

Platinum Provider

Plan for tomorrow today.

Agent Guide

Policy Series 274/274-DB



- Future guaranteed income stream
- Guards against market volatility
- Optional Cost of Living Increase
- Income payments can begin within two years
- Life income only or life income with death benefit

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Platinum Provider at a Glance

Issue Ages:

18 -80

Age last birthday

Minimum Premium:

The greater of \$10,000 or the single premium necessary to generate a minimum income payment of \$50 per month

Maximum Premium:

\$500,000 without prior Home Office approval

Markets:

Non-qualified

Product Specifications

Death Benefit

The Owner will be given the option to choose an Income Payment Option at issue. If an option without a death benefit is elected, the Owner must acknowledge on the Benefits Summary and Disclosure that they understand a death benefit will not be provided, either prior to or after the Income Payment Commencement Date. Such election will be disclosed on the cover page of the contract. In exchange, a higher income payment will be paid.

If an option with a death benefit is elected, upon the death of the Annuitant (and Joint Annuitant, if applicable), a death benefit equal to the single premium, without accumulation for interest, less the sum of all Income Payment Amounts disbursed, will be paid to the named beneficiary.

Income Payment Commencement Date

Income payments will begin no earlier than two years after issue and no later than age 85 of the oldest annuitant and cannot be changed. Commencement date must be on a contract anniversary. (State variations may exist.)

Income Payment Frequency

Annual, semiannual, quarterly, monthly, and semimonthly. Income Payment Frequency cannot be changed.

Income Payment Options

- ▶ Life Income only
 - ▶ Life Income with Death Benefit
 - ▶ Joint and Survivor Lifetime Income
 - ▶ Joint and Survivor Lifetime Income with Death Benefit
- Income Payment Option cannot be changed.

Cost of Living Increase

Cost of Living Increase is available with all Income Payment Options as a set percent. The Owner must select a Cost of Living Increase amount of 0, 2, 3, 4, or 5% at issue. On each contract year anniversary following the Income Payment Commencement Date, the modal payment from the previous contract year is increased by the selected percentage. (State variations may exist.)

Quotes

Platinum Provider quotes can be obtained at www.americo.com. These quotes are always up-to-date and are available for you 24/7. Due to frequent updates of income payments, Platinum Provider quotes are not available on the Americo Insurance Desk Software system. Quotes can also be obtained by calling Americo Sales Support at 800.231.0801.

New Business Information

Completing the application

- Print clearly and use black ink.
- Answer all questions thoroughly.
- Make sure that you have all of the required forms for your product and state.
- Note special requests such as effective date, draft date, save age, issue family members together in the Agent Comments section of the application.
- Double-check for correct signatures, agent number, and dates.
- The Payor section of the application is not necessary, unless the Payor is different from the owner or insured.

Fax your application

- Use the Amerigo Fax Application Transmittal Form (#AFSFAX2002)
- Attach the application, additional required forms and a copy of the premium check or EFT form
- Fax to: 800.395.9261
- If you provide your fax number or email address on the Fax Transmittal form, you will receive a confirmation including the policy number, within three (3) business hours.
- Please do not mail the originals.

Upload your application

Submit your business electronically to Amerigo's secure site.

- If your documents are not already saved electronically, scan and save them to your PC. We accept the following file types: .doc, .jpg, .pdf, .tif, .tiff, .bmp
- You can upload five (5) documents at a time, with a maximum size of 10 megabytes.
- The name of your documents must be 45 characters or less.
- Log on to www.amerigo.com and click on the "Upload Documents" link on the lower left side of the home page.
- Follow the easy instructions.
- You can also upload outstanding requirements for existing pending business. Please make sure to write a policy number on the document.

Forms of Payment

- Please do not send cash or partial premiums.
- Amerigo will accept cashier's checks, but NOT money orders.
- We cannot process premium checks that are postdated, backdated by more than six months, or improperly endorsed. Please make sure the policy number, if you know it, is on any check sent to Amerigo.
- Personal checks written by the agent, on behalf of the applicant, will not be accepted.

Amerigo Contact Information

Amerigo.com: Access product information, forms, and consumer-friendly information, and download quote software at our agent website www.Amerigo.com.

Sales Support:

800.231.0801, or
salesupport@amerigo.com
Monday – Friday 8 A.M. to
5 P.M., central.

Agent Contact Center:

800.231.0801 or
pending.business@amerigo.com
Monday – Friday 8 A.M. to
5 P.M., Central.

Customer Service:

800.231.0801 or
customer.service@amerigo.com
Monday – Friday 8 A.M. to
5 P.M., Central

Mailing Address
PO BOX 410288
Kansas City, MO 64141-0288

Overnight Address
300 W. 11th Street
Kansas City, MO 64105-1618

Product Positioning

What is Platinum Provider?

- ▶ Platinum Provider is a single premium deferred annuity that locks in predictable, guaranteed lifetime income starting at a future date.
- ▶ Platinum Provider is specifically designed for clients who are worried about outliving their income in retirement.
- ▶ In essence, Platinum Provider can be described as “longevity insurance.”
- ▶ Platinum Provider helps to provide your clients with peace of mind knowing that they can guarantee a retirement income for the rest of their lives.

Why would my clients need a product like this?

Living Longer in Retirement

Simply put, people are now living longer in retirement and guaranteed income during these years is becoming less common. Research shows that people are living longer than ever before. This is great news, however, this also means that more income will be needed for retirement years.

At age 65, the probability of your client living to:

Age	Male	Female	One in A couple
80	69%	79%	93%
85	51%	63%	82%
90	31%	42%	60%
95	15%	21%	33%
100	5%	7%	11%

Source: Society of Actuaries Annuity 2000 Mortality Tables

Rising Costs of Retirement

Not only do seniors have to be concerned about making sure their savings will last throughout retirement, they also have to remember the effects of inflation on purchasing power and the rising costs of healthcare.

- ▶ A study by the U.S. Department of Health and Human Services says that people who reach age 65 will likely have a 40% chance of entering a nursing home. About 10% of the people who enter a nursing home will stay there five years or more.
Source: *Medicare.gov, Long Term Care, August 3, 2012*
- ▶ In the United States, spending for prescription drugs was \$325.8 billion in 2012.
Source: *IMS Institute for Healthcare Information, Declining Medicine Use and Costs: For Better or Worse?, May 2013.*
- ▶ A 65-year old couple retiring in 2012 is estimated to need \$240,000 to cover medical expenses throughout retirement.
Source: *Fidelity Benefits Consulting, Retiree Health Costs Estimate, March 2012.*

Outliving Their Savings

- ▶ In 1975, 88% of private-sector employees were covered by a pension plan; by 2005, this number had dropped to around 33%. In 2012, this number is less than 25%.
Source: Ayco Compensation Benefits Digest, Volume XX, Issue IV, April 13, 2012.
- ▶ According to projections, Social Security trust fund asset may be depleted by 2033.
Source: *Social Security Administration, 2013; www.ssa.gov/pressoffice/pr/trustee13-pr.html*

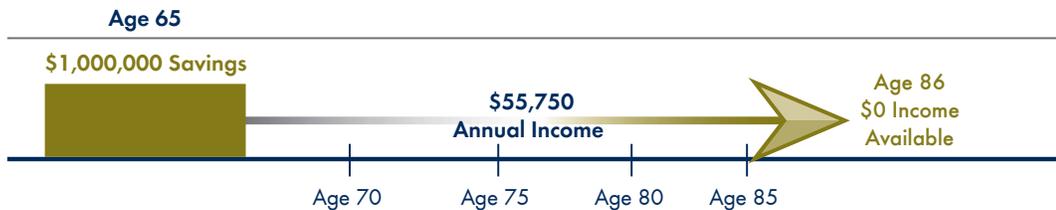
Without having pensions or Social Security to rely on, seniors are now facing the challenges of how to sustain their income without outliving their savings. For example, if a 65-year-old began retirement with a savings of \$1,000,000 and planned on taking an annual income of \$55,750, they could expect to run out of savings at age 86. This, in combination with rising life expectancies, is a problem many seniors are facing.

Platinum Provider Can Help Solve These Problems

Platinum Provider enables your client to purchase a future guaranteed income stream. At the time of application, your client can decide when they would like these payments to start as well as several payout options.

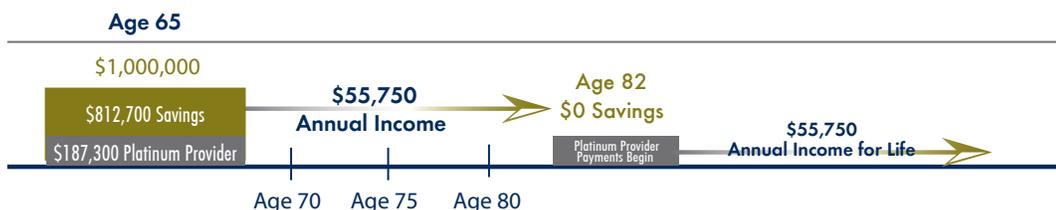
In the example above, they ran out of money at age 86 because they were using the entire savings amount for income.

- ▶ \$1,000,000 savings at age 65
- ▶ Provides an annual income of \$55,750 until age 86



In contrast, if this same person were to take \$187,300 from their savings and purchase Life Income with Platinum Provider, they can guarantee a future income stream.

- ▶ \$1,000,000 savings at age 65
- ▶ Places \$187,300 into Platinum Provider at age 65 and defers payments for 17 years.
- ▶ \$812,700 remains in savings and will provide an annual income of \$55,750 until age 82.
- ▶ At age 82, when their savings has been depleted, they will begin receiving a guaranteed income amount of \$55,750 from Platinum Provider for the remainder of their life.



Example assumes 65-year-old male, 2% interest rate. All information shown here is hypothetical, intended for illustrative purposes only, and not guaranteed.

Who should consider Platinum Provider?

- ▶ Clients who have saved adequately for their retirement, but are concerned about how to ensure that the money will last for the rest of their lives.
- ▶ Clients who will not need access to the contributed funds immediately.
- ▶ Clients who have a family history of longevity.
- ▶ Clients who desire peace of mind knowing that they will receive a guaranteed 'paycheck' of income in their later retirement years.
- ▶ Clients who do not want to become financially dependent on their children in later retirement years.

How Platinum Provider Works

The Goal. A 65-year old male has saved \$1,000,000 for retirement. He wants to ensure that he will have enough income for the rest of his life.

The Plan. He decides to take \$100,000 (10% of his savings) and purchases a Platinum Provider annuity. He chooses the Life Income with Death Benefit option and defers payments until age 80.

The Outcome. At age 80, he will begin receiving a monthly income of \$1,544. He can count on this income for the rest of his life. When he passes away, a death benefit may be passed on to his named beneficiary.

How the Death Benefit Works:

- ▶ Assume the annuitant dies at age 82. He has been receiving monthly income payments of \$1,544 for two years. The named beneficiary would receive the difference of the initial premium payment and the income payments received.

Income Payments: $\$1,544 \times 24 \text{ months} = \$37,056$

Death Benefit: $\$100,000 - \$37,056 = \$62,944$

- ▶ Assume the annuitant dies at age 90. He has been receiving monthly income payments of \$1,544 for 10 years.

Income Payments: $\$1,544 \times 120 \text{ months} = \$185,280$

In this situation, no death benefit would be payable to the named beneficiary because the amount of income payments received exceeds the initial premium payment of \$100,000.

Great Tool for Laddering Retirement Income

Platinum Provider can also be an excellent tool for laddering retirement income. This means that a client can purchase 'waves' of future income.

The Goal. A 55-year-old female wants to retire at age 65 and wants to make sure that all of her needs are taken care of during her retirement years.

The Plan. She takes \$120,000 from her retirement nest egg and purchases three separate Platinum Provider annuities, choosing the Life Income option for each.

The Outcome. At age 55, she has a life expectancy to age 87¹. By purchasing three separate Platinum Provider annuities, putting \$40,000 into each annuity and deferring when to receive income payments at three different ages, she will receive **\$262,692** in income payments by age 87.

Here's how she did it:

- ▶ Platinum Provider #1 deferred until age 65 = \$301/month
- ▶ Platinum Provider #2 deferred until age 70 = \$433/month
- ▶ Platinum Provider #3 deferred until age 75 = \$659/month

Annuity #1	Annuity #2	Annuity #3	
\$301 Monthly Income			Age 65 Monthly Income: \$301
\$301 Monthly Income	\$433 Monthly Income		Age 70 Monthly Income: \$734
\$301 Monthly Income	\$433 Monthly Income	\$659 Monthly Income	Age 75 Monthly Income: \$1,393

¹Based on Society of Actuaries Annuity 2000 Mortality Tables.

All information shown here is hypothetical, intended for illustrative purposes only, and not guaranteed.



Americo Financial Life and
Annuity Insurance Company
300 W. 11th Street
Kansas City, MO 64105

About Amerigo

For over 100 years, Amerigo Life, Inc.'s family of insurance companies has been committed to providing the life insurance and annuity products you need to protect your mortgage, family, and future.¹ We listen to what you want from an insurance policy or annuity and do our best to provide a proper solution for your individual situation.

Innovative thinking has helped us build a strong financial foundation for our business. Amerigo Financial Life and Annuity Insurance Company (Amerigo) is a member of the Amerigo Life, Inc. family of companies. Amerigo Life, Inc. is one of the largest, independent, privately held insurance groups in the United States² with over 676,000 policies, over \$34 billion of life insurance in force, and \$6.1 billion in assets for year-end 2012.³

¹Americo Life, Inc. is a holding company and is not responsible for the financial condition or contractual obligations of its affiliate insurance companies.

²"Admitted Assets, Top Life Writers-2012," A.M. Best Co., as of July 2012.

³Information is as of year end 2012 on a consolidated basis for Amerigo Financial Life and Annuity Insurance Company and the other life insurance subsidiaries of Amerigo Life, Inc., unless otherwise indicated. Information is prepared on the basis of generally accepted accounting principles (GAAP).

Important Information

Americo Financial Life and Annuity Insurance Company is authorized to conduct business in the District of Columbia and all states except NY and VT.

Products are underwritten by Amerigo Financial Life and Annuity Insurance Company (Amerigo), Kansas City, MO, and may vary in accordance with state laws. Some products and benefits may not be available in all states. Some riders are optional and available for an additional cost. Certain restrictions and variations apply. Consult policy and riders for all limitations and exclusions. For exact terms and conditions, please refer to the contract.

This annuity is intended to be a long-term retirement instrument. If your client keeps this annuity only a few years, contract values may be less than the total contributions due to surrender charges, income tax and IRS penalties.

Neither Amerigo Financial Life and Annuity Insurance Company nor any agent representing Amerigo Financial Life and Annuity Insurance Company is authorized to give legal or tax advice. Please consult a qualified professional regarding the information and concepts contained in this material.

Any illustrations of future values used in a sales presentation are provided only for illustrative purposes. Any such illustration must not be regarded as guaranteed or as estimated future performance unless it is based solely on the minimum guaranteed interest rates.