

An Introduction to MYGAs



The stability you need. The growth you deserve.

With looming economic uncertainties and rising geopolitical tension, many consumers are concerned about the potential for market drops. For those near or already in retirement, a significant decline could be particularly devastating because they may have little or no time for the markets to rebound and their assets to recover. To prevent this from happening, a growing number of clients are interested in actively repositioning funds into safe-money assets.

Two popular examples of such safe-money assets include certificates of deposit (CDs) and multi-year guaranteed annuities (MYGAs). For some individuals, the term “annuity” has a negative connotation. They may think this requires locking up their money for long periods of time or losing access to it should they pass away early. In truth MYGA sales reached \$153.2 billion in 2024¹ because they provide a unique set of features that are appealing to many individuals at or nearing retirement.

A Side-by-Side Comparison

	CDs	MYGAs
No Market Risk	X	X
Minimum Premium Requirements to Open Account	X	X
Guaranteed Interest Earnings for a Specified Time Period	X	X
Access to Full Value at Contract Maturity	X	X
Wealth Transfer Provisions	X	X
FDIC Insured	X	
Insured by the Issuing Insurance Company		X
Ability to Capitalize on Higher Interest Rates		X
Tax Deferral on Interest Earnings		X
Access to a Portion of Funds for Liquidity		X
Ability to Turn Funds into Lifetime Income Stream		X

While both CDs and MYGAs offer guaranteed interest earnings for a set period of time and complete protection from market risk, MYGAs also provide tax deferral, liquidity and lifetime income options unavailable through CDs. Furthermore, MYGAs generally feature more attractive interest rates, particularly if you’re looking for guaranteed growth for three or more years.

If you are interested in positioning a portion of your savings into a safe-money asset but desire a more growth-focused approach than what CDs can provide, a MYGA may be the perfect solution. Contact a qualified financial professional for information on how to put one to work in your portfolio.

¹ 2024 U.S. Individual Annuity Sales Survey Results published by LIMRA March 17, 2025

MYGA guarantees are based on the financial strength and claims-paying ability of the issuing insurance company. Neither insurance agents and financial advisors, nor the issuing insurance company representatives, provide legal or tax advice. Consult with your attorney or tax advisor for additional information. MYGAs are a product of the insurance industry and is NOT: 1) a deposit; 2) FDIC or NCUA insured; 3) insured by any federal government agency; or 4) guaranteed by a bank, savings association or credit union. Product availability and features may vary by state.