

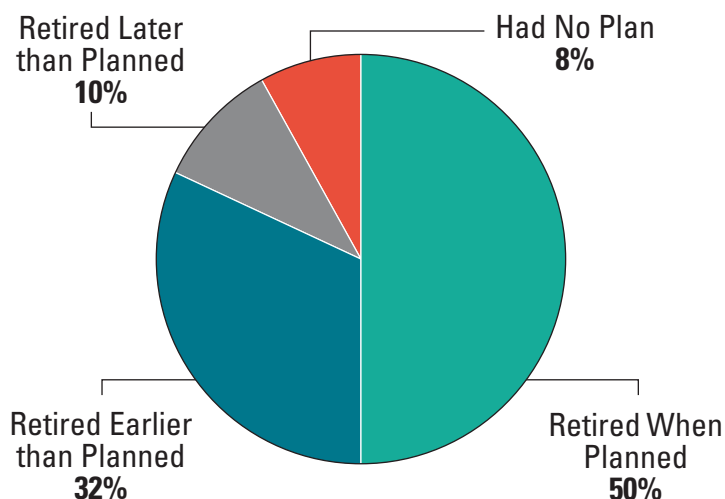
## Retirement Unpredictability Begins *Before* You Retire

According to the Insured Retirement Institute (IRI), a surprising 32% of retirees retired earlier than they had planned. Health reasons were the most common cause.<sup>1</sup>

“NEVER TRY TO WALK ACROSS  
A RIVER JUST BECAUSE IT  
HAS AN AVERAGE DEPTH OF  
FOUR FEET.”

—MILTON FRIEDMAN, NOBEL LAUREATE

### Myth: People Can Retire According to Their Plans



Source: IRI It's All About Income, <https://www.myirionline.org/docs/default-source/research/iri-income-report-final.pdf?sfvrsn=2>

<sup>1</sup> J.P. Morgan Guide to Retirement, p. 25, [https://www.jpmorganfunds.com/blobcontent/647/343/1272924627455\\_JP-GTR.pdf](https://www.jpmorganfunds.com/blobcontent/647/343/1272924627455_JP-GTR.pdf)

# How Sustainable Are Your Retirement Assets?

Just like the average depth of a river, market averages can obscure the meaning of market actions in the real world.

It's easy for average annual returns, in fact, to obscure what is effectively a roller-coaster ride over the long haul.

As individuals approach retirement, market uncertainty ratchets up the savings stakes two ways:

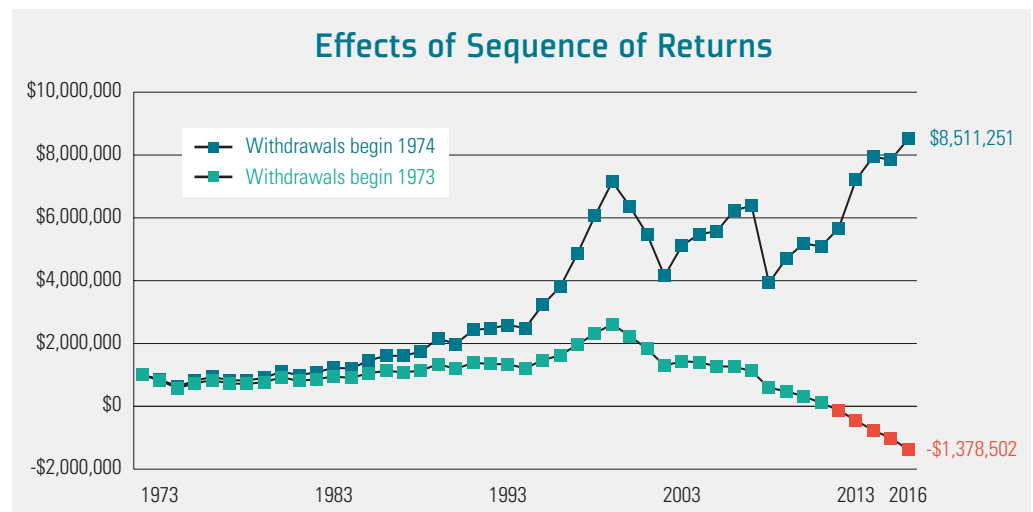
1. Market declines on the underlying savings become substantially more problematic because of the risk of losing portfolio value without having enough time to recover from losses.
2. The timing of portfolio withdrawals too can have an unexpectedly outsized impact on retirement wealth, depending on market actions.

## See How a One Year Difference in Withdrawals Can Undermine Retirement Security

This example illustrates the hypothetical impact of two withdrawal scenarios, separated by a single year, on two investors' portfolios.

In our illustration, each retiree begins with \$1 million before making annual withdrawals of \$40,000, adjusted for the then-prevailing inflation rate.

While each received identical returns over the period, the retiree who began withdrawals in 1973—when the Standard and Poor's 500 lost 14.3%—exhausted their money. On the other hand, the retiree who initiated withdrawals in 1974 saw their money grow to more than \$8.5 million.



Returns are based on S&P 500® performance. S&P 500® Index measures the performance of 500 widely held, mostly large-cap common stocks weighted by market value. Indices are unmanaged and unavailable for direct purchase. Past performance does not indicate future results. In our illustration, each retiree begins with \$1 million before making annual withdrawals of \$50,000, adjusted for the then-prevailing inflation rate.

## In Contrast, Fixed Index Annuities Can Offer a Way to Lock in Gains, Protect Principal and Guarantee Future Retirement Income

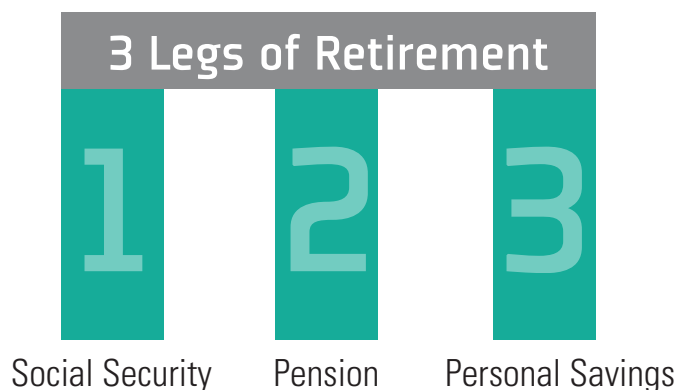
In contrast to market-driven solutions like stocks, bonds and mutual funds, fixed index annuities (FIAs) can help address the challenge of making retirement accumulation and income more predictable.

Introduced to the retirement market just over 20 years ago, FIAs can help insulate an annuity owner from risk of loss due to market downturns. Recently, FIAs have been surging in popularity, according to Todd Giesing of LIMRA Secure Retirement Research, due to two factors:

1. Market volatility has led some to seek out the relative safety of fixed products.
2. And, while performance is limited on the upside in FIAs, they provide a guaranteed floor on the downside during market downturns.

Like a pension plan you build yourself, FIAs can play a role in the personal savings part of a three-legged retirement stool that also includes Social Security payments and a retirement plan.

The money you provide to buy the FIA (from an insurance company in this case) is lent by the insurance company to earn more money. A percentage of the difference between what the insurer receives and what it lends out from those monies is then paid out to annuity contract owners.



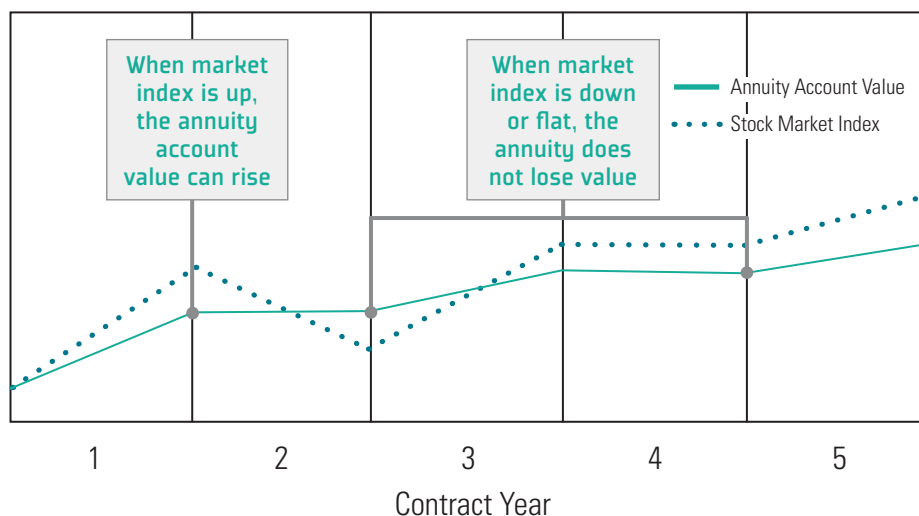
# Designed for Retirees Looking to Take Uncertainty out of Retirement Expectations

FAs typically are meant for more risk-averse investors, those who wish to limit their exposure to the peaks and troughs of the market.

And, with only 18% of American workers termed “very confident” that they’ll have enough money to live comfortably through their retirement, according to the 2017 Retirement Confidence Survey conducted by the Employee Benefit Research Institute, there is a clear need for advice and products that can help generate guaranteed lifetime income.<sup>2</sup>

For investors who are looking for more income with no downside volatility, the FIA may have a lot to offer.

How FIAs Work: Growth Potential, with No Downside Risk



The chart is a hypothetical representation of fixed index annuity growth under varying market/index conditions and is not meant to represent the performance of any specific product.

**“A FIXED ANNUITY IS THE ONLY PRODUCT THAT ALLOWS INDIVIDUALS TO ACCUMULATE RETIREMENT SAVINGS, PROTECT THOSE SAVINGS FROM MARKET LOSSES AND GUARANTEE INCOME THAT LASTS A LIFETIME. THEY ARE SUPPORTED BY RIGOROUS AND COMPREHENSIVE REGULATIONS THAT PROTECT CONSUMERS AND WHICH HAVE RESULTED IN EXTREMELY HIGH OWNER SATISFACTION RATES.”**

—NAFA

<sup>2</sup> 2017 Retirement Confidence Survey, © 2017 Employee Benefit Research Institute <https://www.ebri.org/pdf/surveys/rcs/2017/IB.431.Mar17.RCS17..21Mar17.pdf>

# Receive Lifetime Income Your Way

When you transition to retirement, an FIA can give you the flexibility to take income in one of several ways.

- **Free withdrawal amounts** You can withdraw up to the greater of 10% of the last anniversary value of your account or Required Minimum Distributions with no surrender charges.
- **Periodic withdrawals** After the required number of years, you can make withdrawals without surrender charges when you need them, in any amount.
- **Annuity payments** For guaranteed income for life or for a specified period, you can choose from among several annuity payment options for you and your spouse (if you purchase a joint contract).
- **Guaranteed withdrawals** You may also opt for guaranteed lifetime income for an additional fee—even if your account value goes to zero.

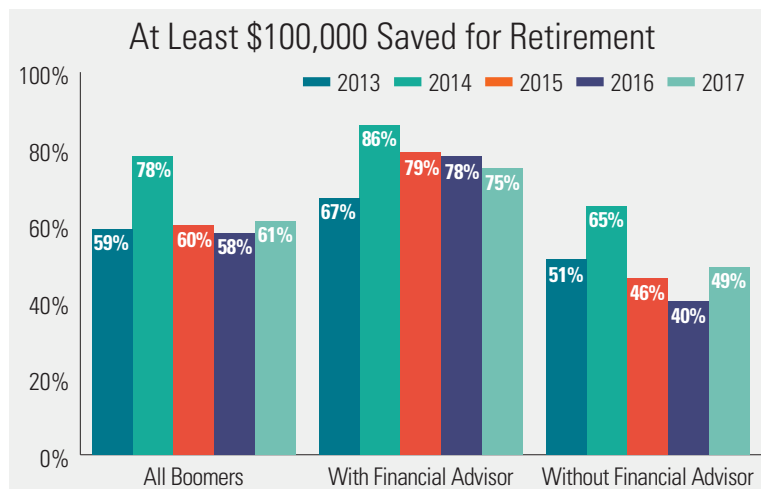
## To Make Your Retirement Even More Predictable, Consider Meeting with a Financial Professional

It's a fact: According to the Insurance Retirement Institute, retirement-minded baby boomers who work with financial professionals tend to be more satisfied with their economic and financial outlook.<sup>3</sup>

If you are looking for more income with no downside volatility, considering asking a financial professional what an FIA might have to offer your retirement future.

### The Benefits of Using Financial Professionals

Retirement investors with access to professional advice did substantially better than those who made decisions without any access to a professional. Results are consistent for each of the recorded survey years from 2013 to 2017.



Source: Insurance Retirement Institute Boomer Expectations for Retirement 2017 Seventh Annual Update on the Retirement Preparedness of the Boomer Generation [https://www.myirionline.org/docs/default-source/research/iri\\_boomers-expectations-for-retirement-2017.pdf](https://www.myirionline.org/docs/default-source/research/iri_boomers-expectations-for-retirement-2017.pdf)

<sup>3</sup> Insurance Retirement Institute Boomer Expectations for Retirement 2017 Seventh Annual Update on the Retirement Preparedness of the Boomer Generation [https://www.myirionline.org/docs/default-source/research/iri\\_boomers-expectations-for-retirement-2017.pdf](https://www.myirionline.org/docs/default-source/research/iri_boomers-expectations-for-retirement-2017.pdf)

# For the Retirement Dimensions in Your Life: Growth Today for Income Tomorrow

If you are like many individuals nearing or entering retirement, you are looking to achieve two primary goals: Accumulate dollars today and receive dependable income tomorrow.

The journey between those goals, however, may involve unwanted risk exposure unless you have adequate information, expert advice and access to proven strategies. One way of securing a sustainable retirement lifestyle strategy to meet your future needs is through the help of a financial professional with a proven, cornerstone financial product like an FIA.

An FIA, in effect, is a contract between you and an insurance company that is designed to help you meet your long-term retirement needs. In exchange for your payment of an insurance premium, the insurance company gives you the opportunity to earn additional interest based on the performance of a market index, and pays you income in the future.

## Is a Fixed Index Annuity Right for You?

**You might be a good candidate for an FIA if you agree with any of these statements:**

“I want a convenient way to receive predictable monthly payments after I retire.”

---

“I need to find a way to preserve my retirement principal.”

---

“I’m retiring yet still want my money to keep growing while it pays me income.”

---

“I’d like a solution that locks in value I can leave to my heirs.”

# Experience Delaware Life Dimensions

Delaware Life Dimensions is designed to help you reach your retirement goals through timely, thoughtful ideas and leading research. This 12-part educational program offers general advice concerning principal preservation, growth and income during retirement. It is not intended as a substitute for a consultation with a qualified financial professional who understands how this information may apply to your specific situation. Guarantees are backed by the financial strength and claims-paying ability of the insurance company issuing the annuity.

## Do You Want to Learn More?

**Ask your financial professional about other topics in the Delaware Life Dimensions Retirement Education Series, including:**

>2

**Planning for Longevity** Americans over 65 are the country's fastest-growing demographic. What pre-retirees need to consider as they look ahead.

>7

**Deferring Taxes to Accelerate Growth** How growing assets on a tax-advantaged basis can accelerate the accumulation process for retirees.

>9

**Overcoming Low Yields** Recent history shows that conventional bank-insured products aren't generating enough income for most retirement-minded investors. A look at FIAs can offer an alternative approach.

## About Delaware Life

We are dedicated to supporting you with valuable, straightforward solutions that help you save today and provide income for tomorrow. Our current product offerings include fixed and fixed index annuities. Delaware Life Insurance Company manages approximately 342,000 in-force annuity and life insurance policies representing \$36.6 billion in assets under management and \$14.1 billion of invested assets as of September 30, 2017.

### Contact Your Financial Professional Today to Learn More

Delaware Life Insurance Company is authorized to transact business in all states except New York, as well as in the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Delaware Life Insurance Company is a member of Group One Thousand One.

**NOT FDIC/NCUA INSURED | MAY LOSE VALUE | NO BANK/CREDIT UNION GUARANTEE | NOT A DEPOSIT  
NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY**

This communication is for informational purposes only. It is not intended to provide, and should not be interpreted as individualized investment, legal or tax advice. To obtain such advice, please consult with your investment, legal or tax professional.

© 2017 Delaware Life Insurance Company. All rights reserved.

DLPC 0578 12/17 EXP 12/18