

# Help Client Couples Create a Financial 'Plan B' and ... **Tackle the Elephant in the Room**

Working with clients to address the difficult process of acknowledging and planning for death helps ease concerns surrounding its prospect. Facing the inevitable, making plans and taking charge of their future helps free clients to devote their emotional energy toward enjoying life.

Clients may feel a moral imperative to provide support for their families after their death. Helping them create income strategies and plan for managing death benefits helps promote a sense of control. Knowing they have faced their concerns and put a financial "Plan B" in place to help secure their families' future needs helps foster peace of mind.



## Creating Income Certainty with a Financial 'Plan B'

Clients may want to provide for their children and grandchildren, but also may need to ensure income for themselves and their spouses for their lifetimes. Allocating some assets to an immediate annuity may help align retirement and legacy goals, while potentially providing lifetime income to the surviving partner.

A single premium immediate annuity (SPIA) helps:

- Secure a lifetime income that your clients and their spouses can't exhaust
- Provide a measure of freedom from having to manage savings to generate income

IncomeSource® from Integrity Life and National Integrity Life helps overcome client objections regarding SPIAs:

Objection	Solution
Cash flow stream of a fixed payout may not keep pace with inflation	Increasing Payout Option (IPO) <sup>1</sup> increases annual payout by a compounded interest rate of 1% to 5%
Owner cannot access funds if needed	Commutation <sup>2</sup> option provides emergency cash access, allowing 10% to 90% of the present value to be withdrawn
Beneficiary cannot access funds if needed	Death benefit commutation <sup>2</sup> allows beneficiary to cash out the remaining certain payouts upon the death of the annuitant (single life) or the last-to-die joint annuitant (joint and survivor)

*(continued)*

## Prudent Legacy Planning

Knowing income is guaranteed may make lifetime gifting emotionally satisfying and enlightening – as well as more confident – for client couples. As is said, “He who gives while he lives also knows where it goes.”

How their children manage these lifetime gifts may signal a need for oversight in the future. Trusts can be excellent tools to help protect, invest and manage assets for beneficiaries, but creating and administering a trust can be a complex, time-consuming and relatively expensive process. Deferred annuities with payout options pre-selected by your clients may provide a viable alternative.

### Here’s How: A Tool Designed for Helping Manage Death Benefits

Do your client couples worry that their beneficiaries will squander their inheritance while foregoing professional advice? Are they concerned that a future lump-sum distribution to a beneficiary may result in all income tax due on their annuity benefit being owed and payable in a single year?

The **Beneficiary Designation Form** helps restrict beneficiaries’ spending of their inheritance:

- It gives the annuity owner control to designate how assets are distributed from their annuity contract.<sup>3</sup>
- It enables a beneficiary to spread annuity distributions and payment of related income tax over a period as long as their lifetime by deferring distributions to align with their tax deferral and income needs objectives.

For Integrity Life and National Integrity Life issued contracts, the Beneficiary Designation Form applies to the death benefit paid either at the annuitant’s death (for annuitant-driven contracts) or at the owner’s death (for owner-driven contracts) to the person(s) named as beneficiary(ies). With an annuitant-driven contract, the Beneficiary Designation Form does not apply to the payment of proceeds payable at an owner’s death to the owner’s beneficiary when the owner and the annuitant differ.

*For details on helping secure a financial “Plan B” while building a multi-generational client relationship, contact your regional representative.*



- <sup>1</sup> All options may not be available. IPO payments are lower initially than a payment option without IPO. IPO payments increase annually and at some point, depending on payment option elected and annuitant’s longevity, exceed those received under a payment option without IPO. If annuitant dies before life expectancy, a payee may receive less total income with an IPO than without one.
- <sup>2</sup> Currently unavailable in NY and OR. Not available with life only payouts, temporary life payouts and certain period payouts of less than 10 years.
- <sup>3</sup> Monthly payouts to beneficiary(ies) must be \$100 or more, or a lump-sum distribution will be made.

Annuities are issued by Integrity Life Insurance Company, Cincinnati, OH, or National Integrity Life Insurance Company, Greenwich, NY. Integrity Life operates in DC and all states except NY, where National Integrity Life operates. Payment of benefits under a life insurance policy is the obligation of, and is guaranteed by, the insurance company issuing the policy. W&S Financial Group Distributors, Inc. is an affiliated agency of the issuer. Issuer has sole financial responsibility for its products. All are Western & Southern Financial Group members. Earnings and pre-tax payments are subject to income tax at withdrawal. Withdrawals may be subject to charges. Withdrawals of taxable amounts from an annuity are subject to ordinary income tax and, if taken before age 59½, may be subject to a 10% IRS penalty. Interest rates are declared by the insurance company at annual effective rates, taking into account daily compounding of interest. Product and feature availability, as well as benefit provisions, vary by state.

Single Premium Immediate Annuity contract series ICC09 ENT-01 0901, ENT-01 0901, and ENT-01 0901 NY, Commutation Rider (Deceased Annuitant) series ICC09 ER.02 0901, ER.02 0901 and ER.02 0901 NY and Commutation Rider (Living Annuitant) series ICC09 ER.01 0901, ER.01 0901 and ER.01 0901 NY. An immediate annuity is permanent. The owner has no access to the premium, which converts to a stream of income payouts. There is no cash value, no death benefit and no surrender. Contract terms, such as payment amount and frequency, cannot be changed, unless commutation is available and elected. A client should not purchase an immediate annuity if they may need to access any of their premium for living expenses or other purposes.

No bank guarantee	Not a deposit	May lose value	Not FDIC/NCUA insured	Not insured by any federal government agency
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