

SPIA to Life Instructions

Application Submission

- Access the complete life insurance application kit from the forms directory. You may also choose to submit the life insurance application via the iGo® e-app platform (not available for SIUL).
- Access the complete annuity application kit, including suitability paperwork, from the forms directory in your Columbus Life agent portal. Also include transfer paperwork that may be required by the current administrator of the account.

- Complete SPIA application packet and obtain client signatures where needed. Make sure section “2” is filled out correctly, indicating the SPIA contract will be funding a life insurance application as seen in the screenshot at the right.

Single Premium Immediate Annuity Options: ☐ Annuitant Only ☐ Joint Annuitants (Complete Joint Annuitant Info)

Select One Payment Option:

a.) Annuitant Only:

☐ Life Income ☐ Life Income with Period Certain _____ years

☐ Life Income with Installment Refund

☐ Period Certain _____ years

b.) Joint Annuitants:

☐ Joint and Survivor

☐ Joint and Survivor with Period Certain _____ years

☐ Joint & 2/3 to Survivor

☐ Joint & 2/3 to Survivor with Period Certain _____ years

☐ Joint & 1/2 to Surviving Second Annuitant

☐ Joint & 1/2 to Surviving Annuitant with Period Certain _____ years

☐ Other _____

c.) Frequency of Annuity Payment:

☐ Monthly ☐ Quarterly ☐ Semiannually ☐ Annually*

* For Period Certain Annuity with annual payments, is annuity payment to pay life insurance policy premium?

☐ Yes ☐ No

If yes, Policy or application number if known _____

d.) Please attach a copy of quote.

- A Letter of Intent (LOI) should also be submitted with the SPIA application. The LOI should include the following:
 - Inform the SPIA processing team that the annuity will be funding a life policy.
 - The LOI should also include any instructions to withhold taxes from the SPIA payment, if desired by the client. This may be expressed as a percentage of SPIA payment or a flat dollar amount. Electing tax withholding is strongly recommended for most clients.
 - Instruct the New Business team to hold transfer paperwork until the producer gives them the go ahead to send.

Annuity Illustration

- Make sure an illustration is included with the annuity application. This is mandatory and could result in a need for a new application if it is not sent in initially.
- Access the SPIA illustration software from your Columbus Life producer portal.
- The illustration should indicate that the SPIA will be funding the life application as seen in the screenshot below. This is critical and will also include a zero deferral when this question is answered “yes.”
- Be sure the illustration was produced no more than 2 weeks from the application signed date and was NOT produced after the application signed date.

Payment Frequency

Solve For

Single Premium \$

Cost Basis

Do you plan on using this SPIA to fund a life product?

☒ Show Additional Payout Options

Life Insurance Offer Acceptance

- Once an underwriting offer has been communicated on the life insurance application, the transfer process can begin on the money that will be used to fund the SPIA. The producer can contact the annuity administration team by emailing CLAnnuityNewBusiness@columbuslife.com and asking to mail the transfer paperwork.
- You may accept the offer on the life insurance policy and request delivery. Once funds have been received for the SPIA, the life insurance policy will be funded within 3 business days.
- Remaining premiums for the life insurance policy will be funded automatically from the SPIA contract.

SPIA to Life: FAQs

Who is the target audience for this concept?

Individuals, over the age of 59½, with assets in qualified accounts that they would like to reallocate to non-qualified life insurance.

How does it work?

A client with IRA or other qualified assets performs a rollover to an IRA Single Premium Immediate Annuity (SPIA) with Columbus Life on a term certain basis. The term certain SPIA payments fund an Indexed Universal Life (IUL) or a Survivorship Indexed Universal Life (SIUL) policy with Columbus Life.

How do I notify New Business that the SPIA contract will be funding a life insurance policy?

This should be indicated on page 2 of the annuity application. If the life insurance policy number is known, that may be included in this section as well.

What is the deferral period for the SPIA when funding a life policy?

If funding a life policy, there will be zero deferral (3 business days) for the first payout. This will be the default when indicated on an illustration as seen in the screenshot below. Any other SPIA contract not used to fund a life insurance policy will receive the standard 30-day deferral period.

Do I need to include the illustration with the application?

Yes, the illustration must be included with the application. The illustration must be signed within 2 weeks of the application signed date and cannot be dated after the application signed date.

Can taxes be withheld from the payout?

Yes. If the client wishes to withhold taxes, a letter of intent (LOI) should be included with the application that indicates the amount to be withheld in either a dollar amount or percentage.

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IUL and SIUL are UL policies. They have insurance related costs. Premiums paid must produce sufficient cash value to pay insurance charges. Indexed returns do not protect against lapse if premiums and returns do not provide sufficient cash value to cover loan interest and insurance costs. Your clients must understand that loan risk means loans may well not be zero cost. Such loan risk and interest costs will reduce account value and will contribute to a risk of policy lapse if account value becomes insufficient to cover charges.

Product and rider provisions, availability, definitions and benefits may vary by state. Check the approved state variation.

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Life insurance and annuity products are not bank products, are not a deposit, are not insured by the FDIC, nor any other federal entity, have no bank guarantee and may lose value.

Payment of the benefits of Columbus Life Insurance Company life insurance products is backed by the full financial strength of Columbus Life Insurance Company. Guarantees are based on the claims-paying ability of the insurer.

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COLUMBUS LIFE INSURANCE COMPANY

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Cincinnati, Ohio 45201-3302

SPIA to Life

Additional Instructions for Application

Producer Name:

Client Name:

Note that this SPIA contract will be used to fund a life insurance policy for this client.

Please withhold taxes from the SPIA payment at a rate of _____ per payment.

The transfer paperwork should not be mailed until instructed to do so by the producer.

Additional instructions:

Annuity products are not bank products, are not a deposit, are not insured by the FDIC, nor any other federal entity, have no bank guarantee and may lose value.

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