LET'S TALK MONEY®

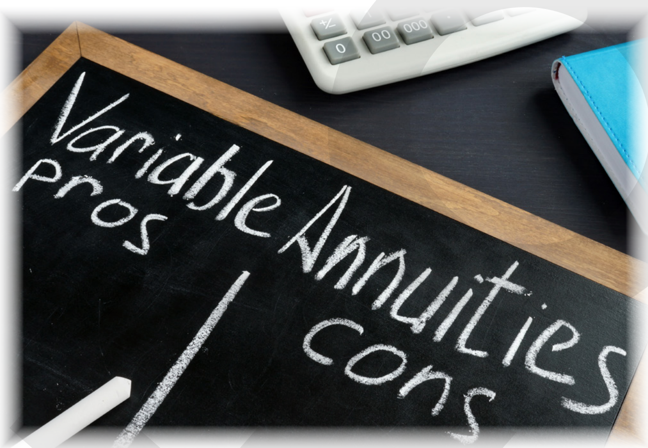
September/October 2022

Is a Variable Annuity Right for You?

A variable annuity* is a contract between you and an insurance company that offers the potential for providing a steady income during retirement or for a set period. You can purchase an annuity by making periodic payments over time or with one lump-sum payment.

The Mechanics

Variable annuities have an *accumulation* phase and an *annuitization* (payout) phase. During the accumulation phase, you make payments into an investment account. The money is invested in the options you've selected, typically mutual funds that hold stocks, bonds, money market instruments or a combination of these. The value of the annuity will depend on the performance of its underlying investments.



In the annuitization phase, you receive regular income payments based on the value of the annuity contract. You can choose to take payments for the rest of your life—or your and your spouse's lives—or for a period that you set. Income and investment gains are tax deferred until you begin receiving payments, at which time, they'll be taxed at your regular income tax rate.

Who Should Buy Them?

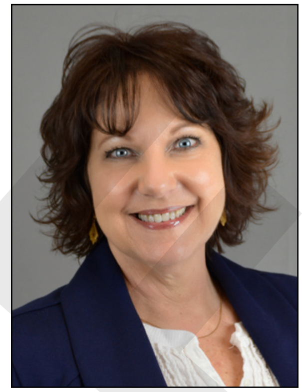
Variable annuities may be suitable for investors who are looking for capital appreciation and have a high tolerance for risk and a long investment time frame. They may not be appropriate for investors who are close to retirement or who'll need the income relatively soon. Help protect your investment by purchasing annuities issued by insurance companies with strong financial ratings.

The Death Benefit

Variable annuities typically include a death benefit, which will be paid to the beneficiary you've named. Your beneficiary will owe taxes on the annuity's appreciated value at your death.

Your financial professional can explain the requirements, fees, and suitability of these investments for your portfolio and answer your questions so you can make a well-informed decision.

**Annuity products are not FDIC-insured, and their guarantees are backed solely by the claims-paying ability of their issuing life insurance company. Distributions from annuities are taxed as ordinary income and, if taken prior to reaching age 59½, may be subject to an additional 10% IRS tax penalty.*



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I am committed to helping my clients achieve their financial goals for themselves, their families and their businesses by providing them with strategies for asset accumulation, preservation and transfer.

What Do You Know About Life Insurance?

According to research, 42% of households would face financial hardship within six months should a wage earner die; 25% would suffer hardship within one month.*

September is Life Insurance Awareness Month, an annual campaign to educate people about the importance of life insurance and its ability to provide financial security for families. LIMRA's* *2021 Life Insurance Misconceptions Barometer* study looked at some of the myths people believe about purchasing life insurance.

It's Too Expensive

More than half of study respondents overestimated the price. The annual cost of a policy for a healthy 30-year-old is around $160, but 44% of millennials estimated it to be $1,000.

Workplace Life Insurance is Enough

29% of Americans believe they get enough coverage through their work. But median employer coverage is only $20,000 or one-year's salary.**

I Won't Need it Until I'm Older

Life insurance is far less expensive when you're young and healthy. Nearly four in 10 people said they wished they had purchased a policy at a younger age.

**LIMRA is a worldwide research, consulting, and professional development organization. ** https://www.trustage.com/learn/inside-insurance/*

FSA and HSA: Alike but Different

Health Care Flexible Spending Accounts (FSA) and Health Savings Accounts (HSA) allow you to pay qualified out-of-pocket medical expenses with tax-free dollars. While both accounts offer tax benefits, they have some major differences.

Flexible Spending Account

A Flexible Spending Account (FSA) is a savings account established for you by your employer to pay healthcare expenses, such as doctor copays, vision and dental expenses, and prescription drug costs, for you and your dependents. Contributions are deducted from your pay throughout the year, but the full amount is available to use immediately. For 2022, the annual contribution limit is $2,850. Any money left in the account at the end of the year is forfeited unless the plan has a grace period or a rollover feature. FSA funds don't earn interest, and, if you leave your job, any money remaining in your account is returned to your employer.

Health Savings Account

Like an FSA, HSAs let you make tax-free contributions and withdrawals to pay healthcare expenses. But, to contribute to an HSA, you must be covered under a high-deductible health plan (HDHP)* You can't spend more than you've contributed to the account, but you can ask for reimbursement later on. Contribution limits in 2022 are $3,650 for individuals ($3,850 in 2023) and $7,300 for families ($7,750 in 2023). Funds roll over from year to year, and the account may be portable if you change jobs. Some HSAs offer investment options but consider carefully before you decide to invest your healthcare savings.

**An HDHP is a plan with maximum out-of-pocket amounts of $7,050 for individuals and $14,100 for families.*

Review Your Plan During Medicare Open Enrollment

Medicare's annual open enrollment period runs from October 15 through December 7. If you're covered under Medicare, open enrollment provides an opportunity to review your current healthcare coverage—preferably with a professional—and make changes, if warranted.

During open enrollment, some things you can do include:

- Switch to a different Medicare Advantage plan with lower premiums and copays or one with better coverage for your health concerns.
- Change from a Medicare Advantage plan to original Medicare, or vice versa. Keep in mind, though, that Advantage plans can offer drug, dental, and vision coverage that isn't included in original Medicare or Medigap plans. Advantage plans may also offer extra benefits, such as health and wellness services, hearing coverage, fitness programs, transportation to medical appointments, and custom plans for certain conditions.
- Switch from a Medicare Advantage plan to a Medigap plan. Medigap plans generally cover you throughout the U.S. and abroad and may be appropriate if you travel frequently within or outside the country. However, if you didn't enroll in a Medigap plan when you initially signed up for Medicare, any pre-existing condition may disqualify you now. Make sure your application is accepted by the insurer before you switch plans.
- Medicare Part D provides coverage for prescription drugs. If you aren't covered under a Medicare Advantage plan, you can add Part D coverage during open enrollment. You can also drop Part D coverage if you no longer need it.

FAFSA: The Sooner the Better

If your child will attend college in the fall of 2023, now is the time to get started with the process of applying for financial aid. The FAFSA—Free Application for Federal Student Aid—becomes available on October 1.

Although the federal filing deadline isn't until June 30, filling out the application early can prevent your child from missing out on aid that's already been awarded. Colleges and states may have their own FAFSA deadlines.

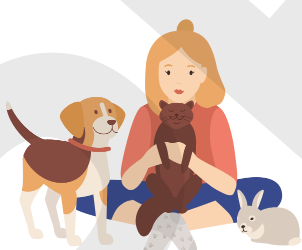
Documents to Gather Before You Start

- Student and parent Social Security numbers
- Alien registration number if you're not a U.S. citizen
- Student's driver's license number
- Parent and student federal tax returns
- Records of any untaxed income, such as child support
- Checking/savings account balances, investments, real estate (other than your home) and business or farm assets
- List of schools where the FAFSA should be sent

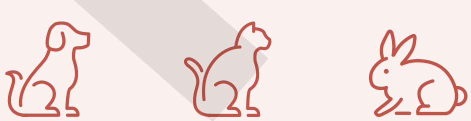
You can access the FAFSA at *studentaid.gov.*

Pet Insurance: Growing in Popularity

Although pet insurance started in Sweden a century ago, the first pet insurance policy in the U.S. was sold in 1982. By 2020, the U.S. pet health insurance sector reported written premiums totaling $1.99 billion.*



U.S. PET OWNERSHIP BY HOUSEHOLD (IN MILLIONS)*



DOG	CAT	OTHER
69.0	45.3	39.7

BASIC ANNUAL VETERINARY EXPENSES*

	DOG	CAT
ROUTINE	$242	$178
SURGICAL	$458	$201

PET INSURANCE ANNUAL PREMIUMS**

	DOG	CAT
ACCIDENT ONLY:	$218	$134
ACCIDENT/ILLNESS:	$594	$342

*American Pet Products Association's 2021-2022 National Pet Owners Survey

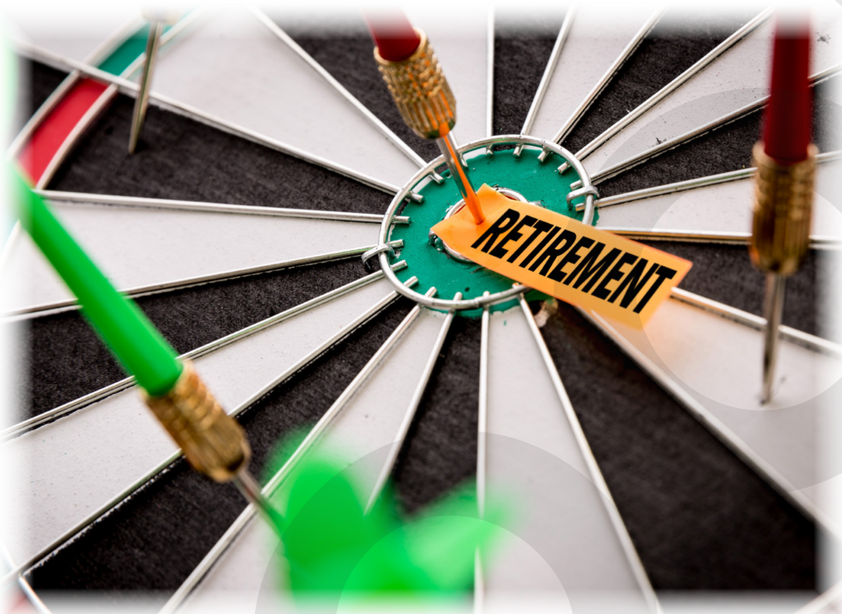
**North American Pet Insurance Association

"On Target" for Retirement

Your employer's retirement plan may include an option to contribute to a target date fund.* Target date funds feature an investment mix that becomes more conservative over time, reducing risk as retirement gets closer.

How They Work

You invest by choosing a fund with a target year that's closest to the year you expect to retire. The gradual shift to more conservative investments, or "glide path," can vary significantly from fund to fund. Some funds take an investor up to retirement, after which the fund's asset allocation never changes; other funds continue through the target year and may not reach their most conservative allocation until the investor is past retirement age. Before you invest, determine whether the fund's glide path is appropriate for your circumstances, since it will likely affect the fund's risk and performance.



What's in Them?

Target date funds often hold other mutual funds in their portfolios, although they may also invest directly in individual stocks and bonds. Benefits of investing in the fund include automatic rebalancing and a diversified portfolio.

Target date funds are designed to be stand-alone investments. If you decide to add other investments to your portfolio, make sure the overall asset allocation doesn't present more risk than you're comfortable taking.

Fund Selection

In addition to choosing a fund that reflects your anticipated retirement year, consider the fund's investment strategies and your own risk tolerance. While target date funds are designed to help you achieve your goals, contributions, and the fund's performance, and other sources of retirement income will be important factors.

As with any investment, check the fund's fees and expenses, and talk with your financial professional before you invest.

**Investors should consider the investment objectives, risks, charges, and expenses of the fund carefully before investing. Contact the issuing firm to obtain a prospectus which should be read carefully before investing or sending money. Because mutual fund values fluctuate, redeemed shares may be worth more or less than their original value. Past performance won't guarantee future results. An investment in mutual funds may result in the loss of principal.*

We Value Your Input...

Your feedback is very important to us. If you have any questions about the subjects covered here, or suggestions for future issues, please don't hesitate to call. You'll find our number on the front of this newsletter. It's always a pleasure to hear from you.

Recyclable
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ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

June 10, 2022

Reference: **FR2022-0519-0130/E**
Link Reference: FR2022-0330-0103

Org Id: 23568

1. LTM 2022 SeptOct - Standard
   Rule: FIN 2210

The communication submitted appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury
Principal Analyst

hrm

Please send any communications related to filing reviews to this Department through the Advertising Regulation Electronic Filing (AREF) system or by facsimile or hard copy mail service. We request that you do not send documents or other communications via email.

NOTE: *We assume that your filed communication doesn't omit or misstate any fact, nor does it offer an opinion without reasonable basis. While you may say that the communication was "reviewed by FINRA" or "FINRA reviewed," you may not say that we approved it.*