



**Clients in poor health
could see an increase in
lifetime income payouts!**



Medically Underwritten Immediate Annuity

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AGE RATED MEDICALLY UNDERWRITTEN IMMEDIATE ANNUITIES - 2018

By: Jeff Affronti—February 14, 2018

Did you realize that poor health could actually offer a benefit when purchasing an immediate annuity for planning purposes? Impaired risk or age rated single premium immediate annuities are medically underwritten to better determine if a clients normal life expectancy has been shortened due to a serious medical condition. If you have a client in poor health, a rated SPIA would increase a clients income payout because the rates will be based on the older rated age! A retirement planning advantage as the client can use even more of their premium while still having peace of mind in regards to longevity protection.

Real Case Example:

Recently we placed a rated SPIA for a male age 85 with \$200,000. He was quoted a standard ***life with 5 year certain*** income of **\$2,117 per month**. After sending off a preliminary estimate request it was determined this client may indeed qualify for a rated SPIA. In the end, he was approved and his ***life with 5 year certain*** income is **\$2,523 per month**. So, in this case, the client by being offered a rated SPIA option not only increased his income from 12.7% of premium annually to 15.1% annually. Additionally, since this is a life with 5 year certain and guarantees at least 60 payments the guaranteed minimum also jumped from \$127,020 to \$151,380. Better income and **\$24,360 more in guaranteed minimum return day one.**

Designed for people:

- Who are concerned about outliving their assets
- Who need guaranteed income they can't outlive
- Who are less healthy and could benefit from a larger monthly income payment than they would likely receive from a traditional non-medically underwritten immediate annuity
- Who may need care and whose age and/or health disqualify them from long term care insurance coverage options

Not designed for people:

- Who are in good health and have other lifetime income options that may provide a better longevity income alternative
- Who do not need a guaranteed lifetime stream of income
- Who do not want to risk losing their remaining premium if they die before payouts exceed the initial premium

Available Death Benefit And Beneficiary Options

Rated SPIA's are normally issued as Life Only contracts to get the best payouts. An early death benefit may be available and pay if the annuitant dies within six months from the contract date. An optional enhanced death benefit is available if the owner selects life income with a protected period at issue. Additionally adding a period certain can offer beneficiary benefits but will lower the payment.

Uses For A Medically Rated SPIA

- To Fund Elder Care Facilities or Nursing Home
- Continued Funding Of A Life Insurance Policy
- Maximize Income To Increase Annuitants Standard Of Living
- Supplement Social Security Retirement Income

Conditions That May Merit Review:

- 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

A 6 Step Application Process:

1. Submit a request for an initial estimate illustration
2. If estimate is appealing, fill out client income application
3. Medical histories are ordered
4. Client is contacted for phone interview
5. In person health assessment interview
6. Guaranteed Proposal and Contract Released

So far turn around has been very quick on the initial estimates!

For multiple carrier quotes we will also need by fax email or mail the history of illness, including date of diagnosis, any changes in condition, other significant health conditions and pertinent past histories.

Acceptable forms of medical information:

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

Feel free to call with any questions 800-373-9697, we are here to help!

[Jeff Affronti](#) | [AnnuityExperts.com](#) | [SPIAquote.com](#)

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