



The Source

BY HIGHLAND

Your monthly financial recap – *specialized*
and directly from the source.

April 2026

The Source

BY HIGHLAND

Welcome to our new digital resource that delivers all the latest news and trends in the finance industry each month. It's our priority to make your jobs easier, and we're just getting started.

Check us out each month for more, because
The Source by Highland – delivers.

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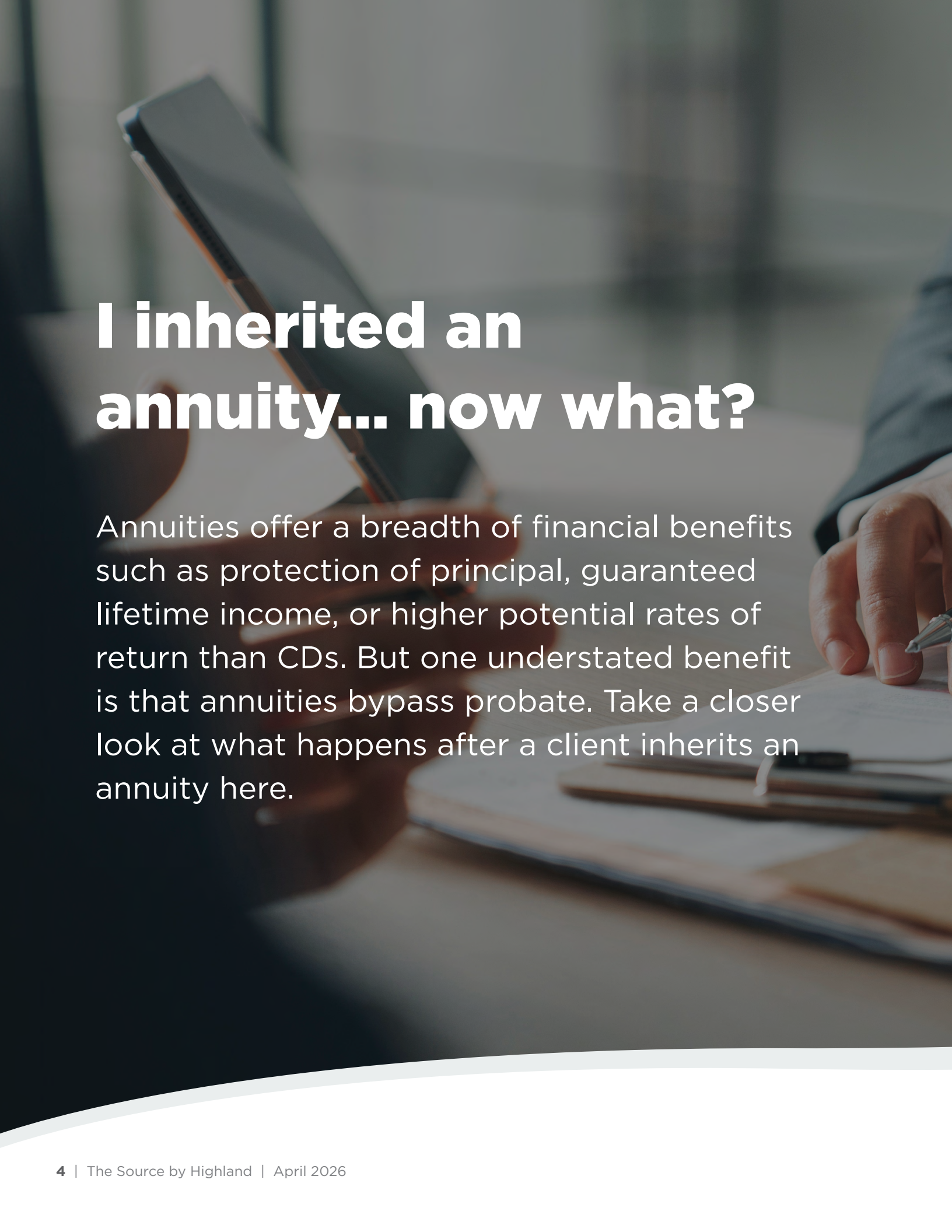
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A person is holding a smartphone in their left hand and writing in a notebook with a pen in their right hand. The background is a blurred office setting.

I inherited an annuity... now what?

Annuities offer a breadth of financial benefits such as protection of principal, guaranteed lifetime income, or higher potential rates of return than CDs. But one understated benefit is that annuities bypass probate. Take a closer look at what happens after a client inherits an annuity here.



I inherited an annuity... now what?

by Michael Raczkowski, JD, CFP®
Highland Capital Brokerage



Americans have trillions of dollars in annuity contracts.¹ Annuity sales (and accumulation balances) have grown in the last few years, particularly as interest rates have increased significantly since Q4, 2021. It's not surprising then that financial professionals, even advisors who are not regularly in the business of selling annuities, will encounter clients with annuities who have questions.



Of the major selling features of annuities, such as stability or protection of principal, guaranteed lifetime income, income tax deferral, or higher potential rates of return than CDs and other fixed income alternatives – one understated benefit is that annuities bypass probate. From the perspective of a client, this means the money they allocate to an annuity can automatically be, by function of law, available to their beneficiaries immediately upon their passing.

Often overlooked, and a frequent inquiry for Advanced Planning, is the question of "What next?" What options does a beneficiary have? What must a beneficiary do when they have inherited an annuity? And when must they choose their path? Since the gains in the inherited annuity remain taxable as ordinary income to the beneficiary, the first objective of many beneficiaries is to try and spread the tax hit over as long of a period as possible.



It's also important to remember the **gains in an annuity are taxed as they come out in most circumstances.** Fortunately, there are options.



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Access now

Highland *Highlights*

LIFE INSURANCE • ANNUITIES • LONG-TERM CARE
DISABILITY INSURANCE • ADVANCED PLANNING
UNDERWRITING • HIGHLAND PARTNERS

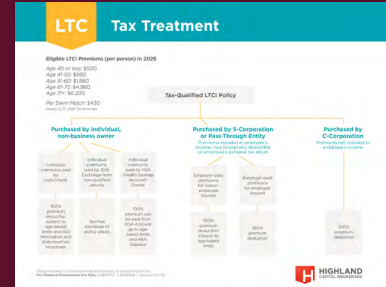


Given that it's April, this month features an in-depth look at the importance of mitigating taxes.

#1: Long-Term Care Tax Treatment

We start this month's highlights off with an in-depth resource that better explains the potential tax ramifications that coincide with a tax-qualified long-term care insurance policy.

[Learn more](#)



#2: Life Insurance as an Asset

Strategically allocating some of your client's portfolio to life insurance offers tax advantages, risk-mitigation, and estate-planning benefits to ensure a well-rounded financial plan. Discover all of the benefits in this helpful two-page guide.

[Check out this vital resource](#)

#3: Optimize Your Retirement Income

Learn how a fixed indexed annuity (FIA) can help your clients reduce their taxes, increase their earning potential, and optimize the performance of idle assets. FIAs allow the premium and interest to accumulate tax-deferred, which means your clients don't pay taxes on earnings until withdrawal.

[Review the resource here](#)



The Financial District

Everything you need to know this month



Continuing Education

Making Friends with HENRYs

- **Date:** Apr. 21, 2026
- **Time:** 4:00 p.m. ET
- **Speaker:** Mike Raczkowski, J.D., CFP® SVP, Head of Advanced Planning

[Register now](#)



Upcoming Virtual Event

We're hosting a specialized Virtual Event - register today.

I Inherited an IRA - Now What?

- **Date:** May 13, 2026
- **Time:** 12:30 p.m. ET
- **Speaker:** Mike Raczkowski, J.D., CFP® SVP, Head of Advanced Planning

[Register now](#)



Spotlight: Annuity Fact Finder

Use this handy guide with your clients to doublecheck and confirm all of their pertinent information, potential changes, and other key factors when deciding what kind of annuity to invest in.

[View resource](#)



Our Case Studies

Actual cases that make a lasting difference. With the goal of securing \$600 M in life insurance coverage, the clients requested to meet every key player involved in securing it. See how Highland's president, underwriter, and managing director provided a concierge-level experience – and delivered exactly how the client wanted. Check out the unique approach in this case study.

[View resource](#)



MYGA Rates

View the latest multi-year guaranteed annuity rates.

[View rates](#)



Helpful Highland Tools

As the new year rolls on, we all know it's tax month. See how the 2026 tax numbers will affect potential plans. Here's Highland's updated Tax Numbers resource for your review.

[View resource](#)



Quotable

Insight from the experts:

“In theory, taxes should be like shopping. What I buy is government services. What I pay are my taxes.”

— P. J. O'Rourke



Need to Know

Here are some important dates and themes for April.

1. Financial Literacy Month: **All month**
2. Social Security Awareness Month: **All month**
3. Tax Day: **April 15**



Four Ways to Pay Estate Taxes

Highland recently unveiled a new presentation tool called HighQ Concepts. This tool allows our representatives to quickly generate custom, compliant, client-ready presentations that cover a variety of simple to complex sales concepts. These presentations will act as a supplement and value-add to the required carrier-run illustrations by giving meaning to the illustration values and driving home the why behind implementing a certain design or concept into a client's financial plan.

Our latest resource demonstrates four different ways to pay estate taxes and the scenarios the potential costs associate with each. Hopefully, this resource can be another important tool in your planning.

[Check it out here](#)

ESTATE PLANNING
Four Ways to Pay Estate Taxes

Client: Male, Age 60, Preferred Non-Smoker
Spouse: Female, Age 60, Preferred Non-Smoker
Portion of Estate Tax Liability Considered: \$5,000,000

SOURCE	COST	OTHER COSTS
Liquidate Assets 5% below market value	\$5,555,556	Other costs may include: cost of sale, income taxes, assets not in business, tax available for personal use or security, assets go to government, not to children, heirs.
Cash Reserve	\$5,000,000	Opportunity costs may include: cannot invest, liquid funds in business, funds must be used to pay taxes at any time tax income/benefits.
Borrow from Bank Assumes 5.0% and 10 years	\$6,478,229	Large annual cash payment, assets pledged to secure lines of credit tied up, repaid from profits, hopefully interest rate risk.
Life Insurance Annual premium of \$48,122 for 20 years (to age 52/53) for a \$5,000,000 death benefit	\$1,486,504	Assumes an annual premium and number years to pay based upon an assumed death age. Actual results may vary and are not guaranteed. Therefore, the total amount shown may vary.

Ways to Pay \$5,000,000 of Estate Taxes

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Highland Profiles

Meet Our Specialists

Highland’s Underwriting team has the knowledge, expertise, and platform to drive cases from initial submission to completion.



Michelle Konsky
VP, Chief Underwriter

Michelle’s career in the life insurance industry began in 1988, and she specializes in jumbo and international cases. Prior to her current role, she managed new business and underwriting in Highland’s New York metro office. In this position, Michelle collaborated diligently with financial producers and the internal sales team to negotiate and place challenging cases. She was born in Israel where she served in the intelligence division of the Israeli army. Her army background provides her with strong leadership skills and confidence. [Read more.](#)



Lori-Anne Walker
VP, Chief Underwriter

Lori started in the financial services industry in 1987. She brings a wealth of underwriting and leadership expertise to Highland. Starting her career in disability underwriting, she swiftly expanded her industry knowledge and established her niche in working with high-net-worth cases, particularly in the older-age market and capacity cases. Her leadership roles and consulting experience give her a unique perspective on special circumstances and valuable insights on positioning various situations. Prior to Highland, Lori served as VP and Chief Underwriter at two GAs and increased the production and paid for business. She was also a consultant at the largest GA in the country for nearly 22 years. [Read more.](#)

Next month:

In the May edition of *The Source by Highland* – we discuss the importance of *Disability Insurance (DI)*.

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