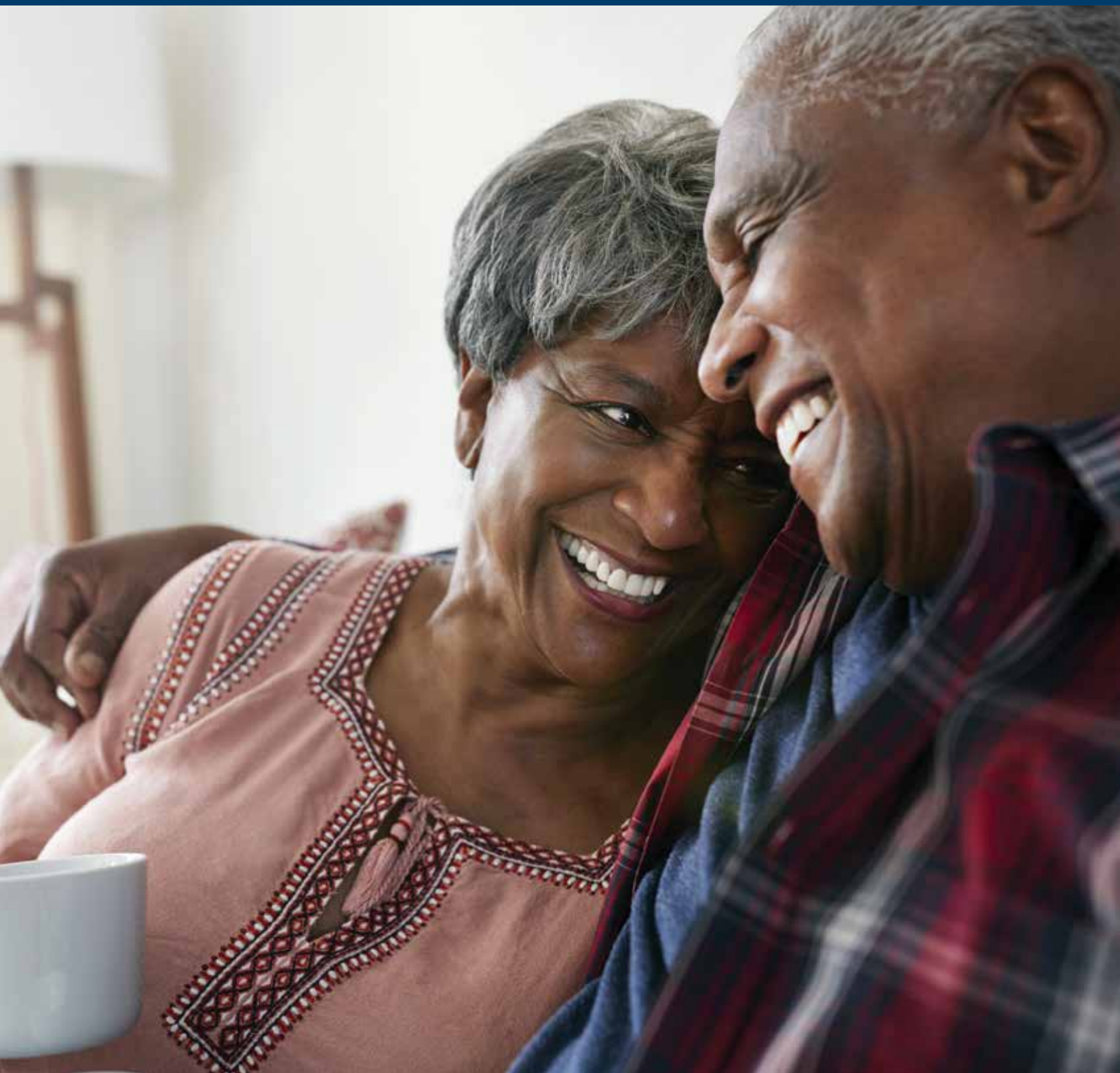




# ANICO STRATEGY INDEXED ANNUITY PLUS

Case Studies





## Offering Multiple Paths to Meet Every Need.

Annuities can be an excellent resource for individuals at or nearing retirement age. Those who are looking to put their money in a secure and low-risk product can rely on ANICO Strategy Indexed Annuity PLUS (ASIA PLUS).

ASIA PLUS is a deferred indexed annuity with an optional lifetime income rider. American National offers the flexibility of choosing from three nationally recognized, top-rated, and widely used indices to secure money: The S&P 500<sup>®</sup>, the Nasdaq-100<sup>®</sup>, and the S&P MARC 5% Index.



## S&P 500® Index

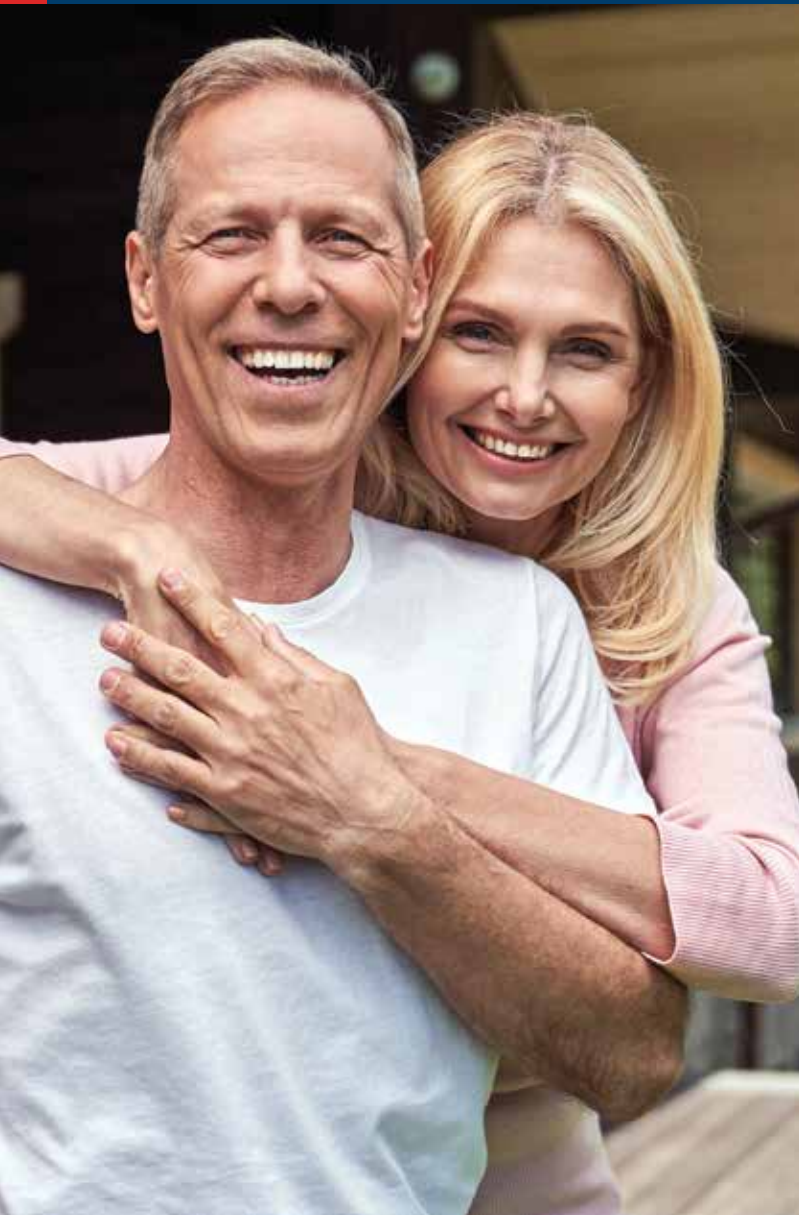
The S&P 500® is a capitalization weighted index that tracks the performance of 500 large companies listed on US stock exchanges. The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 11.2 trillion indexed or benchmarked to the index, with indexed assets comprising approximately USD 4.6 trillion of this total. The index includes 500 leading companies and covers approximately 80% of available market capitalization. The companies that are tracked are selected by committee and must meet certain criteria before making the list of eligible companies.

## Nasdaq-100® Index

The Nasdaq-100 Index® is a modified market capitalization weighted index that tracks the performance of 100 of the largest domestic and international non-financial companies listed on The Nasdaq Stock Market® based on market capitalization. The index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. It does not contain securities of financial companies including investment companies. The companies selected are based on an annual ranking of all eligible companies listed on The Nasdaq Stock Market®. The value for this index is published multiple times a day and includes an opening market value and a closing market value.

## S&P MARC 5% Index

The S&P MARC 5% Index is a derivative index of the S&P 500® designed to manage market volatility. The S&P MARC 5% (Multi-Asset Risk Control) Index seeks to provide multi-asset diversification within a simple risk weighting framework, tracking three underlying component indices that represent equities, commodities, and fixed income. For purposes of the S&P MARC 5% Index, an excess return version of the S&P 500® is calculated from the S&P 500® Total Return Index and is used as the underlying equities component index. The weighted strategy is rebalanced daily to maintain a target volatility of 5%. In low-volatility environments, the S&P MARC 5% Index risk control mechanism increases market exposure to riskier assets by increasing the allocation to the index (up to a leveraged position of 150%).



## Personal Circumstance

Many individuals are used to spending less than their income during the working period of their lives. When they reach retirement, it can feel unnatural spending the savings they worked so hard to accumulate as well as uncomfortable trying to figure out how to spend wisely as to not outlive available funds. That's where an annuity that guarantees a lifetime stream of income comes into play. ASIA PLUS 7 & 10 with an LIR allows retirees to use a portion of their savings to set up a steady stream of income for the rest of their life and feel free to enjoy their golden years with the rest.

## Path

### Lump Sum (Single Premium) with a Lifetime Income Rider

A lump sum amount to be deposited into an ASIA PLUS 10 with the Lifetime Income Rider selected. This is best for someone from ages 50–55 or an individual planning to retire within 10 years who has a hefty sum set aside for retirement and is looking to lock in a rate which will allow for tax deferred growth. In conclusion of the 10-year period, the income rider can be activated to offer either a level monthly, or annual payment for the rest of their life.

ASIA PLUS 7 and 10 both offer, at time of issue, the additional option of a lifetime income rider (LIR), which provides an income stream that is guaranteed for life even if the annuity value falls to zero.

Select from Lifetime Income Rider with Fixed Rate, or the Lifetime Income Rider with Fixed Rate Plus Index Credit.



## Case Study

Daniel and Katy, age 53, were nearing retirement age and decided to meet with an advisor to ensure they were on track to achieve their retirement goals. They both wanted to be sure that their goals and current investments were in alignment so that they would not unintentionally overspend or end up outliving their current savings. After discussing their present standings with a financial advisor, they determined that they had saved up a considerable amount for retirement but that their money could be growing more than it was currently sitting in their bank earning the low customary interest rate.

Their advisor talked to them about the benefits of putting a lump sum in an ASIA PLUS 10 plan and electing the Lifetime Income riders at time of issue. He explained, that once selected, they would lock in that fixed interest rate for the life time income rider for the duration of the period selected. After the 10-year period, they could activate the income rider which could then be used as additional income, either monthly or annually, for various needs during retirement. He also explained that this LIR provides an income stream that is guaranteed for life even if the annuity value falls to zero. As he explained these features, both Daniel and Kathy determined that this product could help them to eliminate the need to continuously review their assets to determine where to draw income for each month. Daniel and Katy liked that they would be protected during down market times and wouldn't have to worry about selling securities.

Their advisor then ran an illustration in ExpertOffice after having Daniel and Katy fill out an unmet fixed expense table (shown below) to help determine what expenses were recurring monthly which might not be covered by their pension, social security, or other source of income. The illustration showed the couple exactly how much of their retirement nest egg they needed to use to purchase an ASIA Plus 10 policy that delivered that exact monthly income stream starting in 10 years.

Will you have unmet fixed expenses?		
<b>Monthly Expense/Income</b>	Housing	\$
	Food	\$
	Transportation	\$
	Healthcare	\$
	Personal Insurance	\$
	Family Care	\$
	Entertainment	\$
<b>Minus</b>	Social Security Income	\$
	Pension/Other Income	\$
<b>Equals</b>	Unmet Fixed Expenses	\$



## Personal Circumstance

For some, retirement doesn't become a priority until later in life at which point 401(k) contribution limits may prohibit them from reaching their retirement goals in time. This scenario isn't uncommon, however failing to pursue alternative means of savings can result in a less ideal retirement. It may also mean becoming dependent on social security when the available funds are outlived. With this tax-deferred annuity, the annuity value has the potential to grow and, meanwhile, the client will not pay taxes on it until the money is withdrawn, providing retirement funds when needed.

## Path Flexible Premiums without the Lifetime Income Rider

This option is best for someone from ages 45–50, who might be behind on their retirement savings, who is working to catch up in order to retire at a certain age. They might be maxed out on their current contribution options and are looking for another way to save with accumulation potential greater than what is available in a CD or savings account. ASIA PLUS offers various crediting strategies to meet the needs of each customer. Additional protection is built in, with the zero-floor guarantee, if the index goes down in value during the measuring period, they will not lose principal and will even be credited the minimum guaranteed interest rate for their selected indexed strategy(ies). From that standpoint, the money is protected from a loss even if the index declines.



## Case Study

Jillian and Brody, 47, were looking for ways to accumulate funds for their retirement. They were worried that they had started saving too late and were now maxing out their 401(k) contributions. They were also concerned about the potential for loss in their current fund options in their 401(k)'s as they are getting older and instead prefer something which protects their principal yet still has the potential for growth. They spoke with their financial advisor who suggested putting their money into an annuity with flexible premiums, so they can set up automatic monthly premiums to continue to save. Their advisor showed them ASIA PLUS 7 and explained how it could help them in their situation.

He clarified that the plan would have low volatility, and even if the index went down in value, they would not lose principal. Low volatility was important to the couple since they were nearing retirement age and did not want to invest in any volatile options. He explained that S&P Dow Jones Indices, the leading provider of market indices for use in insurance products, created a diversified multi-asset index that uses an innovative design to manage market volatility is available with ASIA PLUS 7 crediting strategy using the S&P MARC 5% Excess Return Index. He also told them that the annuity would be tax-deferred which would allow the value to grow tax-free until they decided to withdraw the money. Jillian and Brody liked that their money would be there for them if and when they needed it.

### MARC 5% Excess Return – Asset Weighting Explained



**Equity** – S&P 500\*



**Commodities** – Gold Futures ER



**Fixed Income** – 10 Year US Treasury Notes Futures ER

**Volatility is calculated** for each asset class in the index

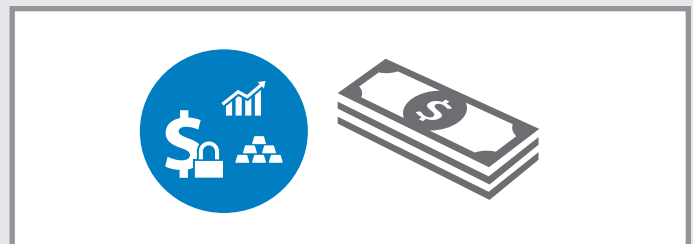
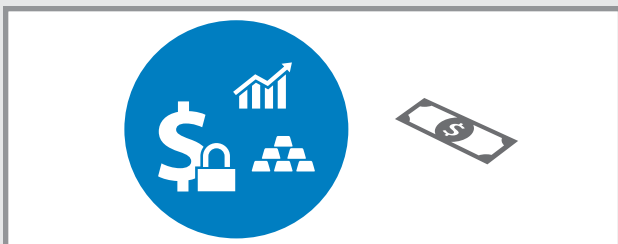
Components are **weighted by the inverse** of their volatility

This index is then **risk controlled with a 5% target**, creating the **S&P MARC 5%**



When the index **volatility is low** MARC 5% **allocates more** to the index (up to 150%)

When the index **volatility is high** MARC 5% **allocates less** to the index and more to the cash component





ASIA PLUS products have the ability to cater to several different needs. Learn more about these products at [img.anicoweb.com](http://img.anicoweb.com) and see how you can help your clients choose the best path for their financial needs.

---

The S&P MARC 5% Index and the S&P 500<sup>®</sup> Index are products of S&P Dow Jones Indices LLC or its affiliates ("SPDJI") and have been licensed for use by American National Insurance Company. Standard & Poor's<sup>®</sup> and S&P<sup>®</sup> are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones<sup>®</sup> is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by American National Insurance Company. American National Insurance Company Products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P MARC 5% Index and the S&P 500<sup>®</sup> Index.

Nasdaq<sup>®</sup> and the Nasdaq-100 Index<sup>®</sup> are registered trademarks of Nasdaq, Inc. (which with its affiliates is referred to as the "Corporations") and are licensed for use by American National Insurance Company. The Product(s) have not been passed on by the Corporations as to their legality or suitability. The Product(s) are not issued, endorsed, sold, or promoted by the Corporations. **THE CORPORATIONS MAKE NO WARRANTIES AND BEAR NO LIABILITY WITH RESPECT TO THE PRODUCT(S).**

Guarantees are based on the claims paying ability of American National Insurance Company. Form Series FPIA19; LIR19 (Forms may vary by state, Idaho forms ICC19 Form FPIA19 and ICC19 Form LIR19).



AMERICAN NATIONAL INSURANCE COMPANY