

SILA Indexed Annuity Basics

42,138 words = 14 CE hours

Course Description: The primary focus of this annuity course is the fixed products and how both fixed and indexed annuities function in the marketplace. Discussions include crediting methods, interest, contract charges, QLACs, FIA crediting variations, caps, participation rates, and spreads. Annuity topics required by the NAIC Model Act for Annuity Suitability are also covered, including:

- Parties to and provision of annuity contract
- Types and the primary uses of annuities
- Suitability, replacement, and disclosures
- Taxation issues related to qualified and nonqualified contracts

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; Review Questions

Chapter 2 Fixed Annuities

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

Chapter 3 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; Review Questions

Chapter 4 Suitability and Replacement

Suitability Sales Standards; Replacement of Annuities; Summary; Review Questions

Chapter 5 Taxation of Annuities

Introduction; Tax-Qualified Plans; Taxation of Qualified 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; Review Questions

Review Answers and Rationales