



SPDA Sales Solutions



Comparing a Single Premium Deferred Annuity to an Equity Indexed Annuity

Key questions when considering the Equity Indexed Annuity for your client.

Conservative investors want guarantees and simplicity. While there are attractive features in an Equity Indexed Annuity, especially the earnings potential, your client may be more concerned with having a minimum rate guarantee and an easy-to-understand investment product.

1. Is an Equity Index Annuity (EIA) suitable for your client?

For conservative investors who dislike stock volatility, an EIA is a more stable investment and offers some protection against loss of principal. However, should the client need access to their funds, significant surrender charges could pose a risk to their principal.

2. Will your client understand the complexities of an EIA?

EIAs are one of the most complex investment products. An EIA may not be the best match for a conservative client with limited investment experience. For example, clients may believe the EIA will track with the rate of return of popular market indexes, such as the S&P 500 when, in fact, their EIA may be capped below the index's return.

3. Is your client looking for a simple guaranteed fixed rate of return for retirement growth?

If this is the main client objective, only a fixed annuity can provide guaranteed returns that are simple to understand. There are no complicated features to explain, and your client knows exactly what to expect.

For tax-deferred investment growth, our Ultra-Secure 5- and 7-year SPDA offers easy-to-understand advantages.

United of Omaha's Ultra-Secure 5- and 7-year SPDA provides several benefits your senior clients will appreciate, including tax-deferred growth, access to funds, and a variety of payout options...an ideal, simple product for the conservative investor.

	Ultra-Secure 5- and 7- year SPDA	Equity-Indexed Annuity
Purpose	Tax-deferred growth for retirement	Tax-deferred growth for retirement
Complexity	Simple-fixed rate of return	Complex-Owners must understand participation rates, indexing methods, interest rate caps and other fees.
Cost	No cost – No annual fee	May be a Margin/Spread or Administrative fee
Interest Rate	5- and 7-year fixed rate guarantee	Varies with a minimum and a maximum. Subject to participation limits, interest rate caps and indexing methods. May have to annuitize contract to receive full interest credited to the contract.
Surrender Charges	Defined 5- and 7-year schedule	Generally higher surrender charges over a longer period
Money Back Guarantee	After first year, withdrawals in excess of 10% subject to surrender charge schedule	Withdrawals subject to surrender charges, market value adjustment and guarantee may not be based on full deposit.