



# Guggenheim Life and Annuity Company

## Product Training

For Agent Information Only. Not Intended For Solicitation Or Advertising To The Public.

# Contents

---

- Annuity Definitions
- Annuity Types
  - MYGA
  - SPIA
- Guggenheim Products
  - The Preserve – (MYGA)
  - SPIA
- Suitability
- Completed Signature Page

For Agent Information Only. Not Intended For Solicitation Or Advertising To The Public.

# Annuity Definitions

---

## General Definitions:

<b>Account Value</b>	The Account Value is the sum of all Premiums, increased by accumulated interest , less the amount of any gross withdrawals. The Account Value is not necessarily the same as the Surrender Value.
<b>Annuitant</b>	The person or persons on whose life or lives the Annuity is based, primarily for the purpose of Annuitization. The Contract Owner decides who the Annuitant will be. The Contract Owner and Annuitant are often the same person.
<b>Annuitize</b>	The transaction that changes a Deferred Annuity from the Accumulation Phase to the Payout Phase.
<b>Annuity</b>	A contract sold by an insurance company to provide payments to the holder at specified intervals, usually after retirement. Annuities have two phases: Accumulation and Payout.
<b>Beneficiary</b>	The recipient of an Annuity's value on the death of the Contract Owner.

For Agent Information Only. Not Intended For Solicitation Or Advertising To The Public.

# Annuity Definitions

---

## General Definitions:

<b>Premium</b>	Money paid into an Annuity. For purposes of simplicity, people sometimes talk about "deposits" into an Annuity.
<b>Surrender Value</b>	The amount of money to be received by the Contract Owner if an Annuity is Surrendered. It is usually the Account Value less any Surrender Charges and Market Value Adjustment.
<b>Contract Owner</b>	The person or entity who purchases the Annuity and has rights to the contract. This person names the Annuitant and the Beneficiary, and may exercise the provisions of the Annuity contract.
<b>Cost Basis</b>	Actual Premium or Principal paid to a Non-Qualified Annuity is referred to as the "Cost Basis" of the Annuity contract. Since it is money that has already been subject to Income Tax, it will not be taxed upon withdrawal.
<b>Tax-Deferral</b>	The ability to delay paying Income Tax on earnings until those funds are withdrawn from the Annuity.

For Agent Information Only. Not Intended For Solicitation Or Advertising To The Public.

# Annuity Definitions

---

## Fixed Definitions:

**Fixed Annuity** An investment vehicle offered by an insurance company that includes a minimum guaranteed interest rate and account value.

**Multi-Year Guarantee Annuity (MYGA)** An Accumulation Phase Annuity which guarantees an interest rate for the full contract period.

**Guarantee Period** The period of time during which interest rates are guaranteed by the insurance company.

**Renewal Interest Rate** The interest rate that will be credited after the initial Guarantee Period.

**Rider** A contract provision which changes the policy's features or rules. Some riders may allow for additional withdrawal or payout options not available in the base contract.

For Agent Information Only. Not Intended For Solicitation Or Advertising To The Public.

# Annuity Definitions

---

## Key Features:

**Death Benefit**            The payment made to the Beneficiary upon the death of the Owner as described in the contract.

## **Penalty-Free Withdrawal**

A withdrawal that is permitted from an Annuity without the penalty of a Surrender Charge or Market Value Adjustment.

## **Surrender Charge Period**

The period during which Surrender Charges will be subtracted from an Annuity's Account Value if funds are withdrawn from the Annuity.

## **Flexible Premium Annuity**

An annuity that accepts multiple payments of Premium.

## **Free-Look Period**

The period of time after an Annuity contract is delivered when the Contract Owner may cancel the policy without penalty.  
The specifics of the free-look period are set by state regulation.

## **Single Premium Annuity**

An Annuity that accepts either a single payment or a number of payments over a very short period of time.

For Agent Information Only. Not Intended For Solicitation Or Advertising To The Public

# Annuity Definitions

---

## Key Features:

### **Market Value Adjustment (MVA)**

An adjustment (positive or negative) that is applied when an account is liquidated early. It is designed to share some of the investment risk associated with the annuity between the contract holder and the company. The way an MVA works is simple. If you make an early liquidation of an annuity that has an MVA, you may have a higher or lower value at the time money is withdrawn.

Generally, if interest rates in the market are higher than when you purchased your annuity, the adjustment may cause your value to be lower. Similarly, if interest rates in the market are lower than when you invested in your annuity, the value may be higher than it would be without the MVA.

For Agent Information Only. Not Intended For Solicitation Or Advertising To The Public.

# Types of Annuities

---

## SINGLE PREMIUM

An annuity that is started with a single premium payment to the issuing company. No further payments to the plan are required.

## FLEXIBLE PREMIUM

An annuity that is purchased with the ability to continue to add funds to the account. Companies and products will differ in the required minimums that can be added to the plans.

## IMMEDIATE

An annuity that is purchased with a premium up front in exchange for residual payments after purchase.

## DEFERRED

An annuity that will grow tax deferred prior to annuity payments and may be subject to IRS guidelines.

## FIXED

An annuity that allows the premiums to accumulate at a rate set by the issuing company.

## INDEXED

An annuity that offers indexed-based crediting based upon the performance of an external market. The indexed annuity will generally contain a minimum fixed rate of interest to offset poor market performance.

## VARIABLE

An annuity in which the consumer bears the investment risk.

The types of annuities can vary greatly and it is important to ensure that the customer understands all components that their annuity contains. For example explaining the importance of being deferred and indexed since an annuity can provide both options in a single plan.

For Agent Information Only. Not Intended For Solicitation Or Advertising To The Public.



# Annuity Suitability

## Increased regulations for suitability

### 4-Hour Annuity Course

Many states are now requiring a 4-hour annuity suitability training course\*

CA, CO, DC, HI, IN, IA, MN, MT, OR, ND, OH, RI, SC, TX, WV, WI

New states are changing their laws to conform to the new NAIC suitability model regulation

\*As of 10/15/2011

### Know the customer

Information to obtain:

Age  
Annual Income  
Financial needs  
Resource of funds  
Financial experience  
Financial objectives  
Intended use  
Time Horizon  
Existing assets  
Liquidity needs  
Net worth  
Risk tolerance  
Tax status

### Know the product

Understanding and educating the consumer is top priority:

Features of the annuity  
Tax benefits  
Tax penalties  
Annuitization options  
Death benefits  
Living benefits  
Liquidity options  
Available riders  
Surrender period  
Surrender charge schedule  
Maturity vs. surrender period  
Expenses and/or fees  
Limitations on returns

### Know the suitability

Key Questions:

Will the consumer benefit from the purchase or exchange?  
Will they incur new surrender fees?  
Will they be subject to a new surrender period?  
Will they lose existing benefits?  
Will they be subject to new charges or fees whether for investment advisory or product enhancements?  
Does the consumer's investment objective match the product's features?  
Have they had an exchange or replacement within the last 36 months?

For Agent Information Only. Not Intended For Solicitation Or Advertising To The Public.

# Preserve MYGA

---

*Preserve MYGA is a Single Premium Deferred Annuity*

Single Premium

When submitting multiple exchanges or rollovers, the client should indicate whether to hold money until all funds are received, or issue multiple contracts.

Duration of Guarantee Rate:

3 – 10 Years

Issue Ages:

Qualified: 0-90    Non-Qualified: 0-90

Issue Amounts:

Qualified: \$5,000-\$1,000,000 Non-Qualified: \$10,000-\$1,000,000

Surrender Charge Period:

YEAR	1	2	3	4	5	6	7	8	9	10
3-YEAR	7	6	5							
4-YEAR	7	6	5	4						
5-YEAR	7	6	5	4	3					
6-YEAR	7	6	5	4	3	2				
7-YEAR	7	6	5	4	3	2	1			
8-YEAR	7	6	5	4	3	2	1	1		
9-YEAR	7	6	5	4	3	2	1	1	1	
10-YEAR	7	6	5	4	3	2	1	1	1	0.75

For Agent Information Only. Not Intended For Solicitation Or Advertising To The Public.

# Preserve MYGA (cont.)

---

## Contract Facts

### Death Benefit:

Contract Value; Surrender Charges and MVA are waived

### Annuitization:

Contract may be annuitized at any time for a minimum of 10 years or after the Guarantee period for a minimum of 5 years\*

- Options include:
  - Life with a certain period
  - Joint Life
  - Joint Life with a certain period
  - Certain only (5-20 years)
  - COLA – (Cost of Living Adjustment)

\*State variations may apply

For Agent Information Only. Not Intended For Solicitation Or Advertising To The Public.

## Preserve MYGA (cont.)

---

### Free Withdrawals:

The greater of 10% of the Account Value on the previous contract anniversary or the RMD amount is available each year beginning in Year 2 and will be based on the previous anniversary account value.

RMD's in the first year will also be available without a Surrender Charge, however, the client should take the RMD out prior to transferring funds to Guggenheim. A chargeback of commission will be assessed on any RMD taken in the first Contract Year.

Free Look Period: 30 days in all states

Rate Lock Period: 45 days from the date on the application. For rollovers and exchanges, if the money is received within the rate lock period, we will issue the policy at the greater of the rate on the date the application or the rate on the issue date. If money is received after the rate lock period, the rate as of the issue date will be used.

For Agent Information Only. Not Intended For Solicitation Or Advertising To The Public.

## Preserve MYGA (cont.)

---

### Nursing Home Care Rider:

Guggenheim Life will provide full liquidity to assist with nursing home care expenses , should the need arise, subject to the rider provisions which are: contract issued prior to age 76 and confinement to a nursing home for 90 consecutive days.

### Terminal Illness Rider:

If the owner of the contract is diagnosed with a critical illness (heart attack, stroke, or life threatening cancer) or is deemed terminally ill by a physician, Guggenheim Life will provide full liquidity to assist with the additional expenses that may arise. Eligibility is subject to rider provisions which are: Terminal Illness; physician must certify that owner's life expectancy is nine months or less; for one of the critical illness conditions to take effect, the contract must have been purchased prior to the owner's age 70.

### Criteria for either rider:

Contract in force for minimum of one year

- No charge or fee associated with either rider
- Availability may vary by state of issue
- A partial or full withdrawal will be available with no surrender charge or MVA

For Agent Information Only. Not Intended For Solicitation Or Advertising To The Public.

# SPIA

---

*The SPIA is a Single Premium Immediate Annuity*

## Single Premium

When submitting multiple exchanges or rollovers, the client should indicate whether to hold money until all funds are received or issue multiple contracts.

## Issue Ages:

Qualified: 0-90    Non-Qualified: 0-90

## Issue Amounts:

Premium must support a periodic payment of \$100.

Maximum of \$1,000,000 without prior approval.

Free Look Period : 30 days in all states

Rate Lock Period : 45 days. For rollovers and exchanges, if the money is received within the rate lock period, we will issue the policy at the greater of the payout available on the date of the application or the payout available on the issue date. If money is received after the rate lock period, the payout available as of the issue date will be used.

For Agent Information Only. Not Intended For Solicitation Or Advertising To The Public.

# SPIA

---

## Payouts

- Options include:
  - Life Only (if age 70 or younger)
  - Life with a certain period
  - Joint Life
  - Joint Life with a certain period
  - Certain only (5-20 years)

*Life only options are limited to those clients under age 70. Clients over age 70 should choose a Life with Certain Period option.*

For Agent Information Only. Not Intended For Solicitation Or Advertising To The Public.

# Course Completion

---

Please sign and return the course completion page to us via FAX: (317) 574-6278 or by email to: [Marketing@Guggenheiminsurance.com](mailto:Marketing@Guggenheiminsurance.com)

As a representative of Guggenheim Life and Annuity Company (the “Company” or “Guggenheim”), it is important that you understand our Company’s guidelines on sales suitability, regulatory compliance and market conduct. Our Business Guidelines are designed to give you an overview of our guidelines. Agents, and the companies they represent, are being held by the public to a very high standard.

By accepting appointment with our Company, you are agreeing to be bound by the provisions of the guidelines which have been adopted by our Company. If you should have any questions about any of the material included in the guidelines, please feel free to call the Marketing Department at (800) 767-7749.

**Please complete the information below and return this certification.**

**AGENT STATEMENT: By signing below, I acknowledge that I have reviewed this Agent Training in its entirety.**

\_\_\_\_\_  
\_\_\_\_\_  
Signature of Agent                      Date  
Printed Name of Agent

\_\_\_\_\_  
\_\_\_\_\_  
Guggenheim Agent Number

\_\_\_\_\_  
Marketing Organization Affiliation