

BENEFITS OF THE ANNUITY SETTLEMENT OPTION



WHAT IS AN ANNUITY SETTLEMENT OPTION?

This is a flexible wealth transfer strategy that allows you to seamlessly transfer money from your insurance contract such as Segregated funds or Guaranteed Interest Account contracts (GIAs) to an annuity upon death. It can be a simple and effective way to provide your beneficiaries with financial security while having control.



HOW DOES IT WORK?

As an alternative to one large lump sum payment, the owner of the contract can provide directions through a simple form to arrange payments to the beneficiary in variety of ways that works for the specific situation:

- Payment as a lump sum upon death
- Payment of a term certain annuity - series of guaranteed payments over a specified period
- Payment of a life annuity - series of guaranteed payments for the lifetime of the beneficiary or a guaranteed minimum period



KEY FEATURES

- Easy to customize for your specific need
- Available for registered and non-registered accounts
- Can be modified at any time without the knowledge of beneficiaries
- No cost to your estate or beneficiaries



SAMPLE SCENARIOS TO CONSIDER FOR ANNUITY SETTLEMENT OPTION

FAMILY WITH DEBT MANAGEMENT ISSUE OR A SPENDTHRIFT BENEFICIARY:

If a family member has a debt management problem, lump sum might not be the idea solution. Setting up a steady stream of payments maybe a better solution for them to manage their spending.

MINOR/DISABLED BENEFICIARIES

You can set up an "in-trust for" option with a person for minor or disabled beneficiary who would provide care for them with a lifetime income for their care or until they reach a suitable age (in case of a minor).

PRIVACY IS IMPORTANT

If it is important for you to maintain privacy around your legacy, with an annuity settlement option, your decision to add any beneficiaries will remain private until you pass away. You are able to change or retract it at any time without beneficiary's knowledge.

COMPLEX FAMILY DYNAMICS/BLENDED FAMILIES

If you have multiple beneficiaries or a complex family situation such as step children/children from various marriages, etc., this option gives you the ability to create specific directions for each person who will receive you wealth.

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