

CASE STUDIES



**AN EXPERIENCED TEAM.  
A REPEATABLE PROCESS.  
PROVEN RESULTS.**

REFINANCE YOUR RETIREMENT  
WITH ASH ANNUITY AUDIT.



# CONTRACT REVIEW.

It's not news that it's an important part of any financial plan. As your clients' goals shift, auditing their coverage allows them to find the best solutions for right now.

Partnering with the Ash Audit team to review older annuity contracts allows you to offer your clients an unbiased, third-party look at where the contract is still performing well, if there are benefits your client is paying for that are no longer needed, and if there's a better option out there.

As goals shift, an audit can uncover new solutions to:

- Increase guaranteed income now
- Reduce fee drag
- Improve results even after the client has turned on income
- Convert single income to joint income for spouses
- Leave a larger legacy

The following case studies delve into how Ash Annuity Audit offered better solutions for real clients, without requiring additional premium. **Discover a new revenue stream while helping your clients find better solutions to their current goals.**

# Reducing Fee Drag and Taxes

## MEET ANGELA, AGE 79

Since buying her annuity 12 years ago, Angela's goals have shifted to reducing fee drag and increasing income.

The Ash Annuity Audit offered Angela an option that **reduced her fees and taxes by 73%. It also increased her annual guaranteed income by almost 12% without any additional out-of-pocket expense.** And that's even after she's already started taking income.



## CURRENT PRODUCT

Angela has a nonqualified variable annuity that was issued more than 12 years ago. The contract is outside the surrender period and the client has already started taking payouts, totaling \$37,500 so far. The current value of the annuity is \$177,640. Angela is paying a yearly average of 3.69% in fees.

The variable annuity also includes an income rider, giving Angela access to guaranteed annual income when she decides to take it.

## WHAT THE AUDIT REVEALED

### 1 KEEP CURRENT ANNUITY

Keep the variable annuity, which would generate an income of **\$15,000** annually

### 2 EXCHANGE FOR FIA

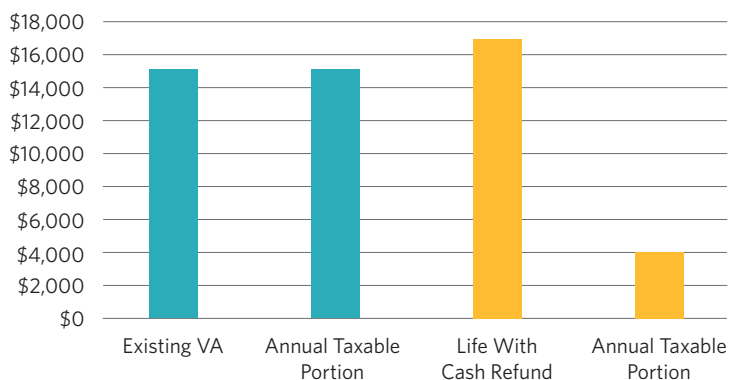
Exchange the policy for an FIA, which would generate an income of **\$16,300 to \$16,875** annually

### 3 EXCHANGE FOR SPIA

Exchange the policy for a SPIA, which would generate an income of **\$16,200 to \$16,730** annually

With the goal of maximizing income and lowering fees, the SPIA is a great way to do that. It eliminates fees and lowers taxes by almost 73%, which means more of her money goes toward income. Because she's replacing a nonqualified annuity, taking advantage of the SPIA's exclusion ratio offers significant tax benefits.

## ANNUAL INCOME



# Maximizing Income Now

## MEET MICHAEL, AGE 71

Now in retirement, Michael is interested in getting the highest possible income available.

The Ash Annuity Audit uncovered an option that allowed Michael to **reduce his fees AND increase his annual guaranteed income by 62% without any additional out-of-pocket expense**. And that's even after he's already started taking income.



## CURRENT PRODUCT

Michael has a qualified variable annuity that was issued in 2013. The contract is outside the surrender period and has an account value of \$1.2M. Michael has started taking payments from the annuity, totaling \$403,554 so far. Fees on the contract average 3.08% annually.

The variable annuity also includes an income rider, giving Michael access to a higher annual income.

## WHAT THE AUDIT REVEALED

### 1 KEEP CURRENT ANNUITY

Keep the variable annuity, which generates an income of **\$64,300** annually

### 2 EXCHANGE FOR FIA

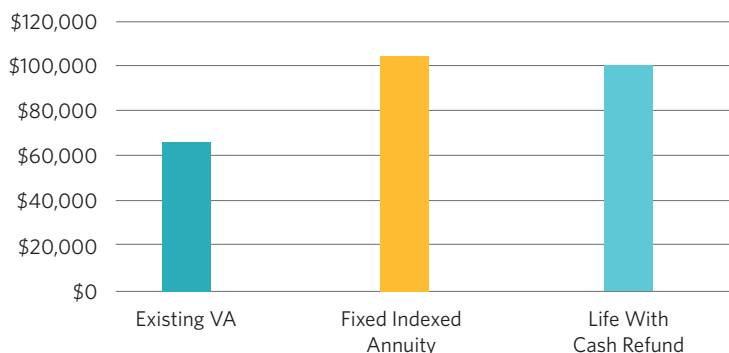
Exchange the policy for an FIA, which would generate an income of **\$97,000 to \$104,500** annually

### 3 EXCHANGE FOR SPIA

Exchange the policy for a SPIA, which would generate an income of **\$96,000 to \$100,000** annually

With the goal of maximizing income now, the FIA is a great option. Replacing his variable annuity with the FIA allows Michael to increase his annual income by \$40,000 while also reducing his fees. In fact, over a 20-year period his income increased about \$714,000.

## ANNUAL INCOME



# Increasing Income After Turning On A Rider

## MEET HENRY, AGE 66, AND CAROL, AGE 64

Now that Henry's retired, he and Carol have started taking income from an existing qualified variable annuity. Their current goal is to maximize income when Carol retires in one year, without having to spend any more money now to make that happen.

The Ash Annuity Audit offered Henry and Carol an option that reduced their fees AND increased their annual guaranteed income by 29.6% without any additional out-of-pocket expense. **And that's even after they already started taking income.**



## CURRENT PRODUCT

Henry and Carol purchased a qualified joint variable annuity in 2018. The surrender value of the policy is currently \$113,607, with one year left in the surrender period. They've started taking payments, totaling \$9,445 so far. Fees on the contract average 4.29% annually.

The variable annuity also includes a joint guaranteed lifetime withdrawal benefit, giving Henry and Carol access to a higher annual income.

## WHAT THE AUDIT REVEALED

### 1 KEEP CURRENT ANNUITY

Keep the variable annuity, which generates an income of **\$6,790** annually

### 2 EXCHANGE FOR SPIA

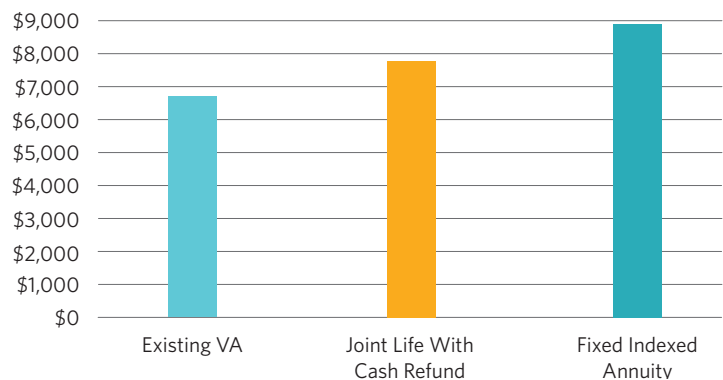
Exchange the policy for a SPIA, which would generate an income of **\$7,200 to \$7,700** annually

### 3 EXCHANGE FOR FIA

Exchange the policy for an FIA, which would generate an income of **\$7,800 to \$8,800** annually

With the goal of maximizing income at Carol's retirement, the FIA with an income rider is a great way to do that. In addition to increasing their joint income, it could also reduce the fees they were paying on the variable annuity.

## ANNUAL INCOME



# Preparing to Take Income Next Year

## MEET SUSAN, AGE 55

Susan purchased a variable annuity with an income rider about six years ago. The goal was to turn on guaranteed income sometime in the future. It has one year left in the surrender period, and on average Susan is paying 4.36% in fees. Her current surrender value is almost \$1.18M and she's paid a little more than \$905K into the annuity. Now that the surrender period is almost up, Susan is preparing to take income, and wants to maximize her payments.

The Ash Annuity Audit allowed Susan to increase her annual guaranteed income by more than \$28,000 without any additional out-of-pocket expense. It also allowed her to reduce the fees she was paying on the variable annuity.



## WHAT THE AUDIT REVEALED

### 1 KEEP CURRENT ANNUITY

Keep the variable annuity, which in one year would generate a guaranteed income of **\$56,400** annually.

### 2 EXCHANGE FOR SPIA

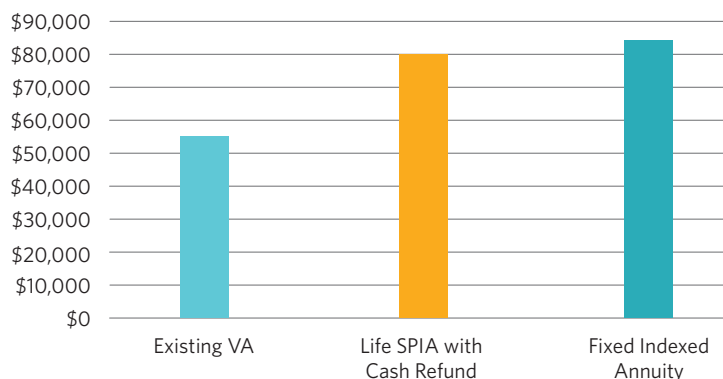
Exchange the contract for a Life with Cash Refund SPIA which in one year would generate a guaranteed income of **\$76,000 to \$80,150** annually.

### 3 EXCHANGE FOR FIA

Exchange the contract for an FIA with an income rider, which in one year would generate a guaranteed income of **\$77,800 to \$84,950** annually.

If the goal is to maximize income, the FIA is a great way to do that. With her current variable annuity, Susan is paying more than \$50,000 in fees annually. With an FIA, those fees are reduced significantly, allowing more of her funds to go toward the account value and possibly income.

## ANNUAL INCOME IN 1 YEAR



# Growing a Legacy

## MEET ETHEL, AGE 64

Ethel purchased a variable annuity about nine years ago. Her goal was initially guaranteed income sometime in the future. She no longer needs the income and her goal for these funds has changed to creating a legacy. It has one year left in the surrender period, and on average Ethel is paying 4.28% in fees. Her current account surrender value is \$166,356. The average annual growth of the annuity is 5.45%.

The variable annuity also includes an income rider, giving Ethel access to a guaranteed annual income. However, since her goal has shifted, she is paying for a benefit she no longer needs.

With Annuity Audit, Ethel is able to reduce fees and increase her legacy by \$35,683.



## WHAT THE AUDIT REVEALED

### 1 EXCHANGE FOR DEFERRED ANNUITY

Depending on Ethel's risk tolerance, she could keep the variable annuity she currently has or select a different deferred annuity, such as a MYGA, FIA or RILA.

### 2 EXCHANGE FOR PREMIUM BONUS

Exchange the annuity for one with a premium bonus, which can be an initial up-front bonus of, for example, 20% added to the account value or benefit base.

### 3 EXCHANGE FOR ROLL UP RIDER

Exchange the policy for one with a guaranteed death benefit rider option that provides an annual roll up for a certain period of time or percentage.

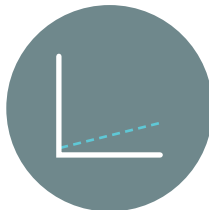
With legacy planning as the main objective, reducing fees is important. By moving to one of the other deferred annuities available, **Ethel can reduce her fees by \$35,683 over the next five years.**

#### MYGA



Set rate for a certain period and no fees

#### FIA



No downside, upside of index and no fees

#### RILA



Higher upside than FIA, limited downside and no fees

# Switching from Single to Joint Income

## MEET RILEY, AGE 63

In 2019 Riley was single and purchased a qualified fixed indexed annuity (FIA). Today the contract has a surrender value of \$262,636.

The FIA also includes a single income rider, giving Riley access to a higher annual income. Riley is now married and wants to see how much joint guaranteed income she can get from her annuity in five years.

With the Ash Annuity Audit, Riley was able to discover that she could change from a single to a joint income rider and increase her annual guaranteed income without any additional out-of-pocket expense.



## WHAT THE AUDIT REVEALED

### 1 KEEP CURRENT ANNUITY

Keep the current FIA, which would generate a single annual income of **\$20,850** in five years.

### 2 EXCHANGE FOR FIA

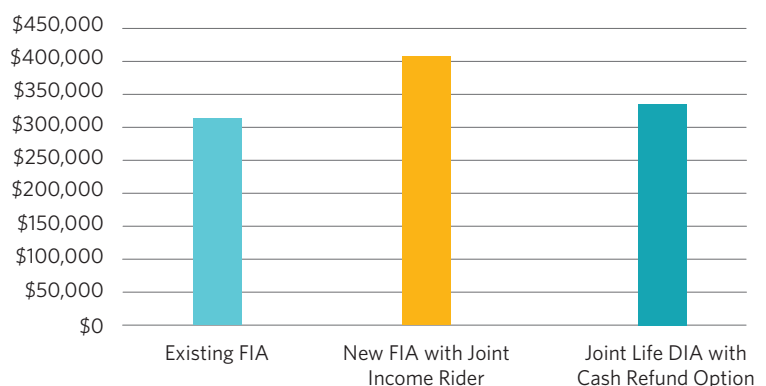
Exchange the policy for an FIA with a joint income rider which would generate a joint annual income of **\$25,400 to \$27,000** in five years.

### 3 EXCHANGE FOR DEFERRED ANNUITY

Exchange the policy for a joint life with cash refund deferred income annuity (DIA) which would generate an annual income of **\$20,700 to \$21,950** in five years.

If the goal is to max out income in five years, the FIA with the joint income rider is a great way to do that. Usually, going from single to joint would decrease income, but today's market offered a better result for Riley.

## TOTAL INCOME AFTER 20 YEARS





# Reviving a 25-Year-Old Annuity for Income Now

## MEET DAVID, AGE 69

David purchased a nonqualified variable annuity 25 years ago with a joint income rider. The goal was to provide income during retirement, and the annuity has a current surrender value of about \$1.41M. Since issue, the annuity has grown at compounded annual growth rate of 2.86%. He's paid fees averaging 2.93% of his account value.

The variable annuity also includes a joint income rider, giving David access to a higher annual income.

The Ash Annuity Audit gave David an option that increased his income by 18% while also reducing fees.



## WHAT THE AUDIT REVEALED

### 1 KEEP CURRENT ANNUITY

Keep the current variable annuity, which generates an income of **\$79,630** annually.

### 2 EXCHANGE FOR SPIA

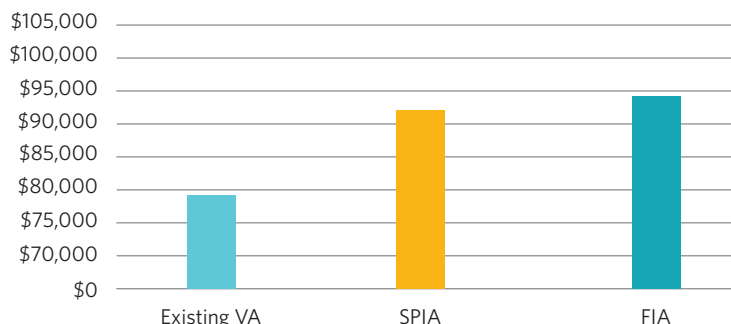
Exchange the policy for a joint life with cash refund SPIA which would generate an income of **\$91,600 to \$92,740** annually.

### 3 EXCHANGE FOR FIA

Exchange the policy for an FIA with a joint income rider which would generate an income of **\$91,600 to \$94,500** annually.

Despite the fact that David's variable annuity has been growing for 25 years, the audit was still able to offer two options that not only reduce fee drag, but also substantially increase his income.

## TOTAL INCOME AFTER 20 YEARS



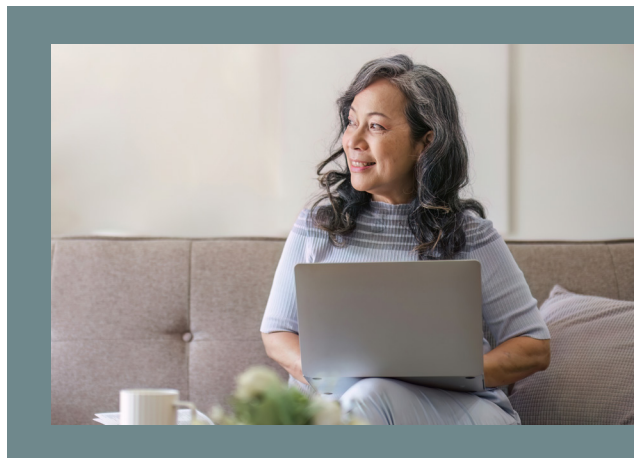
# Increasing Income Now, In 2 Years or in 5 Years

## MEET GAIL, AGE 66

Gail purchased a qualified variable annuity 15 years ago. As a single woman, her original goals were to eventually use the annuity for income and also to leave a legacy. But now, her main goal is maximizing income in the near future, and she's wondering when to turn that income on. Her current surrender value is \$124,815.

The variable annuity includes both an enhanced death benefit rider worth \$152,915 and an income rider, allowing Gail to take increased income when she's ready.

With the Ash Annuity Audit, Gail was able to discover options for turning on income immediately, in two years or in five years, depending on her needs. In each case, her income was increased over that offered by her current variable annuity.



## WHAT THE AUDIT REVEALED

### 1 KEEP CURRENT ANNUITY

Keep the variable annuity, which would generate an annual income of between **\$7,645 to \$9,760**, depending on when she decides to turn it on.

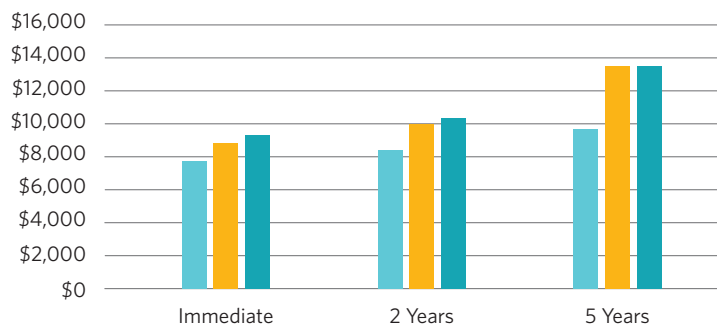
### 2 EXCHANGE FOR SPIA/DIA

Exchange the policy for a Life with Cash Refund SPIA/DIA which would generate an annual income of between **\$8,650 to \$13,280**, depending on when she decides to turn it on.

### 3 EXCHANGE FOR FIA

Exchange the policy for an FIA with an income rider, which would generate an annual income of between **\$8,860 to \$13,380**, depending on when she decides to turn it on.

Because her goal has shifted to focus solely on income, she doesn't need to continue paying for an enhanced death benefit rider. Eliminating unneeded benefits as well as extra fees allows Gail to receive more income now and in the future.



	Immediate	2 Years	5 Years
Existing VA	\$7,645	\$8,430	\$9,760
SPIA/DIA	\$8,650	\$9,950	\$13,280
FIA	\$8,860	\$10,235	\$13,380

# Creating Assurance and Opportunity With an Annuity Audit

## ENHANCE CLIENT RELATIONSHIPS AND REVENUE WITH ASH ANNUITY AUDIT

Your clients' goals and desires can change in just a few years. Market changes, as well as new pricing or solutions may present new opportunities for clients. They may even be paying fees for benefits that no longer fit their profile.

An Ash Annuity Audit provides an agnostic, third-party review and analysis of in-force annuity contracts. This complimentary process can help you build trust and confidence with new clients or deepen your existing relationships. In turn, **your clients could uncover the potential opportunity to:**

- Lock in gains
- Diversify assets
- Increase guaranteed income
- Reduce fees or portfolio risk
- Confirm proper beneficiary designation
- Uncover bond alternatives
- Protect assets in a rising interest rate environment
- Add optional benefits and riders

## HOW TO GET THE MOST OUT OF AN ASH ANNUITY AUDIT

An annuity audit can be used with both new and existing clients. It works best with contracts that the client has had for at least 10 years. Here is the most effective process for utilizing this complimentary service.



### STEP 1

Obtain a current client annuity statement



### STEP 2

Complete the Ash Annuity Audit Fact Finder



### STEP 3

Let Ash do the work for you

## THE ASH ANNUITY AUDIT FACT FINDER<sup>1</sup>

Use the Fact Finder to gather key information for the audit. Specifically, the Fact Finder will determine:

- Client goals for current funds — usually accumulation, current or future income, or leaving a legacy.
- If income is the goal, when should income start?
- If their contract is still meeting their objectives.

We will provide a four- to five-page report that will either confirm the client is where they should be or offer recommendations or suggestions to better use those funds.



Ash Brokerage is not an investment adviser and the information provided in this document is not investment advice. You should consult your investment professional for advice based on your personal circumstances and financial situation. Annuities are intended to be long-term investments and may not be suitable for all investors. Withdrawals from an annuity contract may have tax consequences. An annuity is a long-term investment designed for retirement purposes. With a RILA, there is a risk of loss of principal if negative index returns exceed the selected protection level. Gains or losses are assessed at the end of each term. With a registered annuity, investment returns and the principal value of an investment will fluctuate so that an investor's units, when redeemed, may be worth more or less than the original investment.

Registered index-linked annuities (RILAs) are sold by prospectus only. Before purchasing an annuity, you should consider the features of the contract, applicable investment options, index strategies, and investment objectives as well as the risks, charges, and expenses associated with the annuity and its investment options. The prospectus contains this and other information, which should be read carefully before investing. To request a prospectus, call Ash Brokerage at (800) 589-3000. Annuity guarantees are subject to the financial strength and claims-paying ability of the issuing insurance company.

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