



The

FSD Journal

Fixed Annuities

A monthly guide for insurance agents

reviewing fixed annuity product quality & performance

March

Quality ♦ Integrity ♦ Expertise

2006

PREMIUM FINANCE - LIFE SETTLEMENTS AND ANNUITIES

Over the past several months, we at FSD have assisted in funding in excess of \$80,000,000 in medically underwritten annuities. This is an area we are very comfortable with and we have all the top carriers. The majority of the rated (underwritten) annuities have been purchased as part of a premium finance program. Recently we are seeing a large increase in requests from life settlement situations in which the settlement funds are used to purchase an SPIA. (See enclosed fliers for more details).

If you would like to learn more about this huge opportunity call Jeff, Darren or me.

Bob Affronti
President

Two Sales are Better than One


Using Immediate Annuities to fund Life Insurance

We often have the opportunity to assist a broker in a \$100,000 indexed annuity presentation. In speaking with the clients, I learned that the couple, in their early 60's, had a \$1 million IRA.

In addition to the indexed annuity sale, the broker was also presenting a \$200,000 face 2nd-to-die policy. I asked the clients, who had a lot of other assets, why \$200,000? They answered that the premium for a \$1 million policy was too much. I went on to ask about the IRA and they told me their intention was to leave it to the kids. I suggested using \$200,000 of the IRA to buy a 7-year period certain immediate annuity to fund a 7-pay 2nd-to-die life insurance policy.

immediate annuities. And, by the way, you make two sales instead of one.

If they had died with the \$200,00 still in their IRA it would only be worth about \$50,000 to the children because of income tax and then estate tax. By moving it to an immediate annuity to fund a \$1 million life policy we converted \$50,000 after tax to \$1 million. It is becoming common to use highly taxable IRA money to fund life insurance policies vis-a-vis immediate annuities. And, by the way, you make two sales instead of one.



**Life
Insurance
funded with
a SPIA**

Bob Affronti

THE SIMPLE PLAN™

BY FSD FINANCIAL SERVICES

SETTLEMENT INCOME MAXIMIZATION PLAN FOR LIFE EXPECTANCY

Actual Case Example - From \$480,000 Cash Value

Male age 80, History of health issues.
Female age 78, History of health issues.

Simple Plan got this couple \$96,362 per year, a 20% Lifetime Return on the \$480,000. With a minimum guaranteed return of **\$1,212,688**. This is an annual positive turnaround of **\$166,362 per year**.

How It Was Done Using THE SIMPLE PLAN™

Step One:

The above couple owned a Joint Survivor UL Life Insurance contract with a face amount of **\$4,000,000**. Their annual premium was **\$70,000** per year. They had a cash surrender valued of **\$480,000**. The result of the settlement option was **\$1,120,000**. The agent earned a commission of **\$160,000**.

Step Two:

The agent using the settlement proceeds \$1,120,000 deposited into a Guaranteed Income For Life Single Premium Immediate Annuity (SPIA). This provides the client with \$96,362 of annual income. The \$96,362 plus the \$70,000 equals \$166,362 of positive cash to the client. The agent earned a commission of **\$39,200**.

Benefits To All Parties

Client: 20% annual return on cash value
Positive cash flow \$166,362 per year!
Lifetime GUARANTEED income!
Guaranteed minimum return \$1,212,688!

Agent: Full commission paid!
Provide the solution to the #1 concern of seniors, outliving their assets with the guaranteed income for life SPIA.

Settlement Provider/ Referral bonus paid on all sales.

Broker: One-Stop fixed annuity shopping for your agents.

Each case is individually analyzed and planned for the specific client. For more information or an illustration contact Tom Gatto at (800)-373-9697 or Email tom@fsdfinancial.com.

ATTENTION LONG TERM CARE PRODUCERS

**GUARANTEE YOUR CLIENTS THE ABILITY
TO PAY FOR THEIR LONG TERM CARE POLICIES
THROUGH FIXED SPIA ANNUITIES!**

SINGLE PREMIUM IMMEDIATE ANNUITIES (SPIA'S)

**ARE THE PERFECT WAY TO GUARANTEE YOUR CLIENTS A LIFETIME OF PEACE OF
MIND KNOWING THAT THEIR LONG TERM CARE WILL ALWAYS BE PAID! THESE
ANNUITIES ARE FIXED AND ARE GUARANTEED BY CONTRACT TO PAY OUT FOR
THE LIFE OF THE CLIENT. PREMIUMS WILL ALWAYS BE PAID!**

**AN EXAMPLE OF UTILIZING SPIA ANNUITIES FOR THE PURCHASE OF A LONG TERM
PLAN :**

HUSBAND: Age 65 \$54,845.71

WIFE: Age 65 \$58,343.66

JOINT LIVES : Ages 65 \$65,536.31

**PREMIUM FUNDS \$3,000.00 PER YEAR PAID MONTHLY AND IS GUARANTEED TO
INCREASE BY 3.00% COMPOUNDED ANNUALLY FOR LIFE!**

**AMOUNT NEEDED FOR A LIFE TIME OF PLANNING FOR THIS COSTS
A DEPOSIT OF \$65,536.31 WILL GUARANTEE \$3,000.00 JOINTLY FOR LIFE. THIS IS A
JOINT LIFE AND 15 YEAR MINIMUM GUARANTEE. THIS MEANS THAT THE \$3,000.00
PER YEAR IS GUARANTEED TO BE PAID OUT TO THE CLIENTS IF ALIVE OR THEIR
HEIRS IF THEY BOTH SHOULD PASS DURING THE 15 YEARS! REMEMBER, IF
EITHER OR BOTH SURPASS THE 15 YEAR PERIOD, THE ANNUITY WILL CONTINUE
TO PAY FOR AS LONG AS THEY BOTH LIVE EVEN AFTER THE LTC BENEFITS BEGIN!**

**WE OFFER THE BEST COMPENSATION FOR AGENTS, AS WELL AS OVER 36 YEARS
EXPERIENCE IN THE FIXED ANNUITY BUSINESS! LET US BE YOUR BACK OFFICE**

THIS IS AN OPPORTUNITY FOR YOUR CLIENTS AND YOU!

**CALL TOM GATTO, FOR ADDITIONAL INFORMATION REGARDING LONG TERM
CARE SPIA ANNUITIES!**

1-800-373-9697

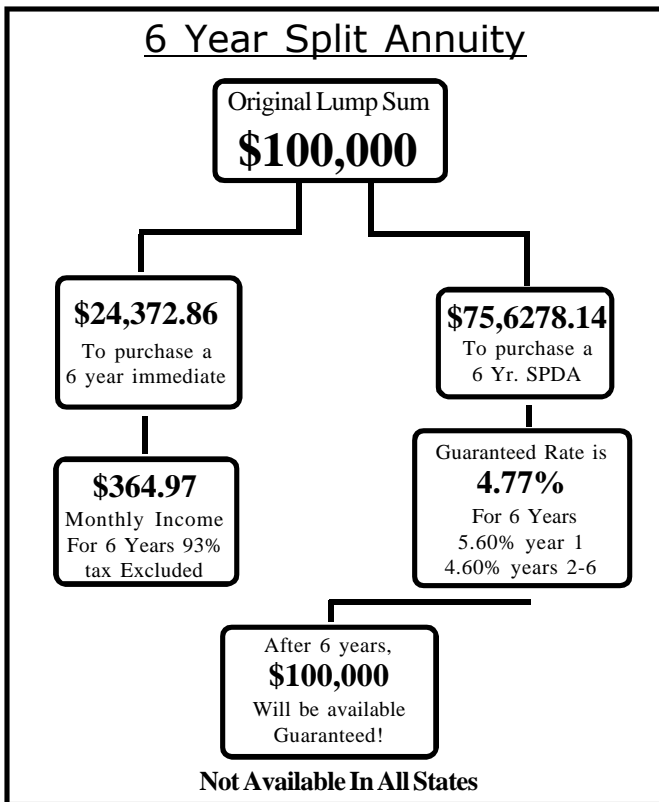
**FSD Financial Services
5530 Corbin Avenue Suite #333
Quality ❖ Integrity ❖ Expertise
www.fsdfinancial.com**



FSD FINANCIAL SERVICES

5530 Corbin Ave. #333
Tarzana, CA 91356

Quality ♦ Integrity ♦ Expertise



Equity Indexed Annuity 5.00% Bonus

FREE Client Presentation CD

4 Crediting Methods

- ♦ Annual Point-to-Point Cap Index Strategy
- ♦ Annual Point-to-Point Participation/NO CAP
- ♦ Monthly Average with Spread / NO CAP
- ♦ Annual Fixed Rate Strategy
- ♦ All Strategies Reset Annually!

Past History Illustrations Available

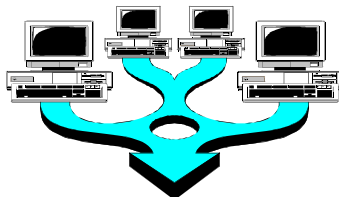
10 Year Surrender Term - **Full Death Benefit**

10% Free Withdrawals - Waivers

8.50% commission to age 80

(See enclosed spreadsheets for details)

On-line Since 1995!



www.fsdfinancial.com

Agent Appointments/Rates/Sales Ideas
Commission/Product Brochures/Quotes
800-373-9697

A+ S&P Rated Company

4.30%

Guaranteed For 5 Years

5 Year Surrender: 7%, 7%, 7%, 6%, 5%
\$5,000 Minimum / Ages 0-100 / MVA

Commission 3.73%* (0-80)

*0.25% Bonus for cases \$250,000 and up! (0-80)

IMMEDIATE ANNUITIES

License With FSD and receive
our exclusive 7 company in-
come comparison spreadsheet.

**A++, AA+ company with a
4.00% Commission!**

We Are The Annuity General Agent
For The Independent Broker

Open 24 Hours On The Web

Agents love the FSD website Get Licensing, Client
Brochures, Request Quotes, Contest Information,
Current Rates & Commissions, Order Professional
Sales Kits, Email Delivery, and much more!

www.fsdfinancial.com(Password = service (lower case))

From Your *One-Stop Annuity Shop*:



Products not approved in all states.

Rates are subject to change at anytime.

The most current rates can be downloaded at our website.

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