CARES™ OBJECTIVES

The Comprehensive Annuity Review and Evaluation Service™, or CARES Process™, has four unique outputs that identify important annuity information and features. These personalized reports are based on an annuity contract holder's needs and objectives.

Selecting the appropriate objective is the most important step in the CARES Process™ and must be done purposefully in order to provide maximum value. When selecting an objective, carefully review the details described below and make a selection that best represents the ultimate goal of the annuity contract holder.

THE FOUR CARES™ OUTPUTS:

INCOME

An annuity with an income objective should be designed to maximize guaranteed income while balancing secondary objectives like liquidity, account growth, and/or death benefits. Often times the goal is to provide income for one or more lives. A common misconception is that retirement funds cannot provide joint lifetime incomes, however an annuity may provide that benefit.

EXAMPLE

John, age 65, currently has an IRA annuity worth $500,000. He wants to grow the assets for 5 years with the ultimate goal of providing joint income for both he and his spouse.

MAXIMUM DEATH BENEFIT

An annuity with a death benefit objective should be designed to maximize the assets transferred to the owner's beneficiaries. Ideally the funding source for this objective would be non-qualified assets that are not needed for income or subject to required minimum distributions. An annuity can be an alternative solution for clients that are uninsurable or unwilling to participate in traditional underwriting.

EXAMPLE

Nancy, age 70, is uninsurable and owns an annuity with a value of $250,000 in non-qualified investible assets. She has no need for income from this contact and wishes to leave behind a death benefit for her nieces and nephews.

DEATH BENEFIT WITH INCOME

An annuity balancing death benefit and income objectives should be designed to maximize assets for dual purposes. Owners want or need to draw income from these contracts while maintaining a legacy for their beneficiaries. Allowable income withdrawals and maximum death benefits may be lower than contracts with a single objective. This strategy can be especially effective with retirement accounts that require depletion by required minimum distributions.

EXAMPLE

Michael, age 65, has an IRA annuity. He would like to leave as much of the account as he can to his three children, but needs to withdraw income to satisfy RMD requirements.

ACCUMULATION

An annuity with an accumulation objective should be designed to maximize asset growth, utilizing investment freedom, tax deferral, and low cost platforms. Ideally the contract would not be subject to income needs including required minimum distributions. These solutions may also provide varying levels of principal protection.

EXAMPLE

Linda, age 55, purchased a non-qualified annuity several years ago for a specific purpose that has since changed. The contract has a significant amount of investment gains and she would like to utilize a low cost and surrender free investment focused annuity for ongoing tax deferral until she has more clarity on a new use for the contract.

The principal value and rate of return in a variable annuity will fluctuate due to sub-account allocations and market conditions. Therefore, at any point, the value of the annuity contract may be worth more or less than the owner's actual investment in the contract. Any guarantees in an annuity is based on the claims-paying ability of the issuing company. Some features in a variable annuity are only available through the purchase of a contract rider and may incur additional fees. Fees will vary based on features selected and carrier. For more information about a variable annuity, including its product features, risks, charges, and expenses, please read its prospectus, which is available from your financial professional. Please consider the charges, risks, expenses, and investment objectives carefully before investing.