33% cap on the Russell 2000 index return; one-year term

Note: AM Best rating. [1] 1.2% M&E fee applies to contract value; 0.5% applied to amount guaranteed by a rider with a 15-year holding period. [2] Also potentially protects some growth. Source: company information

ment," she says. "Bonds are for lowering volatility and risk. In this rate environment, another way we are achieving that is with RILAs—and there is the possibility for growth."

Zuccaro uses Brighthouse Financial's Shield Level Select RILA with a 25% buffer and a 55% cap on six-year return. "It would be really rare in a six-year period for the S&P 500 to have negative returns," she says.

"Pension" Annuities:

Guaranteed Lifetime Income

Annuities used as pensions—these can be basic income annuities or fixed-indexed or variable annuities sold with income riders—are the most sensitive to interest rates, because future income is guaranteed based on the current fixed-income market.

"When rates are low, it takes a lot more investment to get the income," Allianz's Adam Brown observes.

That sensitivity has been on display since the pandemic began. "I've been in the variable annuity industry since 2008, and this was by far the highest level of product [pricing] changes in my history at an insurance company," says Alison Reed, executive vice president of sales operations at Jackson National Life Insurance. "For example, average withdrawal rates were at 5.17% at the beginning of 2020 and by the end they were at 4.89%. Deferral bonuses started at 6.5% and were reduced to 5.22%."

Basic income annuities, which turn a lump sum into lifetime income either immediately or sometime in the future, make cost comparisons fairly simple—they are built in and reflected in income guarantees.

Payouts are about level with where they were 12 months ago. A 70-year-old man can turn $200,000 into an immediate lifetime annual stream of $13,437 using CUNA Mutual's so-called single premium immediate annuity. If the investor dies within 10 years, payouts continue to go to heirs throughout whatever is left of the 10-year period.

Women's guaranteed payments are usually lower than men's, because their life expectancy is longer. The current highest payout for a 70-year-old woman is from Penn Mutual Life: $12,744.

Far more complicated are variable annuities with guaranteed income riders. "These products are a big financial commitment, relatively expensive, and hard to compare," says David Lau, founder of DPL Financial Partners, a marketplace for lower-cost annuities sold by fee-only advisors. "Think about a typical

BEST ANNUITIES: TAX-DEFERRED SAVINGS

TRADITIONAL VARIABLE ANNUITIES: These annuities are used for accumulating assets on a tax-deferred basis using a menu of underlying investments, much like a 401(k). There is a 10% penalty for withdrawing assets prior to age 59½. These fees assume a $200,000 investment.

Company	Contract	Annual Contract Fee*	Avg. Expense Ratio On Subaccounts**	Surrender Charge	Total Inv. Options (Total Alt. Options)	5-Yr Avg. Annual Return For Best-Performing U.S. Growth Fund***
Lincoln National Life	Investor Advantage Advisory Pro	0.10%	0.97%	None	130 (13)	25.10%
Jackson National Life	Elite Access Advisory II	$240[1]	0.84	None	114 (10)	25.10
Nationwide	Monument Advisor	$240[1]	0.65	None	355 (65)	33.60
Nationwide	Advisory Retirement Income (NARIA)	0.20%	0.61	None	155 (15)	25.00
Fidelity Investments Life	Personal Retirement	0.25[2]	0.60	None	61 (2)	33.50
Equitable	Investment Edge Series ADV	0.25	0.93	None	105 (14)	22.90
Lincoln National Life	ChoicePlus Advisory	0.3[3]	0.91	None	112 (3)	24.70
Lincoln National Life	American Legacy Advisory	0.3[3]	0.87	None	34	25.10
Pacific Life	Pacific Odyssey	0.3	0.75	None	96 (2)	24.83
TIAA	Intelligent Variable Annuity	0.35[4]	0.46	None	65	23.60
Northwestern Mutual	Fee-Based Select	0.35	0.64	None	33	20.20

*Fee includes: administrative and mortality and expense charges. There is no added fee on these contracts for return of contract value at death. **Asset-weighted average expense ratios on underlying mutual fund-like investments. ***Through June 30, 2021. [1]Flat annual fee for any size investment; equivalent to 0.12% on a $200,000 investment [2]Drops to 0.10% when assets reach $1 million. [3]0.50% if issue age is 81 or above. [4]Drops to 0.25% at $500,000 and to 0.10% after 10 years on all account values. Source: company information

FIXED ANNUITIES WITH A MULTIYEAR GUARANTEE: These are tax-deferred contracts similar to certificates of deposit in that they lock in an interest rate for a specified period. Assumed minimum is $200,000.

Company	AM Best Rating	Contract	Fixed Rate Period (Yrs)	Guaranteed Rate
Delaware Life	A-	Pinnacle MYGA	3	1.90%
Midland National Life	A+	LiveWell Guarantee	3	1.80
Delaware Life	A-	Pinnacle MYGA	5	2.50
Pacific Life	A+	Mariner	5	2.25
Delaware Life	A-	Pinnacle MYGA	7	2.55
Athene	A	Athene MYG	7	2.50

Source: Cannex

commissioned annuity. All in with fees for the contract, the rider, and investments, the average is about 3.5%. On a $200,000 account, you're paying [almost $600 a month] to own the product. How many other things do you pay that much for that you won't do price comparisons on?"

Fixed indexed annuities are also typically sold with income riders. They currently guarantee more income than variable annuities, but their underlying account values don't have the potential to grow as much as assets in variable annuities because they are fixed-income investments.

Variable annuities can be invested in stock funds. But even here investors should dig into the details: To manage the risk of providing guarantees, most annuities set limits on how much stock exposure you can have.

For the highest guaranteed-for-life income, no matter what happens to your underlying account value, you might have to accept a 60% to 70% limit on your stock allocation. That, of course, limits your potential investment gains. And fees, withdrawals, and poor market performance can draw the underlying account down to zero. If that happens, you continue to get your income for as long as you live, but there will be nothing left for your heirs.

If you want more stock exposure, your minimum guaranteed income will likely be lower, but the contract has the potential to produce more annual income—and generate some assets for your heirs.

Keep in mind that some of the highest initial payouts last only as long as the underlying account value is positive. "These are for those who want to spend more in their younger retirement years—travel more or do repairs on their house," says Jacob Soinski, a financial planner at Valmark Financial Group in Akron, Ohio.

If these contracts' account value hits zero, a much lower minimum guarantee kicks in. As with any annuity, investors must carefully evaluate the trade-offs, to determine if they are worthwhile.

All product guarantees, including optional living and death benefits, are subject to the claims-paying ability and financial strength of the issuing insurance company. Guarantees do not apply to the underlining performance of the investment options which are subject to market fluctuation and may be worth more or less when redeemed.

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