METHOD AND APPARATUS FOR PROVIDING RETIREMENT INCOME BENEFITS

RELATED APPLICATIONS

This application is a Continuation-in-Part of United States Patent Application Serial No. 09/406,290 filed on September 24, 1999, which application is based upon United States Provisional Applications: Serial No. 60/101,883 filed on September 25, 1998; and Serial No. 60/115,570, filed on January 12, 1999, the complete disclosures of which are hereby expressly incorporated herein by this reference thereto.

This application ultimately claims priority to the 9/25/1998 Provisional application: ***Method and System for Providing Annuity Retirement Income Benefits*** and incorporates disclosures made in two earlier provisional applications.

The earlier provisional applications, essentially, have similar descriptions and are analyzed separately. 60/115,570 is closest to this specification.

FIELD OF THE INVENTION

The present invention relates to financial services and products. More particularly, the present invention relates to a method and system for administering retirement income benefits. The invention further relates to a data processing method and system for the efficient administration of benefits paid from fixed or variable annuity products, including provisions for guarantees related to retirement income derived from and death benefits associated with fixed or variable annuities. The invention also relates to data processing and administrative systems used to administer withdrawals from mutual funds, particularly systematic withdrawals from such funds.

BACKGROUND OF THE INVENTION

Annuities typically serve the useful function of providing economic protection against the risk of longevity, in that an annuitant has the option of electing a life-contingent retirement income, thereby transferring the risk of outliving one's accumulated assets to an insurer.

These paragraphs simply describe the role of annuities in the insurance industry and how they work.

A number of different kinds of annuities are available to meet the diverse needs of different individuals. These include deferred annuities and immediate annuities. In a deferred annuity, an individual is typically still in the "accumulation phase" of the annuity, amassing assets intended to sustain him or her during retirement years, when an earned wage from performing work is absent. In an immediate annuity, a lump sum of money is applied to purchase a series of retirement income benefit payments, with the first payment typically being made about one month after purchase, with subsequent benefit payments arriving each month thereafter.

Annuities, in general, have an “accumulation phase” during which they are known as ***deferred annuities*** and a “payout phase” during which they are known as ***immediate, or payout, annuities***.

NOTE: A ***deferred annuity*** can be converted to an ***immediate annuity*** at the end of the deferral period or earlier, as provided for in the contract. In practice, very few deferred annuities are annuitized.

The length of the term of the retirement income benefit payments is determined by the annuity benefit option elected by the annuitant. One type of annuity benefit option can provide lifetime income for the annuitant, regardless of how long he or she survives. Another type provides a similar benefit, but covers two lives, typically the annuitant and spouse.

Various types of additional guarantees can be attached to these life-contingent annuity benefit options. These include an option that guarantees the insurer will make at least a minimum number of monthly payments, typically 120 or 240. Another type of option guarantees that the insurer will

The following paragraphs of the specification describe the types of payouts and guarantees associated with the payout amount.

