

Going from a variable annuity to a fixed-indexed annuity

Could it benefit your clients?

Do you have clients or prospects with assets allocated to variable annuities with income riders? If so, you may have seen the values of these annuities fluctuate over the last several years.

During the financial crisis and the last recession, many equity-based portfolios experienced major losses. The income values on variable annuities brought some peace of mind knowing that, even with decreasing contract values, there was a lifetime income guarantee.

Now that we've experienced a positive equity-based run over the last several years, variable annuity values may be nearing or have surpassed the rider income values. If so, consider the following:

- **Lock in those gains** - During past positive market runs, many Americans nearing retirement acquired a nest egg for later life. Then, as quickly as that nest egg came, it went. The financial loss caused some investors to panic and sell near the bottom, which eliminated any possibility of recovery.
- **Take on less risk** - More than 80% of adults age 25 or older say products with lower returns and less risk are more attractive than those with higher returns and greater risk.*
- **Receive more income** - Now that variable annuity values are at or near rider income values, there may be other annuities that offer greater income opportunities.

Hypothetical example

Kim is 67 years old and wants to begin receiving income at age 70. See how she could increase her retirement income with a fixed-indexed annuity and IncomeSecureSM rider from Great American Life®.

	Hypothetical variable annuity with income rider	Fixed-indexed annuity with IncomeSecure rider
Account value	\$400,000	\$400,000
Income rider rollup	6% compounded	9% simple
Benefit base at age 67	\$400,000	\$400,000
Benefit base at age 70	\$476,406	\$508,000
Withdrawal % at age 70	5%	5.5%
Guaranteed annual income	\$23,820	\$27,940

With a fixed-indexed annuity and IncomeSecure rider, Kim can:

- Lock in market gains from her variable annuity
- Protect her account value from future market declines
- Potentially receive more retirement income



About the IncomeSecure rider from Great American Life®

The IncomeSecure rider offers guaranteed growth of the benefit base with a **9% rollup for 10 years, income percentages that increase 0.10% each year** clients wait to begin receiving rider income payments and guaranteed lifetime income. Additionally, rider charges are refunded if the owner dies before starting rider income payments.

5 easy next steps

1. Do an internal audit on your book of business to filter for existing variable annuity contracts.
2. Find those that are near or past surrender charge periods with account values and rider values that are nearly equal.
3. Talk to these clients about the potential for locked in gains, less risk and potentially more guaranteed income.
4. Call your Great American Wholesaler for an illustration and more details on current riders.
5. Help clients make a suitable decision to meet their goals.

**Source: Secure Retirement Institute, U.S. Individual Annuity Sales Survey 2014, 3rd quarter.*

All guarantees based on the claims-paying ability of Great American Life.

The IncomeSecure rider (R6036711NW) is available for an annual charge of 0.95% of the current benefit base. The charge is taken from the account value at the end of each contract year. The income percentage is locked in once income payments begin and will not change. Maximum income percentage is 7.5% for single lifetime income and 6.5% for joint lifetime income. Please see the rider for more information about rider charges, the impact of withdrawals on the rider benefits and other details about rider benefits and limitations.

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