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THOUGHT YOU KNEW ABOUT ANNUITIES? ASSESS BEFORE YOU INVEST
*Idaho Department of Insurance Director Deal Encourages Consumers to Read a Policy's
Fine Print*

Boise ID (November 21, 2007) – Annuities are complex financial instruments and — according to Idaho Department of Insurance — misunderstandings about this investment product cost American consumers millions of dollars and result in thousands of consumer complaints every year.

Complaints to state insurance regulators range from misleading advertising/marketing to claims handling. Approximately 5 million older Americans are victims of financial abuse each year, according to the Securities and Exchange Commission.

“While seniors are a prime target of financial scams, consumers of any age can easily be confused by the many different types of annuities available today,” said Bill Deal, Director of the Idaho Department of Insurance.

To help consumers better understand their choices, the National Association of Insurance Commissioners (NAIC) offers free consumer guides about annuities: the *Buyer's Guide to Fixed Deferred Annuities* and the *Buyer's Guide to Fixed Deferred Annuities with Appendix for Equity-Indexed Annuities*. Both guides can be ordered online at https://external-apps.naic.org/insprod/Consumer_info.jsp. Consumers can also get smart about insurance and learn how to avoid being scammed by fake insurance companies by visiting the Idaho Department of Insurance website www.doi.idaho.gov and clicking on the link to Insure U.

Tips Regarding Annuities from the NAIC

Read the fine print.

Look carefully at the annuity you are considering. Check the interest rate, find out how quickly the annuity will grow in value and when you can reap its benefits.

Try before you buy.

Many states have “free look” laws that give you a set number of days — typically 30 to 60 days — to review an annuity contract *after* you buy it. You can back out of the contract at any time within the “free-look” period; a refund is required to be issued within an allotted time period, as stated in your contract.

Don’t get caught by surrender charges.

Withdrawing your money from an annuity before it has matured might subject you to fees, known as surrender charges, as well as other administrative fees and acquisition costs.

Don’t judge a financial professional by title alone.

Designations such as “certified senior adviser,” “certified retirement financial adviser,” “chartered senior financial planner” and “certified financial gerontologist,” might seem to imply expertise in providing investment advice to senior citizens. However, such titles don’t always guarantee that the financial professional actually has specialized knowledge or education in that area.

Ask for help.

If you are concerned that you might have been misled by a fake company or fraudulently sold a misrepresented product, call the Idaho insurance department to get assistance and/or to file a complaint. You can also file a complaint online by visiting the department website, www.doi.idaho.gov.

Check the insurance company’s credit rating.

Through resources such as Standard & Poor’s, A.M. Best Co. or Moody’s Investors Services, you can see whether the annuity company you are considering has a solid credit rating. An “A+++” or “AAA” rating is a sign of strong financial stability.

Check the NAIC’s Consumer Information Source (CIS).

The NAIC provides a database for consumers to research an insurance company’s financial information and complaint data. The information in the CIS is supplied voluntarily by state insurance departments. Not all states provide the data, nor are all companies listed within the directory. The CIS is available at www.naic.org/cis/index.do.

Stop. Call. Confirm.

The NAIC recommends (1) STOP before signing anything or writing a check; (2) CALL your state insurance department; (3) CONFIRM the agent offering the annuity is legitimate and licensed in your state.

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