



IPI 2017 Summer Conference
Variable and Fixed Annuity
Transformation to Managed Asset

Pre DOL, qualified

1. Lower Expenses by using Annuity for RMD
2. Use “Free Money” to Reallocate Assets to Other IRA Holdings

Post DOL, qualified

- 1 New M&E Contract Value; i.e. 20 basis points
 - a. Return of Premium on Death Benefit
 - b. No Surrender
 - c. Complete Liquidity
 - d. Be Careful of Surrender Fee
- 2 Living Benefit
 - a. Total cost less than 3%
 - b. Annual Step-Up
 - c. Three Year Wait

Pre DOL, non-qualified

1. Expenses
2. Tax Issues
 - a. To client
 - b. To legacy/beneficiary
3. Surrender Period
4. Not all Annuities are Created Equal
5. Living Benefits
 - a. Complicated
 - b. Normally deteriorates with age
6. Cash Flow Management

Post DOL, non-qualified

1. New Managed Asset Compatible – VA
2. Careful of Expenses
3. Careful of Riders
4. Age Relative
5. Rebalance Consideration

Footnote: know your annuity - especially the riders