



Guaranteed Lifetime Income Annuity II Case Study

Sam Jones, a U.S. Bank advisor in Brooklyn, NY, has never sold an annuity and is not appointed with New York Life. Recently a new client, Mr. Thomas Roth, visited her branch seeking information about income annuities.

She learns that Mr. Roth is a snowbird who splits his time between New York and Florida and has investable assets of \$750,000. Despite receiving \$4,500 per month from social security and a pension, he still needs an additional \$1,500 to support his lifestyle. Mr. Roth explains he is hesitant to invest in the stock market but is considering allocating \$200,000 to fill the income gap.

Given his risk tolerance and apprehension to invest in the market, Sam has determined Mr. Roth would benefit from a reliable stream of guaranteed income. She only has a few days to close the deal before Mr. Roth leaves for Florida.

Sam calls the Sales Desk for more information on the Guaranteed Lifetime Income Annuity II and provides the following details.

Thomas Roth
Date of Birth: 7/5/1936
Lives in New York and Miami
\$200,000 non-qualified funds
Needs \$1,500/mo.

Run a quote for \$200,000 using the Life with Cash Refund income option. Print for review.

- 1) What is the Guaranteed Lifetime Income Annuity II and how does it work?
- 2) Why is an income annuity the best option for generating income?
- 3) What risks are mitigated by purchasing an income annuity?



- 4) How much income does this generate monthly? What is the payout rate and what is it based on?

- 5) Mr. Roth would like to leave money to his beneficiaries that is not paid in one lump sum but instead paid on a scheduled basis. What income option should he choose?

- 6) Explain each of the alternative payout options available.

- 7) How much of the annual income is tax-free?

- 8) If Mr. Roth passed away after receiving \$155,000 in payments, how much would his beneficiaries receive? At what age is the breakeven point?

- 9) What premium is needed to fund \$1,500 per month using the Life with Installment Refund income option? Print quote for review.



- 10) Explain the advantage of solving for the income instead of investing a lump sum.

- 11) How does Sam become appointed with New York Life?

- 12) Mr. Roth is a snowbird who splits his time between New York and Florida.
Does Sam have to be licensed in both states? What state application should she complete?

- 13) You explain to Sam that training for the Guaranteed Lifetime Annuity II product must be completed before starting the application process. How does she complete the training? What is the product code?

- 14) Mr. Roth wants his monthly payment deposited in his bank account by the 1st of each month. What commencement date needs to be specified on the application? Can the date be changed once the policy is issued?

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