

Needs Assessment & Solution Workbook

Client Name: _____

Advisor Name: _____

Date: _____

Please retain a copy for Record Keeping.

800.743.4930

info@theannuitysourceinc.com

www.TheAnnuitySourceInc.com



the
annuity & life
source, inc.

Needs Assessment & Solution Workbook

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Client Data Worksheet

To be completed by your client to determine if the proposed fixed annuity or life insurance meets his or her needs and objectives.

Personal Data

Client	First Name	Last Name	DOB/ Age	SS/Tax ID No.	Marital Status	Number of Dependents	Occupation
Owner							
Joint Owner							

Cash Reserves

Institution Name	Current Balance	Account Type	Taxable?	Maturity Date	Interest Rate
		Emergency reserves	Y / N		
		Savings account	Y / N		
		Money market	Y / N		
		Checking account	Y / N		
		Other	Y / N		

Other Investments/Insurance Products

Institution/Insurer	Current Balance	Account Type	Taxable?	Maturity Date	Interest Rate
		CDs	Y / N		
		Mutual funds	Y / N		
		Stocks	Y / N		
		Bonds	Y / N		
		Life insurance	Y / N		
		Other annuities	Y / N		
		LTC insurance	Y / N		
		Health insurance	Y / N		

Risk Tolerance

Client	Conservative » Aggressive (circle)
Owner	1 2 3 4 5 6 7 8 9 10

Purchasing Objectives

Purchasing Objectives	Owner	
Principal protection	Yes	No
Earnings guarantee	Yes	No
Liquidity: If yes, what percent?	Yes (___%)	No
Retirement income	Yes	No
Flexibility for future needs	Yes	No
Estate planning	Yes	No
Tax deferral	Yes	No

Goals

Define Short-Term Investment Goals
Define Long-Term Investment Goals
Other Goals

If you have a short-term liquidity need, a long-term annuity or life insurance may not be appropriate.

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Professional Data

Type	Name/Firm	Phone
Accountant		
Attorney		
Financial Advisor		

Financial Profile

1. Annual gross income:

- \$0 - 29,999 \$75,000 - 99,999 \$250,000 - 399,999
 \$30,000 - 49,999 \$100,000 - 149,999 \$400,000+
 \$50,000 - 74,999 \$150,000 - 249,999

2. Income sources (check all that apply):

- Salary Pension Plans Other
 Investments Disability
 Social Security Unemployment

3. Estimated net worth (excluding primary residence, furnishings, automobiles):

- \$0 - 74,999 \$150,000 - 249,999 \$500,000 - 999,999
 \$75,000 - 149,999 \$250,000 - 499,999 \$1,000,000+

4. Length of investment experience: 0 - 5 years 5 - 10 years 10+ years

5. Federal income tax bracket: 15% 28% 33% 38%

4. Do you currently handle your financial matters? Yes No Explain: _____

Proposed Annuity Purchase

1. Length of time you plan to keep money in this annuity:

- 4 years or less 4 - 8 years 8 - 10 years 10 years or more

2. Have friends or family been consulted about this purchase? Yes No

If not, please indicate whom, if anyone, you would like contacted:

Name: _____ Phone: _____ Relationship: _____

3. Has your agent discussed with you whether an existing life insurance or annuity will be replaced in connection with the proposed sale of this annuity and whether surrender charges will apply? Yes No

4. Source of funds for fixed annuity purchase: _____

Miscellaneous

1. Do you or your spouse have any major medical problems? Yes No

If yes, explain: _____

2. What, if any, changes do you expect in your family or financial situation in the next 12 months? _____

3. Survivors' needs: Immediate: _____ Future: _____

Source to provide for needs: _____ Source to provide for needs: _____

Schwab model portfolios provide a simplified approach to creating an asset allocation plan. This questionnaire will help you decide whether one of these portfolios is right for you.

Important considerations when choosing your portfolio

Your Time Horizon

When will you begin withdrawing your money from your account, and at what rate? If that date is many years away, you may be comfortable with a portfolio that carries a greater potential for appreciation and higher level of risk. There's more time to weather the inevitable ups and downs of the market.

Your Risk Tolerance

How do you feel about risk? Some investments fluctuate more dramatically in value than others but may have the potential for higher returns. It's important that you select investments that fit within your level of tolerance for this risk.

How to make your choice

1. Complete the questionnaire.

Answer the questions on the following pages and use your score to identify an Investor Profile that's closest to your own.

2. Select an investment strategy.

With your Investor Profile in mind, look on page 4 to find the investment strategy that may be most appropriate for you.

Circle the number of points for each of your answers and note the total for each section.

SECTION 1: TIME HORIZON

1. I plan to begin withdrawing money from my investments in:

Less than 3 years	1
3–5 years	3
6–10 years	7
11 years or more	10

2. Once I begin withdrawing funds from my investments, I plan to spend all of the funds in:

Less than 2 years	0
2–5 years	1
6–10 years	4
11 years or more	8

Subtotal: Time Horizon Score

Enter the total points from questions 1 and 2.

Time Horizon Score: _____ point(s)

If your Time Horizon Score is less than 3, stop here.

A score of less than 3 indicates a very short investment time horizon. For such a short time horizon, a relatively low-risk portfolio of 40% short-term (average maturity of five years or less) bonds or bond funds and 60% cash is suggested, as stock investments may be significantly more volatile in the short term.

If your score is 3 or more, please continue to Section 2.

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SECTION 2: RISK TOLERANCE

3. I would describe my knowledge of investments as:

None	0
Limited	2
Good	4
Extensive	6

4. When I invest my money, I am:

Most concerned about my investment losing value	0
Equally concerned about my investment losing or gaining value	4
Most concerned about my investment gaining value	8

5. Select the investments you currently own or have owned in the past with the highest number of points.

Money market funds or cash investments	0
Bonds and/or bond funds	3
Stocks and/or stock funds	6
International securities and/or international funds	8

Example: You now own stock funds. In the past, you've purchased international securities. Your point score would be 8.

6. Consider this scenario:

Imagine that in the past three months, the overall stock market lost 25% of its value. An individual stock investment you own also lost 25% of its value. What would you do?

Sell all of my shares	0
Sell some of my shares	2
Do nothing	5
Buy more shares	8

7. Review the chart below.

We've outlined the most likely best- and worst-case annual returns of five hypothetical investment plans. Which range of possible outcomes is most acceptable to you?

The figures are hypothetical and do not represent the performance of any particular investment.

Best- and Worst-Case Scenarios (1 year)

Plan	Average Annual Return	Best-Case	Worst-Case	Points
A	7.2%	16.3%	-5.6%	0
B	9.0%	25.0%	-12.1%	3
C	10.4%	33.6%	-18.2%	6
D	11.7%	42.8%	-24.0%	8
E	12.5%	50.0%	-28.2%	10

Subtotal: Risk Tolerance Score

Enter the total points for questions 3 through 7.

Risk Tolerance Score: _____ points

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Select an investment strategy

These investment strategies show how investors might allocate their money among investments in various categories. Keep in mind that it's important to periodically review your investment strategy to make sure it continues to be consistent with your goals. Please note that these examples are not based on market forecasts, but simply

reflect an established approach to investing—allocating dollars among different investment categories.

If one of the investment strategies below matches your Investor Profile, you can use this information to help you create an asset allocation plan.

CONSERVATIVE ALLOCATION	MODERATELY CONSERVATIVE	MODERATE ALLOCATION	MODERATELY AGGRESSIVE	AGGRESSIVE ALLOCATION
Average Annual Return: 7.8%	Average Annual Return: 9.0%	Average Annual Return: 9.7%	Average Annual Return: 10.1%	Average Annual Return: 10.3%
Best Year: 22.8%	Best Year: 27.0%	Best Year: 30.9%	Best Year: 34.4%	Best Year: 39.9%
Worst Year: -4.6%	Worst Year: -12.5%	Worst Year: -20.9%	Worst Year: -29.5%	Worst Year: -36.0%
For investors who seek current income and stability and are less concerned about growth.	For investors who seek current income and stability, with modest potential for increase in the value of their investments.	For long-term investors who don't need current income and want some growth potential. Likely to entail some fluctuations in value, but presents less volatility than the overall equity market.	For long-term investors who want good growth potential and don't need current income. Entails a fair amount of volatility, but not as much as a portfolio invested exclusively in equities.	For long-term investors who want high growth potential and don't need current income. May entail substantial year-to-year volatility in value in exchange for potentially high long-term returns.
<ul style="list-style-type: none"> 15% Large-Cap Equity 0% Small-Cap Equity 5% International Equity 50% Fixed Income 30% Cash Investments 	<ul style="list-style-type: none"> 25% Large-Cap Equity 5% Small-Cap Equity 10% International Equity 50% Fixed Income 10% Cash Investments 	<ul style="list-style-type: none"> 35% Large-Cap Equity 10% Small-Cap Equity 15% International Equity 35% Fixed Income 5% Cash Investments 	<ul style="list-style-type: none"> 45% Large-Cap Equity 15% Small-Cap Equity 20% International Equity 15% Fixed Income 5% Cash Investments 	<ul style="list-style-type: none"> 50% Large-Cap Equity 20% Small-Cap Equity 25% International Equity 0% Fixed Income 5% Cash Investments

Investors should carefully consider information contained in the prospectus, including investment objectives, risks, charges, and expenses. You can request a prospectus by calling Schwab at 1-800-435-4000. Please read the prospectus carefully before investing.

Money market funds are neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

Investing involves risk, including the possible loss of principal.

Brokerage Products: Not FDIC-Insured • No Bank Guarantee • May Lose Value

Source: Charles Schwab Investment Advisory with data provided by Morningstar, Inc. The return figures for 1970–2014 are the compounded annual average and the minimum and maximum annual total returns of hypothetical asset allocation plans. The asset allocation plans are weighted averages of the performance of the indices used to represent each asset class in the plans, include reinvestment of dividends and interest, and are rebalanced annually. The indices representing each asset class in the historical asset allocation plans are S&P 500® Index (large-cap stocks); CRSP 6–8 Index for the period 1970–1978 and Russell 2000® Index for the period 1979–2014 (small-cap stocks); MSCI EAFE® Net of Taxes (international stocks); Ibbotson Intermediate-Term Government Bond Index for the period 1970–1975 and Barclays U.S. Aggregate Bond Index for the period 1976–2014 (fixed income); and Ibbotson U.S. 30-day Treasury Bill Index for the period 1970–1977 and Citigroup 3-month U.S. Treasury Bills for the period 1978–2014 (cash investments). Indices are unmanaged, do not incur fees or expenses, and cannot be invested in directly. Past performance is no indication of future results.



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Map Your Product Solution

Your Client's Financial Needs "if this" ————— The Solution "then this" —————



ACCUMULATE WEALTH

- Want a Guaranteed Interest Rate? Multi-year Guarantee Annuity
- Want Possibility of Higher Return? Tied to Market Indices Fixed Indexed Annuity
 Tied to Current Rate Environment Fixed Annuity



INCOME

- Want Income Now? Needs access to principal Fixed Income Annuity with Income rider
 No need for principal access Immediate Annuity
- Want Income Later? Accumulation Focused Fixed Indexed Annuity with Income rider
 Income in the distant future Deferred Immediate Annuity



LEGACY

- Non-Qualified Money? With Underwriting Single Premium Universal IUL/Whole Life
 Without Underwriting Fixed Indexed Annuity w/ Enhanced Death Benefit Rider
- Qualified Money? Without Underwriting Fixed Indexed Annuity w/ Enhanced Death Benefit Rider



LONG TERM CARE

- Non-Qualified Money? Legacy to Heirs Life/LTC Linked Benefits (Underwriting)
 Liquidity Options Fixed Indexed Annuity w/ LTC Doubler (No Underwriting)
 Annuity/LTC Linked Benefits (Underwriting)
- Qualified Money? Legacy to Heirs Life/LTC Linked Benefits (Underwriting)
 Liquidity Options Fixed Indexed Annuity w/ LTC Doubler (No Underwriting)



RMD CONCERNS

- Don't want to take RMD's Now? Qualified Longevity Annuity Contract (QLAC)
- Want to take RMD's and Leave a Legacy? Fixed Indexed Annuity with Legacy Rider

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Summary

Risk Tolerance

Conservative Moderately Conservative Moderate Moderately Aggressive Aggressive

Percentage of Assets Focused for Fixed Income/Safety Bucket

50% 35% 15% Other _____ %

Equates to dollar amount: \$ _____

Map Your Product Solution Outcome *(Check those that apply)*

- Multi-Year Guarantee Fixed Indexed Annuity Fixed Indexed Annuity with Income Rider
 Fixed Annuity Deferred Immediate Annuity Immediate Annuity (QLAC)
 Fixed Indexed Annuity with Doubler SPWL/UL/IUL Annuity/LTC Linked Benefit
 Fixed Indexed Annuity with Enhanced Death Benefit Rider Life/LTC Linked Benefit
 Fixed Indexed Annuity with Legacy Rider



*Call The Annuity & Life Source, Inc
to get a summary of appropriate products.*

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Product Solution Comparison

Client Name: _____ Date: _____

Product Focus: Accumulate Wealth Legacy RMD Concerns Dollar Amount: _____
 Income Long Term Care

Specs and Features	Contract #1	Contract #2	Contract #3
Name of Company			
Type of Contract (e.g. fixed, fixed indexed, variable)			
Product Name			
Premium Bonus	_____ % of _____ N/A	_____ % of _____ N/A	_____ % of _____ N/A
Premium Bonus Recapture Charge	Current Year _____ % or _____ N/A	Current Year _____ % or _____ N/A	Current Year _____ % or _____ N/A
First Year Interest Rate (Non Indexed Annuities)		Other	
Guaranteed Rate for Term	_____ Yes _____ No	_____ Yes _____ No	_____ Yes _____ No
Index Strategy Options (Fixed Indexed Products)			
Surrender Charge Period			
Market Value Adjustment	_____ Yes _____ No	_____ Yes _____ No	_____ Yes _____ No
Terminal Illness Waiver	_____ Yes _____ No	_____ Yes _____ No	_____ Yes _____ No
Nursing Home Waiver	_____ Yes _____ No	_____ Yes _____ No	_____ Yes _____ No
Guaranteed Minimum Fixed Interest Rate	_____ %	_____ %	_____ %
Income Rider Charge	_____ % of _____	_____ % of _____	_____ % of _____
Income Bonus Guarantee			
Income Rider Guarantee			
Death Benefit	Lump Sum \$ _____ Annuitized \$ _____	Lump Sum \$ _____ Annuitized \$ _____	Lump Sum \$ _____ Annuitized \$ _____

