

# The Source

SEPTEMBER 2002



## TAX ANALYSIS

### For Losses: It Pays to Work That 1040!

With the S&P 500 averaging a whopping 10% annualized loss over the past three years, these losses give many the chance to essentially save money in a bear market while cleaning up their portfolios in the process. Those in the 27.5% tax bracket, for instance, would save \$825 on our taxes if they booked a \$3,000 loss above any capital gains.

### For Gains: Protect Stock Value and Avoid Triggering Capital Gains

During these uncertain times, there is clearly a need for stock market protection, particularly if this can be achieved without the tax costs and other disadvantages typically associated with liquidation. There is a tool that will do just that. Through a special loan arrangement we call the "Millennium Stock Protection Plan" your clients are able to move up to 90% of their publicly traded stocks into income

### RATINGS NOTES:

- \* American Equity downgraded from A- to B++ by A.M. Best.
- \* Conseco Cut Again: this time to B by A.M. Best.
- \* USG Annuity & Life holds A+.
- \* Transamerica continues A+ rating.

Fitch Ratings announced it is launching a review of its ratings for all U.S. insurance companies and anticipates up to 1/3 of the groups in its current ratings coverage will be downgraded at the close of the review.

### RATES

**5 Year 5.05%**  
**10 Year 5.50%**

Rates are falling, Lehman Bros. predicts the Federal Fund Rate may be cut to 1% by the end of the year!

## PRODUCT NEWS

### Annuities with LTC Benefits

Not just another nursing home waiver but benefits above and beyond the annuity cash values. These products offer LTC-like benefits after the clients meet LTC triggers. In many cases, with pre-existing conditions, they can be covered if the client hasn't been confined or received care in 12 months prior to the contract date. The added protection from these LTC riders offers a complete 'asset protection' solution since many states protect annuity cash values from the claims of creditors. Protect principal, assets and the client's legacy to their family in one fixed annuity!

**Request Contracting & Kit today!**

**NEW** **Tell me how to save 2 hours a day!** Is last minute prep taking away your selling time? Well, here's your answer: the **Product Tool Kit** at [www.annuityfinancial.com](http://www.annuityfinancial.com). You can get immediate answers to your most common questions: forms, interest rates, company and product info. **Register NOW!**

### LEARNING CORNER

A professional marketing and selling system. The average sale exceeds \$250,000. No commission haircuts. Are you trained to market the **Family Stretch IRA**? **Register now or someone else will show your clients how a Family Stretch can work for them!**

**Producers can get information on these articles by contacting us at (800) 326-9019 ext. 132, e-mail us at [info@annuityfinancial.com](mailto:info@annuityfinancial.com) or fax back the attached**

EARNINGS REPORT	How have EIAs done the last 5					
	S&P Annual Return	S&P Daily Avg.	S&P Monthly Avg.	Dow Annual Return	Dow Daily Avg.	Dow Monthly Avg.
1997	31.01	17.91	18.24	22.64	15.49	15.34
1998	26.67	11.91	12.10	16.10	9.14	8.88
1999	19.53	7.98	8.25	25.22	14.18	14.09
2000	-10.14	-2.86	-3.37	-6.18	-6.68	-7.04
2001	-13.04	-9.55	-10.22	-7.10	-5.36	-6.00
Average	10.806	5.078	5.00	10.136	5.354	5.054
Participation Rate	100	212.8	216.12	100	189.32	200.55

\*The Advantage Group 2002

### Special Note:

**NACOLAH** announced that the **Market Choice Bonus** will have a maximum issue age of 79. **NACOLAH** has a great product. Get your contracting package now!



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- Tell me how to save 2 hours a day! I need directions on registering for my 24/7 password and access to the AFS Product Tool Kit to view interest rates, forms, product information and company information.
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