

SINGLE PREMIUM

IMMEDIATE ANNUITIES



A Sales Guide Created By The SPIA Experts Of FSD FINANCIAL SERVICES - For GeoCare Benefits

Guaranteed Income For Life

FSD FINANCIAL SERVICES
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100505-fsd

The #1 Concern Of Seniors Is Outliving There Money

An Immediate Annuity is the **ONLY** product that guarantees they won't! The following information will help you have a better understanding of how to use an Immediate Annuity to its fullest. Through definition and examples we will show the many intrigue features of Immediate Annuities. The information will also walk you though the quoting and application process.

Definition

Annuity:

1. a sum of money payable yearly or at other regular intervals
2. a contract or agreement providing for the payment of an annuity

Although not the most well known form of annuity, an immediate annuity fits the basic definition of an annuity.

SPIA Types

Single Life Annuities:

- **Life Only** - The income payments will cease upon death
- **Life With Period Certian** - This option provides a guaranteed income for life plus if death occurs prior to the end of a specified period (5 to 50 years) the payments will be transferred to the beneficiary for the remainder of that period.
- **Life With Installment Refund** - This option provides a guaranteed income for life and also guarantees the payments to continue until the total of the payments received equals the total of the premium paid to purchase this option.
- **Life With Cash Refund** - A money back guarantee annuity. Payout is made for life, but if death occurs prior to payments totaling at least the premium, then a lump sum cash payment is made. For example, if \$100,000 is invested and payments of \$1,000 per month are made for 5 years (60 months) and the annuitant dies, the beneficiaries will receive a lump sum of \$40,000.

Joint Life Annuities:

- **Joint and Survivor** This payout option guarantees that payments will continue for the lives of both annuitants. This form is used primarily with married couples to provide income as long as either one is alive.
- **Joint Lives With Period Certian** - This option provides a guaranteed income for both lives plus if both die prior to the end of a specified period (5 to 50 years) the payments, in the same amount will be transferred to a named beneficiary for the remainder of that specified period.
- **Joint Life Contingent Survivor** - This option provides a guaranteed income for as long as you or your joint annuitant lives. If you die first, the joint annuitant will receive the reduced amount designated by you, which can be from 75% to 33%, of the payments you received while living. If the joint annuitant dies first, you will continue to receive 100% of the payments for as long as you live. If a period certain option is also selected, the initial payment amount will only reduce after the period certain selected by you has been obtained.

SPIA Types continued

Period Certain Only Annuities:

- **Period Certain** - This option provides a guaranteed income for the time period you specify (5, 10, 15 or 20 years). If you die prior to the end of this period, your beneficiary will continue to receive payments for the remainder of the period.

Temporary Life Annuities:

- **Temporary Life** This payout option guarantees that payments will continue for the lives of both annuitants. This form is used primarily with married couples to provide income as long as either one is alive.

Additional Features

Deferred Start Immediate:

A specific income to begin on a predetermined date in the future. Funded today the income is guaranteed in the future. There are cash out options available, details vary by carrier.

Key Benefits

Defined benefit plans can guarantee the future retirees income with a lump sum today.
Longevity pricing protection - Life expectancy increases will not effect a deferred immediate.
Often better rates than the assumed income benefits through deferred or indexed annuities.

Inflation Protected C.O.L.A. Income:

Using the Cost Of Living Adjustment and Consumer Price Index (CPI) against inflation!

If you are concerned that the purchasing power of your fixed income payments will decline due to inflation, you might want to consider selecting an Inflation Adjustment option.

Cost of living adjustment - C.O.L.A.

This is a life annuity with payments that increase or decrease by a set percentage each year.

A annually compounded increase from 1% to 7%. Initial benefit can be substantially lower than non-C.O.L.A. annuities.

So, put simple a \$1,000 per month income with a 3.00% compounding C.O.L.A. would be \$1,030 in year 2, \$1,344 in year 10 and \$1,806 in year 20. The longer you live the better the return. Minimum guarantees and money back death benefit guarantees are available.

CPI-U inflation adjustment - (Consumer Price Index)

Currently available on qualified rollovers only.

Our fixed income annuity with inflation adjustments is tied to the Consumer Price Index (CPI-U), which enables you to receive an inflation-indexed stream of income that is guaranteed* for life.

Your income payments will be adjusted each year on January 1st to correspond with changes in the non-seasonally adjusted Consumer Price Index - U ("CPI") published by the Bureau of Labor Statistics. These adjustments can either raise or lower the payments for the next year, depending upon changes in CPI-U. any decrease will never reduce the payment below the initial benefit amount.

We have teamed up with top insurance companies to distribute the best rated immediate annuity quotes available in the market.

- Clients that are in poor health and need as much income as possible may have their life expectancy shortened, which allows the insurance carrier to pay higher income due to the shortened life expectancy. For example, we recently had a male age 79 rated to age 87. This increased his income payment from \$10,312 to \$14,809 that is 40% more income to spend or buy life insurance.
- For estate planning, the income from an impaired risk immediate annuity can be used to purchase life insurance. The higher the payout the more life coverage your client can purchase.

Conditions which may merit review include:

- Heart disease
- Diabetes
- Cancer
- Chronic Lung Disease
- Stroke
- Chronic conditions affecting the kidney, pancreas, or liver functions
- Multiple Sclerosis
- Muscular Dystrophy
- Paraplegia or Quadriplegia
- Parkinson's Disease
- ALS
- Alzheimer's

Acceptable forms of medical information:

- Hospital discharge summaries for last 5 years
- Medical report from time of diagnosis
- Most recent medical report
- Attending physicians statement (APS)

Uses of Immediate Annuities

- Guaranteed Income For Life - Longevity Protection
- Structured income payments for certain settlements
- Funding Life Insurance
- Funding Disability Insurance
- Premium Financing Programs
- Estate Planning
- Social Security Maximization

**For more information call the Immediate Annuity experts
(800)373-9697 or visit us on-line www.MemberAnnuityProgram.com**

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- **Immediate Annuities**
- **Deferred Annuities**
- **Equity Indexed Annuities**
- **Agent Training**
- **Annuity Product Development**
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