

Overview, history and the evolution of tax deferred annuities – 20 Minutes

Section 1

During this section we will discuss the various types of annuities that are approved for sale in the State of Oregon and Washington. We will break down each into their most basic parts and study how they are designed, constructed and priced by the insurance company. We will discuss how the insurance company invests the assets that back each line of annuity listed below. We will discuss the base policies as well as riders such as income benefit riders.

- 1 – Immediate Annuity – Term Certain, Life Contingent and Joint Life Annuities
- 2 – Fixed Deferred Book Value Annuities
- 3 – Multi Year Guaranteed Annuities
- 4 – Fixed Annuities with Market Value Adjustment
- 5 – Fixed Equity Indexed Annuities
- 6 – Longevity Annuities
- 7 – Linked Benefit Annuities
- 8 – Variable Annuities

Section 2 – Taxation of Annuities – 20 Minutes

During this section we will review the Federal and State taxation of each type of annuity discussed in section 1. Topics include:

- 1 – Tax Deferral – How it works and when it is appropriate
- 2 – Tax Penalties for Pre 59 ½
- 3 – Ordinary Income vs Short Term and Long Term Capital Gains
- 4 - Section 1035 – History and 4 updates over past 20 years.
- 5 - Exclusion Ratio
- 6 – IRA Annuity Taxation – Roth IRA Annuities
- 7 – Required Minimum Distribution
- 8 – Gift Annuity Taxation
- 9 – Taxation of Annuities at Death

Section 3 – Uses of Annuities – 20 Minutes

During this section we will review the various uses for annuities including:

- 1 – Retirement Income Planning
- 2 – Income planning for the disabled and spendthrift
- 3 – Asset Accumulation Planning
- 4 – Medicaid Annuities
- 5 – Charitable Gift Annuities

We will use actual and hypothetical case studies to determine if any annuity would provide a solution to a consumers' need, problem or situation and discuss which of the product types might be appropriate.

JOHN LENZ

John entered the life insurance business in 1981 and has spent the last 35 years as an Agent, General Agent and Brokerage General Agent. He earned his Chartered Financial Consultant and Chartered Life Underwriter degrees from the American College and is a Certified Financial Planner. John is President of Lenz Financial Group in Portland and a founding member of US Annuity Partners. John's company employs 13 people who specialize in the design and underwriting of life insurance, annuity and LTC insurance for more than 1,000 agents in the Pacific Northwest.

John is a past member of the board of directors of the Oregon and SW Washington Financial Planning Association and past board chair of Insurance Designers of America, a national insurance marketing organization with 54 offices nationwide. John has been an expert witness in nearly 30 arbitration, mediation and legal cases involving annuities and life insurance products. John is the father of four children, grandfather of six, and has been married 35 years.