

SILA: Annuities Basic

Course Description

In recent years, the popularity of annuity products has risen dramatically. Yearly sales increases indicate that more and more people are determined to guarantee for themselves a comfortable retirement. This course enables agents to gain insight into the complexities of annuities, which will make explaining to customers the details of product features and benefits much easier. Topics include:

- Purpose of Annuities
- Types, features, contract provisions, and the parties to an annuity contract
- Qualified and non-qualified annuities and the tax treatment of both
- Suitability, replacement and disclosure requirements
- State and federal legislation and NAIC Model Annuity Suitability Recommendations

Chapter 1 Annuity and Contract Provision Basics

Introduction; Parties to the Contract; Types of Annuities; Annuity Phases; Common Contract Provisions and Charges; Income and Death Benefit Riders and Bonuses; Bonuses; Capital and Surplus; Financial Strength Rating Agencies; State Guaranty Funds; Reserves (Legal Reserves); Summary

Chapter 2 Fixed Annuities

Introduction; Methods of Crediting Fixed Annuity Interest; Contract Charges; Qualifying Longevity Annuity Contracts (QLACs); Summary

Chapter 3 Variable Annuities

Insurance or Security?; Variable Annuities in the Marketplace; The Cost of Owning a Variable Annuity; Separate Account and Subaccount Maintenance and Management; Distribution Options; The Variable Annuity versus a Mutual Fund; Contingent Deferred Annuities versus the Variable Annuity; Summary

Chapter 4 Fixed Indexed Annuities

Introduction; Classification; FIAs and the Stock Market; Common Methods of Crediting Returns; Crediting Method Variations; Rate Caps, Participation Rates, and Spreads; Product Design; Summary

Chapter 5 Suitability and Replacement

Suitability Sales Standards; Replacement of Annuities; Summary

Chapter 6 Taxation of Annuities

Introduction; Tax-Qualified Plans; Taxation of Qualifies and Non-Qualified Annuities; Tax Deferral & Annuities; Taxation Rules for Non-Qualified Annuities; Taxation of Qualified Assets during the Lifetime of the Owner; Taxation at Death of Owner (Spousal Continuation); Summary