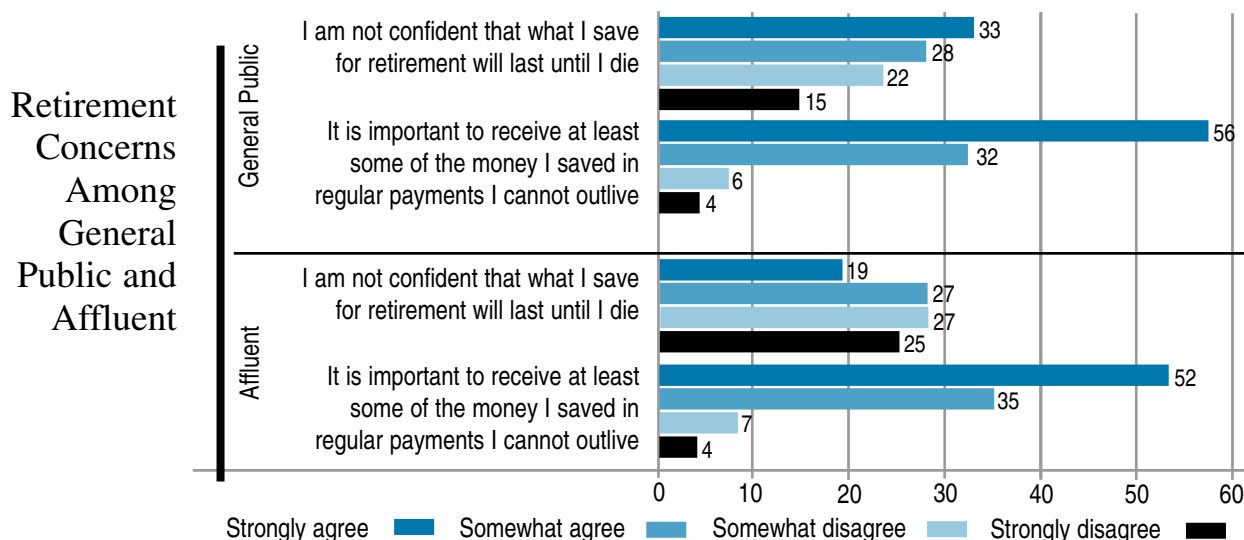


Managing Uncertainty: Annuities — Answers for Today’s Market

These are indeed uncertain times. Government, the economy, even our personal security seem less sure than they did only a year ago. Retirement planning is no exception. People are living longer in retirement and question the future of Social Security as well as the ability of their savings to last into their final years. In fact, according to the *American Council of Life Insurers (ACLI)*, 61 percent of Americans agree that they are not confident their retirement savings will last until they die (see chart below). As might be expected, confidence levels are lower among those with less income and education.



Source: *American Council of Life Insurers* survey, “Monitoring Attitudes of the Public 2000”
Note: Affluent denotes annual income of \$75,000 or more.

Annuities are an alternative, and unfortunately, the features and benefits of annuities remain largely unknown to most Americans. The *ACLI* released a report, “Monitoring Attitudes of the Public 2000,” which found that:

- Only 67 percent of those surveyed were aware that you do not pay taxes on annuity earnings until you start receiving benefits.
- A mere 54 percent realized a payment option is available which guarantees your spouse an income even after your death.
- Only 44 percent knew there are no restrictions on the amount of money you can put into an annuity.
- Just 35 percent understood that, unlike IRAs or other retirement products, you can begin taking payments from the annuity before age 70.

United American offers clients two annuity products, the *Lifestyle Annuity* and the *Flexible Premium Annuity* (FPA8), which provide a regular income stream that customers cannot outlive. The FPA8 (issue ages 0-80) features a 100 percent principal guarantee, a competitive yield, and a first-year bonus rate. The Lifestyle annuity (issue ages 0-80) offers security of principal and an interest rate guaranteed never to fall below four percent. With UA’s annuities, customers are allowed to access their money when they want it, subject to surrender charges, with a number of options for payout at annuitization. These annuities are tax-deferred with payment options sure to fit any client’s situation.