



## Article Side

Annuity can Help Retirees grow Wealthier with Time by [Robertcook](#)

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Don't you think that a long term investment policy can make you future safe and secured? If you agree to it, why don't you go for an annuity? It's nothing but an insurance contract that must be signed by the annuitant taking help of a registered insurance agent. Retirees usually go for annuity plans so that they can organize their finances in a better way that can help them live life smoothly till their last breath. Annuity policies are divided into Fixed and Variable out of which the majority prefers to go for the fixed annuity schemes. Unlike other financial policies, annuity is a bit different and needs to be understood perfectly.

The fixed annuity plans are usually invested in bond funds by insurance agents. Once you pay the premium, you are not required to handle the investment since the same job is done by the insurance company. The rate of appreciation advertised states how much the annuitant will get once the payment kicks off.

On the other hand, a variable annuity offers insurance rates that completely depend on the performance of the underlying investments. However, there are many insurance agencies that offer a fixed rate of interest for a minimum of 2 to 3 percent.

Although people consider fixed annuity to be a safer option, many annuitants consider variable annuity to be a better scheme in making more money. However, there remains the risk of getting low returns in exchange once the market conditions encounter turmoil. As a matter of fact, an annuity should be purchased for emergency purposes. You never know when you might require a huge amount of cash for your medical treatment during the postretirement period. Hence, annuities will keep making your bank accounts richer and richer day after day.

Annuity rate plays a key role behind choosing the right type of annuity. Once you start researching for the product, you will find that different insurance agencies offer different rates. How attractive your returns will be all depends on a few factors. For instance, the management overhead of the insurance company; the treatment of their investments; their business standards and the number of customers they are having.

Remember, a good insurance company will offer you the best annuity rate. So, start your researches today and talk to a professional insurance agent who has been dealing in these financial schemes for years. Its better if you can compare the rates offered by different companies so that you can judge which one is providing you the topmost rates.

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