

## Who gets your annuity if you die?

Written by 'Layin' it on the line' By Lawrence Castillo Guest Columnist  
Friday, 16 September 2022 03:22

---



If you buy an annuity and die, the insurance company keeps your money! We have all seen and heard that broad statement. Is it true?

No.

Here is a secret about insurance companies that puts everything in perspective. Insurance companies do not make decisions based on individuals; they make decisions based on a large pool of people.

Their tool? **The Commissioners Standard Ordinary Mortality Table**. The statistical table allows insurance companies to know precisely how many people in a specific age group will die nationally. It is not a guess, and it is pure science.

This table is so important because it allows insurance companies to set rates for calculating retirement benefits for anyone at any age.

For example, let's estimate that a male age 65 with \$100,000 in a retirement account could receive \$600 a month for life. Insurance companies know precisely how many men age 65 will live and die each year stastically; they also know the life expectancy for a male age 65 is 20.5 years.

## Who gets your annuity if you die?

Written by 'Layin' it on the line' By Lawrence Castillo Guest Columnist  
Friday, 16 September 2022 03:22

---

What happens if an individual age 65 lives until age 100? What happens to the retirement funds placed in the annuity? Did it stop at his life expectancy, (85.5 years)?

No, it continued until his ultimate death. Annuity payments for life are fully guaranteed, and the insurance company will continue to pay and pay and pay.

How can they do that? Knowing how many men age 65 will die each year would mean that another man age 65 didn't live until life expectancy.

**It is called the Law of Large Numbers.**

The man who died early, did the insurance company keep his unused funds? No, all remaining funds for anyone who dies prematurely will be returned intact to the annuitants named beneficiary. All the insurance company makes is the extra yield from the original deposit; no insurance company will ever profit from death.

So what is the lie? Those who do not understand how an annuity works or a competitor in the annuity industry will use half-truths to gain a competitive advantage over a prospect that is not fully informed.

**Annuities mean guarantees, which can mean lifetime income without fear of losing the retirement benefit.** Annuities should be considered when planning the foundation of your retirement plan. They layer guaranteed income on top of your social security benefits and your pension retirement income to form the basis of your retirement.

Also, avoid any costs or delays in transferring your annuity value at your death to anyone you wish; name a beneficiary; it is easy.

## Who gets your annuity if you die?

Written by 'Layin' it on the line' By Lawrence Castillo Guest Columnist  
Friday, 16 September 2022 03:22

---

Lawrence Castillo is a member of *Syndicated Columnists*, a national organization committed to a fully transparent approach to money management.

**Lawrence Castillo Host of Safe Money and Income Radio.** L and C Retirement Income Planners, 4801 Lang St. NE Suite 100 Albuquerque NM 87109.

Interested in additional information? Register for my FREE Newsletter at 888-998-3463 or click my newsletter link: <https://annuity.com/lawrence-castillo-newsletter/>

**Syndicated Columnists is the sole provider of this material, both written and conceptual, for this column.** All rights reserved.

'Layin' it on the line'  
By Lawrence Castillo  
Guest Columnist