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# Advice On Annuities Purchases

Preparing for retirement involves many different areas of organisation, the most crucial of which is your finances. By paying a lump sum initially, an annuity then provides a regular income over an amount of time, and therefore is a popular option for many people. Despite the fact that a vast selection of companies offers annuities, it can be a wise idea to fully explore all options before simply selecting one, to make sure you have the best information to make the right choice for you.

There are several things to consider when buying an annuity. One of the most important is looking at the rates each provider offers and weighing up initial output, in the form of a lump sum of money, against what you will receive back. Rates differ for a number of reasons and it can make a big difference in what you receive depending on which provider you choose, as well as other factors.

Providers take into account aspects such as the area in which you live and your physical health when calculating annuity rates, on top of the yield from the Government bonds on which annuities are based. Those with medical conditions such as heart or lung problems or even a lifestyle choice such as a long-term smoking habit, often qualify for an enhanced annuity. These annuities pay more to the customer on the basis that their life expectancy is shortened for whatever medical reason.

It is important to look at any potential insurance companies before you invest as there are a large range of insurers available. This can ensure that you are investing with a trustworthy company and therefore keep you money safe, as well as potentially making a difference to how much money you receive. As there are different types of annuity, check which is most appropriate to your needs and find a company that offers that type. When you have decided on a potential insurer, it can be a good idea to look at the insurer and their track record. Looking at feedback from other customers and any available information from independent financial advisors will make sure you are comfortable investing your money with them.

One of the best ways to ensure you have the best deal is to use an independent financial advisory service. You will receive sound advice based on your personal situation which can help you make an informed choice. What is especially important about financial advisory services is that you will get unbiased information that means you can choose the right annuity for you.

With so many different [annuity providers](#) and types available, it's critically important to take advantage of the Open Market Option and shop around.