



Living Comes with Guarantees

In a *Best's Review* survey, consumers listed safety, security, and guaranteed income payments for life as some of the top reasons for selecting a retirement income product or strategy.¹ (See chart below.) Given these factors, it's no surprise that over 80% of the \$131.7 billion in 2005 variable annuity sales offered some sort of living benefit guarantees.²

Several types of living benefit guarantees are available that can provide valuable protection for variable annuity owners for an additional fee.

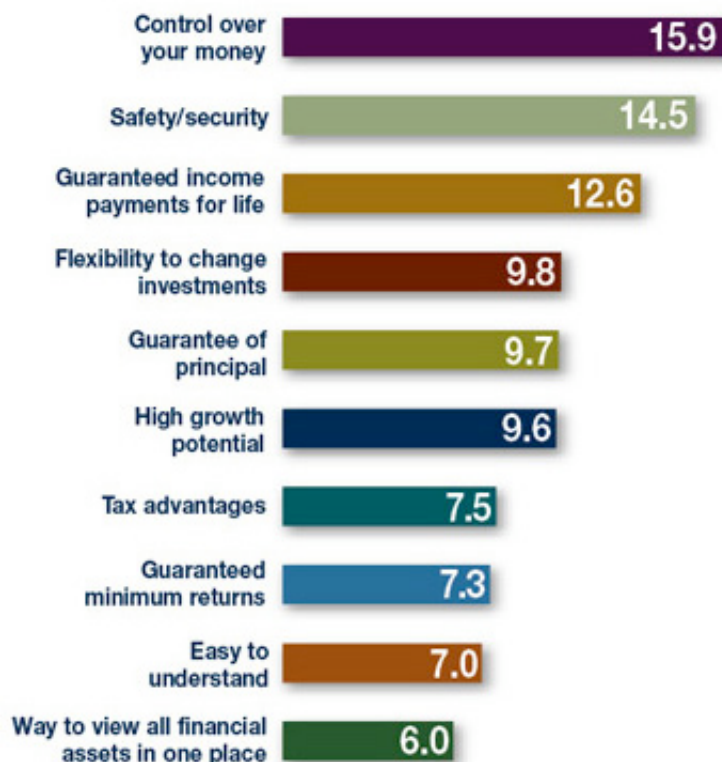
- **Minimum accumulation benefit.** Guarantees a minimum contract value after a specified term, regardless of market performance. This amount is typically equal to the amount of premiums paid.
- **Minimum income benefit.** Guarantees that payment will be based on the greater of either the actual contract value or a minimum payment amount when the owner begins taking retirement income payments.
- **Minimum withdrawal benefit.** Guarantees that a fixed percentage (usually between 5% and 7%) of the annuity premiums paid can be withdrawn annually for a specified time (including life), regardless of market performance.

A variable annuity is a long-term financial vehicle designed for retirement purposes. It is a contractual agreement in which one or more payments are made to an insurance company, which agrees to pay the contract holder an income or a lump-sum amount at a later date. There are contract limitations, fees, and charges associated with variable annuities, which can include mortality and expense risk charges, sales and surrender charges, administrative fees, and charges for optional benefits. Withdrawals reduce annuity contract benefits and values. Variable annuities are not guaranteed by the FDIC or any other government agency; they are not deposits of, nor are they guaranteed or endorsed by, any bank or savings association.

Withdrawals of annuity earnings are taxed as ordinary income and may be subject to surrender charges plus a 10% federal income tax penalty if made prior to age 59½. Any guarantees are contingent on the claims-paying ability of the issuing

RETIREMENT CHOICES

Importance of features to consumers in choosing a retirement income product, indicated by allotting 100 points across the entire list of features



Source: *Best's Review*, August 2007

company. Because variable annuity subaccounts fluctuate with changes in market conditions, the principal may be worth more or less than the original amount invested when the annuity is surrendered.

Variable annuities are sold only by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

1) *Best's Review*, August 2007

2) *Journal of Financial Planning*, August 2007

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