

Fixed Indexed Annuities

A fixed index annuity (FIA) is a long-term, tax-deferred savings tool sold by insurance companies that can help create a steady retirement income. FIAs link some or all of their interest to a market index, such as the S&P 500, Nasdaq 100, or Dow Jones Industrial Average, up to a cap. This allows the annuity to potentially grow if the index performs well, while also protecting the principal from losses if the index performs poorly. However, the money in an FIA is not directly invested in the market, and gains may be limited by a participation rate and rate cap.

Indexed Universal Life

Indexed universal life (IUL) insurance is a type of permanent life insurance that offers policyholders more flexibility than other life insurance plans. IUL policies have a cash value component that can grow based on a stock market index chosen by the insurer, such as the S&P 500 or NASDAQ Composite. This allows the cash value to potentially grow if the index performs well, while also protecting the principal from losses if the index performs poorly. However, the money in an FIA is not directly invested in the market, and gains may be limited by a participation rate and rate cap.