



The *FSD* Journal Fixed Annuities

A monthly guide for insurance agents

reviewing fixed annuity product quality & performance

July

Quality ♦ Integrity ♦ Expertise

2005

Higher rate but such low commission!

Agents have been saying this to me for months and the solution many have turned to is the Secure Index from ING USA. The Secure Index is basically a 7 year guarantee fixed annuity with upside potential. An agent can get a 4 or 5 percent commission on a 7 year lock up at a 3.00% interest rate, but not so exciting to a client. The Secure Index has a 5.00% commission with a 3.00% guaranteed minimum that compounds over 7 years combined with the upside potential to do much better.

For an example I have used the ING illustration software which shows 3 types of past performance: the last 7 years, an increasing 7 years and a decreasing 7 years.

If in the Secure Index for the last 7 years based on today's caps a \$100,000 deposit would have grown to \$130,246 that is like getting 3.85% over a period that the S&P dropped 3 of the 7 years and averaged only 2.10%.

If in the Secure Index during an increasing period 1992 - 1999 based on today's caps a \$100,000 deposit would have grown to \$150,073 that is like getting **5.97%** over a 7 year period.

If in the Secure Index during a decreasing period based on today's caps a \$100,000 deposit would have grown to \$131,080 that is like getting 3.94% over a period that the S&P dropped 3 of the 7 years and averaged only 1.33%.

The worst this annuity could ever return on a \$100,000 deposit is \$122,978 a 3.00% compounded return even if the S&P was down for 7 straight years!

Jeff Affronti

Trail Commission Options

Beginning on June 13, 2005, ING will offer trail commission to agents on most of our the FixedDesign annuities. Currently, all ING FIXEDDESIGN products pay full commissions up front, when the new contract is issued.

Two (2) trail commission options on the following products:

Secure Index / Selectra / Income Outcome / MarketSmart
MultiSet Plus (trails paid on ages 0-85 only) / MultiBuilder
Max Guarantee / FPA 9 (trails paid on ages 0-85 only)

For each contract sold, the agent will be able to choose from three commission payment options:

Option A: all up-front commissions, **Option B:** upfront with small trail commission, or **Option C:** smaller upfront with larger trail commission. Please call for exact commission numbers.

Maximize your clients yield on existing annuities using the 10% free withdrawal provision. Let us show you how!

INDEPENDENT ANNUITY AGENTS CALL US

Let FSD help you become an annuity expert. Our appointed agents get intense product training, access to the industry's top carriers and the highest level commission contracts. Plus our back office does all the follow-up for you. This saves our agents a tremendous amount of time and energy. Fixed Annuities offer GUARANTEES, let us show you how these guarantees can offer your clients security in their retirement years.

FSD FINANCIAL SERVICES • 5530 Corbin Avenue • Suite 333 • Tarzana, CA 91356

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(3.00% on 5 - 9 year period certain only payments)

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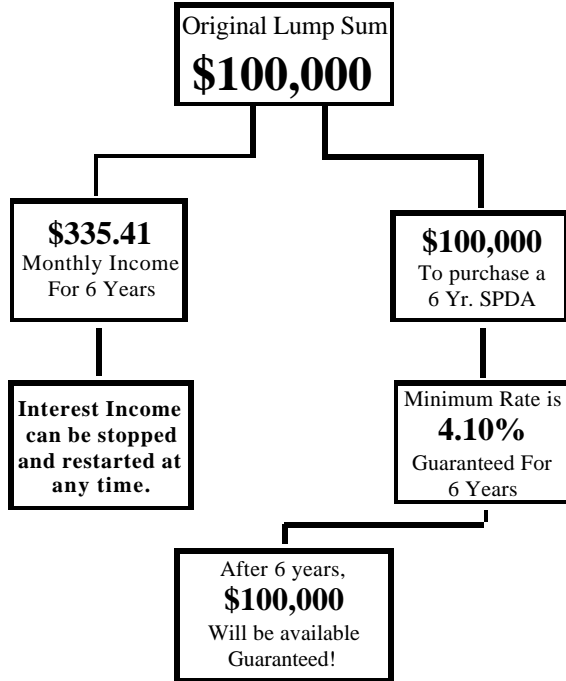
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6 Years Just Strip The Interest



Not Available In All States

Multi-Year Lock-In

**3.67% For
3 Years**

**3.70% For
4 Years**

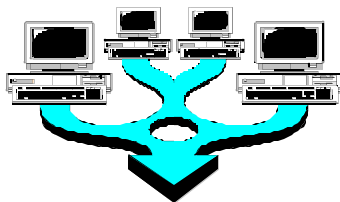
**3.75% For
5 Years**

**4.10% For
6 Years**

(See enclosed spreadsheets for details)

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