

# 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 policies fluctuate over the last several years.

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

Now that we've experienced a positive equity-based run over the last several years, perhaps these policy values are now nearing or have even surpassed the guaranteed income base 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.\*
- **Guarantee more income** - Now that policy values are at or near income base values, there may be other annuities that offer greater income opportunities.



## Hypothetical example

Julie is 67 years old and wants to begin receiving guaranteed income payments at age 70 using her variable annuity assets. See how she can increase her retirement income with the AssuranceSelect 7<sup>®</sup> fixed-indexed annuity and IncomeSecure<sup>SM</sup> rider.

|                                 | Current allocation                 | Proposed allocation                               |
|---------------------------------|------------------------------------|---------------------------------------------------|
| <b>Product</b>                  | Variable annuity with income rider | AssuranceSelect 7 annuity with IncomeSecure rider |
| <b>Account value</b>            | \$400,000                          | \$400,000                                         |
| <b>Income rider rollup</b>      | 7% compounded                      | 9% simple                                         |
| <b>Benefit base at age 67</b>   | \$400,000                          | \$400,000                                         |
| <b>Benefit base at age 70</b>   | \$490,017                          | \$508,000                                         |
| <b>Withdrawal % at age 70</b>   | 5%                                 | 5.5%                                              |
| <b>Guaranteed annual income</b> | <b>\$24,500</b>                    | <b>\$27,940</b>                                   |

Julie's new proposed allocation allows her to lock in market gains from the variable annuity while helping to protect her account value from any further market declines. It also guarantees more lifetime income and may provide added peace of mind knowing that more of her retirement income needs are covered.

## About the AssuranceSelect 7<sup>®</sup> fixed-indexed annuity and IncomeSecure<sup>SM</sup> rider from Great American Life<sup>®</sup>

The AssuranceSelect 7 fixed-indexed annuity and IncomeSecure rider help protect your clients' account value from market declines while providing guaranteed lifetime income. Clients can enjoy guaranteed growth of their income base with a **9% rollup for 10 years** and **income percentages that increase 0.10% each year** they wait to begin receiving 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 policy 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 Great American Life<sup>®</sup> at **(888) 504.7109** for an illustration and more details on current riders.
5. Make the sale on what appeared to be a locked up asset.

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

*The IncomeSecure rider is available for an annual charge of 0.95% of the current income 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.*

*The AssuranceSelect 7 fixed-indexed annuity (P1080010NW) and IncomeSecure rider (R6036711NW) are issued by Great American Life Insurance Company<sup>®</sup> (Cincinnati, Ohio). Contract and rider form numbers may vary by state. Products and features may vary by state, and may not be available in all states Copyright © 2015 by Great American Life Insurance Company. All guarantees based on the claims-paying ability of Great American Life.*