



National Life
Group®

Fixed Indexed Annuities



Upside Potential, Downside Protection

*Give your clients another secure option
for their retirement plan.*

Balance growth and safety in retirement.

Many Americans struggle to decide how to best handle their money. Should they invest in the stock market to take advantage of the financial growth it can offer while risking potential loss? Or should they reduce their risk, which may minimize their upside? As the time horizon to retirement gets shorter, people have less time to make up for any accrued losses. This fear of loss can outweigh the desire to capture more growth potential.

A **Fixed Indexed Annuity (FIA)** can provide your clients 100% downside protection while giving them upside growth potential based on the market. Compared to other safe money assets, FIAs can offer more growth.

The safe money alternative.

Fixed Indexed Annuities are often used as a safe money alternative. These are the assets considered safe money:

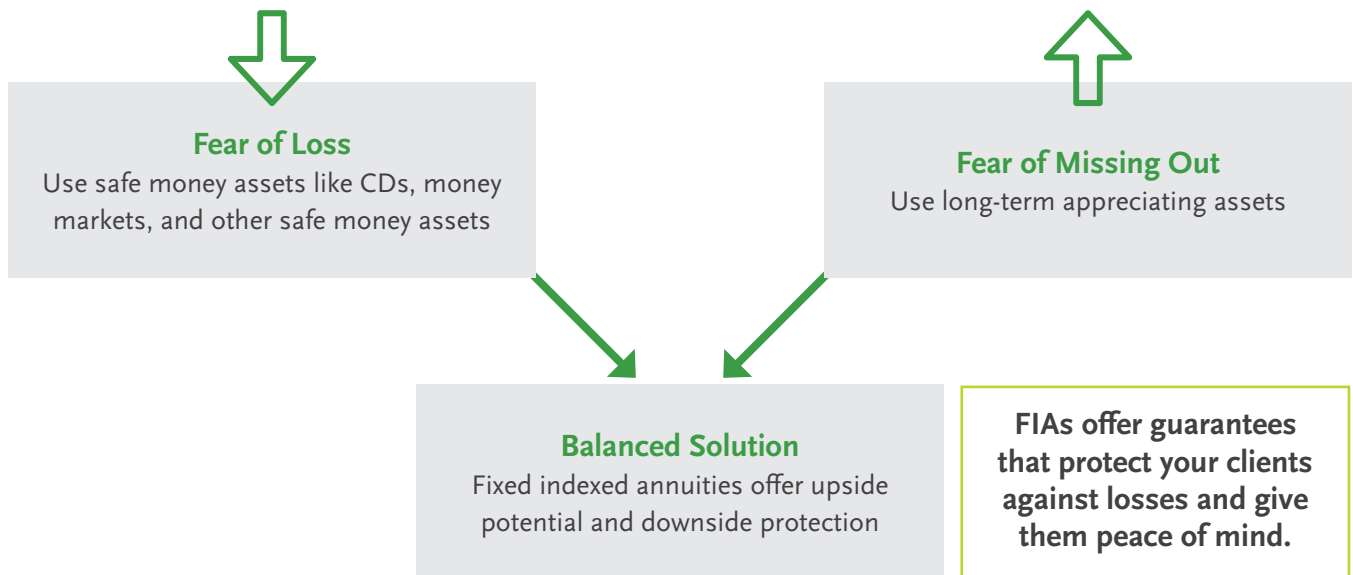
- **Bank Savings Accounts:** There are approximately \$1.748 trillion in low-yield savings accounts earning 0.41%.¹
- **Money Market Accounts (MMA):** There is currently over \$7 trillion in MMAs. The average MMA is around 0.64% annual percentage yield — that's 0.46% after taxes.²

- **Certificates of Deposit (CD):** The average 1-year CD is currently around 1.77% — 1.27% after taxes.³ There is \$1 trillion in CDs maturing in 2025⁴. To give you some perspective on how much that actually is, consider that one million seconds is about 11½ days, a billion seconds is over 31 years, and a trillion seconds is over 31,688 years.
- **Other safe assets** earning low yields.

Help your clients keep what they already have.

Protecting assets is nothing new. Americans buy insurance protections every day for their homes and automobiles even with the low probability of ever needing it:

- 2.5 out of 1,000 (0.0025%) homes are involved in a fire every year⁴
- 31 out of 1,000 (0.031%) cars are involved in an accident every year⁵



The chart above captures the “why” behind the decisions people make and how they may be feeling when choosing how to invest. As can be seen, choosing a more balanced approach helps protect a part of your client's nest egg.

It's also important to note, the feelings Americans have after losing money in a down market outpace the pleasure felt when they make gains in the market. Loss aversion studies show that people feel twice as good when they don't lose \$100 compared to gaining \$100³, strong evidence to the importance of protecting what money they already have.

Provide stability and growth in uncertain economic situations.

There are many risks with retirement strategies, including the impact of inflation and market volatility.

Inflation

	Cost in 2004	Cost in 2024	Total % Increase
Milk	\$3.16	\$6.99	39.8%
Eggs	\$1.34	\$9.58	615%

The 20-Year Breakeven Inflation Rate is 2.46%.⁷

In retirement planning, higher prices in the future must be considered. It makes sense to look for solutions that offer more upside potential. Unfortunately, the higher earnings potential means more risk with market volatility.

Market Volatility Risk

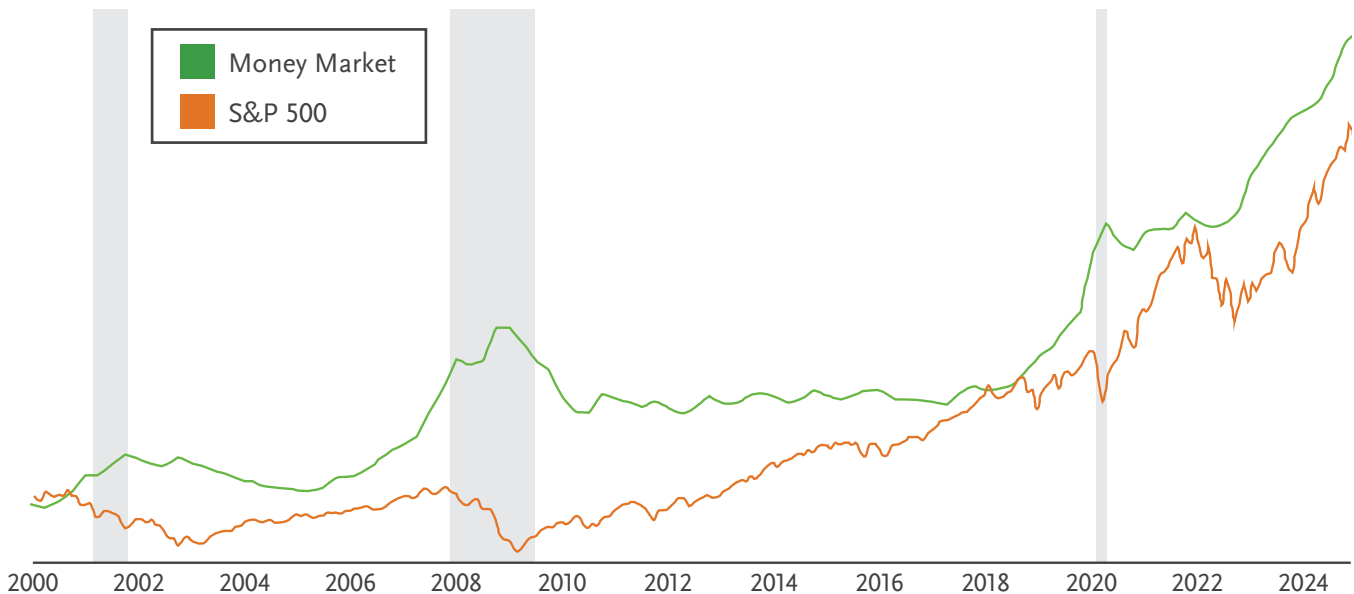
Since 2000, Americans have faced many challenges in the market.

Impact of Events – drop in S&P 500

- 2001 9/11 Iraq War – 10.0%⁸
- 2008 Financial Crisis – 56.8%⁹
- 2020 COVID Pandemic –33.9%¹⁰

Assets in Money Markets

- Q4 2001 – \$2.4T
- Q4 2008 – \$3.8T
- Q4 2020 – \$5.0T
- Q4 2024 – \$7.2T



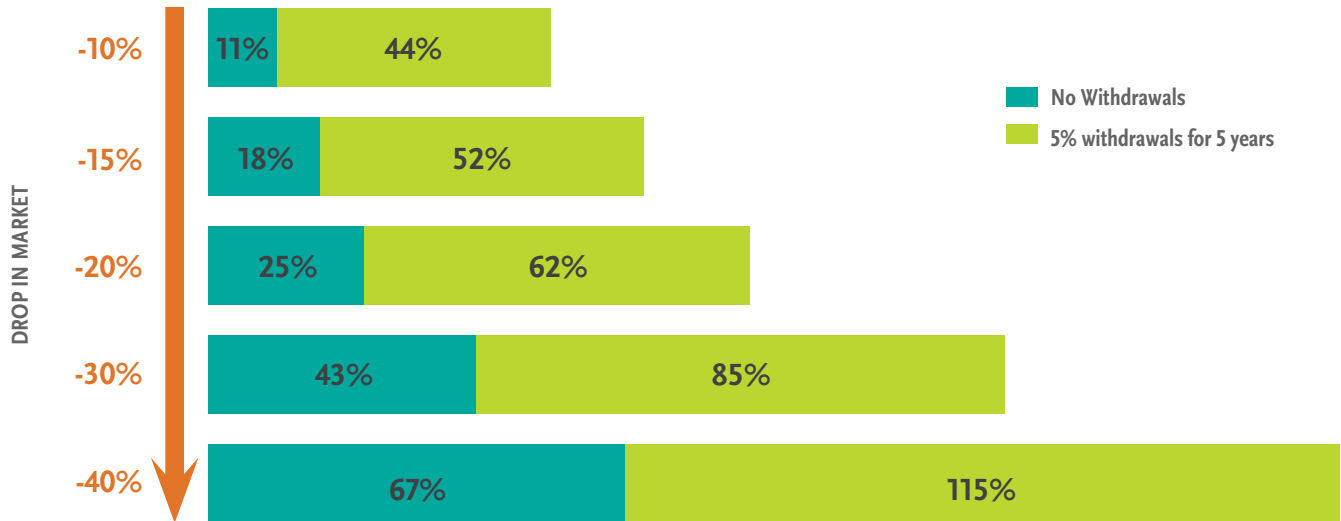
Source: Chart (left): Morningstar. Data most recently available as of 08/31/25. Chart (right): Morningstar, BlackRock Student of the Markets, Lincoln Financial. Returns calculated from end of peak month listed. US Stocks = S&P 500 TR; Money Market = Morningstar taxable money market category average returns; US bonds = Bloomberg U.S. Aggregate Bond TR. **Past performance does not guarantee or predict future performance. Index performance is for illustrative purposes only. You cannot invest directly in the index.**

When there is risk, there is also a flight to safety. Money markets hit historic highs after these events. Unfortunately, sitting in cash is the easiest way to go broke when you figure in taxes and inflation. To keep pace, your clients need to be able to keep up with the market. FIAs let them capture returns based on market-like indices, such as the S&P 500.

Capture the market upside without the downside.

Market drops can be difficult to fully recover from, especially when withdrawals are being taken from your account. Restoring your gains to the original value can take years.

Total Cumulative Gain Required to Return to Original Value After Market Drop

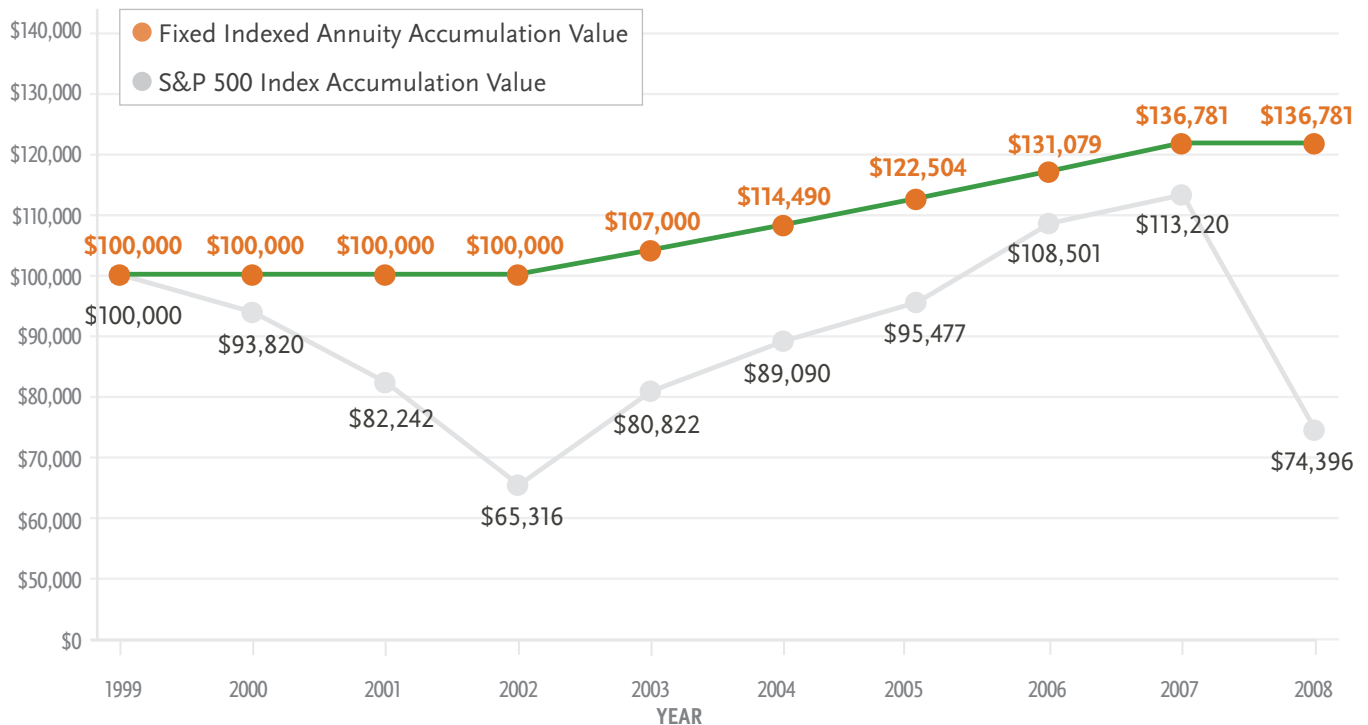


Hypothetical example for illustrative purposes only. Does not represent the actual results of any particular annuity product.

A Smooth Ride to Retirement

When your client puts money in a fixed indexed annuity, they don't have to worry about losing value due to market declines. In years when the market is down, the zero percent floor is the hero. While no interest is credited for that year, they won't lose any of their premiums paid or interest earned due to the downturn of the market.

A Hypothetical Performance Over Nine (9) Years



A History of Positive Returns

In addition to the policy contributions being protected, there is also room for growth. Between 1957–2024, the S&P 500 experienced positive returns more often than negative



19 negative years

-20% + 3 years		-20% to -10% 9 years		-10% to 0% 7 years	
1974	-29.72%	1957	-14.31%	1960	-2.97%
2002	-23.37%	1962	-11.81%	1981	-9.73%
2008	-38.49%	1966	-13.09%	1990	-6.56%
		1969	-11.36%	1994	-1.54%
		1973	-17.37%	2011	-0.003%
		1977	-11.50%	2015	-0.73%
		2000	-10.14%	2018	-6.24%
		2001	-13.04%		
		2022	-19.44%		

		1958		38.06%							
		1961		23.13%							
		1963		18.89%							
		1964		12.97%							
		1967		20.09%							
		1971		10.79%							
		1972		15.63%							
		1975		31.55%							
		1980		25.77%							
		1985		26.33%							
1959		8.48%		1976		19.15%		1989		27.25%	
1965		9.06%		1979		12.31%		1991		26.31%	
1968		7.66%		1982		14.76%		1995		34.11%	
1970		0.10%		1983		17.27%		1996		20.26%	
1978		1.06%		1986		14.62%		1997		31.01%	
1984		1.40%		1988		12.40%		1998		26.67%	
1987		2.03%		1999		19.53%		2003		26.38%	
1992		4.46%		2006		13.62%		2009		23.45%	
1993		7.06%		2010		12.78%		2013		29.60%	
2004		8.99%		2012		13.40%		2019		28.88%	
2005		3.00%		2014		11.39%		2021		26.89%	
2007		3.53%		2017		19.42%		2023		24.23%	
2016		9.54%		2020		16.26%		2024		23.31%	

49 positive years



Source: Plan with perseverance in mind | Athene (April 23, 2025)

Use everyday stories to bring FIAs to life.

Using stories about common experiences like buying a home or putting cargo on a train can show the benefits of FIAs in an easily understandable way. Here are two examples.

Buying a Home

People buy homes versus renting to experience upside growth over time. It's all a matter of supply, demand, and timing.

Let's look at two scenarios for buying a house. One that relies on the current market environment and one that offers contribution protection.

If your client's home value adjusted like the S&P 500 from 2000 to 2010, the value of their home would be less than they paid (\$75,883.06). If they had an option to include contribution protection, then their home would be over twice the value of the option with no contribution protection (\$158,687).

FIAs can offer your clients similar protections for their retirement contributions.

Start the FIA conversation with clients.

If you are wondering how to best start the conversation about FIAs with clients, you can ask them one or more of the following questions:

- How would you like a fresh start from market conditions each year? Tell them that every year is a fresh start with an annuity.
- Is it more important to keep your money or what you earn on your money? Remind them it's not what you earn, it's what you keep.
- Would you take less upside if your downside was protected?
- How would it feel to make sure your contributions never go backward?

The Cargo Train

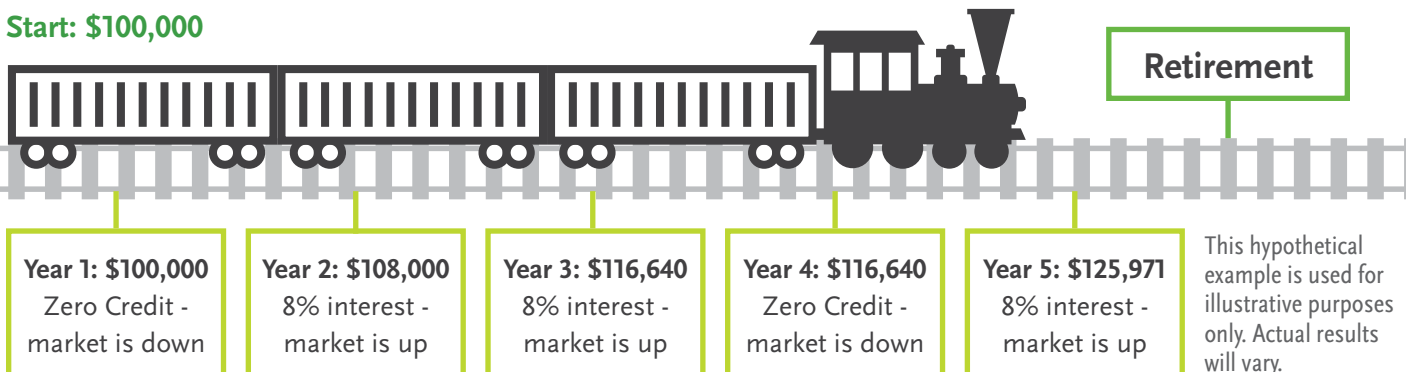
FIA protection works annually or every two years, depending on the crediting strategy chosen. The train story demonstrates how this benefit, known as the annual reset, works.

Imagine the FIA train's destination is your client's retirement. The train leaves the depot with the initial cargo, the premium. At each stop, the train may have more cargo added, which is interest. If there's a positive year, cargo is picked up and viewed as interest for that year.

If the market was negative, clients won't lose any existing cargo. Instead of unloading cargo like most trains do, the FIA train lets them add cargo and keep that cargo throughout their journey. In other words, it allows your clients to keep what interest they've accrued on their contributions.

There is a cost to protecting the cargo. Sometimes, clients may only be allowed to add a certain amount of cargo. These are crediting limitations, such as a cap or participation rate.

Start: \$100,000



Two waves of wealth, one solution.

There are multiple generations of people looking for protected growth strategies and/or protected lifetime income. Let's look at two of them.

Baby Boomers and Gen X

There are two waves of assets moving between Baby Boomers and Gen X generations. The Income Wave, which refers to the extraordinary number of Baby Boomers entering retirement, and the Inheritance Wave, or the transfer of wealth from Baby Boomers to their heirs.



Get to know Gen X.

- 65M People
- Born 1965-1980
- 1st one turned 60 in 2024
- 38% have investable assets of \$500K+
- Assets: Control 25% of all the wealth

Get to know the Baby Boomers.

- 68M People
- Born 1946-1964
- 11,400 a day are turning 65
- 42% have investable assets of \$500K+
- Assets: Control 53% of all wealth

Source: Wealth Distribution in the U.S. By Generation | SmartAsset (July 19, 2024)

Give your clients more security for their retirement with FIAs.

Everyday more Americans are getting closer to or have already started retirement. They are looking for more options for their retirement assets whether that be for growth or for income. National Life Group is here to help provide solutions to help your clients reach their retirement goals. If you're ready to take the next step in creating a new and exciting chapter in your practice, book a time with your local National Life Group contact and your brokerage partner today.

Ready for the next step? Contact your IMO Annuity Partner or your National Life Group contact today.

There's more to explore. Visit the National Life Group microsite to see how a Fixed Indexed Annuity can help secure your client's retirement future.
natl.life/mktghub3



1 Estimate for illustrative purposes only. Total dollars held by Americans in savings accounts is extrapolated based on results of Vanguard Savings Study, March 2025. For more information see vanguard.com/cashplus.

2 Average Money Market Account Rates: Maximizing Your Savings Potential | Business Insider (February 5, 2025)

3 What Is the Average CD Rate? | SmartAsset (June 12, 2025)

4 Timeline of U.S. Stock Market Crashes | Investopedia (September 9, 2025)

5 House Fire Statistics | The Zebra (September 11, 2025)

6 Preliminary Semiannual Estimates | National Safety Council (July 2025)

7 Loss aversion: Why people are so afraid of losing money | Get Smarter About Money (April 15, 2025)

8 20-Year Breakeven Inflation Rate (1:20YBIR) | YCharts (August 2025)

9 How September 11 Affected the U.S. Stock Market | Investopedia (September 15, 2025)

10 The COVID-19 Crash of 2020 | Avatrada (March 25, 2025)

A Fixed Indexed Annuity (FIA) is a fixed annuity whose interest is determined, at least in part, by the performance of a specified index of the market. Unlike traditional fixed annuities, the policy owner may receive zero interest for a single period on a specific premium payment if the index performs poorly. However, with most designs, the premiums are protected and guaranteed to grow over time, and the owner of a fixed indexed annuity may experience better interest crediting than a traditional fixed annuity during periods when the market performs well. An investment cannot be made directly into an index. Indexed annuities do not directly participate in any stock or equity investments. Most FIAs permit owners to participate in only a stated percentage of an increase in an index and also impose a "cap rate" that represents the maximum annual account value percentage increase allowed to contract owners. Because they are meant for long-term accumulation, most annuities have surrender charges that are assessed during the early years of the contract if the contract owner surrenders the annuity. In addition, withdrawals prior to age 59 ½ may be subject to a 10% Federal Tax Penalty. The guarantees of annuity contracts are contingent on the claims-paying ability of the issuing company. All withdrawals from an annuity purchased with non-qualified monies are taxable as ordinary income only to the extent there is a gain in the policy.

The index strategies of fixed indexed annuities credit interest are based in part on the change in a market index. When included in a fixed indexed annuity with the protection of a 0% floor, the benefit of reduced downside will not be realized for index returns below 0%. The 0% floor provided by an indexed annuity ensures that during crediting periods where the index is negative, that no less than 0% interest is credited to the index strategy. This means that premiums paid, and interest earned will not be reduced by market volatility. Guarantees are dependent upon the claims-paying ability of the issuing company. Assuming no withdrawals made during the surrender charge period and no rider charges. Rider charges continue to be deducted regardless of whether interest is credited.

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