

Using life insurance for annuity maximization

Client worksheet from North American Company for Life and Health Insurance®

As you discuss your annuity maximization strategy with your agent, use this worksheet to record important information about your case.

Part 1: Client information

General information			
	Name	Birth date/age	Underwriting class
You			
Spouse			
Other beneficiaries			

Part 2: General information

Tax information*		
Income tax rate	State	
	Federal	
Assumed estate tax rate		
Gift tax rate		
Heirs' assumed income tax rate		

Tax exclusions available*	
Type	Amount

Existing Annuity	
Market Value	\$
Cost Basis	\$
Annual Payout	\$
Growth Rate	%

Withdrawal type	Amount	Years
Equal to premium		
Specified amount		

Part 3: Annuitize or 1035 exchange

Single Premium Immediate Annuity (SPIA) ¹	
Deposit amount (current value)	\$
Cost basis	\$
Exclusion ratio	\$
Annual payout	\$

Part 4: Life insurance

Life insurance information	
Product	
Death benefit	
Duration of death benefit guarantee	
Premium	
Duration of term plan	
Modified endowment contract ² status	

Please make sure to review and consider the current payout factors before making any decisions.

1. Using a SPIA to fund the life insurance policy is not the only option and may not be the best option for the client.

2. For most policies, withdrawals are free from federal income tax to the extent of the investment in the contract, and policy loans are also tax-free so long as the policy does not terminate before the death of the insured. However, if the policy is a Modified Endowment Contract (MEC), a withdrawal or policy loan may be taxable upon receipt. Further, unpaid loan interest on a MEC may be taxable. A MEC is a contract received in exchange for a MEC or for which premiums paid during a seven-year testing period exceed prescribed premium limits (7-pay premiums).

*Neither North American Company nor its agents give legal or tax advice. Please consult with and rely on a qualified legal or tax advisor before entering into or paying additional premiums with respect to such arrangements.

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