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# Life Investments Summit 2023

Certainty in an uncertain world



# Catch the curve for lifelong certainty

Linda Blom | National Business Development Manager | Life Investments

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# LIFE Annuities



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🕒 29 Jun


Share   

# ANALYSIS | Retirees can lock in sky-high annuity rates right now

Deane Moore

**news24**

 Comments

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# Local bonds are lekker!

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## BUSINESSTECH

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### Medium-term budget makes SA bonds a solid bet in 2023

The government's improved fiscal debt outlook and the possibility of a US Fed pivot could see SA bonds rally 100 basis points by end-2023, says Ninety One

≡ BANKING BUSINESS FINANCE MOTORING INDUSTRY NEWS PR

Presented by Old Mutual Investment Group

### SA bonds are offering enticing returns for 2023

Partner 31 January 2023



**BusinessDay**

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INVESTMENT

### SA bonds ready for resurrection after a year of horror

With inflation and rate hike expectations having moderated considerably analysts expect a strong showing from fixed-income securities

BL PREMIUM  
09 JANUARY 2023 - 05:09 by GARTH THEUNISSEN

Fixed-income analysts say SA bonds are poised for a better year after their horror showing in 2022 as their high yields lure investors back to the security of fixed income while inflation and interest rate expectations are moderating.

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Current  
R9 700 pm

mid Feb  
2023  
R9 200 pm

2020  
pre-covid  
R8 400 pm

13  
12.200  
11  
10  
9  
8

# SA 20-year bond yield curve

Date: 02/08/2023 Example: R1 000 000 Single Life, Male 60, 10-year term, Level income, Gross income, 1.5% commission  
Source: [www.tradingeconomics.com](http://www.tradingeconomics.com)



# LIFE ANNUITIES: ANNUAL RETURN

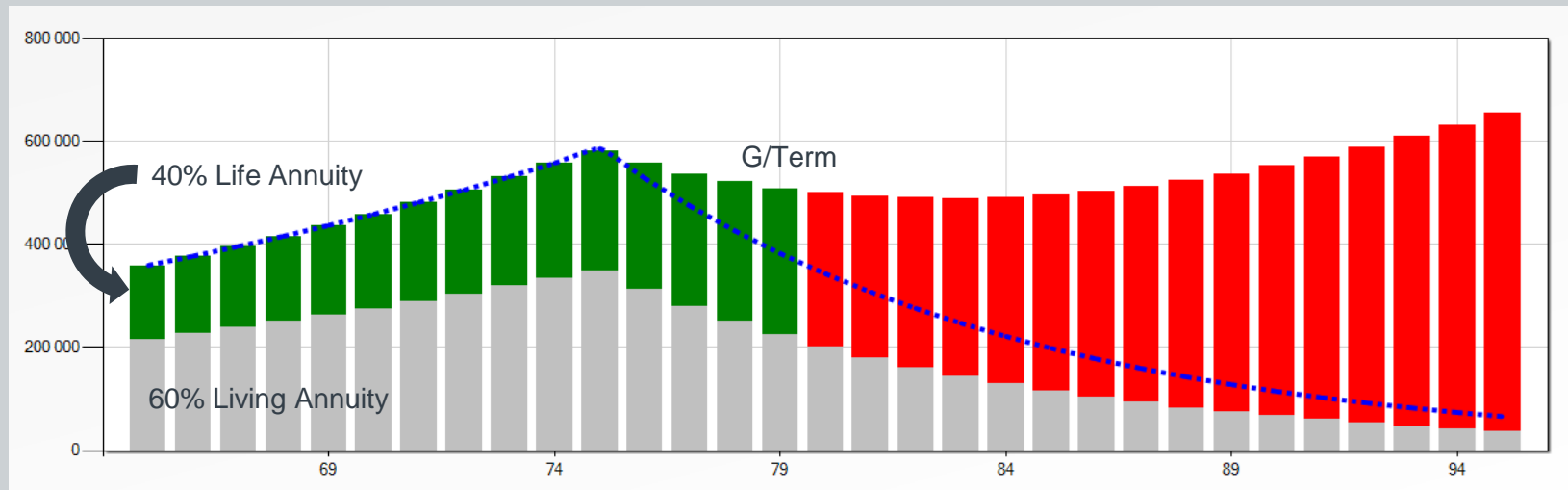
**R1 000 000 capital amount, 10-year guarantee term**

AGE	SINGLE LIFE LEVEL	SINGLE LIFE 5% INCREASE	JOINT LIFE LEVEL	JOINT LIFE 5% INCREASE
60	11.38%	8.37%	10.69%	7.17%
65	12.03%	8.92%	11.09%	7.66%
70	12.42%	9.57%	11.38%	8.25%
75	12.94%	10.32%	11.90%	9.03%

Rate date for the week of 31/07/2023 | PAYE, Quoted Single-life male and Joint-life with 0% reduction at death, various ages above



# Remember... Combination solutions



Legacy



Flexibility



Certainty



Longevity







# Where to hunt for Life Annuity business

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# Your existing Living Annuity Book

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My practice   My reports   Forms & brochures   Investment hub   Tools   Useful links   Legal   Afrikaans

Type in client name, ID, investment no., etc.

### QUICK LINKS

<b>QUOTE</b> Create a quote	<b>APPLICATION</b> Generate an application form	<b>BOOK REPORT</b> Values for your practice
<b>CLIENT</b> Values per client	<b>FUND</b> Values per fund	<b>LIVING ANNUITIES</b> Income revisions
<b>REPORTS</b> Generate multiple reports	<b>CASE TRACKING</b> All work in progress	<b>CORRESPONDENCE</b> View documents

**THE GLACIER SUSTAINABLE WORLD ENHANCER**  
Open for investment until 29 September 2021  
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### BIRTHDAYS

[Display more](#)



*Type in client name, ID, investment no., etc.*

**Add content**

**Select all**

- Summary
- Values per investment band
- Values per product
- Values per management company
  - All management companies
  - Top 10
- Values per investment fund
  - All investment funds
  - Top 10
- Values per wrap fund
- Values per client
- Values per investment
- Detailed values per investment

**ILLA Income analysis**

- Client income analysis
- Cumulative income analysis
- Client income vs recommended rates
  - List of clients exceeding the recommendation



Request report



# Living Annuity Book Report

Clients withdrawing recommended levels at 31 January 2023

Client	Investment number	Market value(R/c)	Age	Gender	Income %	Recommended band
		71 281.19	89	F	21.08	7.0 - 7.0%
		1 261 364.39	80	M	9.51	7.3 - 8.6%
		730 530.95	58	F	4.83	3.5 - 3.7%
		852 533.67	64	M	7.04	4.4 - 4.8%
		38 365.04	84	M	9.74	7.3 - 8.6%
		150 594.16	80	M	20.65	7.3 - 8.6%
		92 777.69	71	M	10.49	5.6 - 6.2%
		4 205 608.91	61	M	9.82	4.4 - 4.8%
		177 655.43	62	M	17.62	4.4 - 4.8%



# Opportunity indicators



**Income  
drawdown %**

higher than  
recommended  
**Sweet spot**  
5% to 8%



**Capital  
market value**

Capital under  
pressure



**Age**

Older clients  
(higher inception  
income on Life  
Annuity)



**Dependants**

Spouse (Joint life) &  
age of dependants



**Risk averse**

Market volatility  
& sequence risk



**Poor health**

Frail, ill or  
declining health

Life Annuity, Life Annuity with life cover or FlexiGuarantee Life Annuity?

Legacy



Flexibility



Certainty



Longevity



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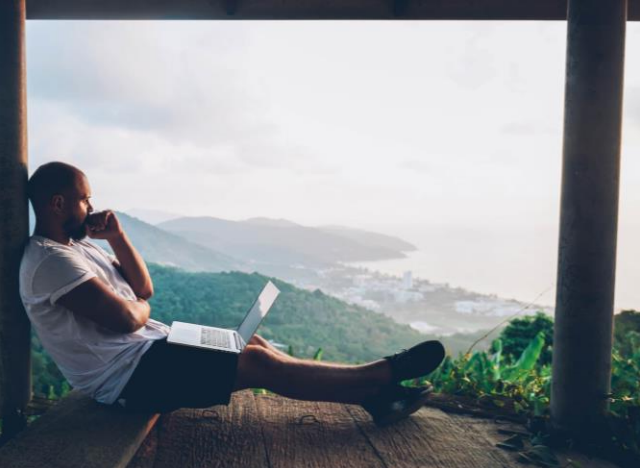
Are there any  
risks when  
**PURCHASING** a  
Life Annuity?



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# Remove any possible risk!



Take  
advantage  of the



Advance  
Guarantee

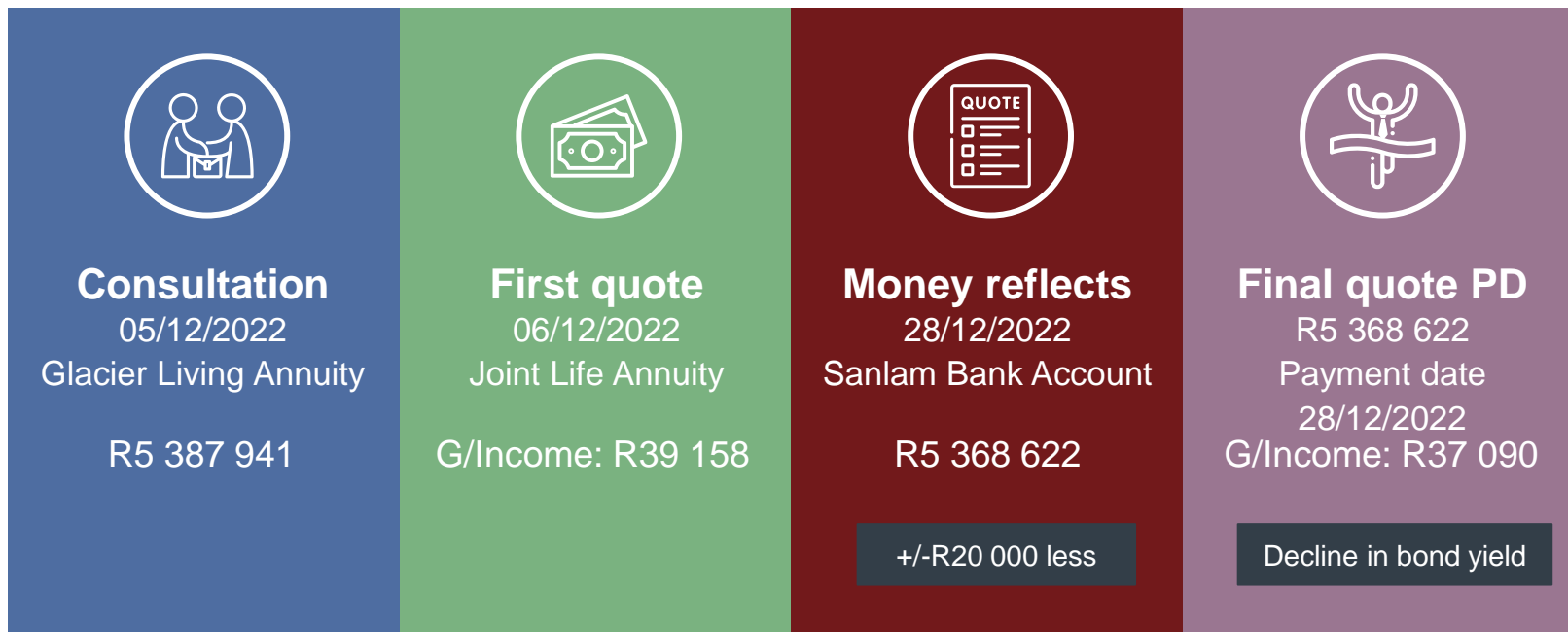


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# Example: Advance guarantee **not** utilised



Income +/- R2 000 less than originally quoted





# When can the **advance guarantee** be utilised?


Transfer from an internal source  
(compulsory or optional money)



Sanlam  
policy



Glacier  
plan



Sanlam Umbrella  
Fund for Santam  
or Sanlam staff  
only

External money does not qualify unless  
**it's transferred to Glacier/Sanlam first**

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# What is the process?

- The **intermediary must submit** the
  - 1 Application form;
  - 2 Quote and
  - 3 Addendum for the advance guarantee
- to Sanlam within **three business days** from the quote date.
- **Note:** The day on which the quote was done is seen as day 1 of 3.

A **business day** is any day other than a Saturday, Sunday or South African public holiday



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# How long is the **advance guarantee valid for?**

We must receive the money within **two months** from the date of the original quote.

If the advance guarantee has expired, the exit or payment date will be used to determine the applicable income rate.





# What is the addendum?

The addendum is a separate form which the **client needs to sign** to request the advance guarantee

## Agree to our terms and accept the addendum

The following are in addition to the terms and conditions of the relevant application form:

1. The final investment amount and payment date impacts the final income amount, and therefore Sanlam Life only guarantees the **rate** of the applicable week and not the actual income amount.
2. The valid quotation, signed application form and this addendum **must** be submitted *within* 3 business days, with day 1 being the day the original quotation was generated. A business day is any day other than a Saturday, Sunday or South African public holiday.
3. Depending on the source of the money funding the policy, the required documents listed above in point 2 should be submitted before or on the exit or payment date (whichever comes first). A rate may not be guaranteed after the exit or payment date.
4. A rate will **not** be guaranteed if:
  - a. The required documents are received **after** the 3 business days,
  - b. this request is submitted **after** the exit or payment date,
  - c. we do **not** receive the payment **within** 2 months from the date of the original quotation (the advance guarantee expires after the 2 months), or
  - d. we received the payment **before** the date of the original quotation.
5. If the advance guarantee has expired, the exit or payment date will be used to determine the applicable income rate.
6. The signed request for an advance guarantee is **final**. The regular rate fluctuates from week to week due to market movements; however, with the advance guarantee request the rate is locked and we will issue according to the advance guarantee rate.

I understand and accept this addendum, and acknowledge that where this addendum differs from the original quotation, the information in this addendum will apply.

Signature of client

Signature of spouse (if client is married in community of property)

\_\_\_\_\_  
Print initials and surname

\_\_\_\_\_  
Print initials and surname



# Is my **income guaranteed** when utilising the Advance Guarantee?

- Sanlam Life **guarantees the base rate** of the applicable week and not the actual income amount. The **final investment amount** and **payment date** will impact the final income amount.

# What if the rate has increased by the time payment is received by Sanlam?



- ③ The signed request for an Advance Guarantee is **final**.
- ③ When payment is received, and the rate is:

## LOWER

Requote with the locked base rate as per the original quote.

## HIGHER

Requote with the locked base rate as per the original quote.

**You do not get the higher rate!**

We carry the risk of a drop in the bond yield.







# Summary

A rate will **not** be guaranteed if:

The required documents are received **after the three business days**

The request is submitted **after the exit or payment date**

We do **not** receive the **payment within two months** from the date of the original quotation

We received the payment **before** the date of the **original quotation**

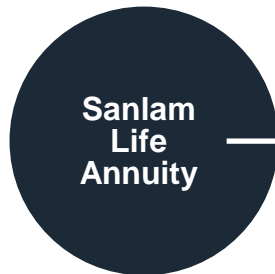
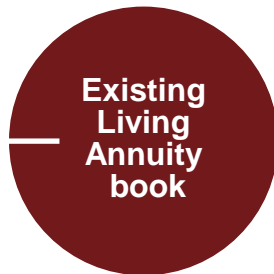


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# Many opportunities!

- › FlexiGuarantee Life Annuity
- › Living Annuity + Life Annuity combination



- › Compulsory money
- › Voluntary money
- › Guaranteed income for life
- › Guaranteed term

- › Compulsory money
- › Voluntary money
- › Guaranteed income for life
- › Life cover policy pays out at death (no medical underwriting)



- › Protect the rate on your original quote against a drop in the bond yields.



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**Sanlam Life Annuity** This policy is underwritten by Sanlam Life Insurance Ltd, a Licensed Financial Services Provider

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# Thank you