

## Introduction:

**M**y name is Bryan Anderson, founder of Annuity Straight Talk and creator of the most effective retirement strategy available.

For nearly 16 years, people have come to me for a detailed analysis of financial products and for safe, creative solutions to some of their biggest financial concerns.

I'm an annuity expert. At first, I did not like them, but during my research to find the catch in contracts, I uncovered some fundamental benefits annuities offer that can significantly enhance retirement portfolios.

I understand why some people say annuities are a bad deal for retirees, but this opinion is often uninformed. The strategies and ideas you'll uncover in this eBook will show you why the most popular contracts are most often sold the wrong way. I've dedicated my career to understanding and leveraging the benefits of annuities, more so than anyone in the field. And I want to help you.

You are likely here because you want to optimize your financial goals. The solution begins right now. First you must eliminate the options that don't work so you understand the right deal when you see it.

I don't like fees and I don't like long-term contracts. Eliminate those two negatives and you'll eliminate the two biggest complaints most detractors have. As you've no doubt discovered on your own, most of what you hear elsewhere is irrelevant.



Detailed financial strategies differ for every individual, and it's important to personalize your portfolio. If you find yourself wanting more support, you're welcome to contact me for answers to your biggest questions.

I am here to help, so don't be afraid to reach out with your greatest concerns.

**Bryan Anderson**

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## Why I created this report:

Misinformation is everywhere, and biases are contagious. Most often, visitors to my website are doing research in order to confirm information given to them by someone else.

Let me tell you a quick story. Earlier this year, Charlie from California scheduled an appointment. He and his wife, Linda, had just retired, and they were looking for help creating a retirement plan that worked for them.

During our first meeting, I was surprised to learn that Charlie and Linda had met with nine different advisors, and each had a different idea as to what they should do. Of those nine, one told Charlie to get a part-time job, and another pitched an annuity that would use more than 75% of Charlie's assets. One advisor even recommended the Allianz 222, even though Charlie was already retired and couldn't wait 10 years to receive full benefits from the contract.

Near the end of their rope, Charlie and Linda gave it one more shot and contacted me. They were thrilled when I told them Charlie didn't need a part-time job, a good solution with an annuity would cost much less than 75% of their assets, and they didn't need to carry substantial risk to do it.

Charlie and Linda came to me confused and frustrated. They had been given too much information and couldn't make sense of it all. After two meetings with me, their burden was lifted, and the path forward was clear.

Most people who visit AnnuityStraightTalk.com have been to a dinner seminar or received a sales pitch from an advisor. Many people have seen different proposals and don't know how to choose between conflicting strategies and advice. That advisor may be nice, well qualified, and maybe he even bought you dinner...

But you are here because something doesn't quite add up. This report will show you the basic features of the most oversold contract on the market, and show you alternative options that make more sense.

Start here with a basic education and contact me when you are ready for a free demo that will show you the most effective retirement strategy available.

All my best,

**Bryan Anderson**

## Analyzing the Allianz 222

**It can be hard to identify what's truly important in a contract. It takes effort to cut through the noise and come back to the basics. This report is different because it will eliminate unnecessary information and help you focus.**

I come across this product more than any other and it's no surprise. The 222 is the highest selling annuity on the market. It carries a serious bonus that has recently been as high as 30%. In addition, it gives you an extra 50% of any interest credited annually. Sounds amazing, right?

Well, it is amazing if that's all you're told and that is about as much detail as most agents offer. The problem is that bonuses always come with restrictions and that is rarely explained when this contract is presented. Restrictions are fine in exchange for something of value but in this case those restrictions limit the suitability of the product for most people.

I have talked to hundreds of people this year who have been pitched the 222. Of those, one person was suited for its purpose. That means it was inappropriate for everyone else, but it was still being pitched by "fiduciaries" and "CFPs".

So, what restrictions come with the bonuses?

First, you need to understand the difference between the account value and the protected income value.

**Account value**— Equal to the premium you invest plus any interest earnings over the term of the contract.

**Protected Income Value**— Equal to the premium you invest plus the premium bonus, plus interest earnings on the contract that are increased by an additional 50% annually. The resulting value is used to calculate the amount of guaranteed lifetime income you will receive.

Easy, right? The account value is your money and the protected income value is nothing but a factor used to calculate retirement income.

Don't take it from me. Let's look at how Allianz explains it on their website.

*The premium bonus and interest bonus are credited only to the Protected Income Value. To receive the PIV, including the bonus, the contract must be held for at least 10 contract years, and then lifetime income withdrawals must be taken. You will not receive the bonuses if the contract is fully surrendered or if traditional annuitization payments are taken. If it is partially surrendered the PIV will be reduced proportionally, which could result in a partial loss of bonuses...*

Allow me to summarize the key points that I would consider to be restrictive.

- ⦿ All bonuses only increase the potential income and do not affect your account value
- ⦿ You must wait 10 years to receive the benefit of these bonuses
- ⦿ Lifetime income payments are required to benefit from the bonuses
- ⦿ Partial surrenders prior to 10 years will create a proportionate reduction in the protected income value (for example, 10% free withdrawal will cost you 10% of your future income)
- ⦿ If you take your money and do something else, you will not receive any of the bonuses

It's clear to see that the bonuses are not just free money and unless you are buying this 10 years before retirement then it is not appropriate. If you need to take RMDs or withdrawals of any kind before 10 years, then it is not appropriate.

There is one little positive selling point I have left out so far. The guaranteed income rider that comes with all the bonuses is free. There are no fees on the contract. So, some might say it's worth doing because your money will still grow, and you can walk away without a bonus in 10 years and at least it didn't cost anything.

Yes, that is possible but let me explain why I think that's a waste of time. I cut the above quote from Allianz short and saved the last part for right here:

*... Because this is a bonus annuity, it may include higher surrender charges, longer surrender charge periods, lower caps, higher spreads, or other restrictions that are not included in similar annuities that don't offer a bonus feature.*

I love that they use the word "restrictions". This is here to justify low caps and participation rates the contract offers, and the result is minimal growth. This is true with all bonus and income annuities. If they give you more of one benefit, then they will take it from somewhere else.

It wouldn't take long to find several available products with no fees that have twice as much growth potential as the 222.

The underlying growth of the contract being low is what disqualifies this from being used for anything else but income after year ten. The growth rates are low because Allianz adds 50% of the interest earnings to the protected income value. This is a performance based guaranteed income contract

People have a hard time understanding this but there is one similarity that everyone can grasp. Social security kind of works the same way. The longer you wait, the more you get. With the Allianz 222 you get more income if you wait ten years.

These critical points are almost never explained to the person buying. It is not the fault of Allianz because we have seen they clearly explain the product correctly on their website. It's the fault of opportunistic agents and advisors who are not doing any research.

The Allianz 222 should not be the highest selling annuity in the market. The ten-year requirement disqualifies it for more than 90% of the people I meet.

## What Are Good Alternatives To The Allianz 222?

There are two objective benefits of using annuities; growth and income. The best of either can be found in separate contracts. If you want both then you will have to accept a little less of each. Let's look at the two benefits independently, starting with growth.

One of my new clients came to me after purchasing the Allianz 222 earlier this summer. She is retired early at age 52 and happens to be appropriately suited for the contract's purpose, as she can't touch her qualified retirement funds until age 60 anyway.

She was gracious enough to show me her contract, so I can see how the index options are allocated and will share that with you. Since she bought it from a guy who claims to be Allianz's top salesman then I'm assuming the allocations are standard recommendations.

I'm looking back five years to see how a contract with terms from today would have performed since 2013. Suitable alternatives to the 222 come in a range of terms from 5-10 years so this is a reasonable projection of what's available. The past five years had a lot of market activity that will test the validity of an index annuity. You'll see why by the screenshot below that shows how the S&P 500 performed since this time in 2013.



This shows relatively moderate growth from 2013 thru 2016 with a pretty bumpy ride along the way and a steep rise up to 2018 with some volatility at the top that we all recognize from recent events.

I'm going to explain the numbers that I calculated based on quotes from each insurance company. The growth comparison is clear and supports my claims. First, let's look at how each contract was allocated with the index options available.

*The Allianz 222 was allocated as follows:*

- 25% S&P 500 Monthly Sum with 1.5% monthly cap
- 25% Nasdaq 100 Annual Point to Point with 3.25% annual cap
- 25% Bloomberg US Dynamic Balance Index II with 3.2% annual spread
- 25% PIMCO Tactical Balance Index with 3.1% annual spread

## Two Comparison Contracts

***Great American Life Legend 7:***

- 25% S&P 500 Monthly Sum with 2.5% monthly cap
- 25% S&P 500 Annual Point to Point with 6.4% annual cap
- 25% S&P 500 Risk Control 10% with 70% participation rate
- 25% S&P Retiree Spending with 75% participation rate

***Midland National RetireVantage 10:***

- 20% S&P 500 Daily Average with 1% spread
- 20% DJIA Daily Average with 1.55% spread
- 20% S&P 500 Monthly Sum with 2.35% monthly cap
- 20% S&P 500 Monthly Average with 80% participation rate
- 20% DJIA Monthly Average with 75% participation rate

Okay, the numbers I am going to show you below come directly from each carrier. These yields show the period from Jan. 1st, 2013 thru Dec. 31, 2017 because that is how the insurance companies present the numbers. Different periods will produce different yields and each contract will change depending on what time period is being analyzed.

I took annual yields for each of the chosen indices and equally weighted them into a blended annual yield. The effective interest rate over the five year period is shown below for each contract.

I have tables showing yields for each index in every year but left them out for the benefit of simplicity. If you'd like to see them then give me a call. This is how each contract would have performed over an identical five-year term using an initial premium of \$250,000.

### **Allianz 222**

- Five year effective yield: 3.746%
- Ending Account Value: \$300,462.80

### **Midland National RetireVantage**

- Five year effective yield: 5.679%
- Ending Account Value: \$329,516.51

### **Great American Legend 7**

- Five year effective yield: 6.503%
- Ending Account Value: \$342,562.89

From an account value perspective, the Midland and Great American contracts substantially outpace growth over a five year period. For those of you who may get defensive and suggest that Allianz would do better with a different allocation I will say that each of the others could be allocated differently to produce more as well. I didn't cherry-pick data and could change any of the above to create better or worse returns.

So I'll ask you, what is better? \$300K, \$329K or \$342K? Over a five year period the differences are fairly dramatic. After ten years it's going to be an even bigger gap. I meet a lot of people that don't necessarily need the income and even more still that might need it but not exactly in ten years.

Another frequent comment I receive is in regards to the death benefit of the Allianz 222 which pays out the entire Protected Income Value out in five annual installments. I did intentionally leave that out as it is irrelevant when you calculate the actual return. The death benefit is just window dressing and the 222 is not the only contract that pays the income value out as a death benefit over five years. The enhanced growth of either of the above two contracts will far outpace any additional benefit provided by an enhanced death benefit.

## What if You Do Need Income?

Let's assume the 222 is appropriately suited for your situation. How does it compare to other available options?

The 222 has a very low minimum income guarantee that increases each year based on index performance. If you really need guaranteed income there are several products that will give you a minimum guarantee that pays out twice as much as that of the 222. If you really need it then the highest guarantee is the more prudent approach.

But, most people who prefer the 222 buy it because certain projections show it paying more income than the highest guarantee. If performance is good then you can make out better over the long run but there's a certain risk to it since it all depends on good market returns.

I call the 222 a "performance-based" contract because market performance is what determines income payouts rather than the higher guarantees of other products. If you like the idea of a performance-based contract then you need to understand that the Allianz 222 is not even the best one on the market. Other available contracts give you a bigger bonus and greater interest enhancements which translate to a greater income projection. I'm not providing numbers for this one because income scenarios vary drastically for every individual. Payouts depend on several individual variables so specifics are better suited for an individual consultation. For now I'll tell you the only way to determine whether the 222 is the best option for you. Three easy steps is all it takes...

- 1) Get a 222 illustration and make note of the guaranteed minimum income payout and the highest projected income
- 2) Compare that to the highest guaranteed income contract to see if it's worth the chance to go for more income
- 3) If so, get an illustration of another performance-based contract and you'll see there is a better option no matter which way you go

During a recent meeting with a couple who was suited for the 222 I showed them several options for contracts that beat Allianz for both growth and guaranteed income. Near the end of our meeting the wife asked, "is there ever a time when the 222 is the best option?" Well now you have 10 pages of data and analysis to definitively answer that question. It's not.

The Allianz 222 is mostly hype. I think a lot of agents saw it and realized they can direct your attention to the surface of it in order to make a quick and easy sale. I've heard many people say the agent who proposed it claims it is the best annuity available. If you hear that then you at least need to pump the brakes and start looking for other options so the best path for you can be verified.

Many advisors will tell you otherwise, but none will do the analysis to prove it. If you have any questions or would like more detail on any of the above points please call or make an appointment and we can talk about it.



# DO YOU WANT TO SEE THE INDEX ANNUITY STRATEGY THAT OUTPERFORMS 99.9% OF ALL ANNUITY-BASED RETIREMENT PLANS?

Book your **100% free consultation** now to receive an independent assessment of your situation and compare the options you've already been presented with...

- ✓ **Personalized Application Of Everything In This Guide** (I'll show you how to apply the concepts from this guide to your retirement and how they stack up against other plans)
- ✓ **A Crystal-Clear View Of The Numbers** (Numbers don't lie, and I'll give you a complete, fact based look at your current options compared to my strategy)
- ✓ **Zero Obligations To Buy Anything From Me** (I don't fear monger or pressure for a sale in any way, ever.)

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