



# The FSD Journal

A monthly guide for insurance agents

reviewing annuity product quality and performance

August

Quality ♦ Integrity ♦ Expertise

2003

### In this months issue:

- Annuity Review sales ideas, product comparisons
- SPDA & EIA Rates & Commissions!
- Rates are coming up!
- EIAs with Caps and No Caps
- HR 1776 and SPIAs New Opportunity
- Life Corner - Guaranteed Issue

### Multi-Year Lock-in

**3.48% For  
3 Years**

**3.90% For  
6 Years**

**3.75% For  
4 Years**

**4.75% For  
10 Years**

## "INTEREST RATE ALERT"

Interest rates have level off and in some cases increased for August. Commission are on the rise as well. Below are some of the hot product for August.

### Liberty Life SPDA Approved In All States (7 Years)

3.50% Year 1 - 3.50% Guaranteed Minimum OR With a 1% First Year Bonus

4.50% Year 1 - 3.25% Guaranteed Minimum / 4.00% Commission - 7,7,6,5,4,3,2,0 No MVA

### F&G Life Platinum + (7 Years)

4.50% Year 1 - 3.50% Years 2-7 (3.64%) / 5.00% Commission 0-79 - 9,8,7,6,5,4,3 MVA

## "EASY INDEXED ANNUITIES 17% CAP"

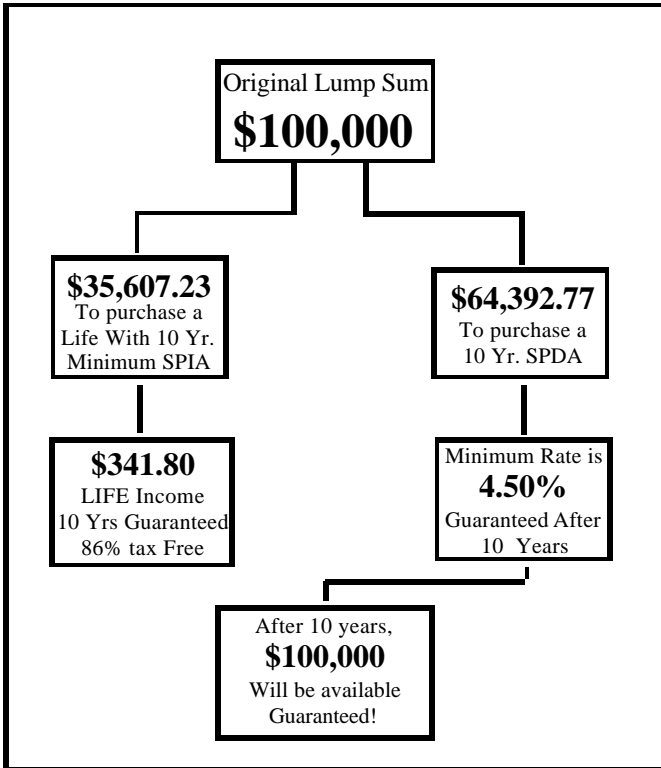
A++ Rated Jefferson Pilot has a great new index annuity with simple to understand crediting methods. The two strategies are **a one year performance** (simple index account) if the S&P 500 is not down the interest received will be 5.75% and **a 2 year reset account** in which interest received will be based on the percentage change from the beginning of the two-year index term to the end of the two-year index term up to the **17.00% cap**. It is that simple, No averaging, No spreads. The Smart Course 810 pays a **6.00% commission** and has a 10 year declining surrender charge and 100% @ 2 % Minimum. Also available in 8 year term with a 5% Commission.

### Do Not Like Caps - Well then good news because spreads are Down

If a product does NOT have a cap it will have some other type crediting limits. One of the best non cap products is from A+ rated ING.USG. The crediting method is annual reset, monthly averaging with a spread of only 2.95% and NO CAP. Minimum guarantee is 100% @ 3%. For enclosed Indexed Annuity Guide for more products and details.



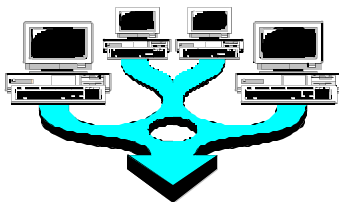
FSD FINANCIAL SERVICES  
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UNDERSTANDING THE PRODUCTS YOU SELL - COMFORT = SALES

FSD is a full service general agent for many top annuity companies. Full service means intensive product training, full sales support including client presentations and new business submission and follow up. Confidence shows through. Be the expert at the sales table, let us show you how!

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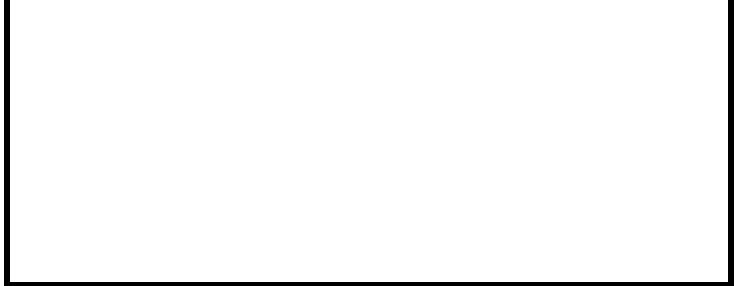
Rates/Commission/Sales Ideas  
 Product Brochures/Specials  
 800-373-9697

Next Month in: The *FSD Journal*

- GET PERSONALIZED
- CLIENT SALES PRESENTATIONS.
- Before you meet your client let FSD put together a professional sales kit.
- THE MOST IMPORTANT FEATURES
- OF A FIXED ANNUITY
- Understand the different feature and how they could affect the client.
- RATES & TOP LEVEL COMMISSIONS
- Deferred & Indexed Annuity Guides
- Top Level Producer/Agency Contracts

We Are The Annuity General Agent For The Independent Broker  
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 Agents love the FSD website Get Licensing, Client Brochures, Request Quotes, Contest Information, Current Rates & Commissions, Order Sales Kits For Email Delivery, and much more!  
[www.fsdfinancial.com](http://www.fsdfinancial.com) (Password = *service* (lower case))

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# The *Annuity Review*

*A variety of sales ideas, product discussions/comparisons and miscellaneous thoughts*

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## **S** PIA The Personal Pension

According to the American Council of Life Insurers (ACLI), 64% of Immediate Annuity owners have household incomes of less than \$50,000 and 63% have no income from pensions.

ACLI found that owners of SPIA's are mainly middle-income consumers who are very satisfied with their decision. "Middle-income consumers are creating their own personal pensions with annuities," said ACLI President & CEO Frank Keating. "And the guarantee of regular retirement income drives up consumers' satisfaction level with the product." Among other findings in the report: \*The most common source of funds for buying an Immediate Annuity was non-tax qualified savings (54%), i.e. savings separate from that in an individual retirement account (24%) or a retirement savings plan at work (26%), such as a 401(k). \*Nearly three-quarters of owners have an Immediate Annuity with a lifetime payment period (71%). \*Most owners bought their Immediate Annuity (46%) because it provides a source of regular monthly income. \*Owners are quite satisfied with their Immediate Annuity: 22% rate it as one of the best financial decisions they ever made, and 60% think it was a good financial decision.

**PORTMAN-CARDIN HR 1776** The government has finally come to realize that a guaranteed income that can't be outlived is a good thing (Duh!). Pension reform legislation passed on July 18, 2003 by the House Ways & Means Committee contains a precedent-setting provision that would provide incentives to participants in 401(k)s and IRA owners to use at least a portion of their nest eggs to secure income they cannot outlive. H.R. 1776, "The Pension Preservation and Savings Expansion Act of 2003," sponsored by Reps. Rob Portman, R-Ohio, and Ben Cardin, D-Md., would exclude from taxation up to \$2,000 of the first five years of "lifetime annuity payments" from 401(k)s and IRAs. Millions of retirees would be eligible for tax-free treatment on a portion of annuity payments on one condition: they choose to receive the assets in a lifetime income stream.

Visit our website for more details about what is sure to be a huge opportunity for SPIA sales starting next year. You don't have to wait till next year to market SPIAs. The need exists today because of low interest rates. For example a 75 year old can get, perhaps, \$150 per month taxable on a \$100,000 CD or \$1,000.00 per month (about 80% tax free) on a lifetime annuity. \$150.00 taxable vs. \$1,000.00 mostly tax-free. Run that past your clients who need income and see what they say. (More on our website.)

**RATES** Yes, they are starting to move up. Physicians Life has re-introduced a 3-year product. Check the website for current updates and latest charges.

Bob "Mr.SPIA" Affronti  
President