

Certified EIA Specialist™ knowledge at work for you...

Areas of study:

1. Interest crediting method analysis
2. Underlying call option analysis
3. The Index Investing strategy
4. Principles of Financial Modeling

Why are these areas important?

The indexed annuity can be an important part of a retirement plan, but the product can often be complex. A Certified EIA Specialist™ (“CEIAS”) can provide their clients with the analytical insight that addresses the potential for an EIA to create their required income.

How is Specialist knowledge applied?

The CEIAS uses a process of discovering client goals, determining suitability, screening annuity products, and then measuring the probability that your goals will be achieved.

Using comprehensive software tools, an analysis is conducted and the results are presented in reports that include easy to understand charts and tables of data. You may see a report comparing two types of EIAs or outlining how a selected EIA can meet your retirement income needs, for example.

There is a serious lack of impartial tools that permit an advisor to evaluate – let alone demonstrate – the hypothetical performance of the EIA crediting methods.

Additionally, the insurance industry is lacking advisors who understand the methodologies of financial analysis that perform forecasting: Will the chosen EIA meet a client’s expectations?

However, these conditions are easily remedied with the Certified EIA Specialist course.

Association of Insurance & Financial Specialists

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At a time when individuals face a confusing array of annuity products and conflicting information, the Certified EIA Specialist™ course empowers advisors with the additional knowledge and education they need to offer valuable guidance.

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The Certified EIA Specialist focuses on what could be the most integral part of the indexed annuity, the interest crediting method, by modeling EIA performance under income producing conditions to test the ability of the product to meet a client's needs.

The course work is not meant to replace more comprehensive financial planning courses but to focus on an overlooked area of expertise.

Retirement Modeling

Retirement Modeling determines whether the underlying investments can provide the income required by the retirees. Other financial advisors and retirement planners over-simplify the process of evaluating EIA performance, to the detriment of the client.

At the heart of CEIAS education is the presentation of the EIA with fair and balanced methods. In short, they are taught how 'cherry-picking' time periods for historical analysis or benchmarking against inappropriate indexes fail to demonstrate to

their client how an EIA performs during both good and bad times.

Probabilities not certainties

Retirement Modeling is a process of forecasting and then simulating that result through mathematical probabilities. There is no room in retirement modeling for the use of average returns or simple portfolio optimizations. These techniques do little more than tell a client what they *should* have invested in: they offer very little forecasting value. Monte Carlo analysis, or random number generation, allows a planning scenario to be assessed for viability: What is the likelihood it will work?

Risks must be accurately depicted

Although EIAs are not securities and they have no principal risk, they do have a risk of return distributions. Traditional fixed annuities provide returns to the investor based on interest rates. These interest rates offer positive returns each and every year that the investor remains invested. However, an EIA index crediting method offers returns to the investor only when the index crediting method result is positive; otherwise the investor receives a 0% return. This risk must be quantified and reduced where possible and the CEIAS is trained to do so.

Breakdown of Course Topics

The EIA is a relatively new investment and there is very little documentation or training available regarding the risk and return potential of the various EIA product configurations.

In purpose, this course will provide an introduction to the basics of EIA product construction, an introduction of concepts surrounding Option Contract development (focusing on both the Seller's and Buyer's needs), and finally a look at the performance of Index Credit Methods provided by the options.

CEIAS Course Topics

- Crediting Methods
- EIA Call Options
- Bonds & Rates
- Analysis Methods
- Financial Modeling

