



NATIONAL ASSOCIATION FOR FIXED ANNUITIES

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NAFA

**ANNUITY
LEADERSHIP
FORUM**

& Virtual Hill Walk

JUNE 15-17, 2021

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**ANNUITY
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AGENDA



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ANNUITY LEADERSHIP FORUM & Virtual Hill Walk

Annuity Leadership Forum & Virtual Hill Walk Attendees,

We're pleased to welcome you to NAFA's 11th annual Annuity Leadership Forum! After a year of uncertainty and instability, we're excited to see increasing signs of a transition to the "next normal." Annuity sales are rebounding to pre-pandemic levels and anticipation abounds for continued momentum. Though we cannot predict what the future will hold, we can take an active role in helping our members and the industry at large plan for it. In an effort to do so, we have lined up an incredible set of industry experts covering several of the most pressing issues impacting fixed annuities and the future of our business to share their insights.

The event kicks off June 15 with Austan Goolsbee, who will provide a riveting look at today's complex political landscape. Given his background serving in Washington as the Chairman of the Council of Economic Advisers and a member of President Obama's cabinet, he'll offer an insider's perspective on key considerations for the current administration and beyond. In a similar vein, we have three panelists prepared to dive into what's happening on the economic horizon, from COVID to cryptocurrency to federal issues impacting all aspects of retirement planning.

Meanwhile, some of our most anticipated discussions will come from a combination of industry authorities, Senate leadership and our in-house advocacy team in the form of a look the future of annuity regulation and legislation. From the continued rollout of the revised NAIC suitability model to potential impacts of the soon-to-be-in-effect DOL fiduciary rule to movement on the SECURE Act 2.0, there's a lot to unpack and not a better set of professionals to help you do so. We also look forward to a first look at new industry research rolling out from our friends at the Alliance for Lifetime Income, as well as a panel highlighting a laser focus of the industry on diversity, equity and inclusion in the workplace and in terms of retirement planning support nationwide.

In case you haven't already, I encourage you to mark your calendars to attend our live sessions, keeping in mind a few will not be recorded due to speaker requirements. I also hope you'll make plans to join us for an interactive happy hour during which you can put your industry knowledge to the test. Participants will have the opportunity to win some fantastic prizes while enjoying the camaraderie of fellow attendees in a shared commitment to the future of fixed annuities.

Finally, we have arranged for our members to participate in an afternoon "on the Hill" to share our position and members' personal stories with elected officials. Annually our Hill Walk is celebrated as one of the best parts of our Forum, regardless of meeting format, and year this promises to be no different. NAFA continues to monitor and engage on issues impacting product, distribution and oversight, and your participation in this process is critical to the overall effectiveness of our outreach.

I'd like to personally thank Matt Hargrafen, Paul Garofoli and our entire program committee for bringing their wonderful vision for this event to life. On behalf of NAFA's Board of Directors, the NAFA staff, and the Government and Legal Affairs Committee, I want to thank each of you for making the Forum a priority in your busy schedules and for celebrating National Annuity Awareness with us!

Best regards,

Chuck DiVencenzo
President & CEO, NAFA



ANNUITY LEADERSHIP FORUM & Virtual Hill Walk

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WE LOVE FIXED ANNUITIES



And, we're not alone...

In a survey of those who elected an annuity over a lump sum from their retirement savings plan¹:

96% are happy they chose the guaranteed monthly annuity payments rather than a lump sum.

94% said they have peace of mind because the income is guaranteed to last their lifetime and this makes them feel financially secure.

87% said that, since they started receiving the annuity, their standard of living is about the same or better.

Here's why ...

Insured Savings

SAFETY: Fixed annuities have no investment risk. They guarantee that the money in your annuity is safe from the financial market's ups and downs.

CERTAINTY: Fixed annuities provide a variety of ways to receive income for life – and your income check is guaranteed no matter how long you live.

PROTECTION: Fixed annuities protect both your premium and interest as your annuity grows AND the lifetime payments from your annuity throughout retirement.

TAX DEFERRAL: Fixed annuities are tax deferred and the power of tax deferral helps to increase interest earnings.

MINIMUM PREMIUMS: Fixed annuities allow you to save regularly with modest premium amounts.

Consumer Safeguards

- ▶ State laws and regulations require insurance companies to review the sale of fixed annuities before a contract is issued in order to determine the suitability of the recommendation based on an individual's financial situation and retirement goals.
- ▶ Fixed annuity contracts must have a "free look" period so that you can be certain you want to proceed with the purchase.
- ▶ Fixed annuity salespeople must be specifically trained about the actual product before making a recommendation.

Industry Strength²

Life insurers provide the products that protect against life's uncertainties, helping individuals and families manage the financial risks of premature death, disability, long-term care and outliving their savings.

Life insurers pay out \$2.1 billion to families and businesses every day and issued \$88.1 billion in annuity payments in 2019 alone – offering peace of mind to Americans when they need it most.

Life insurers are a major source of bond financing for American business, holding more than 22% of all U.S. corporate bonds.

¹ Paycheck or Pot of Gold Study conducted by Harris Poll for MetLife, issued April 11, 2017.

² Statistics available through ACLI at <https://www.acli.com/Industry-Facts>

If you own an annuity or want to buy one and are uncertain about negative advertising you may have seen, we urge you to contact your nearest consumer protection agency or visit www.naic.org for your free "Buyer's Guide to Fixed Annuities." Don't be scared into making a decision that may not be right for you.

Make sure the insurance company you are considering is financially sound. You can start your research on the insurance company's website or ask your annuity salesperson for more information. You can also review an insurance company's rating from one of the four main rating agencies: A.M. Best Company, Standard and Poor's Corporation, Moody's Investors Service and Fitch Ratings. Or, your state insurance department may have more information. Just visit www.naic.org and click on the "States and Jurisdictions Map" to find your department's contact information.

You can also visit the following websites for factual information about fixed annuities:

www.annuretirement.com

www.fiainsights.org

NAFA is dedicated exclusively to promoting the awareness and understanding of fixed annuities. NAFA was founded in 1998.

**Contact an insurance
professional for more
information.**



ANNUITY ABCs

A

is for **annuity**, which keeps us far from woe

J

is for **joint life**, meaning a spouse need not fear

S

is for **safety**, from stock market loss

B

is for **beneficiary**, where one day the money will go

K

is for **knowledge**, annuities are for the wise consumer

T

is for **tangible**, annuity dollars are real, not dross

C

is for **contract**, the policy the owner files away

L

is for **liquidity**, most annuities have it (it's not just a rumor)

U

is for **unique**, an annuity's retirement role no can dismiss

D

is for **deferral**, delaying the taxes you pay

M

is for **money**, annuities let you keep more on your plate

V

is for **value** (an annuity brings each owner much bliss)

E

is for **exclusion** ratio, or the income that is tax-free

N

is for **NAIC**, providing oversight from all fifty states

W

is for **withdrawal**, deferred annuities offer access to cash

F

is for **fixed**, where safety of principal is key

O

is for **obligation**, a promise you'll not be caught unawares

X

is the **line we sign** – your signature is right after the dash

G

is for **guarantees**, that investments never provide

P

is for **principal** (which is protected from bears)

Y

is for **yearly**, when annuity interest is credited

H

is for the rich **history** which annuities have on their side

Q

is for **qualified**, even IRAs may hold an annuity

Z

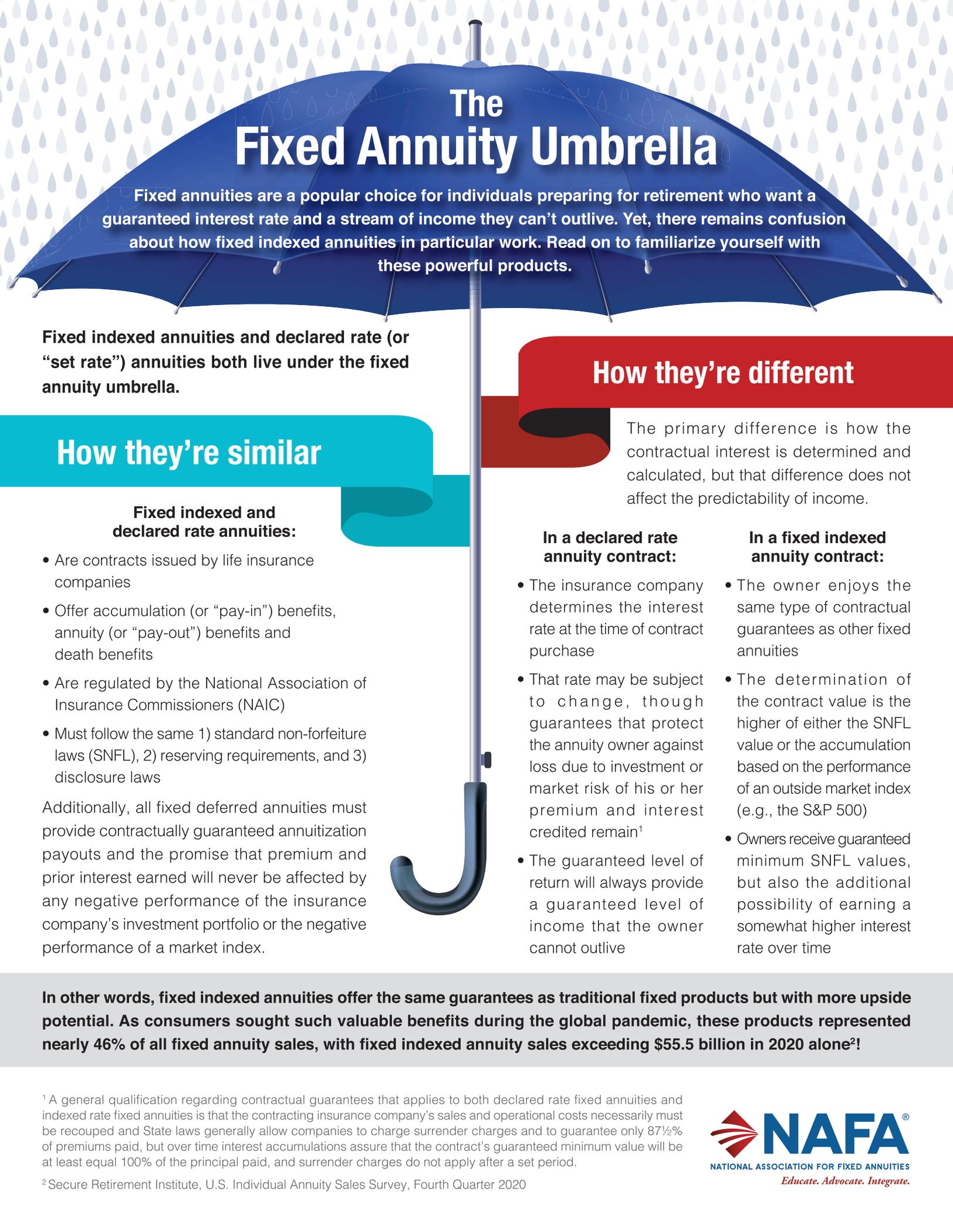
is for **zero**, the odds your annuity will ever be discredited

I

is for **interest** accrued every year

R

is for **risk** which annuity owners avoid through acuity



The Fixed Annuity Umbrella

Fixed annuities are a popular choice for individuals preparing for retirement who want a guaranteed interest rate and a stream of income they can't outlive. Yet, there remains confusion about how fixed indexed annuities in particular work. Read on to familiarize yourself with these powerful products.

Fixed indexed annuities and declared rate (or "set rate") annuities both live under the fixed annuity umbrella.

How they're similar

Fixed indexed and declared rate annuities:

- Are contracts issued by life insurance companies
- Offer accumulation (or "pay-in") benefits, annuity (or "pay-out") benefits and death benefits
- Are regulated by the National Association of Insurance Commissioners (NAIC)
- Must follow the same 1) standard non-forfeiture laws (SNFL), 2) reserving requirements, and 3) disclosure laws

Additionally, all fixed deferred annuities must provide contractually guaranteed annuitization payouts and the promise that premium and prior interest earned will never be affected by any negative performance of the insurance company's investment portfolio or the negative performance of a market index.

How they're different

The primary difference is how the contractual interest is determined and calculated, but that difference does not affect the predictability of income.

In a declared rate annuity contract:

- The insurance company determines the interest rate at the time of contract purchase
- That rate may be subject to change, though guarantees that protect the annuity owner against loss due to investment or market risk of his or her premium and interest credited remain¹
- The guaranteed level of return will always provide a guaranteed level of income that the owner cannot outlive

In a fixed indexed annuity contract:

- The owner enjoys the same type of contractual guarantees as other fixed annuities
- The determination of the contract value is the higher of either the SNFL value or the accumulation based on the performance of an outside market index (e.g., the S&P 500)
- Owners receive guaranteed minimum SNFL values, but also the additional possibility of earning a somewhat higher interest rate over time

In other words, fixed indexed annuities offer the same guarantees as traditional fixed products but with more upside potential. As consumers sought such valuable benefits during the global pandemic, these products represented nearly 46% of all fixed annuity sales, with fixed indexed annuity sales exceeding \$55.5 billion in 2020 alone²!

¹ A general qualification regarding contractual guarantees that applies to both declared rate fixed annuities and indexed rate fixed annuities is that the contracting insurance company's sales and operational costs necessarily must be recouped and State laws generally allow companies to charge surrender charges and to guarantee only 87½% of premiums paid, but over time interest accumulations assure that the contract's guaranteed minimum value will be at least equal 100% of the principal paid, and surrender charges do not apply after a set period.

² Secure Retirement Institute, U.S. Individual Annuity Sales Survey, Fourth Quarter 2020



Nationwide proudly presents keynote speaker,

Austan Goolsbee

Tuesday, June 15 at 10 CST/11 AM EST

Goolsbee is a noted economist and writer who has become popular in the media for his ability to clearly explain complex economic concepts. He has served in Washington as the Chairman of the Council of Economic Advisers and as a member of President Obama’s cabinet. In 2009, he was voted “D.C.’s Funniest Celebrity.”

Join us to hear his insights on the economic challenges facing the President and Congress, as well as which industries, groups and geographies will be doing better or worse this year and beyond.

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Investments | annuities | life Insurance | retirement plans



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NFM-20792AO (05/21)



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Reacting to
news headlines

Overview

Staying focused when headlines react

The emotional influence of news headlines on investors, and the consequences of emotional investor behavior.

Key highlights



News headlines lead investors to make irrational and emotional decisions, many times due to the hard-wiring of the human brain.



The average investor has underperformed the market as they have tried to time changes in performance trends. Frequent trading and short holding periods are driven by emotional reactions to news headlines.



Investors can help avoid reactions to market headlines by sticking to investment basics, seeking opportunities to buy when others sell, and working with a financial professional.

Bad news is good business

In the information glut, attention and diversion are more valuable than knowledge and intelligence. For the most part, broadcasters and publishers of financial news strive not to inform investors but to attract them. Their profits are driven by ratings and click-throughs—the more viewers or subscribers they have, the more attractive their media platforms are to advertisers. And nothing attracts individual investors more than bad news.

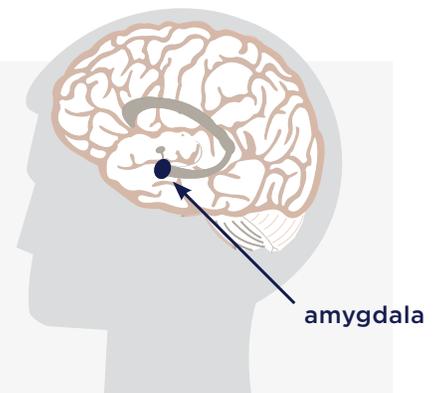
Look at the financial markets to see the effect that news headlines can have on investors. It is often said investors climb a “wall of worry” as market cycles reach their final stages, either at the bottoms of bear markets or near the peaks of bull markets.

The worries that build this wall are usually economic, but political or international events can also sway investor sentiment as well. Eventually, investors overcome these worries and market cycles transition from growth to consolidation (or vice versa). But getting through those transitions takes time. Meanwhile, the drumbeat of news headlines drives the wall of worry higher. This is when investors are most vulnerable to making emotional and irrational decisions.

A neurological view

The same part of the brain that regulates emotion—the amygdala—is also used for decision-making. In stressful situations, emotions can take over the amygdala and influence decision-making processes.

This leads to behaviors that are less rational and more impulsive.



Maintain a disciplined approach to investing

The solution for countering the influence and effects of headline-driven emotional investing lies within the individual. By understanding the true role of the financial media and recognizing how sensational reports of market events can push our emotional buttons, individual investors can tap their own willpower to avoid making emotionally charged decisions and stick to the investment plan they established with their financial advisor.

By avoiding emotional decisions and maintaining a disciplined approach to investing, investors can seek to keep more of the money they save and earn and be positioned for opportunities to buy when prices are low.

Recalling these basic principles of investing can help investors manage the onslaught of financial news headlines:



Stick with investments for the long term to help achieve long-term goals.



Tune out the noise from the financial news media, and don't take any action in response to news events without first consulting a financial advisor.



Maintain a diversified portfolio that's suitable for your investment goals and risk tolerance to help lessen the impact of market fluctuations.



Take advantage of opportunities to invest when other investors display emotional behaviors, buying when they are selling in falling markets.

Key takeaways for investors:



Be aware of the role the financial media plays in the industry and understand how headlines of dramatic market events can trigger investor emotions and influence behavior.



Individual investor performance consistently lags the markets because investors trade frequently and try to time the market in reaction to news headlines.



Stay invested for the long term to achieve long-term goals, and follow basic investment principles to downplay the role that emotions can have on investor behavior.



Looking for more insights like this? Check out the The Advisor Advocate, a financial services blog from Nationwide offering timely, relevant expertise on the topics that matter most to financial advisors and their clients; from economic insights and inspired, informed guidance for your clients to advice for building your practice. Visit blog.nationwidefinancial.com



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11 YEARS OF DELIVERING ON
INCREASING INCOME POTENTIAL

95%

ENT-1017-D (R-7/2020)

RECEIVED AN INCOME INCREASE.¹

Annuities are designed to meet long-term needs for retirement income by providing tax deferral, a death benefit during the accumulation phase, and a guaranteed stream of income at retirement.

Our track record shows that income benefits for Allianz fixed index annuities (either built-in or via an optional rider for an additional cost) have provided clients with income increases.

That's important – because even guaranteed lifetime income needs the potential to increase to help your clients address inflation.

And every time there's an income payment increase, that new higher payment is guaranteed for the rest of that client's life (as long as the terms of the contract are followed).

SEE THE COMPLETE
11-YEAR HISTORY AT

www.allianzlife.com/theproof.

There is no guarantee that a contract will receive an increase in any given year.



¹ Percentage of clients taking income who have received at least one increase. The total number of contracts used for this analysis was 22,648, and represents any increase of any amount in a given year. Income payments were elected from 1/1/2008 through 12/31/2018. Income increases are reflective of multiple products and income benefits that were available at that time. Individual contracts may have seen varying amounts of income increases.

Past income payment increases are not a guarantee of future results.

With the purchase of any additional-cost riders, the contract's values will be reduced by the cost of the rider. This may result in a loss of principal and interest (gains) in any year in which the contract does not earn interest or earns interest in an amount less than the rider charge.

Withdrawals will reduce the contract value and the value of any protection benefits. Additional withdrawals taken within the contract withdrawal charge schedule will be subject to a withdrawal charge and market value adjustment. All withdrawals are subject to ordinary income tax and, if taken prior to age 59½, may be subject to a 10% federal additional tax.

For complete information about fixed annuities, ask your financial professional for a contract or Statement of Understanding that outlines the risks, fees, and expenses, as well as other information.

Guarantees are backed by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America (Allianz).

Products are issued by Allianz Life Insurance Company of North America, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297. 800.950.1962 www.allianzlife.com

• Not FDIC insured • May lose value • No bank or credit union guarantee • Not a deposit • Not insured by any federal government agency or NCUA/NCUSIF

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Product and feature availability may vary by state and broker/dealer.



When plans change,
you need agility.

Athene AgilitySM. A versatile fixed indexed annuity that delivers...

- An **Income and Death Benefit Rider** included at no additional charge
- An **immediate bonus** applied to the Benefit Base¹
- An **Enhanced Income Benefit Rider** automatically built in²

Another innovative annuity solution from Athene, where market-leading product designs are powered by unconventional thinking.

Discover more at

Athene.com/NAFA-Agility

Driven to do more.®  **ATHENE**

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¹Benefit Base has no Cash Surrender Value and cannot be withdrawn in a lump sum.

²This benefit is NOT long-term care insurance nor is it a substitute therefore. Availability may vary by state.

The term "financial professional" is not intended to imply engagement in an advisory business with compensation unrelated to sales. Financial professionals will be paid a commission on the sale of an Athene annuity.

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Solving the Annuity Puzzle

Baby boomers are facing greater financial challenges than previous generations. Many are carrying mortgages into retirement, while others are still supporting their adult children and even elderly parents. On top of these challenges, lifespans are increasing. On average, 65-year-olds today are expected to live to age 85 and about one out of every four will live past age 90.* With this new reality, clients are increasingly seeking strategies that convert their savings into guaranteed income to meet their lengthy retirements and increased costs of day-to-day living.

The annuity puzzle

Given the strong need to avoid outliving one's savings, you may expect more consumers to look to annuities to achieve their lifetime income goals. However, many people are unfamiliar with these products or misunderstand how an annuity works and the benefits it can provide.

The fact that many consumers do not purchase annuities when it likely is in their rational self-interest to do so is called the "annuity puzzle." Athene realized this puzzle was interfering with consumers' ability to plan for a financially secure retirement, and set out to find out why.

Breaking through the biases

Your clients may be unknowingly bringing biases to the table – interfering with their ability to plan for a financially secure retirement.

Researchers have made headway in understanding what drives some consumers to purchase annuities, while others do not. Athene commissioned a review of biases from two experts in judgment and decision making at the UCLA Anderson School of Management. *Solving the annuity puzzle: A behavioral analysis* explores 10 behavioral biases that can keep consumers from purchasing annuities – ranging from fear of mortality to lack of financial confidence.

Many of these biases appear to stem from how consumers respond to four key sources of uncertainty that they face when considering whether or not to purchase an annuity, including:

- "How long will I live?"
- "How much money will I need to cover that amount of time?"
- "How would an annuity perform for me compared to other investments?"
- "Am I understanding this all properly?"

Discover the **10** common behavioral biases against annuities and the solutions for overcoming them.

Visit [Athene.com/NAFA](https://athene.com/NAFA) to download the whitepaper today!

Turning consumer insight into a competitive advantage

Solving the annuity puzzle: A behavioral analysis also pairs each bias with potential strategies for overcoming them. These solutions may boost your clients' interest in purchasing annuities and facilitate better financial planning. For example, you'll discover how words matter and how to reframe the conversation around annuities and retirement goals to more effectively build relationships with clients to better provide them with product solutions they really need and want. You'll also learn that when it comes time to present your solutions, clients should initially be presented with a small number of options that are tailored to their needs to prevent "choice overload."

By spotting biases early and lessening their influence, you can reshape the conversation to find solutions that meet each individual's needs and clear the path for clients to make confident financial decisions about their future that best serve their needs.



*Social Security Administration. <https://www.ssa.gov/planners/lifeexpectancy.html>

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Why Do Hundreds Of Thousands Turn to Great American Life?

When it comes to helping clients plan for their futures, we believe it pays to keep things simple. From the annuity solutions we offer to the service we provide, we make things as easy as possible. Whenever you have a question, we're only a phone call away.

Hundreds of thousands of individuals have entrusted a piece of their retirement to Great American Life®. Let us help your clients reach their goals, too.

GAconnect.com

Mary from Montana,
valued annuity customer
since 2017

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It pays to keep things simple.®



Tony Compton

Vice President B/D & RIA
Sales

Great American Life
Insurance Company

RILA Sales Surge as Investors Seek Growth and Protection

330 percent. That's the growth in the registered index-linked annuity (RILA) channel since 2016. Guaranteed rate annuities, fixed-indexed annuities (FIAs) and variable annuities (VAs) have all seen periods of substantial growth, but the acceptance and adoption of this newest product type drove total RILA sales volume to more than \$24 billion in 2020.*

So why have RILAs become so popular so quickly?

RILAs are quickly becoming an industry favorite partly because of the innovative design, but also due to economic conditions affecting more traditional types of annuities.

For example, FIAs have been a staple in retirement planning for years; however, in recent years we have seen interest rates continue to fall. These lower interest rates negatively affect the caps that carriers can offer on FIAs. As a result, over the last two years, we've seen historically low earning potential from these types of products.

Additionally, new and updated regulations continue to put a spotlight on the fees that consumers are paying to own some types of annuities, such as traditional VAs. These fees may not be as acceptable today as they were in the past.

“RILAs are quickly becoming an industry favorite partly because of the innovative design, but also due to economic conditions affecting more traditional types of annuities.”

Insert RILAs. RILAs offer a mixture of FIAs and VAs. With a RILA, the client can experience loss in the account value (similar to a VA), but there is some downside protection through either a floor or buffer, which we'll get into shortly. Because the client is taking on additional risk, there is more upside potential than a traditional FIA. In many situations, the additional earning potential is 300 percent higher with RILAs.



Straightforward protection options

There are a few different ways RILAs provide clients with downside protection. A floor option protects against losses that exceed a certain amount, commonly -10% each year. So, if the applicable index declines between 0 and -10%, the client would incur the full loss that year. However, if the index decreases by more than -10%, the client is protected from the amount that exceeds -10%. In other words, a floor is the maximum annual loss the client can incur.

The other common strategy is a buffer option. A buffer protects from losses up to a certain amount each year, commonly -10%. If the index goes down more than -10%, the client would incur the loss that exceeds -10%. So, if the index decreases by -22%, the client's loss would be -12% that year.

Market-linked growth opportunity

For the growth component, RILAs credit interest based on the positive performance of a market index. The amount of interest credited is equal to the index change, up to a cap or multiplied by a participation rate. Again, because of the potential loss exposure, caps and participation rates for RILAs are higher than those for FIAs to offer more of an upside reward.

No or low fees

The construction of RILAs often gives the client a reprieve when it comes to an account fee. Many of these products are offered with no fee, or a low client fee in comparison to traditional VAs – adding to their appeal.

Just like we've seen great evolution when it comes to FIAs and VAs, it's exciting to see where the RILA industry will go. This product type is new, but we're already seeing design progress.

What does all this mean for you and your clients?

The bottom line is this: Whenever clients have more choices for their retirement assets, they are able to choose something that best fits their needs. It also gives advisors more opportunity to tailor their offerings specifically to their individual clients.

As with any product, you should take the time to review the details and the competition to ensure you have a complete understanding of the features. I believe that once you do, you will realize why you want to add this newest annuity type to your solutions for 2021 and beyond.

*Source: LIMRA 12-31-2020

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Competitive Advantages

Reasons You Should Consider Doing Business With EquiTrust

Simple Product Design

Client friendly; easy to understand and explain

Renewal Rate Integrity and Transparency

Full renewal-rate history available on Agent Gateway website; we strive to give customers the same competitive advantages year after year

Broad State Approvals

Most products - including index annuities - approved in most states, including California

Return of Premium Guarantee

Available on two products; available day-one with no fee

Volatility-Control Index Alternatives

Two easy-to-explain, risk-controlled indices on index annuities and life products

Income Rider Doublor

Available in California! Income payments doubled with 2 of 6 ADLs and chronic illness – including extreme permanent cognitive impairment; payments continue after accumulation value is depleted

Income Rider Fee-Calculation Advantage

Fee is calculated on the accumulation value – not the faster-growing benefit base – resulting in less cost to the client.

Remote Selling Conveniences

Face-to-face client meetings are not required, e-applications, agent mobile app, point-of-sale and remote underwriting interview on life products

Industry Recognition

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Volatility Control – Less Is Mower

By Jeff Barnes, National Accounts Senior Manager, EquiTrust



I have a friend who races riding lawn mowers. Yes, this is actually a thing. He even travels out of state to compete in races. And can those things fly! Unfortunately, he had a bad accident in a race a few years back – a broken-foot-and-fibula kind of accident with steel rods and several screws.

I own a riding lawn mower, which I use for cutting my grass. One day I asked my friend why his mower is so much faster than mine. “Because I took the governor off of mine,” he said. Then he chuckled, “and I did a few other things to it.” He explained that the governor regulates the engine’s speed by controlling the amount of fuel provided to it. Removing the governor lets him go faster. And sometimes crash.

This made me think of Volatility Controlled Indices included with annuity and life products. It is kind of like an index with a governor. There are benefits to controlling an index’s volatility for purposes of index-linked annuities and life insurance.

First, call options are less expensive for the issuer. Generally, this allows the insurance company to provide higher cap and participation rates compared to an index without volatility control. This is pretty obvious when you look at rates offered on a volatility controlled index compared to an index with no volatility control – such as the S&P 500 Index.

Second, reduced volatility bodes well when it comes to renewal rates. The call options tend to be more stable than a non-volatility controlled index because market conditions don’t impact the option costs nearly as much. Less potential for “renewal rate wrecks,” so to speak.

I am not suggesting that one type of an index is better than another. But I am suggesting that the opportunity for greater participation in an index with more stable results may be worth a look. And I encourage diversifying among the different crediting strategies when choosing allocations.

I get excited about how our industry continues to evolve in ways that help our clients customize products to accurately suit their needs. More horsepower and speed isn’t always the best solution.

For purposes of mowing my lawn, having a governor is probably a good thing. But my mower includes a feature that my friend’s mower doesn’t ... a cup holder.

About Jeff Barnes

As National Accounts Senior Manager, Jeff is responsible for building and supporting marketing organization relationships to enhance sales and recruiting success. Jeff joined EquiTrust Life in 2012 and has over 25 years of insurance-industry experience. Jeff is a graduate of Drake University, and is active with NAFA where he served four years on the Education Committee and now serves on the Membership Committee.

(Potential pull-quote: ***There are benefits to controlling an index’s volatility for purposes of index-linked annuities and life insurance.***)

Disclosure:

Originally posted to InsuranceNewsNet.com.

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¹Participation rate is set at issue and subject to change.

²Bonus available on IncomeShield 10 1st year premiums. Each year after the 1st contract year, you become vested in a percentage of the bonus, until 100% vested at the end of the 10th contract year. Vested amounts of the bonus are the amounts not forfeited as a result of an early withdrawal or surrender. Bonus, surrender charges, and vesting schedules may vary by state. See brochure and disclosure for details.

³9 year surrender charge in California.



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Who's Listening ... Is Who's Winning

Adapt your marketing to compete and thrive



Today's marketplace is overcrowded with noise. As a result, consumers are overwhelmed with determining how to navigate it successfully — and many could be tuning you out in response. If you're a fixed annuity distributor trying to leverage all the marketing tools to be all things to all clients, you're setting yourself up for disappointment and, more than likely, declining ROI.

While up-and-coming generations are changing the face of advising, you clearly can't ignore those nearing and in retirement. So how is it possible to reconcile the nuances required to successfully market to individuals of different ages, genders, demographics and mindsets? And how do you carefully craft messaging that acknowledges internal marketers, advisors and consumers?

It all starts with a little listening. This is more than simply hearing what your target audiences are telling you; it involves paying attention to shifts in the marketplace, to how regulatory and legislative changes are impacting the landscape, and to behaviors beyond verbal communication. As you do so, keep in mind these considerations:

Alignment Is Essential

One-size-fits-all solutions may have been limiting in the past, but they're impossible today. Building your brand and reputation requires that you take the time to acknowledge groups of people in meaningful ways at strategic times in specific channels.

What's Old Is New

Time and again, "old arrows" in the marketer's quiver resurface and evolve to deliver serious results. It's imperative you keep an open mind to all of the tools available for reaching your audiences, but narrow your focus in how and where you apply them.

Cohesion Is Key

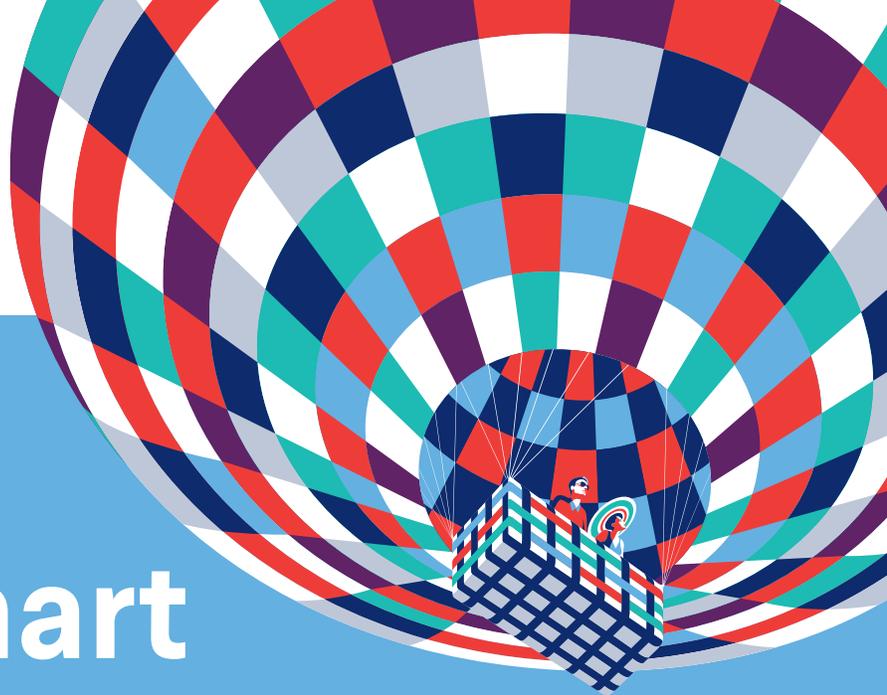
To get more from your marketing efforts, four skillsets within your team are essential for cohesive execution. After generating an audience-first strategy, combine powerful and precise messaging with bold design and pixel-perfect digital development to win.

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WHY NOW IS THE BEST TIME TO MARKET

A SPECIAL REPORT FROM INSURANCENEWSNET

Every economic downturn has its own triggering cause and defining features. But each one has one commonality — fear.

And fear will paralyze timid marketers. When consumers and advisors look to marketing organizations, insurance carriers and financial companies for leadership, will they find you or your boldest competitor ready to help? And who will they remember and stick with long after this crash?

So, how can you stand out? Effective branding at this moment will leave an indelible imprint for years to come.

Identify Your Message

What do consumers want right now? Security and gain. That was true also in the Great Recession, which made it a perfect market for insurance products such as indexed annuities.

Consumer demand upended the annuities market during the recession and fixed annuities overtook variables as the market leader. Are they the answer now? Demand is already increasing for indexed annuities and who knows what other

products and services can fill the void for anxious consumers? You might be the one to figure that out.

Get The Message

Capture the essence of your value to consumers and their advisors, so they know why your solution is the one they need now.

Amplify The Message

Then put that message in front of the audience. It does no good if your perfect message sits on your website or in a press release. Your message needs to be out there big and bold to be seen and understood. Be where the eyes are!

Fortune Favors The Bold

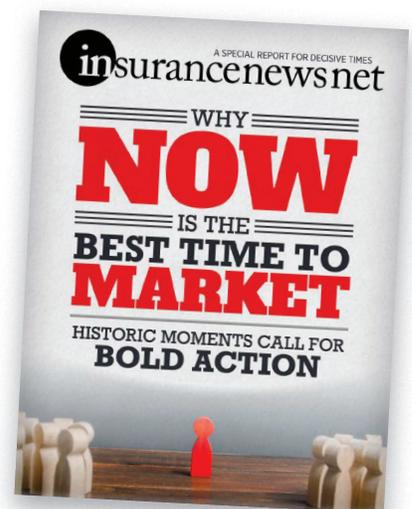
Consider this your challenge: How do you want to see yourself or your company when you look back at this moment in history?

Do you want to be the firm or company that hunkered down and shrank to a fraction of its former self? Or do you want to be one of the few who stood up to the challenge, created an oasis in the chaos and emerged from this crisis as a market leader?

You have the opportunity! Your audience is at home, online and

engaged like never before. Our website traffic is surging. E-mail is more relevant than it has been in years. People are looking for news and guidance. And where are you?

Are you content with just watching the news or are you ready to make history?



To read the full report, including case studies of how brands grew with strong marketing during weak economies visit: <https://innmb.com/besttime>

Why Annuity Education Is Critical to an Ongoing Recovery

Today's headlines continue to echo a crisis mode even though more than 200 million Americans have been vaccinated and many parts of the country are returning to a "new normal." Schools are going back to in-person learning, businesses are reemerging as job growth continues and consumer spending increases, and social gatherings are becoming more prevalent. As a result of this unprecedented time in modern history and the continued uncertainty before us, consumers now more than ever need education, guidance and support to successfully protect and prepare for their financial future.

In 2020, we saw firsthand how quickly the markets can change and how the unexpected can impact all corners of the globe. The pandemic served as a solemn reminder of the importance of having a plan in place to provide secure retirement income. These circumstances put a special importance on this year's National Annuity Awareness Month initiative and how we're working to expand the conversation about annuities to reinforce the importance of retirement security using many ideas, technologies and sales tools now available.

A recent Pew Research Center analysis of monthly labor force data found retirements among baby boomers (individuals born between 1946 and 1964) to have accelerated during the pandemic. After a decade of seeing approximately 2 million more boomers retire each year, data from the third quarter of 2020 indicated 3.2 million more boomers had retired for the year as compared to 2019. Many factors contributed to this increase, from those seeking to avoid exposure to COVID-19, to those impacted by significant nationwide job loss, to those experiencing a *carpe diem* moment due to the pandemic's daily reminders of mortality.

In addition to these factors, the absolute staggering complexity of variables including volatility, interest rates, government interventions, regulations, inflation and healthcare ramifications will impact client behavior and subsequent modifications of that behavior. As we look at all these issues, we as an industry must be instrumental in helping clients become aware of long-term solutions to help ameliorate the specter of being unprepared for what lies ahead.

While individuals of all ages and circumstances have been affected by this crisis, those close to or in retirement have more significant challenges ahead knowing they do not have the luxury of time to make up for any substantial losses that may have impacted their retirement savings. In addition, those who relied on retirement savings to bridge a temporary financial gap or were unable to contribute to retirement savings due to financial challenges are further vulnerable. One of the bedrocks of National Annuity Awareness Month is the distribution of information and resources to Americans facing all of these circumstances who can benefit from the value proposition of annuities.

In particular, fixed indexed annuities (FIAs) are an important solution for clients as advisors help them understand the current landscape and mitigate potential pitfalls of the future. The FIA is an important tool in asset allocation to help meet both accumulation and preservation goals because of its unique ability to allow growth without direct exposure to volatile equity markets; simultaneously it can provide a more robust return over the long term than traditional low-risk products like bank CDs (certificates of deposit).

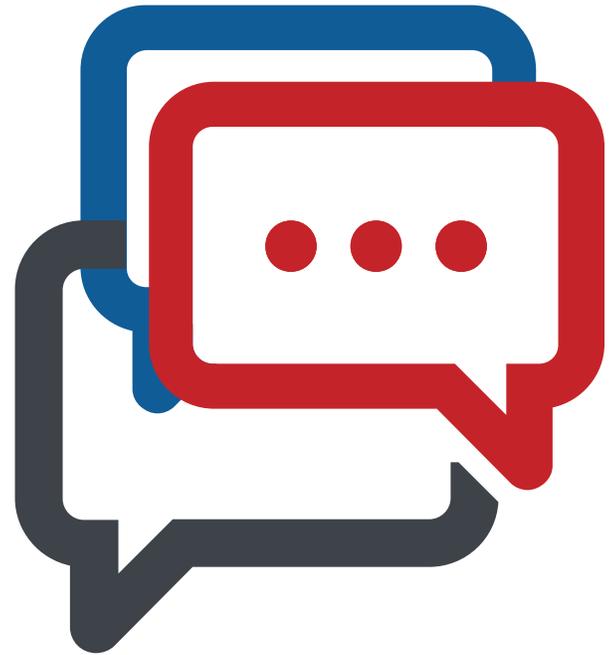
What's more, with the current interest rate environment still at historic lows, it can be difficult to guarantee how a retiree might enjoy predictable lifetime income. FIAs often feature income riders, either inherent to the contract or available for a fee, that provide guaranteed lifetime income and the flexibility of an accumulation period that allows clients to determine when to turn on a stable income stream during their respective lifetime. The FIA is critical for those planning for their retirement years and is one strategy that the education campaign of National Annuity Awareness Month seeks to provide clarity around and to highlight as a useful tool in the retirement planning toolbox.

The Covid-19 crisis has elevated the need to provide stability for a portion of one's nest egg so that it is not subject to a future crisis likely to occur during a 20- to 30-year retirement. In addition, the stability of a consistent income stream during retirement helps deliver financial security. One of our main goals of National Annuity Awareness Month is to make sure Americans are aware of annuity product options, the importance of planning, the value of working with a financial professional and the need for education as we seek to rebound from the pandemic and collectively improve our financial outlook.

Throughout the month of June, we encourage you to engage with NAFA and the work the industry is doing to promote National Annuity Awareness Month and a whole host of educational initiatives that we'll unveil. Visit **AnnRetirement.com** for tools, resources and events happening and to pledge your support for this important campaign. In addition, we invite you to attend our virtual Annuity Leadership Forum June 15-17 to discuss key issues impacting retirement savings and income. Though there is no vaccine for a lack of retirement preparedness, education, planning and leveraging products like FIAs can help provide a pathway to ensure a brighter future for us all. ■

Charles J. DiVencenzo, Jr.
 President & CEO, NAFA





ENHANCING THE SECURE RETIREMENT CONVERSATION

WHO WE ARE

NAFA, the National Association for Fixed Annuities, is the premier trade association dedicated exclusively to fixed annuities. Our primary mission is to promote the awareness and understanding of fixed annuities. Founded in 1998, NAFA's membership represents every aspect of the fixed annuity marketplace and every channel of distribution, including insurance carriers, independent marketing organizations, and independent producers, advisors, brokers and general agents.

WHAT WE DO

As we work to protect the products and professionals Americans need access to in order to generate guaranteed lifetime income and retire well, we rely on our three foundational pillars to guide us.

EDUCATE

We educate financial professionals, regulators, legislators, media, and other retirement industry personnel about the value of fixed annuities and how they benefit consumers.

ADVOCATE

We work with regulators and legislators at the state and federal levels on issues affecting retirement security and promote the use of fixed annuities as part of a holistic retirement savings plan.

INTEGRATE

We coordinate with member companies and national financial trade organizations to advance initiatives and policies that help Americans plan for and meet their retirement income goals.

WHY FIXED ANNUITIES MATTER

Fixed annuities play a critical role in helping shape the collective retirement future of our country.

- There is approximately \$1 trillion of in-force fixed annuity premium serving roughly 8 million Americans.
- Middle-class consumers largely comprise the annuity market, with an average fixed annuity valued at \$117,000.
- In 2019, life insurance companies paid \$88.1 billion in annuity benefit payments to contract holders.
- Research consistently shows that annuity ownership contributes to higher levels of retirement confidence.

For more information, contact Pam Heinrich, NAFA General Counsel & Director of Government Affairs.
pam@nafa.com | 414.332.9306 ext. 6



ABOUT NAFA

NAFA, the National Association for Fixed Annuities, is the premier trade association exclusively dedicated to fixed annuities. Our mission is to promote the awareness and understanding of fixed annuities. We educate annuity salespeople, regulators, legislators, journalists, and industry personnel about the value of fixed annuities and their benefits to consumers. NAFA's membership represents every aspect of the fixed annuity marketplace covering 85% of fixed annuities sold by independent agents, advisors and brokers. NAFA was founded in 1998. For more information, visit www.nafa.com.