

Little Understood Product Can Aid Retirement Planning

(NAPSA)—With health care costs on the rise, some 11 million Medicare participants now depend on Medicare supplement insurance to help cover expenses that Medicare does not. However, many retirees find that money is tight while living on a fixed income and may be unsure of whether they have enough money to pay the premiums for their Medicare supplement insurance.

What is perhaps one of the least understood insurance products, a single premium immediate annuity—or a SPIA—just might be their answer. A SPIA is an insurance product that can guarantee a source of income for life in exchange for a lump-sum premium payment. SPIAs are the only products that can guarantee an income stream for the rest of your life. If you suffer from certain health conditions and qualify at the time of application, you also can increase the amount of your monthly payout.

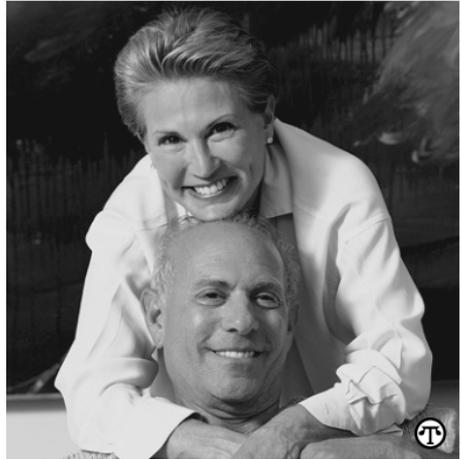
“Think of it this way,” said Mutual of Omaha Vice President Andy Hutchison. “Life insurance offers financial protection if you die too soon. SPIAs offer you and your family financial security for living a long life.”

According to Hutchison, SPIAs work best for individuals who:

- Want a regular and guaranteed source of income
- Expect to live a long time based on family longevity
- Want to eliminate market uncertainty
- Want to fund specific future financial obligations.

SPIAs also can be used to pay for other insurance products.

“As the number of people with Medicare supplement policies



increase, we're seeing more retirees using immediate annuities to fund other insurance needs such as Medicare supplement coverage,” Hutchison said.

Hutchison said it works best to first purchase a Medicare supplement policy that is right for your individual situation. A licensed insurance agent can be of great assistance as you shop around. Next, your agent can help you purchase a SPIA with a payout that will be enough to cover your Medicare supplement premium and other expenses you might incur. Mutual of Omaha, for example, offers both immediate annuities and Medicare supplement insurance and will even give you the option of having your premiums paid automatically through your SPIA.

“There's no guarantee that you can completely fund the premiums throughout the duration of your policy since premiums may increase over time, but using a SPIA in this manner can definitely help ensure your Medicare supplement policy stays in force and provide a guaranteed income as well,” Hutchison said. For more information, visit www.mutualofomaha.com.