



Busting the Top 5 Myths About Fixed Index Annuities

It's hard to shake the myths and misperceptions that might prevent your clients from exploring fixed index annuities. It's time for a script that separates the myths from the facts.

Busting the myths can help:

- Overcome out-of-date views
- Elevate standout features
- Pivot the discussion to retirement income

In your next client meeting, use these insights to guide a thoughtful discussion.

Myth No. 1: Fixed index annuities are not tax efficient.

Fact: FIAs are highly tax efficient. Because FIAs grow tax-deferred, owners accrue interest over time and taxes aren't due until they begin withdrawing money. Retirees can also minimize their tax liability by planning strategic withdrawals, like when they're in a lower tax bracket.

Myth No. 2: FIAs can't keep up with inflation.

Fact: FIAs can protect against market losses while offering more growth potential, and this can help offset inflation over time. Because they're tied to a market index, such as the S&P 500®, they have the potential for growth based on market performance. At the same time, they're protected from market downturns. The long-term expected return for FIAs is typically higher than other guaranteed accounts, like certificates of deposit.

Myth No. 3: FIAs are directly tied to the market, which raises fears about volatility.

Fact: FIAs aren't directly tied to the stock market. Instead, FIAs earn interest based on market performance of an index. Tracking the performance of one or more market indices, gives funds the opportunity to experience market gains. At the same time, they are protected from market downturns. This allows investors to benefit from the gains without worrying about losses.

Not FDIC-Insured • No Bank Guarantee • May Lose Value • Not Insured by Any Federal Government Agency • Not a Bank Deposit

Myth No. 4: FIAs are complex and confusing.

Fact: An annuity, including an FIA, can be explained in simple terms: it's a financial product that allows you to save now and draw a steady income later. A FIA is simply one that earns interest based on the market performance of an index.

Myth No. 5: FIAs contain hidden fees.

Fact: Annuity issuers are required to disclose all fees and costs. FIAs, like all annuities, are regulated at the state level. Most state insurance commissioners adopt model laws created by the National Association of Insurance Commissioners, or NAIC. The model laws are designed to protect the interests of consumers. One way they do so is by requiring annuity issuers to provide a clear explanation of charges and fees. These amounts are provided in the annuity contract itself.

Want to explore FIAs? Get to know [The Standard's annuities](#).



Standard Insurance Company | 1100 SW Sixth Avenue, Portland, OR 97204 | [standard.com](https://www.standard.com)

The "S&P 500®" is a product of S&P Dow Jones Indices LLC or its affiliates ("SPDJI") and has been licensed for use by Standard Insurance Company ("The Standard"). S&P®, S&P 500®, US 500, The 500, iBoxx®, iTraxx® and CDX® are trademarks of S&P Global, Inc. or its affiliates ("S&P"); Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by The Standard Insurance Company. Standard Insurance Company's product(s) is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500®.

The Standard is a marketing name for StanCorp Financial Group, Inc. and subsidiaries. Insurance products are offered by Standard Insurance Company of Portland, Oregon in all states except New York. Product features and availability vary by state and are solely the responsibility of Standard Insurance Company.

Surrender charges may apply to withdrawals during the surrender period. A 10% IRS penalty may apply to withdrawals prior to age 59½. Annuities are not guaranteed by any bank or credit union and are not insured by the FDIC or any other governmental agency. The purchase of an annuity is not a provision or condition of any bank or credit union activity. Some annuities may go down in value. The guarantees of an annuity are based on the financial strength and claims-paying ability of Standard Insurance Company. An annuity should not be purchased as a short-term investment.