Financial Independence

SALES KIT

In this kit:

Social media images & posts | Producer guides | Client info on taxes, market volatility & more

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Financial Independence

Social Media Posts & Sharable Graphics

Text for Posts

Post this text with any of the images linked on the following pages.

Using permanent life insurance can help you prepare for a long, healthy retirement. Contact me today for a free quote to help secure a future free from financial stress.

Protect yourself and those you love by being prepared for an extended retirement. I can help – contact me today for a free quote to ensure your assets don't run out as life expectancy increases.

In 1990, 43% of workers were covered by pension plans, but today that number is only 17%. Never before have retirees been responsible for managing so much risk on their own. Contact me today to uncover potential gaps in your retirement plan to ensure you have a solid safety net in place.

Contact me today to help secure the safety net you need to face retirement with confidence!

Don't let taxes undermine your retirement plans and leave you with less than expected. Take control of taxes by including life insurance in your safety net to provide supplemental income that is income-tax-free. Contact me today for a free quote.

Did you know? You can use cash value in a life insurance policy to help supplement your retirement income. Contact me today for a free quote to help secure your financial future.

Life insurance in retirement can supplement the income from your other retirement assets, plus the income-tax-free death benefit can protect your family after you're gone. Ready to put your protection in place?

Plan for life's adventures! A single premium immediate annuity (SPIA) lets you convert a lump sum of cash into a steady stream of guaranteed lifetime income. Contact me today to get started.

Want to convert retirement assets to a cash flow that will last for the lives of you and your spouse? A joint-and-survivor immediate annuity can do this. Contact me today for a free quote!

Do you need help bridging the income gap between retirement and Social Security payments? Contact me today to set up an immediate annuity to ensure you have the funds you need.

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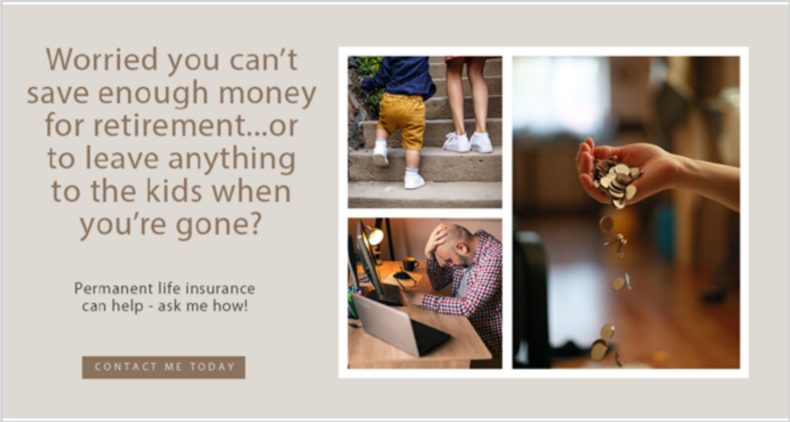

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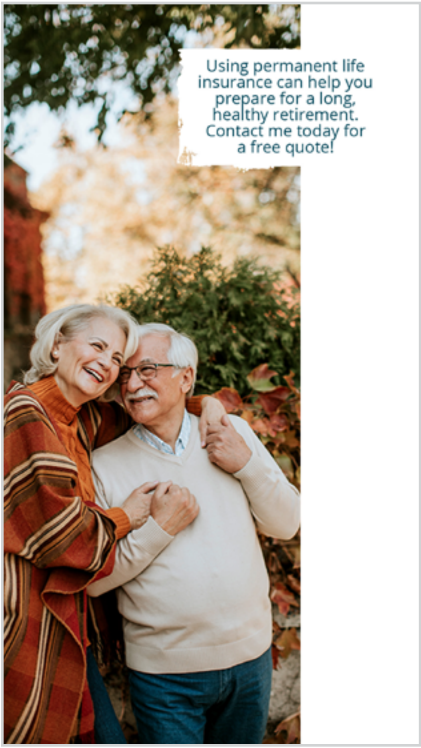

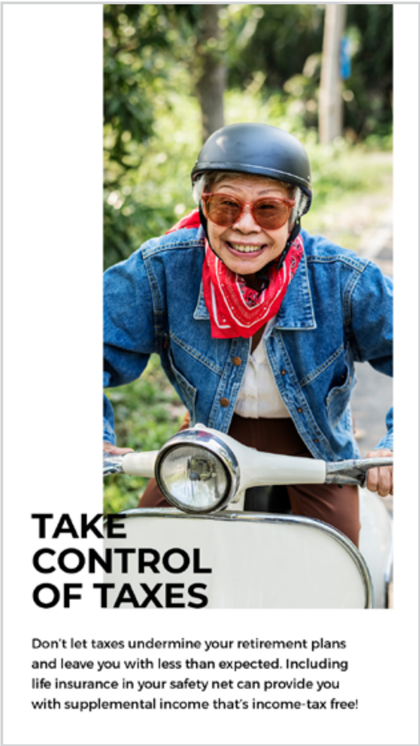

HELPING CLIENTS NEARING RETIREMENT DEAL WITH INFLATION

Within the past year, the annual inflation rate has skyrocketed into a percentage the US hasn't seen since the early 80's. According to the Bureau of Labor Statistics, as of June 2022, the year-over-year increase in consumer prices hit 9.1%.[1]

This has many older Americans concerned if they have enough in savings to withstand the rising costs.

Another recent study found that: **A quarter** of Americans will need to delay their retirement and 21% of Americans have **reduced** contributions to their retirement savings.[2]

The question then becomes, how can we help clients who are at or nearing retirement age create long-term financial security that can withstand inflation? As an advisor, you will be in a position to identify products and tools to help your client mitigate the risk of not having enough money to enjoy retirement.

One solution is the use of a Guaranteed Lifetime Income Rider. Lifetime income riders are now available through ANICO Strategy Indexed Annuity Plus, providing competitive cost-effective guaranteed income through a product with no downside investment risk. ASIA PLUS 7 & 10 offers two option guaranteed lifetime income riders. The first is a ***Fixed Rate*** LIR which compounds daily at a guaranteed rate, typically doubling the income base at the end of the ten-year accumulation period. The Fixed Rate LIR is a good option for clients needing the security of maximizing their savings in relation to a guaranteed lifetime income. The second option is an ***Indexed Credit + Fixed Rate*** LIR which also compounds daily at a rate lower than that of the Fixed Rate option, but also credits any index gains of the policy year to the income base. The Indexed Credit + Fixed Rate LIR is a good option for a client willing to trade the guaranteed gains of the Fixed Rate option for the potential to capitalize on indexed gains of the policy and reduced rider charge. Both options offer single and joint life income guarantees available after completion of the first policy year.

Liquidity Options

ASIA PLUS 7 & 10 products offer an annual Surrender Charge Free Withdrawal Privilege. After the contract is issued, you can withdraw up to 10% of the annuity value at the beginning of the contract year, or the minimum required distribution, if greater, during each contract year without any surrender charges. The policies also offer three Crisis Waivers including Confinement Waiver, Disability Waiver and Terminal Illness Waiver.

Tax Deferral

Not to be overlooked, annuities typically allow for tax deferral on non-qualified premium during the accumulation period. A 1099 is not generated unless a distribution is made allowing interest and gains to compound. Tax deferral is critical to helping clients nearing retirement maximize their efforts to build savings.

Conclusion

The ANICO Strategy Indexed Annuity Plus flex premium indexed annuity is a competitive option for clients requiring flexibility, diverse investment options combined with principal protection.

Stacy J. Papajohn
National Sales Manager – Northern Region, Independent Marketing Group

1) CPI for all items rises 1.3% in June; gasoline, shelter, food indexes rise, U.S. Bureau of Statistics, July 2022. 2) BMO Real Financial Progress Index: Inflation Causing a Quarter of Americans to Delay Retirement, BMO Harris Bank, May 2022

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John Hancock

Success Story

Advanced Markets

Planning in Action

Managing sequence of return risk in retirement

Case in point

Due to recent market volatility, a producer spoke with an Advanced Markets Consultant (AMC) to understand more about how life insurance could be used to help his client address sequence of return risk. With help from the AMC, the producer presented permanent life insurance as an option to serve as a "backstop" to help hedge against many common retirement risks, including sequence of return.

Designing a case

Based on the client's objectives, the AMC and producer developed a plan that would direct the $2,500 of additional income into a Protection IUL policy, with an assumed growth rate of 5.92%, for a 10- year premium, with an initial minimum non-MEC face amount set at about $920K. One of the benefits of this solution is the supplemental income the policy could provide during retirement years to help address potential sequence of return issues. To demonstrate the flexibility of using potential cash value as an additional source of funds, especially in years when there might be poor market performance, the illustration showed random tax-free distributions of approximately $60K/year (see Sample presentation on page 4 for more information).

Why it works

- Taking tax-free distributions from the life insurance policy may help preserve the value of other assets due to a sequence of return risk
- Cash value in the policy may also be used more broadly to offset unexpected expenses or spending needs during retirement, further protecting assets from depletion
- Adding a Long-Term Care (LTC) rider to the policy may further protect the value of other assets should the client need to eventually pay for long-term care services
- Income tax-free death benefit is available to protect a surviving spouse or for legacy purposes
- John Hancock Protection IUL provides downside protection against market risk, with long-term death benefit guarantees

Client profile

- Male, age 50, Super Preferred Non-Smoker, married
- All children "out of the house"
- No mortgage or other significant debt
- Desires approximately $60,000 of annual after-tax income during retirement (not including Social Security benefits)
- Is able to direct $2,500/ month to additional savings

See appendix on page 2 for an analysis on sequence of return risk and how life insurance can help address this risk.

Appendix: Understanding sequence of return risk

Sequence of return risk analyzes the order in which investment returns occur and the potential impact on the longevity of income sources at retirement. It's an analysis that centers on the notion that if accounts underperform early in the retirement-distribution phase, it can be difficult to make up those losses later.

In order to best understand let's look at an example:

Compare Mr. Smith (retiring in 1969) and Mrs. Jones (retiring in 1971):

- each start with retirement accounts with $2M
- each withdraw $100k annually

The most recent downturn in the market is a perfect example of how the devaluation of assets may affect retirees. And many clients over the age of 50 are now more aware of this risk than ever before as they have seen their retirement assets shrink in just a short period of time. While no one can predict the future market returns, now is an advisable time to be speaking with clients about "sequence of return risk" and potential opportunities to hedge against this exposure.

Mr. Smith

Age	Year	Beginning balance	Withdrawal amount	Actual returns	Year-end balance
65	1969	2,000,000	$100k	-15.19%	1,611,314
66	1970	1,611,314	$100k	4.82%	1,584,129
67	1971	1,584,129	$100k	6.11%	1,574,854
68	1972	1,574,854	$100k	14.58%	1,689,932
69	1973	1,689,932	$100k	-16.58%	1,326,258
70	1974	1,326,258	$100k	-27.57%	888,129
71	1975	888,129	$100k	38.32%	1,090,172
72	1976	1,090,172	$100k	17.86%	1,167,017
73	1977	1,167,017	$100k	-17.27%	882,764
74	1978	882,764	$100k	-3.15%	758,131
75	1979	758,131	$100k	4.19%	685,706
76	1980	685,706	$100k	14.93%	673,170
77	1981	673,170	$100k	-9.23%	520,261
78	1982	520,261	$100k	19.61%	502,653
79	1983	502,653	$100k	20.27%	484,258
80	1984	484,258	$100k	-3.74%	369,887
81	1985	369,887	$100k	27.66%	344,532
82	1986	344,532	$100k	22.58%	299,755
83	1987	299,755	$100k	2.26%	204,274
84	1988	204,274	$100k	11.85%	116,629
85	1989	116,629	$100k	26.96%	21,112
86	1990	21,112	$100k	-4.34%	–
87	1991	–	$100k	20.32%	–
88	1992	–	$100k	4.17%	–
89	1993	-	$100k	13.72%	–
90	1994	–	$100k	2.14%	–
91	1995	-	$100k	33.45%	–
92	1996	–	$100k	26.01%	–
93	1997	–	$100k	22.64%	–
94	1998	–	$100k	16.10%	–
95	1999	–	$100k	25.22%	–

30-year average market return ⟶ 9.64%

Mrs. Jones

Age	Year	Beginning balance	Withdrawal amount	Actual returns	Year-end balance
65	1971	2,000,000	$100k	6.11%	2,016,147
66	1972	2,016,147	$100k	14.58%	2,195,579
67	1973	2,195,579	$100k	-16.58%	1,748,048
68	1974	1,748,048	$100k	-27.57%	1,193,615
69	1975	1,193,615	$100k	38.32%	1,512,732
70	1976	1,512,732	$100k	17.86%	1,665,046
71	1977	1,665,046	$100k	-17.27%	1,294,794
72	1978	1,294,794	$100k	-3.15%	1,157,194
73	1979	1,157,194	$100k	4.19%	1,101,490
74	1980	1,101,490	$100k	14.93%	1,151,043
75	1981	1,151,043	$100k	-9.23%	954,021
76	1982	954,021	$100k	19.61%	1,021,452
77	1983	1,021,452	$100k	20.27%	1,108,203
78	1984	1,108,203	$100k	-3.74%	970,496
79	1985	970,496	$100k	27.66%	1,111,258
80	1986	1,111,258	$100k	22.58%	1,239,630
81	1987	1,239,630	$100k	2.26%	1,165,408
82	1988	1,165,408	$100k	11.85%	1,191,649
83	1989	1,191,649	$100k	26.96%	1,385,946
84	1990	1,385,946	$100k	-4.34%	1,230,110
85	1991	1,230,110	$100k	20.32%	1,359,749
86	1992	1,359,749	$100k	4.17%	1,312,331
87	1993	1,312,331	$100k	13.72%	1,378,687
88	1994	1,378,687	$100k	2.14%	1,306,051
89	1995	1,306,051	$100k	33.45%	1,609,499
90	1996	1,609,499	$100k	26.01%	1,902,180
91	1997	1,902,180	$100k	22.64%	2,210,211
92	1998	2,210,211	$100k	16.10%	2,449,934
93	1999	2,449,934	$100k	25.22%	2,942,611
94	2000	2,942,611	$100k	-6.17%	2,667,279
95	2001	2,667,279	$100k	-7.10%	2,384,899

30-year average market return ⟶ 9.54%

While Mr. Smith experienced a slightly higher average rate of return over a 30-year period, his outcome was much different due to the sequence of those returns.

*This is a hypothetical example for illustrative purposes only

But what if Mr. Smith had been able to avoid taking withdrawals after the market had performed negatively (excluding 1970) because he had another tax-advantaged source of income he could access? In that case, he likely would have experienced a much different outcome with respect to the longevity of his account.

Let's take a look:

Mr. Smith

Age	Year	Beginning balance	Withdrawal amount	Actual returns	Year-end balance
65	1969	2,000,000	$100k	-15.19%	1,611,314
66	1970	1,611,314	$100k	4.82%	1,584,129
67	1971	1,584,129	$100k	6.11%	1,574,854
68	1972	1,574,854	$100k	14.58%	1,689,932
69	1973	1,689,932	$100k	-16.58%	1,326,258
70	1974	1,409,674	–	-27.57%	960,555
71	1975	1,020,970	–	38.32%	1,328,679
72	1976	1,273,923	$100k	17.86%	1,448,121
73	1977	1,383,585	$100k	-17.27%	1,115,327
74	1978	1,144,668	–	-3.15%	1,080,228
75	1979	1,011,792	–	4.19%	1,125,489
76	1980	949,996	$100k	14.93%	1,178,626
77	1981	976,926	$100k	-9.23%	979,058
78	1982	886,746	–	19.61%	1,171,002
79	1983	940,988	$100k	20.27%	1,288,062
80	1984	1,011,431	$100k	-3.74%	1,143,628
81	1985	973,603	–	27.66%	1,459,933
82	1986	1,115,224	$100k	22.58%	1,667,047
83	1987	1,244,493	$100k	2.26%	1,602,493
84	1988	1,170,381	$100k	11.85%	1,680,524
85	1989	1,197,210	$100k	26.96%	2,006,617
86	1990	1,393,007	$100k	-4.34%	1,823,832
87	1991	1,236,865	–	20.32%	2,194,434
88	1992	1,367,876	$100k	4.17%	2,181,856
89	1993	1,320,797	$100k	13.72%	2,367,528
90	1994	1,388,315	$100k	2.14%	2,316,054
91	1995	1,315,885	$100k	33.45%	3,600,684
92	1996	1,622,622	$100k	26.01%	3,600,684
93	1997	1,918,717	$100k	22.64%	4,293,273
94	1998	2,230,493	$100k	16.10%	4,868,348
95	1999	2,473,481	$100k	25.22%	5,970,973

30-year average market return ⟶ 9.64%

Avoiding withdrawals from this account after negative market returns substantially increases its potential longevity. However, in order to avoid taking taxable withdrawals in this manner, Mr. Smith would likely need another source of income from which to draw. Permanent life insurance can serve as this source of tax-free income.

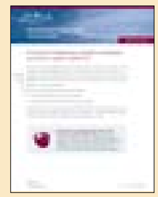
*This is a hypothetical example for illustrative purposes only

Conclusion

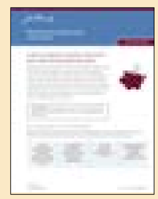
Cash value life insurance can help manage the sequence of return risk people will face during retirement years. And as an indexed universal life policy, John Hancock's Protection IUL helps drive the cash value at potentially higher crediting rates than a traditional UL policy can, while providing downside protection against market volatility. What's more, adding a LTC rider gives clients additional protection of their primary income assets. In short, now more than ever, cash value life insurance offers a solution that clients may be looking for to help cover times of financial uncertainty.

Resources

Retirement backstop sample presentation



Retirement backstop advisor companion



Retirement backstop client snapshot

Call Advanced Markets at *888-266-7498, option 3* to speak with an Advanced Markets Consultant, or email *advancedmarkets@jhancock.com*

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SUCCESS STRATEGIES
Advanced Sales

Filling the Retirement Income Gap

For high-income earners

High-income earners are limited in how much they can contribute to qualified retirement accounts. As a result, there is a significant gap in their income at retirement — a gap that can range from 45% to 75% for earners with annual incomes over $200,000 per year.

Consider the projected figures in Chart A below based on hypothetical annual pre-retirement compensation just before retirement.

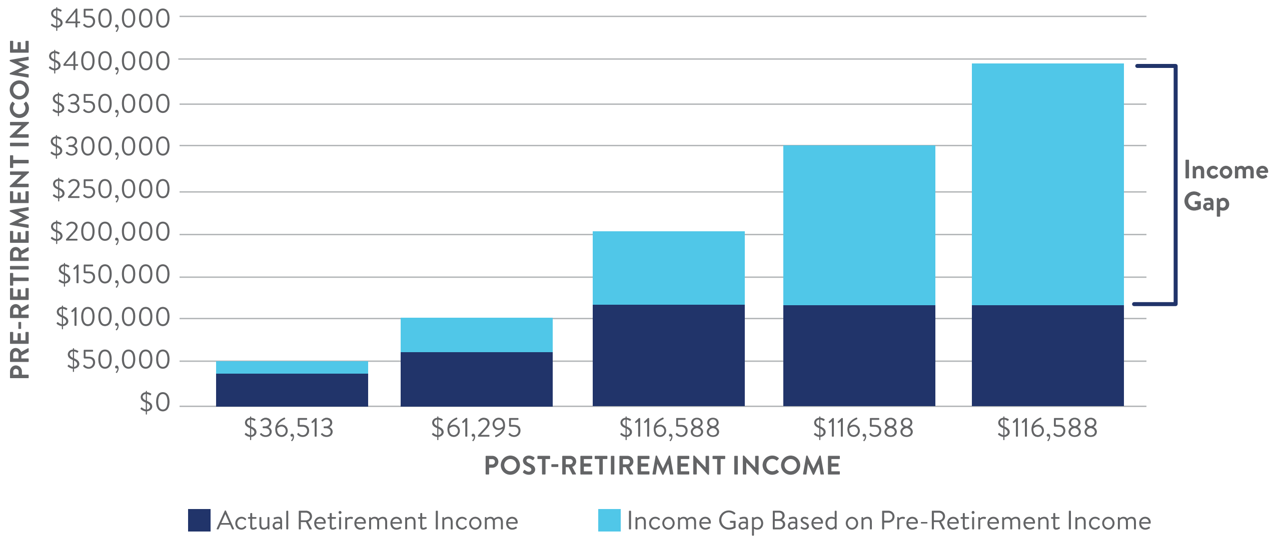
CHART A: REPLACEMENT OF ANNUAL COMPENSATION WITH SOCIAL SECURITY AND 401(k) INCOME SOURCES AT RETIREMENT AGE 67 (CURRENT AGE 45, FEMALE)

			High-Income Range		
Compensation	$50,000	$100,000	$200,000	$300,000	$400,000
401(k) Plan Contribution @ 5% growth	$5,000	$10,000	$22,500	$22,500	$22,500
Gross 401(k) Annual Benefits @ Age 67	$14,000	$28,000	$75,222	$75,222	$75,222
Gross Social Security Benefits Beginning @ Age 67	$22,513	$33,295	$41,366	$41,366	$41,366
Total Annual Retirement Income Beginning @ Age 67	$36,513	$61,295	$116,588	$116,588	$116,588
Income GAP	($13,487)	($38,705)	($83,412)	($183,412)	($283,412)
Replacement Ratio — % of Compensation replaced by Social Security & 401(k)	73.03%	61.30%	58.29%	38.86%	29.14%

Benefits from the 401(k) assume a female, age 45 today, makes maximum contributions allowable to her 401(k) annually for 22 years, until age 67. It is assumed that contributions grow at an average annual rate of 5% and that maximum annual income is calculated based on an approximate $1.3M account balance beginning at age 67 and targeting a zero balance in 25 years. Note that no specific rate of return can be assured. It is also assumed that contributions at the $200,000-and-over income range are maximized after age 50 based on today's catch-up contribution cap of $30,000, indexed annually for inflation. Lower income levels assume a 10% contribution rate. Social Security benefits are projected based on the Quick Benefits Calculator at ssa.gov.

What the gap looks like based on income level

CHART B: INCOME GAP AT RETIREMENT BASED ON PRE-RETIREMENT INCOME



Where whole life insurance fits in

One solution for high-income earners is to consider the purchase of a whole life insurance policy today.

MassMutual®'s Whole Life 10 Pay policy offers not only cost-efficient death benefit protection during the working years, but also potential high cash values that can help fill the income gap at retirement.

A whole life policy also offers retirees a way to diversify taxes at retirement because unlike withdrawals taken from employer-sponsored retirement plans, the distributions taken from the policy are tax-free up to cost basis (cumulative premiums paid into the policy), after which tax-free policy loans may be taken.[1]

What's more, the whole life policy values are a reliable source of funds because they are not tied to the ups and downs of the equity markets.

[1] Distributions under the policy (including cash dividends and partial/full surrenders) are not subject to taxation up to the amount paid into the policy (cost basis). If the policy is a Modified Endowment Contract, policy loans and/or distributions are taxable to the extent of gain and are subject to a 10 percent tax penalty if the policyowner is under age 59½.

Access to cash values through borrowing or partial surrenders will reduce the policy's cash value and death benefit, increase the chance the policy will lapse, and may result in a tax liability if the policy terminates before the death of the insured. Life insurance proceeds are generally excluded from the beneficiary's gross income for income tax purposes. There have been a few exceptions such as when a life insurance policy has been transferred for valuable consideration.

Life Insurance

Hypothetical example: Assume Joanna, age 45 today, contributes the maximum allowable to her employer's 401(k). To address her family's $1,000,000 life insurance need today, she contributes $67,330 annually for ten years to her Whole Life 10 Pay insurance policy (underwritten as an ultra preferred non-tobacco risk class) that may also offer her a source of funds to help fill in her income gap at retirement (assume that her final income just prior to retirement is $200,000 and she is married with household income of $450,000). Consider Chart C below in which annual policy distributions of $83,412 are taken from the policy beginning at age 67 through age 91 to fill in her income gap at retirement:

CHART C

Pre-Retirement Income to replace	Post-Retirement Income from 401(k) and Social Security beginning at age 67	**Shortfall**	Potential Tax-favored **Annual Distributions** from a whole life insurance policy age 67-91[1]	**Potential Post-Retirement Income** from planning
$200,000	**$116,588**	**$83,412**	**$83,412**	**$200,000**

The Chart C example above assumes the purchase of a Whole Life 10 Pay policy and taking loans and distributions from the policy to fill the gap in income based on a final pre-retirement income of $200,000. The example also assumes that the policy's cash values have not been accessed prior to retirement.

Chart C is a supplemental illustration that is not valid unless accompanied by the **basic illustration**. Refer to the basic illustration for assumptions, explanations, guaranteed elements and additional information. The values shown here are taken from the current assumption of non-guaranteed values.

These illustrated amounts are not guaranteed. They include dividends, which are neither estimates nor guarantees, that have been applied to purchase paid-up additions based on the 2023 dividend schedule. The dividend schedule is reviewed annually, and it is likely that dividends in future years will be lower or higher depending on the Company's actual experience. For this reason, we strongly recommend that you look at a lower dividend schedule illustration. Refer to the Basic Illustrations for guaranteed elements, assumptions, explanations and other important information.

MassMutual Whole Life 10 Pay Policy in Action, Age 45 Female, Ultra Preferred Non-Tobacco — Initial Death Benefit: $1,000,000

CHART D

Year	Age	L10 Annual Premium	Cumulative Premium	Annual Policy Distributions to fund the shortfall	Cumulative distributions taken from policy	Non-guaranteed Net Death Benefit End Year	IRR on Net Cash Value [2]
1	46	$67,330	$67,330	–	–	$1,005,837	–
10	55	$67,330	$673,300	–	–	$1,268,208	1.22%
22	67	–	$673,300	$83,412	$83,412	$1,835,367	4.06%
45	90	–	$673,300	$83,412	$2,001,888	$588,089	4.45%
46	91	–	$673,300	$83,412	$2,085,300	$496,519	4.44%

Chart D is a supplemental illustration that is not valid unless accompanied by the basic illustration. Refer to the basic illustration for assumptions, explanations, guaranteed elements and additional information. The values shown here are taken from the current assumption of non-guaranteed values.

These illustrated amounts are not guaranteed. They include dividends, which are neither estimates nor guarantees, that have been applied to purchase paid-up additions based on the 2023 dividend schedule. The dividend schedule is reviewed annually, and it is likely that dividends in future years will be lower or higher depending on the Company's actual experience. For this reason, we strongly recommend that you look at a lower dividend schedule illustration. Refer to the Basic Illustrations for guaranteed elements, assumptions, explanations and other important information.

Contact Advanced Sales at **1-800-601-9983 Option #2**
or email **MMSDAdvancedSales@MassMutual.com**

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[2] The Internal Rate of Return is a measure that can be used to evaluate performance and is based on the current dividend schedule. It is the amount at which outlays (out-of-pocket costs) up to that year must be compounded each year to generate the Net Cash Value.

Whole Life Legacy Series policies ((MMWL-2018 and ICC18-MMWL in certain states, including North Carolina)/(MMWLA-2018 and ICC18-MMWLA in certain states, including North Carolina)), and MassMutual Whole Life series policies on the Coverpath platform (Policy Forms: WL-2018 and ICC18WL in certain states, including North Carolina) are level-premium, participating, permanent life insurance policies issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001.

AS9014LI 223 CRN202308-283934

TWO POLICIES ARE BETTER THAN ONE

Providing Family Protection

Helping clients plan is a great way to add value to their family. Providing protection for the family throughout their lives is what we do. Initially, our clients need insurance once they start a family. As the family grows and they purchase a home they now have a substantial need to protect their family, their home and everyone's future. Now, if something happened to the provider(s), then the need for insurance is even greater. It should be considered first what is needed for bringing up a family and getting kids through college. Once the kids are on their own and mom and dad have saved for retirement, they may not need as much insurance.

Two Policies Equal Added Family Coverage

By ensuring the family is using two life insurance policies, mom and dad have provided the protection they need for their family as it grows and matures. They have the flexibility to use the entire $1,000,000 to protect their family in the early years when their family requires this much protection. They will also have the accelerated benefit riders to call on if the bread winner incurs a qualified illness for critical, chronic, and terminal illness that will also protect the family.

Once the family matures and the kids are out of college and on their own and the family home is paid off and mom and dad have built up their retirement funds, the need for $1,000,000 of coverage is eliminated and they can convert one policy to an immediate annuity to provide additional supplemental retirement income. If one policy is a Signature GUL policy, they could receive all their premiums back after 20 to 25 years without any tax consequences. They can then apply this money to additional retirement income through an immediate annuity or they can use the money for emergencies, health care and living expenses. If they find they do not need the second Signature Performance IUL policy, they can borrow limited cash value that can further enhance lifestyle and health care funding. This scenario provides a very flexible way to provide needed family protection and yet can be turned into cash needed for retirement in later years.

Signature GUL and Signature Performance IUL

Combining a Signature GUL policy for $500,000 along with a Signature Performance IUL for $500,000 can provide that need of $1,000,000 in the early years and later the SGUL policy can be turned into cash for a joint lifetime of income. They will have covered their need as well as banking their premiums on the Signature GUL policy for future use.

For questions and more information, contact the Advanced Sales Department at 888-504-2550 ext. 5767.

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PRODUCT ANALYSIS

February | March 2023

Stabilizing option in choppy waters

Indexed Universal Life Insurance (IUL) Product Analysis

These last few years have certainly seen dramatic swings in our economy as well as high levels of volatility in our capital markets — from COVID, global supply chain issues, the war in Ukraine, and let us not forget, the Fed's ongoing battle with inflation. It is choppy waters out there and clients are looking at their life insurance to remain stable in turbulent times. Simultaneously, sales of Indexed Universal Life (IUL) have grown faster than any other permanent life insurance design. Indeed, the familiar catchphrase of "downside protection, upside potential" helps cement and reassure clients as a potentially 'ideal solution' for stability in such choppy markets.

So, how stable are these products amidst downturns? Even if IULs have the 0% floor on index crediting, insurance charges still apply. But it would be too simplistic to say that the lower the charges associated with a product, the better it can handle difficult market conditions. Why?

1. Because companies can build in interest bonuses that offset those charges (and are sometimes paid for by those charges, at least in part).

2. They can also offer higher caps or participation rates than competitors to allow for higher crediting potential to offset the costs.

3. Duration of the primary guarantee.

“

> The catchphrase, 'downside protection, upside potential,' helps cement and reassure clients as a potentially 'ideal solution' for stability in such choppy markets.

Protecting against volatility

Obviously, if the insured is paying more for the long form, adjustable guarantees some carriers offer, that is protection in and of itself. The contractual guarantee provides the primary protection against volatility here, it just comes with corresponding higher prices.

Another option that is very common – to offer protection via the death benefit through maturity on a non-guaranteed basis and lower premiums. This route also typically provides an inherent, primary guarantee, but not as long as age 90 or through maturity.

To look at how well IULs withstand choppy markets, consider the following scenarios with three 0% return years under AG-49 assumptions. To look at how products react structurally to floor years with the illustration capabilities available, three years was chosen because the S&P 500 has seen an average of 3 years out of every 10 with 0% or negative returns to the S&P 500 since 1928.[1]

Consider a hypothetical client:

- Male, Age 45, Preferred Non-Tobacco assumed underwriting class, $1,000,000 in Death Benefit

- Annual full-pay premiums allocated to products' base S&P 500 indexes (using maximum AG-49 illustrated rates)
- Products target $1 of cash value @ maturity

Definitions:

1. **Premium:** this is the required premium to fund the life insurance to maturity on a non-guaranteed basis under the above assumptions without any 0% years.
2. **Gty Age:** the contractual primary guarantee, given the amount of premium to fund the contract.
3. **Non-Guar Lapse Age:** the illustration's non-guaranteed death benefit will last through this age before lapsing when assuming 0% returns in the specified years.
4. **Loss Years:** the difference between maturity (A121) and the Non-Guar Lapse Age.

Early 0% years 3, 6, 9

CARRIER	PREMIUM	GTY AGE	NON-GUAR LAPSE AGE	LOSS YEARS
A	6,900	84	102	-19
B	7,125	65	102	-19
C	7,150	86	107	-14
D	7,575	84	101	-20
E	7,750	83	97	-24
F	8,025	85	97	-24
G	9,800	93	108	-13

Mid 0% years 13, 16, 19

CARRIER	PREMIUM	GTY AGE	NON-GUAR LAPSE AGE	LOSS YEARS
A	6,900	84	98	-23
B	7,125	65	98	-23
C	7,150	86	102	-19
D	7,575	84	99	-22
E	7,750	83	93	-28
F	8,025	85	95	-26
G	9,800	93	101	-20

Late 0% years 23, 26, 29

CARRIER	PREMIUM	GTY AGE	NON-GUAR LAPSE AGE	LOSS YEARS
A	6,900	84	97	-24
B	7,125	65	97	-24
C	7,150	86	101	-20
D	7,575	84	98	-23
E	7,750	83	92	-29
F	8,025	85	95	-26
G	9,800	93	100	-21

> What if the future is a little less rosy than expectations set by consistent maximum AG-49 returns?

Thoughts on the study:

1. At these premium levels, three floor years will drop the lapse age mostly between 20–25 years for the policy, but not below age 90 for any carrier. If coupled with primary guarantees, then insureds can reasonably expect to have protection well beyond life expectancy, even under suboptimal market conditions.
2. When the 0% years happen has more impact than one might think. If they happen in the first ten policy years, it hampers the non-guaranteed lapse age less than in the following two decades.
3. Finally, some carriers have products that handle down years better than others. For example, carrier C has a decent premium, the strongest guarantee, and has the longest non-guaranteed lapse age compared to the others.

Accumulation IUL

But what if the client's objective is less about death benefit protection and more towards taking income from the accumulated cash value?

Consider a hypothetical client:

- Male, Age 40, Preferred Non-Tobacco assumed underwriting class, $100,000 annual premium for 10 years

- Minimum Non-MEC death benefit, increasing for 10 years, then switching to level
- Income taken for 20 years from age 65 to 85 using withdrawals switching to loans at basis
- Allocation is selected to the default or best illustrating account (typically proprietary indexes)

Definitions:

1. **MaxDist:** the illustrated maximum distributions that can be taken from A65-A85 when 0% years are assumed as specified.
2. **Loss to MD:** the % difference between how much projected income could be taken out WITHOUT the 0% years compared to the MaxDist with 0% years as shown in each chart.
3. **Total Income Lost:** the net projected income lost over 20 years due to the 0% years.
4. **CSV IRRs A65:** the IRRs on cash value at age 65 when 0% years occur in the years specified in each chart 5 Loss to CSV IRRs: this is the subtracted difference between IRRs with straight crediting compared to those with 0% years as shown in each chart.

Early 0% years 3, 6, 9

CARRIER	MAXDIST	LOSS TO MD	TOTAL INCOME LOST (20 YRS)	CSV IRRS A65	LOSS TO CSV IRRS
A	285,000	-12.40%	-810,000	5.88%	-0.67%
B	265,000	-10.84%	-640,000	5.48%	-0.58%

C	250,000	-10.72%	-600,000	5.63%	-0.59%
D	250,000	-10.98%	-610,000	5.35%	-0.58%
E	210,000	-11.34%	-530,000	4.34%	-0.65%
F	190,000	-2.29%	-90,000	4.39%	-0.12%

Mid 0's, years 13, 16, 19

CARRIER	MAXDIST	LOSS TO MD	TOTAL INCOME LOST (20 YRS)	CSV IRRS A65	LOSS TO CSV IRRS
A	270,000	-18.25%	-1,195,000	5.53%	-1.02%
B	250,000	-16.63%	-990,000	5.14%	-0.92%
C	235,000	-16.28%	-915,000	5.30%	-0.92%
D	230,000	-16.48%	-910,000	5.04%	-0.89%
E	195,000	-16.38%	-770,000	4.04%	-0.95%
F	190,000	-3.71%	-140,000	4.32%	-0.19%

Late 0's, years 23, 26, 29

CARRIER	MAXDIST	LOSS TO MD	TOTAL INCOME LOST (20 YRS)	CSV IRRS A65	LOSS TO CSV IRRS
A	275,000	-15.80%	-1,035,000	6.22%	-0.33%
B	255,000	-14.45%	-860,000	5.76%	-0.30%
C	240,000	-14.29%	-800,000	5.92%	-0.30%
D	235,000	-14.26%	-790,000	5.64%	-0.29%
E	205,000	-13.19%	-620,000	4.70%	-0.29%
F	190,000	-3.11%	-120,000	4.45%	-0.06%

Setting expectations

1. With accumulation IULs, suboptimal performance can have a pretty large impact on income values. The big takeaway here is to set expectations with clients. Just relying on the best illustrating index at the maximum interest assumption could backfire in the future if that is all they see and are expecting to get. Clients who would choose an accumulation IUL as a hedge against market downturns with upside potential would likely also want to see what less than optimal circumstances would

look like.

2. The sequence of 0% returns also affects how much difference there is in illustrated income. The years leading up to taking distributions (Mid 0's) impact it the most.

3. Most of the carriers experience similar levels of lost projected income when 0% years are factored in, meaning that competitive products will likely remain competitive when downturns occur, as long as non-guaranteed factors like cap rates do not change and each products' index returns are similar. [2]

Anticipating headwinds

No matter what type of IUL you are selling, there will be some years with 0% index returns. Can they perform as well or better than their best illustrations, assuming caps hold relatively constant long-term (or increase)? Yes, of course, but what if the future is a little less rosy than expectations set by consistent maximum AG-49 returns? Then, understanding what can happen and preparing your clients is the best route.

With protection products, they can frequently withstand some market headwinds and still offer longer protection durations for a lower premium than fully guaranteed alternatives. It would be wise to still monitor them just in case the client needs to increase the premium to keep it in force. Accumulation IULs can likewise still be a great option for taking income, but customers also need to be prepared in case things get choppy.

Kasey Gammons is Director of Product and Market Intelligence for LIBRA Insurance Partners, LLC, provides life insurance competitive intelligence for all LIBRA member firms and helps with LIBRA-specific product strategy and initiatives.

1 AG-49 is already an average based on the lookback methodology, factoring in current cap rates. Historical 0% returns are already averaged into this consideration, and because poor performance is somewhat baked into the idea, I did not want to extend the amount of 0% years too far and paint things too negatively.

2 As most AIUL carriers are using proprietary indexes, this is more complicated these days. The indexes will return different values from each other, so the conclusion is concerned with illustrated performance, not actual.

Income Advantage[SM] IUL

Sales Idea:

The Costs that Come With Waiting

After meeting with your client and discussing his planning needs, it's clear that an accumulation-focused IUL product, like Income Advantage[SM] IUL, would be a valuable addition to his portfolio. This IUL satisfies the client's current need for having some additional life insurance protection, it provides him with an additional source of supplemental income for retirement, and it offers him early access to the death benefit if he were diagnosed with a terminal or chronic illness.

But then your client tells you he wants to think about it – maybe wait a few years before getting started.

We all know there are risks that come with waiting:

- What happens if the client unexpectedly dies and doesn't have the death benefit?
- What if the client is diagnosed with an illness that no longer allows him to be insurable?

But a consequence the client may not be aware of is the impact waiting could have on the amount of income he can take from his policy down the road. Waiting even just a few years could change the income potential by thousands of dollars a year.

Let's look at a case study that helps illustrate the costs of waiting

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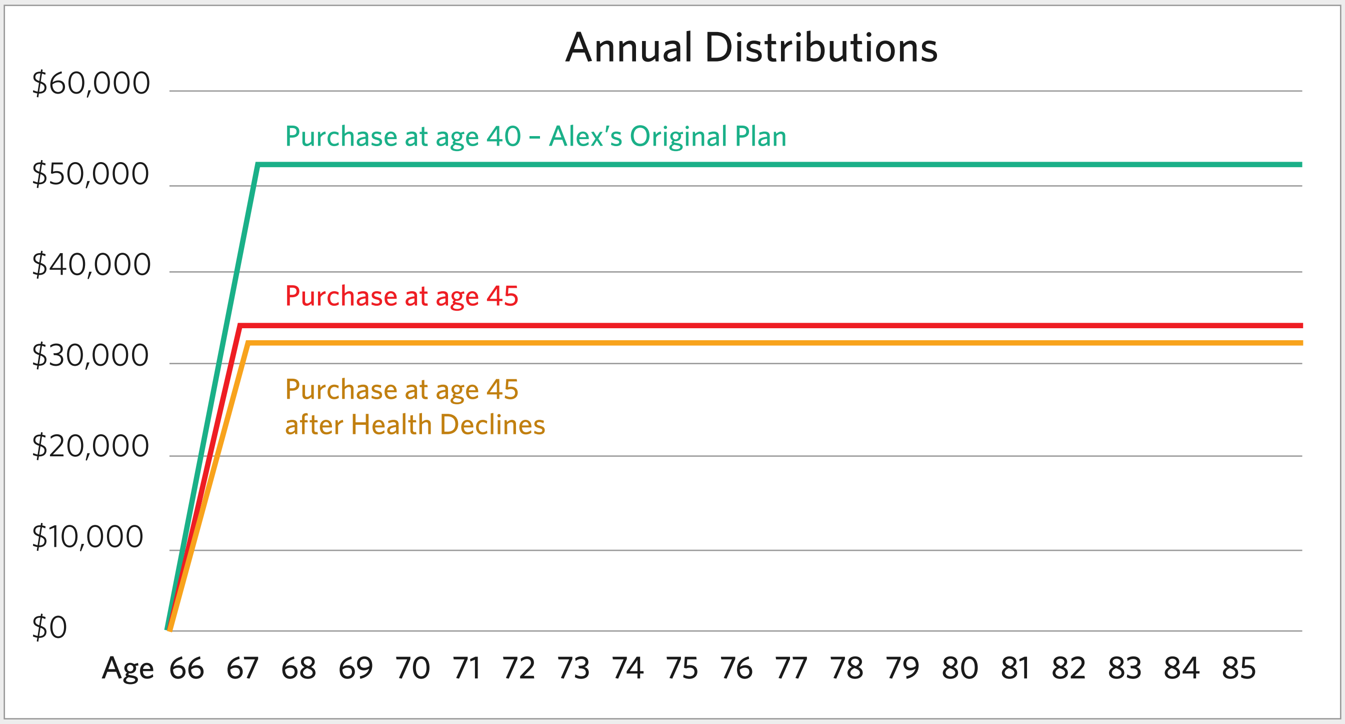
Underwritten by
United of Omaha Life Insurance Company
A Mutual of Omaha Company

Alex is a healthy 40-year-old who owns a successful business and has already maxed out contributions to his qualified retirement plan.

During your initial meeting with Alex, you showed him how his Income Advantage IUL policy could perform, assuming he contributed $1,000 per month for 25 years ($300,000 in cumulative contributions), and then started taking 20 years of distributions beginning at age 66.*

The solve for 20 years of projected income starting at age 66 results in $51,685 per year ($1,033,000 in cumulative distributions).

The following chart shows what could happen if Alex waits 5 years to purchase his Income Advantage IUL policy.



If Alex waits to purchase until age 45:

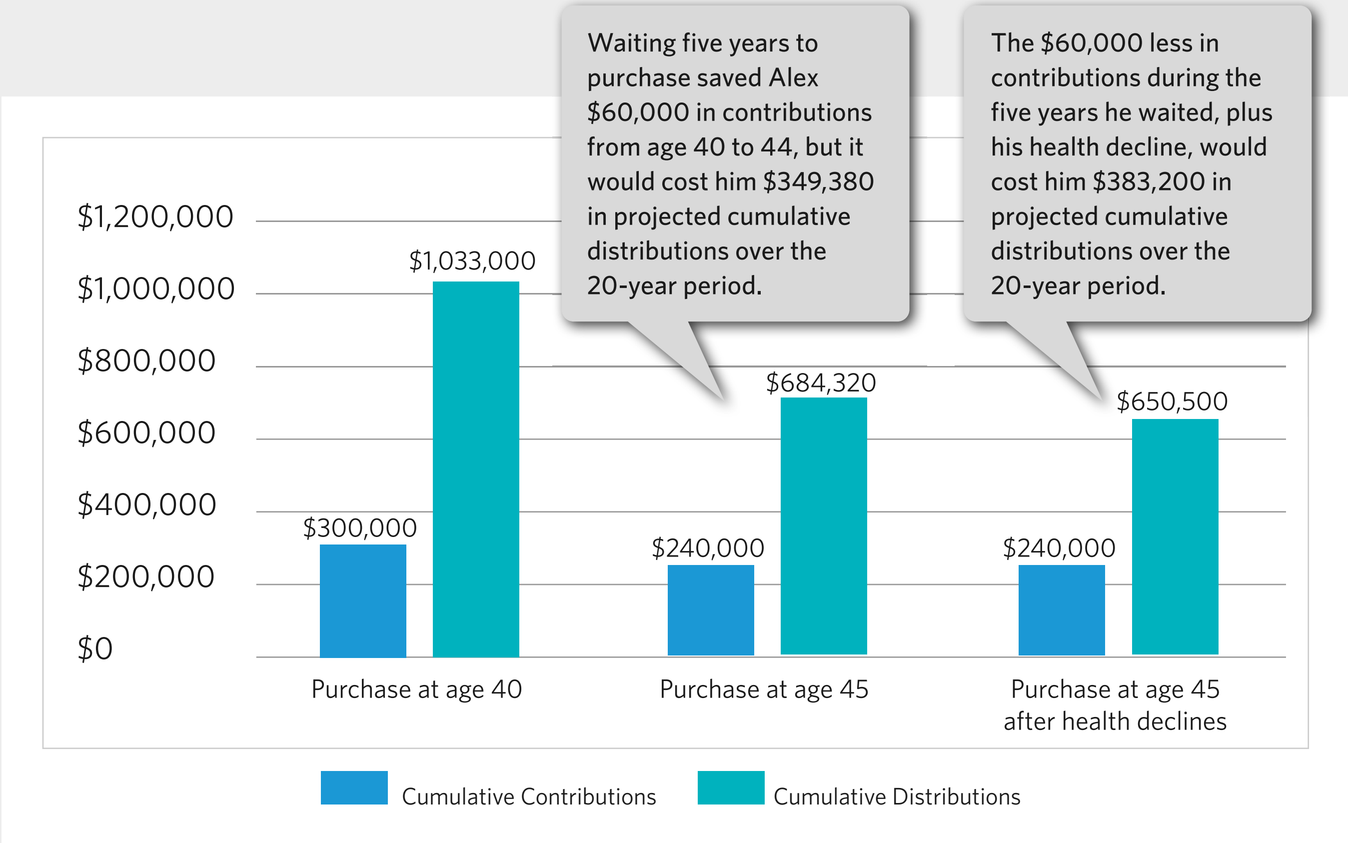
- He is now only projected to get only **$34,216** per year
- He didn't pay premiums from age 40-45, saving him $60,000 BUT it **cost him $349,380 in projected cumulative distributions over the 20-year period**

If Alex waits to purchase until age 45 and his health declines:

- Alex is now a Standard Nonsmoker, which increases his policy costs. He is now only projected to get **$32,525** per year.
- The $60,000 less in contributions during the five years he waited, plus his health decline, **cost him $383,200 in projected cumulative distributions over the 20-year period**

**Additional assumptions: PNT rate class, minimum face solve, increasing death benefit for 25 years, switching to a level death benefit at age 66, 6.0% hypothetical illustrated rate, maximum distribution solve using index loans*

Let's take a closer look at the difference in Alex's cumulative contributions and his cumulative distributions over the life of his policy...

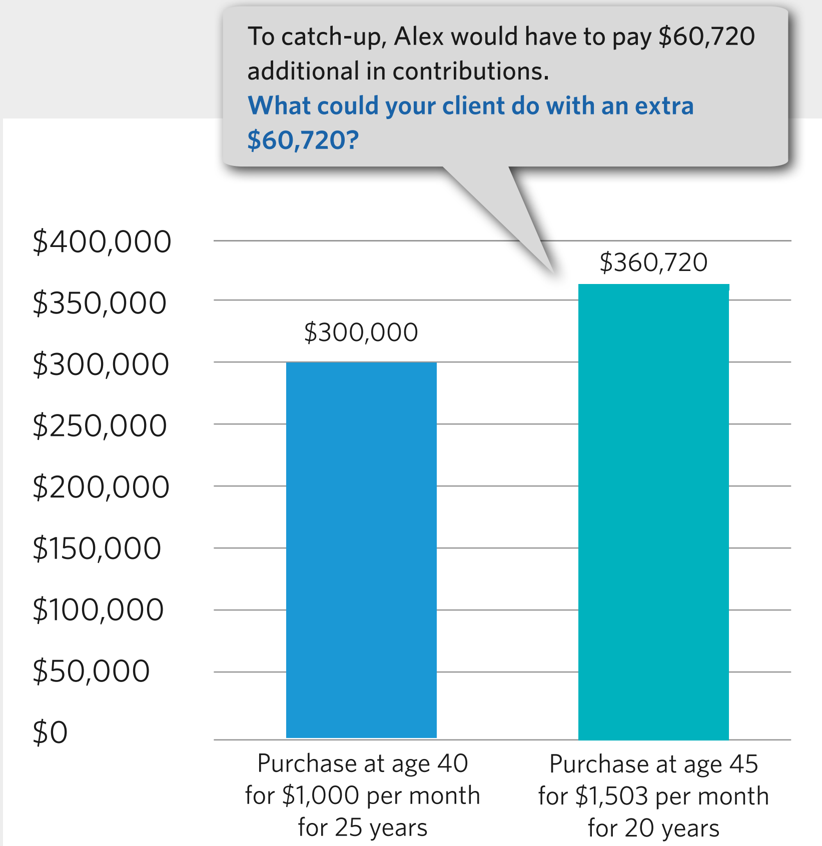


Playing 'catch-up' to achieve the same distributions...

If Alex waits until age 45, he does have the option to try to play catch-up and pay more premium each month to get back to a projected distribution of $51,685 per year. To catch-up, Alex would have to pay $1,503 monthly instead of the $1,000 per month he originally planned on. This higher premium results in $360,720 in cumulative premiums over the 20-year period (instead of his original plan of $300,000 in cumulative premiums over the 25-year period).

Take the next steps...

If you have a client who is a good candidate for an IUL product but is hesitant to get started, make sure you show him some of these scenarios using the WinFlex illustration software. The scenarios can really help illustrate what your client might be giving up, just by waiting.



The Potential of Index Loans

In addition to offering a death benefit, one of the things that draws a client to an indexed universal life (IUL) insurance policy is the potential for greater cash value. Even more attractive is the opportunity to access the cash value* to provide supplemental income during retirement.

When selecting an IUL, it's important to look at the loan provisions since they could significantly impact the policy's performance – and the income potential – once the client starts taking loans.

With Income Advantage℠ IUL, we offer two types of loans:

- Standard loans
- Index loans

The Advantage of Index Loans

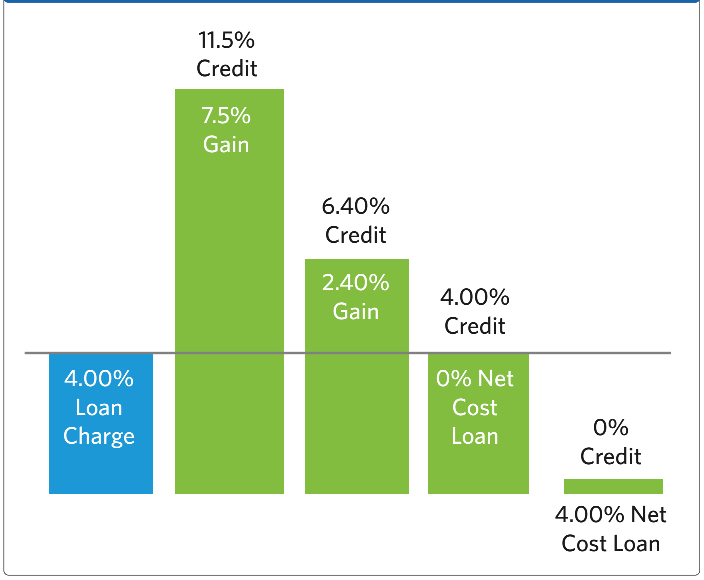
With an index loan, the insurance company typically credits the loan amount with the same interest rate being credited on the non-loaned policy values. This crediting rate is based on the performance of the product's underlying index. The company also charges a declared interest rate on the loaned amount. If the interest rate credited to the policy is higher than the rate the company is charging, the client can actually have a gain on their loaned amount.

How Much Can a Company Charge on an Index Loan?

Currently, our Income Advantage IUL has an index loan charge of 4 percent** – one of the lowest charges on index loans in the industry. And, to help put your clients' minds at ease, we also guarantee the highest rate we can ever charge on index loans will never exceed 6 percent.

Many companies don't set a limit on the rate the company can charge. This allows them to set it as high as they would like, which can leave a client's IUL policy susceptible to additional risk.

Income Advantage: Sample Index Loan Performance



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Underwritten by
United of Omaha Life Insurance Company
A Mutual of Omaha Company

*The amount that may be available through loans or withdrawals, as defined in the contract.
**Index loan rate as of April 1, 2020.

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WINNING WITH FINANCIAL WELLNESS FOR WOMEN

A resource guide to help you grow your business with a focus on women

Prudential

1036412-00011-00 Ed. 07/2022

At Prudential, our mission is to make lives better by promoting financial wellness. Focusing on the power of women in support of this mission makes sense because of the important role they play in our economy.

WOMEN ARE KEY DECISION-MAKERS.

Experts estimate that by 2030, women will control as much as two-thirds of the nation's wealth. To that point, women in the United States control $10.9 trillion, or 31%, in assets.[1]

WOMEN ARE ENTREPRENEURIAL.

There were 6,861 more women-owned firms in 2018 than in 2017, up 0.6% to 1.1 million.[2]

And with all of this power and influence, as a group, they WANT...

- ✔ **financial education**
- ✔ **financial advice**
- ✔ **solutions**

This is where you and our mission align. YOU can help us bring greater financial wellness to this impressive group.

This resource guide provides you with some tools offered by Prudential to help you find success when marketing and selling to women and can help take your practice to new heights.

For more about how we can help you build your practice, please reach out to your Prudential team.

Click on the section buttons shown on the right to jump to that page.
Click on the 🏠 to jump back to this page. Use the < > around the 🏠 to move page by page.

[1] McKinsey, "Women as the next wave of growth in US wealth management," July 2020. https://www.mckinsey.com/industries/financial-services/our-insights/women-as-the-next-wave-of-growth-in-us-wealth-management.

[2] U.S. Census Bureau, March 29, 2021. https://www.census.gov/library/stories/2021/03/women-business-ownership-in-america-on-rise.html.

CONVERSATION STARTERS

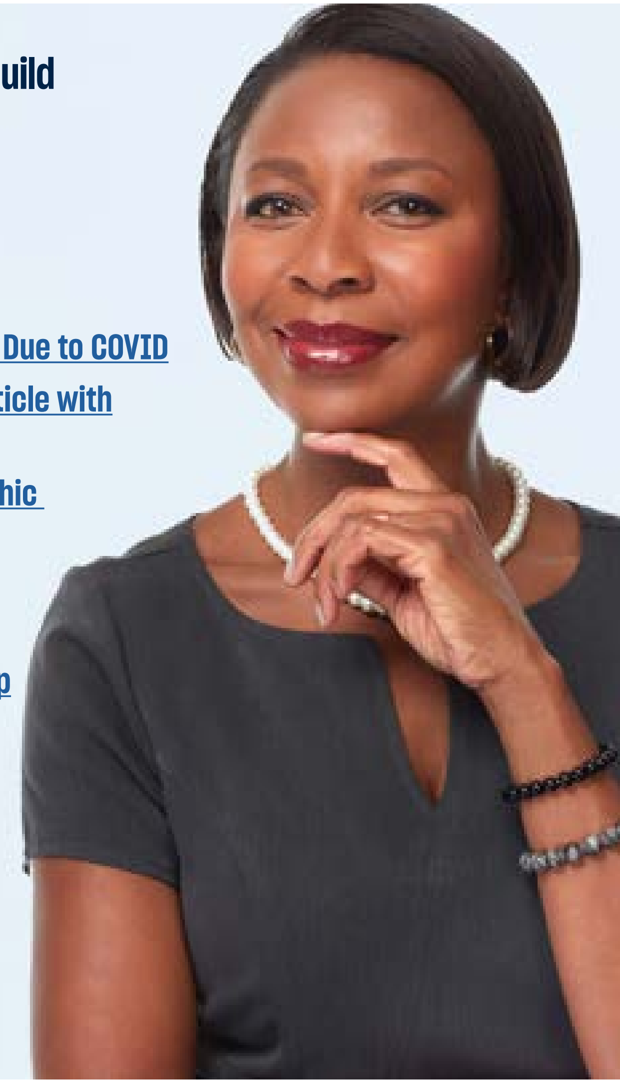
Women are hungry for financial information

- ✔ 62% of women express strong interest in learning more about finances and retirement planning[1]
- ✔ Over half (57%) of women say they wish they were more confident in their financial decision making[2]
- ✔ Knowledge and information are the #1 factor women cite that will make them feel more confident about their financial expertise, more than having more money[1]

Get advice from your peers on providing financial education to women

Begin using these tools and build relationships:

- Prospecting Emails
- Door-Opener Emails
- Articles to Educate
  - Women's Financial Challenges Due to COVID
    - Email template to share article with producers
  - Women & Retirement Infographic and Checklist
  - How Women Can Combat Their Greatest Retirement Risk
  - 5 Ways Life Insurance Can Help Pay for Chronic Illness Needs
  - Women's Financial Challenges Just Got Greater
- White Paper
  - Planning for Retirement: Women in Two-Income Households at Highest Risk



[1] Source: LIMRA Study, "What Women Want in Financial Services," February 2019. Last accessed May 2019.
[2] Source: Allianz Life's 2019 Women, Money and Power Study, April 2019.

ENGAGE WITH EVENTS

Women feel they would benefit from working with a financial professional but would prefer a less transactional relationship

- ✔ Only 34% of women report working with a financial professional[1]
- ✔ The top five attributes women are looking for in a financial professional are:
  - Listens to what I say and offers suggestions accordingly
  - Makes an effort to understand my situation and offer tailored advice
  - Has a good track record
  - Doesn't talk down to me
  - Willing to educate and explain[2]
- ✔ Between 11% and 25% of women say they feel rushed or pressured in their meetings[2]
- ✔ 18% of young women feel their financial professional "is too judgmental" and 16% feel they "don't try to understand their situations"[2]

Get advice from your peers on building relationships with women prospects

[1] Prudential, Total Market 2017 Research Report, Chadwick Martin Bailey. Last accessed May 2019.
[2] LIMRA Study, "What Women Want in Financial Services," February 2019. Last accessed May 2019.

Host events and generate a following:

- Women's Financial Challenges Due to COVID Consumer Seminar
  – Invitation
- Cocktails and Conversation Discussion Guide
  – Invitation
- Life Insurance Needs in the Women's Market
- Getting Ahead Financially Discussion Guide
  – Invitation
- Power of Two Consumer Presentation
  – Invitation
- Suddenly Single: The Importance of Estate Planning for Women
- It's Just the Beginning – Your Guide to the Ultimate Post-Event Strategy

SALES IDEAS

Women have different financial considerations than men

- Women have a five-year higher life expectancy and are likely to outlive their male spouses[1]
- Women generally have lower incomes, less retirement savings, and more debt than men[2]
- Two-thirds of women say "ensuring they can pay for future health care needs" is an important goal, but only 37% are confident they will meet this goal[3]
- 62% of female business owners rely on their business as their main source of income[4]

See how easy life can be with the E's of doing business

Review and expand sales opportunities:

- Prudential Survivorship Suite of Products
- A Legacy and Living Benefits Solution: PruLife Survivorship Index UL®
- Caring for an Aging Parent
- Small Business eBook
- Insurance Strategies for Your Business

[1] Mortality in the United States, 2018, U.S. Centers for Disease Control and Prevention, https://www.cdc.gov/nchs/data/databriefs/db355-h.pdf.
[2] Prudential, The Cut: 2018 Financial Wellness Census.
[3] Prudential, The Cut: 2018 Financial Wellness Census.
[4] The Blueprint, "Women in Small Business Statistics in the U.S.," Jan. 17, 2021. https://www.fool.com/the-blueprint/women-in-small-business-statistics-in-the-us/.

RECRUITING WOMEN

Women Financial Professionals

Many women would prefer to speak to a female financial professional. You can be a role model and ally to attract more women into the profession.

Bring in and train young women:

- ✔ Only 16% of the nation's financial professionals are women[1]
- ✔ Only 23% of CFP® professionals are women[2]
- ✔ Nearly 40% of financial professionals plan to retire within 10 years[1]
- ✔ More female role models, women's support networks, and professional development efforts targeted to women would increase the number of female professionals[2]

Topics to help connect and build a focused practice:

- Expand Your Client Reach
- Women's Financial Challenges Due to COVID – Invitation
- Power of Two Prospecting Fact Finder – Meeting Invitation
- [Connected Financial Professionals Tech Tips]

[1] Source: Financial Advisor Magazine, Why the Shortage of Female Advisors, April 2017. Last accessed May 2020.
[2] Source: CFP Board, "Making more room for women in the financial planning profession," January 8, 2018.

Life insurance is issued by The Prudential Insurance Company of America, Pruco Life Insurance Company (except in NY), and Pruco Life Insurance Company of New Jersey (in NY). All are Prudential Financial companies located in Newark, NJ. Variable universal life policies are offered through Pruco Securities, LLC.

This material is being provided for informational or educational purposes only and does not take into account the investment objectives or financial situation of any clients or prospective clients. The information is not intended as investment advice and is not a recommendation about managing or investing a client's retirement savings. Clients seeking information regarding their particular investment needs should contact a financial professional.

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corebridge financial

Take control of your financial future

Planning for retirement when you're a woman carries challenges unique to your experience. A woman's finances are expected to do more and for longer — with less.

82 cents are earned by women **for every dollar** a man earns.[1]

Know where you are

55%	of women say they **were never taught credit awareness.**[2]
45%	of women (compared with 55% of men) **correctly answered financial-related questions.**[3]
1 in 3	women have a formal retirement in place.[4]

Make smart moves

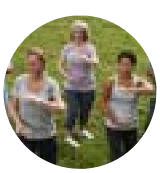
6 in 10	women have had to make changes due to the pandemic.[5]
60%	of women own life insurance (compared with 70% of men).[6]
< 50%	of total household retirement savings belong to women.[7]

Plan for your future

31%	of women have **yet to start** saving for retirement.[8]
$36,000	more is spent on health care in retirement by women than men.[9]
2x	as many **women** as men **lack life insurance.**[10]

Adjust for your situation

5.9 years	is the average amount of time **women outlive men.**[11]
64%	**of The Sandwich Generation** (those who financially support both children and parents) are women.[12]
2/3	of those suffering from Alzheimer's disease are women.[13]
$16.34	less in average monthly premiums for women (ages 25 – 55)[14]



Move toward a comfortable future

We can help you navigate the potential problems while addressing your unique needs and specific circumstances.

Policies issued by **American General Life Insurance Company** (AGL), Houston, TX except in New York, where issued by The United States Life Insurance Company in the City of New York (US Life).

AGLC110487REV0223

corebridge financial

Diversify your financial plan with life insurance

Today's life insurance offers financial flexibility — even while you're living. Add more to retirement with tax benefits that give you peace of mind before, during and after retirement.

Protect your financial future

Whether you have a paying job, are a homemaker, single, married, divorced or widowed, every woman needs to protect the financial future for her and her family. Keep yourself and loved ones secure whether paying for your own long-term care, providing your family with financial support, or passing on expenses that may be the responsibility of family members.

As one of the "best life insurance companies for women" let your financial professional guide you to the right Corebridge products and options.[14]

Name

Title

555-555-5555

Email

1. Gender Pay Gap Widens as Women Age. January 2022. https://www.census.gov/library/stories/2022/01/gender-pay-gap-widens-as-women-age.html.
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Help protect and potentially grow your retirement assets

Help unburden your family from end-of-life expenses or complement your retirement savings with the cash value from your life insurance policy, which can help cover unexpected expenses and rising costs.

$315K is the estimated cost going forward to cover healthcare expenses for a healthy 65 year-old couple retiring in 2022.[1]

Longer life spans

The current average life expectancy for a man in the United States is **73.2 years.**[2]

The current average life expectancy for a woman in the United States is **79.1 years.**[2]

Shrinking retirement income

$274K	is the amount underestimated for health expenses during retirement for the average American.[3]
50.3%	of U.S. adults 55+ announced retirement in the wake of the pandemic.[4]
32%	of U.S. adults have $500 or less in savings for medical bills.[5]

Growing retirement needs

56%	of U.S. adults are somewhat or very concerned their health situation could lead to bankruptcy.[5]
80%	of pre-retirement income is recommended to maintain standard of living in retirement.[6]
65%	of Americans are cutting back on short-term spending to stay on track with retirement goals.[7]

Expanding financial protection or retirement comfort

Life insurance can be an integral part of your retirement planning. Beyond helping to cover final expenses, tax-deferred living benefits can be unlocked while living to help with unexpected challenges and potentially helping with other insurance needs.[8]

Policies issued by **American General Life Insurance Company** (AGL), Houston, TX, except in New York, where issued by **The United States Life Insurance Company in the City of New York** (US Life).

Access benefits while living

Modern-day life insurance can expand into an important component of your overall financial plan that can be used for a variety of purposes. And because these funds can be tax-advantaged, they become even more critical for your retirement portfolio.

Life insurance is more than just a death benefit

These tax-advantaged funds can be a useful resource for unexpected expenses like those related to dramatic health changes and long-term illnesses. You could apply them to health care costs that you haven't planned or budgeted for, while still potentially meeting your retirement financial goals.[8]

For more information on how life insurance values can help supplement your retirement savings, contact your financial professional.

Name

Title

555-555-5555

Email

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8. Based on current federal income tax law. Assumes the use of withdrawals to basis and/or policy loans. If the policy is classified as a modified endowment contract (see IRC section 7702A), withdrawals or loans are subject to regular income tax and an additional 10% tax penalty may apply if taken prior to age 59 ½.

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LTCI coverage may include reimbursement for the cost of a nursing home, assisted living, home health care, homemaker services, adult day care, hospice services or respite care for the primary caretaker, and the benefits may be conditioned on certain requirements or meeting an elimination period or limited by type of service, the number of days or a maximum dollar limit. Some ABRs and all LTCI are conditioned upon the insured not being able to perform two or more of the activities of daily living or being cognitively impaired.

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Taming a Bear Market in Retirement

Adding flexibility to your retirement income portfolio with whole life insurance

Market Volatility and Retirement

If you're saving for retirement, you're probably used to seeing the value of your retirement accounts go up and down with the financial markets. However, once you retire, this may be a greater concern.

Taking withdrawals from your retirement accounts during market downturns can significantly reduce their value over the long term. This is why it's important to have alternate sources of retirement income that are not directly impacted by market conditions. To better understand this problem and how you can prepare for it, consider the following example.

The decision to purchase life insurance should be based on long-term financial goals and the need for a death benefit. Life insurance is not an appropriate vehicle for short-term savings or short-term investment strategies. While the policy allows for loans, you should know that there may be little to no cash value available for loans in the policy's early years.

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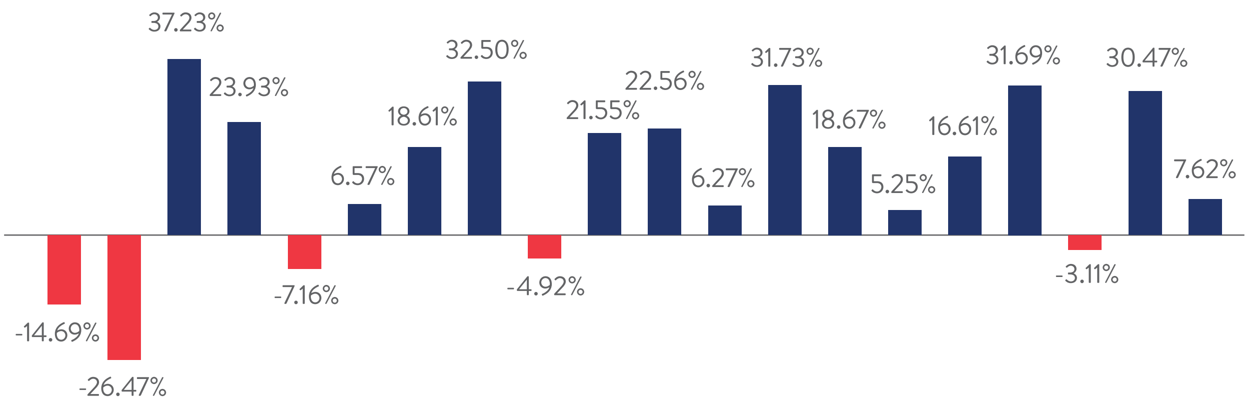
Meet Sandra

Sandra is 65 and planning to retire. She has a substantial portion of her retirement savings in a traditional individual retirement account (IRA) with a pre-tax balance of $2,000,000. Assume that the investment results for this account over the next 20 years of Sandra's retirement will mirror the annual returns of the S&P 500 Index[1] from 1973 to 1992.

FUTURE ANNUAL RETURNS FOR SANDRA'S IRA



This return pattern was selected to illustrate the long-term impact that negative returns can have on a retirement account:

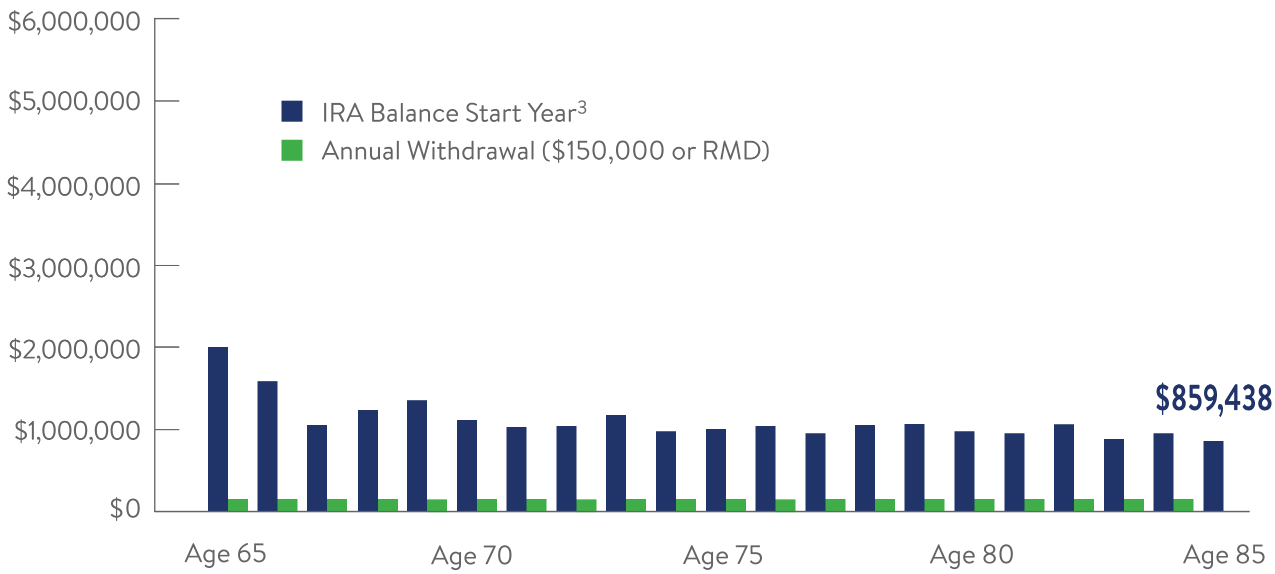
- The average annual return over this 20-year period was 12.75%.
- There were five years with negative returns.
- The index declined significantly over the first two years.

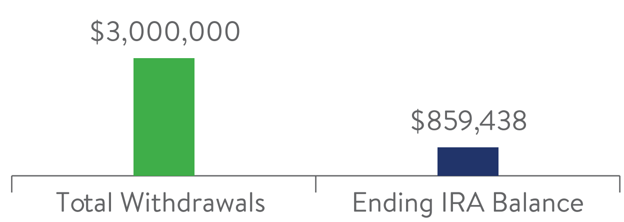
[1] The S&P 500 price index is a measure of common stock market performance in the U.S. It is an unmanaged index and does not reflect the fees or expenses associated with an actual investment. Individuals cannot invest directly in an index.

Sandra's Plan

Sandra plans to withdraw $150,000 from this account at the start of each year, or the required minimum distribution (RMD),[2] if greater. This will be taxed as ordinary income to Sandra. The chart below illustrates her annual withdrawals and the IRA balance over the first 20 years of her retirement.[3]

SANDRA'S IRA — WITH ANNUAL WITHDRAWALS





Based on our assumptions, Sandra will withdraw a total of $3,000,000 from her IRA over the 20-year period. Her account will have an ending balance of $859,438.

[2] The Required Minimum Distribution (RMD) is the minimum amount that must be withdrawn annually from a traditional IRA once the account owner reaches age 72 (age 70½ for those who reached age 70½ by the end of 2019), based on the account balance at the start of each year. If the full RMD is not taken as required, the shortfall will be subject to an excise tax.

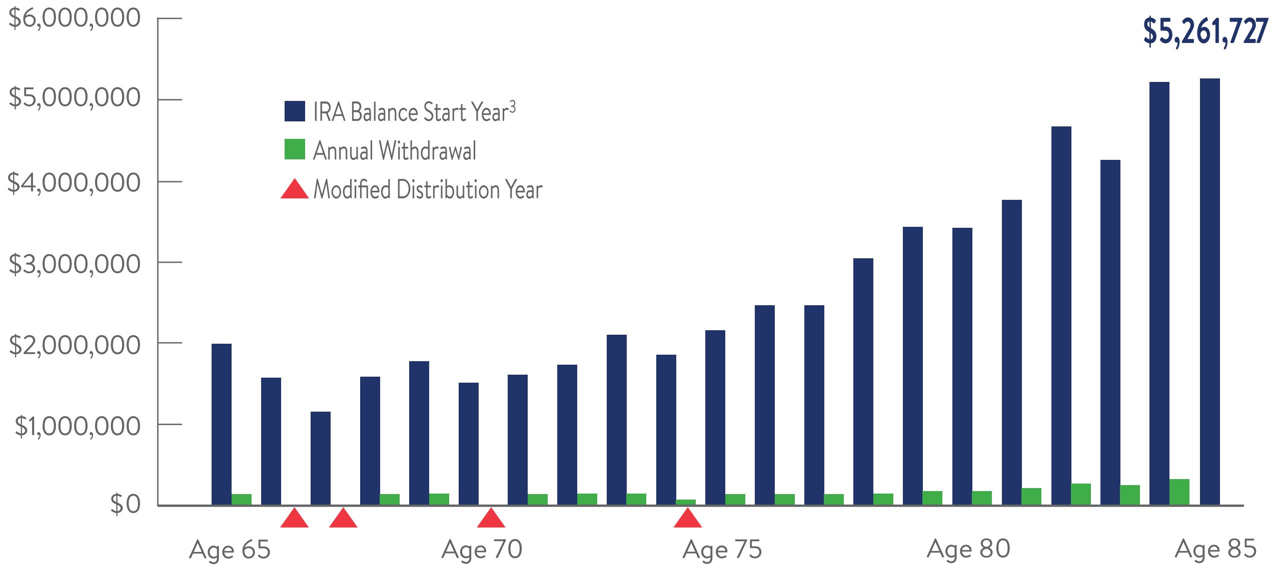
[3] Returns and account values are hypothetical and do not reflect the fees and charges associated with an actual investment.

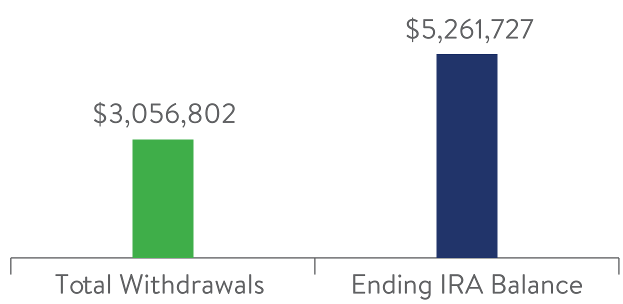
A Different Approach

Assume that Sandra takes an alternate approach. Instead of automatically taking $150,000 out of her account each year, she will avoid taking a distribution in any year that follows a negative annual return. However, she will still need to withdraw at least the annual RMD[2] once she turns 72.

The year-by-year results under Sandra's modified withdrawal strategy are as follows:

SANDRA'S IRA — MODIFIED WITHDRAWAL STRATEGY





Under this approach, Sandra will skip or reduce her withdrawals in four of the 20 years. She will withdraw a total of $3,056,802. This is more than under the prior approach because the higher account balances result in required minimum distributions that exceed $150,000 in each of the last seven years. Even though Sandra will take more out of her IRA under the modified withdrawal scenario, her ending IRA balance increases from $859,438 to $5,261,727 — over six times as much.

While the modified withdrawal strategy offers some clear advantages, there are still four years when Sandra will need to replace the forgone withdrawals from her IRA.

Alternate Sources of Income

There are a number of ways to create sources of income that you can depend on during down markets. Bank products such as certificates of deposit and savings accounts are obvious choices. Investments such as money market funds and short term government bond funds are also options. These and other near-cash investments should be part of every retiree's safe income sources. However, while they are low-risk investments, they also provide lower returns.

Another option to consider is participating whole life insurance. In addition to providing permanent life insurance protection, whole life accumulates guaranteed cash value that increases each year on a tax-deferred basis and never decreases in value due to market conditions. So it can be a reliable alternate source of funds during financial downturns.[4] Whole life insurance also offers some attractive income-tax advantages that allow the policyowners to access the cash value on a tax-advantaged basis. Overall, it can be an important part of your retirement income strategy.

[4] Distributions under the policy (including cash dividends and partial/full surrenders) are not subject to taxation up to the amount paid into the policy (cost basis). If the policy is a Modified Endowment Contract, policy loans and/or distributions are taxable to the extent of gain and are subject to a 10% tax penalty if the policyowner is under age 59½.

Access to cash values through borrowing or partial surrenders will reduce the policy's cash value and death benefit, increase the chance the policy will lapse, and may result in a tax liability if the policy terminates before the death of the insured.

You can't predict when market downturns will occur. But you can be prepared, so you can reduce the impact they will have on your retirement.

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The Roth IRA alternative

A case study using cash value life insurance

Perhaps you've looked into contributing to a Roth IRA

After all, a Roth IRA can be a valuable part of your overall retirement income strategy, offering:

1. Tax-free accumulation
2. Tax-free distributions
3. No required minimum distributions (RMDs)

But you don't qualify

You may have maximized your Roth IRA contributions (for 2022, the maximum is $6,000 per year, $7,000 if age 50 or older) or your income may be too high for you to be eligible. You've maxed out your 401(k) and want to save more for retirement, but you're not sure how.

Consider life insurance as a Roth IRA alternative

If you have a need for life insurance protection and want to save additional money for retirement, but don't qualify for a Roth IRA, a cash value life insurance policy may be a strategy for you.

If you have a higher risk tolerance, a variable universal life (VUL) insurance contract may be an option. VUL has the primary purpose of providing a death benefit to your beneficiaries. It has the secondary potential to build policy cash values, depending on individual investment objectives and elections through customized, professionally managed investment portfolios. In general, cash value life insurance, unlike term insurance, is characterized by its ability to accumulate cash value within the contract over time.

As you can see, cash value life insurance offers many of the same benefits as a Roth IRA

Strategy	Roth IRA	Cash value life insurance as a Roth IRA alternative
Tax-free accumulations	Yes	Yes[1]
Tax-free distributions	Yes	Yes[1]
Tax-free income to beneficiaries	Yes	Yes
Requirement for RMDs	No	No
Contribution ceiling[2]	Yes	**No**
Income limitation	Yes	**No**
Earned income contributions requirement	Yes	**No**
Tax penalty on early distributions	Yes	**No**[1]
Deductible contributions[2]	No	No

1 Under current federal tax rules, you may generally take federal income tax-free withdrawals up to your basis (total premiums paid) in the policy or loans from a life insurance policy that is not a Modified Endowment Contract (MEC). Certain exceptions may apply for partial withdrawals during the policy's first 15 years. If the policy is a MEC, all distributions (withdrawals or loans) are taxed as ordinary income to the extent of gain in the policy, and may also be subject to an additional 10% premature distribution penalty prior to age 59½, unless certain exceptions are applicable. Loans and partial withdrawals will decrease the death benefit and cash value of your life insurance policy, and may be subject to policy limitations and income tax. In addition, loans and partial withdrawals may cause certain policy benefits or riders to become unavailable, and may increase the chance your policy may lapse. If the policy lapses, is surrendered or becomes a MEC, the loan balance at such time would generally be viewed as distributed and taxable under the general rules for distribution of policy cash values.

2 While contributions apply to a Roth IRA, contributions to a life insurance policy are called premiums.

See the Roth IRA alternative in action:

Meet Mike and Robin Miller

- 45 years old
- Successful professionals earning more than $206,000 in income per year
- In need of life insurance protection
- Maxed out in their 401(k)s
- No longer qualified for a Roth IRA, due to their income level
- Have an additional $10,000 per year they'd like to save for retirement

They purchase a cash value life insurance policy and fund it for 20 years (total $200,000); they may be able to take $31,000 per year in income for 20 years (total $620,000) and still maintain some life insurance benefit under current rates.

Things to think about before moving ahead:

While there are similarities between a Roth IRA and cash value life insurance, there are also differences. A Roth IRA is an IRS plan designed to facilitate retirement savings. Cash value life insurance is a contract that builds value and provides a death benefit backed by the claims-paying abilities of the issuing life insurance company. Carefully review all the features, benefits and costs of a cash value life insurance policy with your financial professional before making a purchase.

1 If your life insurance policy lapses, you will lose the death benefit and may lose substantial money in the early years.

2 To be effective, you need to hold the policy until death. A life insurance policy generally takes years to build up a substantial cash value.

3 Tax-free distributions will reduce the cash value and face amount of the policy.[1] You may need to pay higher premiums in the later years to keep the policy from lapsing.

4 You must qualify medically and financially for life insurance, unlike a Roth IRA.

Generally, there are additional charges associated with a life insurance policy, including, but not limited to, a front-end load, administrative fees, mortality and expense risk charges, investment management fees, cost of insurance charges, charges for optional benefits selected and potential surrender charges.

The Roth IRA alternative in action

The chart below helps demonstrate the way a VUL policy operates and how the performance of the underlying investment accounts could affect the policy cash value and death benefit. It may not be used to project or predict investment results.

Age	Cumulative premiums	Cumulative distributions	Non-guaranteed cash value	Life insurance death benefit
45	$10,000	$0	$5,700	$172,000
55	$100,000	$0	$118,600	$383,000
65	$200,000	$0	$359,800	$560,700
66	$0	$31,000	$407,000	$529,000
75	$0	$310,000	$242,000	$270,500
85	$0	$620,000	$15,300	$40,300

Cumulative distributions consist of loans and withdrawals that will reduce your cash value and death benefit. See footnote 1 for more info.

Non-guaranteed cash value is the hypothetical internal policy account value based on projected subaccount performance, minus surrender charge. This is a supplemental illustration and must be read in conjunction with by the basic illustration. The values represented here are for a $163,121 VUL Optimizer® policy on a 45-year-old male preferred non-smoker. The values reflect the cost of 20 years of premiums illustrated at a 7% gross rate of return and current charges. If you were to receive a 0% gross rate of return and maximum charges are assessed in the policy, the policy would fail in year 24, by which point $200,000 of cumulative premium would have been paid. Please refer to the basic illustration and current prospectus for more information. To determine how this approach might work for you, individual illustrations based on your own individual age and underwriting class, containing both guaranteed charges and guaranteed interest rates, as well as other important information, should be prepared or requested from your financial professional.

The hypothetical investment results are illustrative only and should not be deemed a representation of past or future investment results. This is not a projection of investment results. Actual investment results may be more or less than those shown and will depend on a number of factors, including investment allocation made by the owner. The death benefit, account value and net cash surrender value for a policy would be different from those shown in the actual gross rates of investment return averaged 0% or 7% over a period of years, but also fluctuated above or below the average for individual policy years. We can make no representation that these hypothetical investment results can be achieved for any one year or continued over any period of time. In fact, for any given period of time, the investment results could be negative.

Alternative scenario

In the previous example, the values reflected 20 years of premiums illustrated at an 7% gross rate of return. Below, we've also included the values that reflect a gross rate return of 0% and guaranteed charges.

Age	Cumulative premiums	Cumulative distributions	Non-guaranteed cash value (0% return at guaranteed charges)	Life insurance death benefit
45	$10,000	$0	$4,900	$171,400
55	$100,000	$0	$73,200	$337,600
65	$200,000	$0	$135,000	$386,800
68	$0	$93,000	$29,400	$291,600
69	$0	$93,000	$0	$0
75	$0	$93,000	$0	$0

Cumulative distributions consist of loans and withdrawals that will reduce your cash value and death benefit. See footnote 1 for more info.

This chart shows the performance of the contract if maximum guaranteed charges were imposed and the life insurance contract received a 0% crediting rate in all years. It is illustrated at the same face amount of $163,121 and has the same premium requirements of $10,000 per year for 20 years on a VUL Optimizer® flexible premium policy on a 45-year-old male preferred non-smoker. The policy will fail in year 24, at which point $200,000 in premium would have been paid. If the client were to still take the same income withdrawals and loans, cumulative income of $93,000 would have been paid out. See the notes accompanying the chart at non-guaranteed rates for other important information.

Count on Equitable for strategies to fit your needs

We know your needs are unique. That's why we offer a portfolio of life insurance products designed to work with you and adjust as your needs change. Work with your financial professional to find the best fit for you.

For more information on how the Roth IRA alternative could help you, contact your financial professional today.

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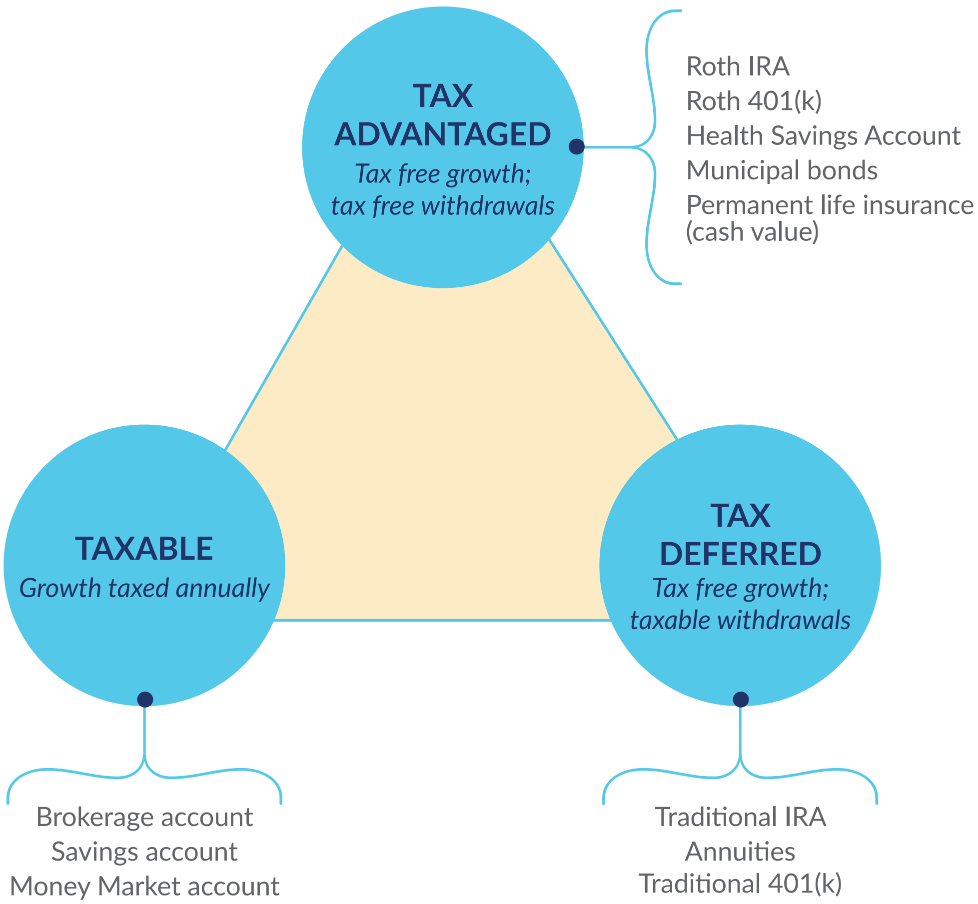
Understanding

Retirement Investments & The Tax Triangle

There are generally three chances for the government to tax retirement wealth: before funds are contributed to the account, as funds grow, and as you make withdrawals. Your investments might be tax deferred or tax advantaged during these stages, depending on their account types.

Tax diversification, also known as the tax triangle*, is a strategy that can help you better position your accounts to fund your retirement. Use the chart below to see where your investments fall.



*The 'tax triangle' above includes general information about various financial vehicles. Your specific situation and/or use of certain financial vehicles may have different tax implications than those indicated above. You are encouraged to seek advice from your personal legal or tax counsel.

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