



ENHANCING THE SECURE RETIREMENT CONVERSATION

WHO WE ARE

NAFA, the National Association for Fixed Annuities, is the premier trade association dedicated exclusively to fixed annuities. Our primary mission is to promote the awareness and understanding of fixed annuities. Founded in 1998, NAFA's membership represents every aspect of the fixed annuity marketplace and every channel of distribution, including insurance carriers, independent marketing organizations, and independent producers, advisors, brokers and general agents.

WHAT WE DO

As we work to protect the products and professionals Americans need access to in order to generate guaranteed lifetime income and retire well, we rely on our three foundational pillars to guide us.

EDUCATE

We educate financial professionals, regulators, legislators, media, and other retirement industry personnel about the value of fixed annuities and how they benefit consumers.

ADVOCATE

We work with regulators and legislators at the state and federal levels on issues affecting retirement security and promote the use of fixed annuities as part of a holistic retirement savings plan.

INTEGRATE

We coordinate with member companies and national financial trade organizations to advance initiatives and policies that help Americans plan for and meet their retirement income goals.

WHY FIXED ANNUITIES MATTER

Fixed annuities play a critical role in helping shape the collective retirement future of our country.

- There is approximately \$1 trillion of in-force fixed annuity premium serving roughly 8 million Americans.
- Middle-class consumers largely comprise the annuity market, with an average fixed annuity valued at \$117,000.
- In 2021, life insurance companies paid \$60 billion in annuity benefit payments to contract holders.
- Research consistently shows that annuity ownership contributes to higher levels of retirement confidence.

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REASONS

TO CONSIDER ANNUITIES NOW!

Given continued uncertainty, consumers are more interested in taking control of their finances and their future than ever before. Fixed annuities can be a valuable tool in the retirement planning toolbox. Here are seven reasons to consider annuities when preparing for your future.

1. Preparing for Peak 65

In 2024, the U.S. will have more 65-year-olds than ever before — dubbed “Peak 65” in the retirement industry. For those nearing retirement, your needs will change as you transition from accumulating assets to protecting what you have. **Fixed annuities offer protection from various risks and predictable lifetime income.**

2. Protecting Existing Gains

Older individuals who have done well in the equity markets are looking for ways to lock in the gains they have generated. **Moving money from pure equity products into fixed annuities protects their principal, including the gains.** With fixed indexed annuities, you also have the opportunity to earn interest based on the market’s upside.

3. Leveraging Tax Deferral

An intrinsic value of annuity products is the tax-deferred build-up of accumulated interest and product gains. As legislative talks continue, income tax rates are expected to increase at the federal, state and local level. A desire to utilize tax deferral to help minimize your tax burden can be a valuable part of a holistic plan.

4. Managing Risk

Fixed annuities are insurance products, not investments. **As such, they can protect you from a variety of risks: market risk, inflation risk, deflation risk, sequence of returns risk and long-term care risk.** Most importantly,

they can mitigate longevity risk — the potential to outlive one’s savings — by creating a reliable income stream for life.

5. Creating a Personal Pension

In 1980, 60 percent of private sector workers relied on income from an employer pension; by contrast, only 4 percent could count on a private employer pension in 2020. **With the uncertainty of traditional forms of retirement income, you’ll need a way to close any income gap in your retirement plan — and annuities can do just that.**

6. Avoiding Hidden Fees

Because fixed annuities are insurance products, consumers benefit from a retirement vehicle that has been built to address the associated costs of ownership upfront. **Unless you make early withdrawals, terminate your contract, or choose to pay for an optional rider delivering specific benefits, you will not be charged fees.**

7. Capitalizing on Innovation

Today’s products are not your grandfather’s annuities. **Innovations can help provide more reliable accumulation, bigger income payouts and other features like long-term care benefits.** When combined with benefits like tax deferral, defined liquidity and payout guarantees, fixed annuities can address a variety of retirement needs.

Want to see how annuities fit into your future? Contact a trusted financial professional for solutions customized to your life and goals.

ANNURETIREMENT.com

