SECURELIVING℠ INCOME PROVIDER SINGLE PREMIUM IMMEDIATE ANNUITY

Making an Immediate Life Annuity Part of A Client's Asset Allocation Strategy

Your Client: Just retired. Does not want to work during retirement. No defined benefit pension plan. Will rely on Social Security and savings for lifetime retirement income.

Situation: Client has based his withdrawal strategy on the inflation-adjusted income he believes his savings can produce over his lifetime. But a severe market decline early in retirement could damage this plan. As market values fall, more dollars will need to be surrendered to maintain the same income, thereby causing the portfolio to shrink more than it otherwise would. The portfolio needs a source of income that cannot be affected by a market decline.

Strategy:

- Split the investment portfolio so that some income comes from an immediate life annuity and the rest comes from investments.
- Investments can offer a hedge against inflation, but income may not last for life, especially if a market downturn occurs early in the client's retirement.
- A life annuity level income will last for life, but gives no hedge against inflation.
- Combined in one plan, the two income sources can help give the client inflation-adjusted income for life.

Example:

- Larry Longlife is retiring at age 65. He fits the client profile discussed above.
- Larry buys a SecureLiving℠ Income Provider single premium immediate life annuity to augment his retirement income from investments.
- Two years into retirement, the markets fall by 36% over eighteen months. Larry's life annuity income remains stable, helping to reduce the damage the downturn does to Larry's investment portfolio.
- After recovering, the markets perform well. Modest inflation requires larger withdrawals from Larry's investments, but investment growth more than compensates for those larger withdrawals. Larry's investment portfolio grows.
- At Larry's age 80 another serious market downturn occurs. Larry's annuity cannot help with the income burden to the same extent it was earlier able to (since the life annuity income does not grow, it now represents a proportionately smaller part of his total income), but Larry's investment portfolio has grown enough that it can ride out the downturn. After the recovery, Larry's portfolio provides him with income for the rest of his life.

Issued by
Genworth Life and Annuity Insurance Company
Richmond, VA

Genworth Life Insurance Company
Lynchburg, VA

Genworth Life Insurance Company of New York
New York, NY

SecureLiving Income Provider single premium fixed immediate annuity is issued by Genworth Life and Annuity Insurance Company subject to policy form series 39847 et al. and GNWLA6012 et al. and by Genworth Life Insurance Company subject to policy form series 37117 et al. and GEC6012 et al. Not available in all states. Features and benefits may vary by state.

SecureLiving Income Provider NY single premium fixed immediate annuity is issued by Genworth Life Insurance Company of New York, 666 Third Avenue – 9th Floor, New York, NY 10017; subject to policy form series 37117NY and GENY6012. Available only in New York. Only Genworth Life of New York is licensed to conduct business in New York.

1FL2039 0707

This partial product description does not completely present all features, benefits and limitations as explained in the contract, which is controlling.

The Genworth Financial companies wrote this content to help you understand the ideas discussed. Any examples are hypothetical and are used only to help you understand the ideas. They may not reflect your client's particular circumstances. Your clients should carefully read their contracts.

All guarantees are based on the claims-paying ability of the issuing insurance company.