An annuity is a contract between an individual and an insurance company that is designed to grow funds with the intention of paying these funds out at a later date as a means of securing a steady cash flow for an individual during their retirement years.   
  
Fixed Annuities – Annuities that guarantee a fixed rate of growth during the contract period.

Indexed Annuities – Annuities which are tied to a stock index, S&P 500, Dow Jones etc. and which can add financial growth when the market is in an upward state but which reflect no loss when the market is moving downward.