

Annuities are good retirement tools, but exercise caution

CA GOV - Department of Insurance

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Annuities are good retirement tools, but exercise caution SACRAMENTO, Calif. – In observance of National Retirement Planning week, the California Department of Insurance is reminding consumers about the importance of understanding what they are purchasing before signing on the dotted line. Annuities can provide a steady income after retirement and increased financial security, but they can also be confusing. The Department of Insurance is offering important tips for those planning retirement. Don't be pressured by a sales pitch to sign before you are ready. Take the time you need to make a decision that is right for you. It's always a good idea to have a trusted family member or friend with you when considering investments. Remember you control the process. "Consumers planning for retirement and those who have already retired need to know that not all annuities are a good fit for their individual situation," said Commissioner Dave Jones. "Annuities can be good options for retirement planning, but buyers need to be aware of what they are purchasing, and what it will mean for them." Many consumers purchase annuities to ensure they have a steady income after they retire. An annuity is an investment and should not be used to reach a short-term financial goal. Buying an annuity may or may not be right for you. The Department of Insurance offers a list of things for consumers to consider to ensure they are making the right decision. Uninformed consumers are more likely to be taken advantage of if an insurance provider uses less than ethical sales tactics. Some common red flags include relentless sales pitches that pressure you into buying a product quickly or a deal that seems too good to be true. The best way to protect yourself is to research the agent and company you're considering, make sure they are licensed by the California Department of Insurance. If consumers have questions or concerns the Department's Consumer Services Division is available to assist at 1-800-927-4357. The Department of Insurance has additional resources for consumers preparing for retirement, including baby boomers in the "sandwich generation" who are facing the extra challenges of caring for aging parents and sending their kids off to college while planning for their own retirement. Seniors who are about to retire can learn about their insurance needs on the

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Department's Web site. # # # Additional Consumer Note: The best way to protect yourself is to research the agent and company you're considering: STOP before writing a check, signing a contract or giving out personal information. CALL the California Department of Insurance. CONFIRM that the agent and company are licensed to write insurance in California. # # # The California Department of Insurance, established in 1868, is the largest consumer protection agency in California, regulating the \$123 billion insurance marketplace. In 2012 the California Department of Insurance received more than 160,000 calls from consumers and helped recover over \$64 million in claims and premiums. Please visit the Department of Insurance web site at www.insurance.ca.gov. Non-media inquiries should be directed to the Consumer Hotline at 800.927.HELP. Out-of-state callers, please dial 213.897.8921. Telecommunications Devices for the Deaf (TDD), please dial 800.482.4833. If you are a member of the public wishing information, please visit our Consumer Services.

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