

Classification of Annuities

Funding Method



1. Single Payment
or
2. Periodic Payments
 - a. Fixed
 - b. Flexible

Date Income Payments Begin



1. Immediate
or
2. Deferred

Payment Options



1. Straight Life – no payments after annuitant dies
2. Guaranteed amounts
 - a. cash refund
 - b. installment refund
 - c. period certain
 - d. joint & survivor

Underlying Investments



1. Fixed
2. Variable

The straight life annuity stops paying when the annuitant dies, even if only one payment was received. This is the highest payment that the annuitant could have received but it is the one with the most risk. These are chosen when the annuitant wants to begin receiving payments, not necessarily when he bought the annuity.