



2025 DISTRIBUTION AND MARKETING CONFERENCE

Shaping Our Future

**Revolutionizing the
Annuity Industry:
Harnessing Data, Analytics
and Experience**



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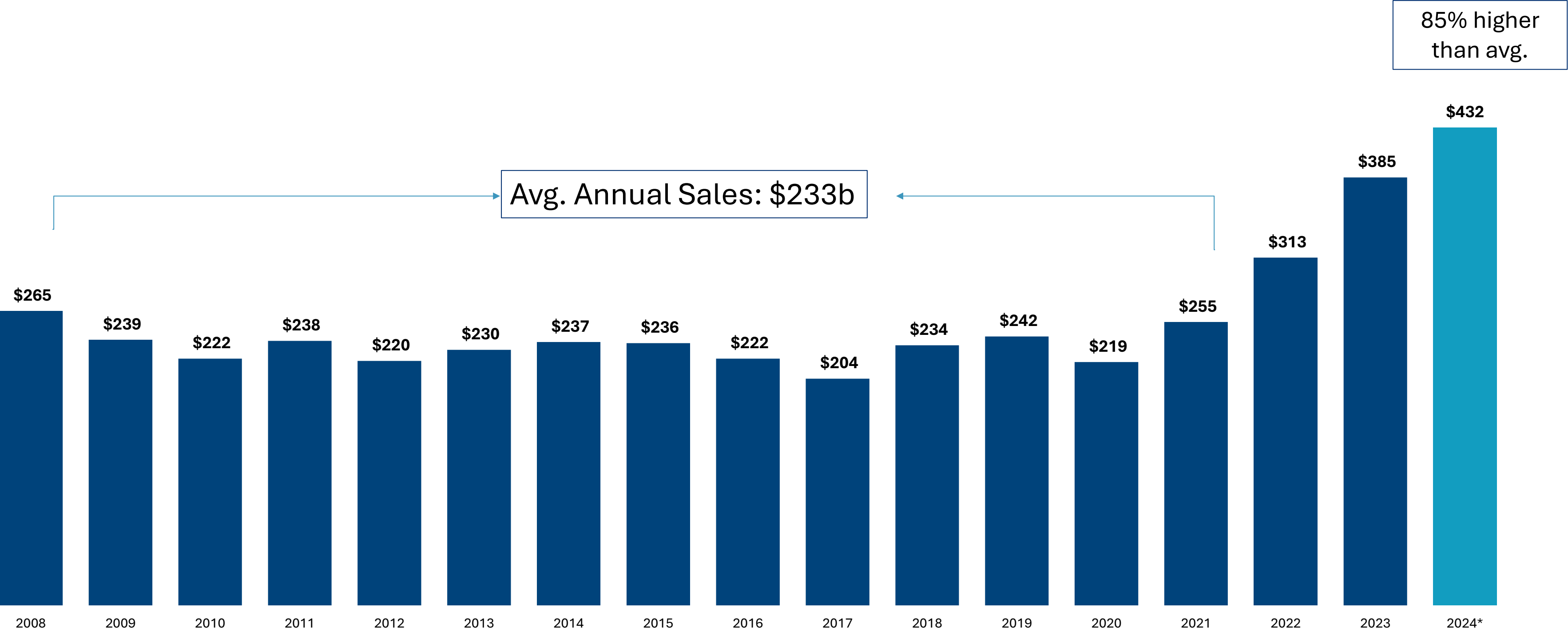


Jay Charles

Managing Director, Head of Insurance Products

Luma Financial Technologies

A Record Year for Annuity Sales...again!



Source: LIMRA Quarterly Annuity Report 2024; *2024 sales based on 3QYTD sales and 4Q monthly estimates; \$\$ in billions

Record Annuity Growth Continues – Tailwinds

1

Strong Interest Rates in 2024

- Fire sale activity (as short-term rates decline)
- Financial Professionals looking to “lock in” rates for clients
- Significant spread between rates and bank CDs

2

Bull Market

- Nasdaq 100 and the S&P 500 both up 20%+ in 2024
- Equity market helping drive RILAs and FIAs and increased activity around traditional VAs

3

Industry Capacity

- We have seen new PE-backed entrants into the annuity market and/or expanded product suites
- Increased focus on ways to access capital / support capital-intensive products

4

Demographics & Need for Protection

The Annuity industry is well positioned to meet the consumer’s needs for protection, guarantees, income, and growth potential

Potential Headwinds Facing the Annuity Industry

1

Regulatory

- Regulation doesn't go away for insurance industry
- However, additional fiduciary rules seem unlikely for new administration

2

The Fed

- The Fed lowered rates by 50bps in September
- Additional 25bps reductions in November & December
- How many rate cuts will we see in 2025?

3

Industry Product Mix

Some manufacturers have pulled back on FRD sales/capacity; Looking to diversify their sales mix

4

Product Complexity & Ease of Business

- Further complexity in products
- How easy is it to do business?

What Does This Mean?

Systemic

- Rates will come down further in 2025
- U.S. poised for strong economic growth in 2025
- **Technology & AI innovation**

Annuity Industry

- Industry sales will decline, but strong overall
- **Integration of AI and technology; seamless business; speed**
 - **Driving efficiencies for financial professionals (~70% of a financial professional's time is spent away from clients/prospects)**
- Index-Based annuities as flagship products
- Fee-based annuity suite of solutions
 - Are Contingent Deferred Annuities (CDAs) the emerging product?
- Tipping point for in-plan annuity options & annuity marketplaces

Our Session Today Harnessing Data

Harnessing Data

- In 2024, 402.89 million terabytes of data are created, captured, copied, or consumed every day. This adds up to 147 zettabytes of data per year. It's projected to grow to 181 zettabytes by 2025.
- As of February 2025, there were 5.56 billion internet users worldwide, which amounted to 67.9% of the global population. Of this total, 5.24 billion, or 63.9% of the world's population, were social media users.
- ChatGPT.com gets approximately 4.79 billion visits per month

Analytics & Growth of Generative AI

- ChatGPT, GROK, Claude are Part of the Vocabulary
- Moving from experimentation to delivering ROI
- Tech Modernization to Competitive Advantage

Customer Experience

- Enabling distribution partners, financial professionals, and wholesalers via technology to improve overall experience for them and end customers
- Meeting customer when and where they want to be met
- Speed, speed, speed

The top half of the slide features a solid blue background. On the right side, there is a cluster of geometric shapes, including triangles and squares, in various shades of blue, teal, orange, and yellow. Some of these shapes are arranged in a grid-like pattern, while others are scattered around them.

Modernizing the Industry

Growing the Market Through Experience Modernization

An Untapped Opportunity

7%

Percentage of FPs who transact annuities at a meaningful rate

90%

Percentage of FPs who say they would transact more annuities if the experience was seamless

High-Priority Modernization Objectives

#1

Remove friction points from the financial professional experience

- 21% of annuity transactions slowed by not-in-good-order (NIGO) rates across the industry

#2

Embed lifetime income products in platforms and tools used by financial professionals

- 83% of FPs use financial planning tools (eMoney, MoneyGuide, RightCapital); Only 18% of FPs leverage annuities in those tools
- 64% of advisors use portfolio management software

#3

Maximize ROI of existing technology spend

A Modern Data Exchange

- Reaching new FPs and supports existing FPs

TODAY

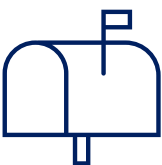
Disjointed processes – Only 7% of Financial Professionals meaningfully transact annuities



Annuity Industry is not growing the number of financial professionals.



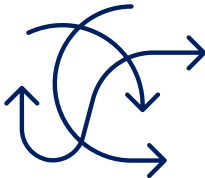
Superior engagement: Attract more financial professionals.



Annuities are researched, purchased and managed separately from all other investments.



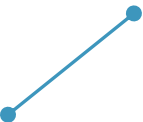
Seamless integrations: Annuities and income protection solutions are managed alongside traditional investments.



Carriers are building these data transfers individually driven by distribution and platform support.



Build once – use many: Standards reduce cost of support and maintenance across platforms and point solutions.



Processes for pre-sale, at sale, and post sale activities are disjointed and experiences are different by carrier and product.



Innovation accelerated: Create connected end-to-end workflows that improve the overall experience.

Ready to Implement – Adoption Goals

Carrier to Carrier Paperless Replacements



Description

DTCC created the C2C Paperless Replacements service. It allows carriers to send transfer requests to other carriers without the use of paper.

Timeline

Production Ready		
Firm	Launched	
DTCC	2024 Q3	
Athene	2024 Q4	
In Development/Test		
Firm	Launch	Partnerships
Jackson National	2025 Q1	Athene Sammons
Prudential Financial	2025 Q1	
Sammons Financial	2025 Q1	Athene Jackson
Planned		
Firm	Launch	
Symetra Financial	2025 1H	
Global Atlantic	2025 2H	
Lincoln Financial	2025 2H	
Pacific Life	2025 2H	
New York Life	2025 Q2	
Allianz Life	2025 Q3	
Fidelity & Guaranty	2026 Q3	

Requested by Distribution

Company Name	C2C Paperless Replacements w/ STL
AmeriLife	2025
Edward Jones	2025
Gradient Financial Group	2025
JPMorgan Chase	2025
LPL	2025
Merrill Lynch	2025
Raymond James	2025
Stifel	2025
Wells Fargo	2025
Advisors Excel	2024
Cetera	2024
Financial Independence Group	2024
Simplicity	2024

Transfer Processing Time

Current Average: 19 days

Projected with C2C Money
Settlement and Paperless
Replacements: 2 days

Ready to Implement – Adoption Goals

Activity Status API



Insured Retirement Institute

Description

Provides Financial Professionals and Distribution on-demand and real-time status of their submitted New Business application using the Digital-First Activity Status API.

Carrier Timeline

In Production		
Firm		Partnerships
Global Atlantic		FIG (POC) Magnifact (POC)
Jackson National		

In Development/Test		
Firm	Launch	Partnerships
Athene	2024 Q4	JPMC via DTCC FIG direct Raymond James via iPipeline
Allianz Life	2025 1H	
Corebridge Financial	2025 1H	DTCC iPipeline
New York Life	2025 Q1	
Pacific Life	2025 Q1	
Prudential Financial	2025 Q1	

Planned	
Firm	Launch
Principal Financial	2025 1H
Nationwide	2025 2H
American Equity Co.	2025 Q1
Delaware Life	2025 Q1
Fidelity & Guaranty	2026 Q1

Distributor Timeline

In Production		
Firm		Partnerships
Financial Independence Group		Global Atlantic (POC) Magnifact (POC)

In Development/Test		
Firm	Launch	Partnerships
JP Morgan Chase	2024 Q4	Via DTCC
Raymond James	2024 Q4	Ipipeline

Planned		
Firm	Launch	Partnerships
Cetera Financial Group	2025 1H	
Fidelity Investments	2025 1H	
LPL	2025 1H	Ipipeline
Gradient	2025 2H	
Edward Jones	2025 Q2	Zinnia
Merrill Lynch	2025 Q2	
Ash Brokerage	2025 Q3	Direct to Carriers
Integrity Marketing Group	2025 Q3	Direct to Carriers
Stifel Nicolaus	2025 Q3	


Service Provider Timeline

In Production	
Firm	Partnerships
DTCC iPipeline Magnifact	FIG (POC) Global Atlantic (POC)

In Development/Test	
Firm	Launch
LUMA	2025 Q1
Zinnia	2025 Q2

Planned	
Firm	Launch
Hexure FidX	2025 1H 2025 Q2

Carrier - 2024 Goal

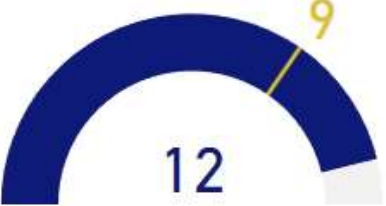


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Carrier Sizing

\$100k-\$200k
\$200k - \$500k
\$200k-\$400k
\$250k-\$500k
Med

Distributor - 2024 Goal




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Distributor Sizing

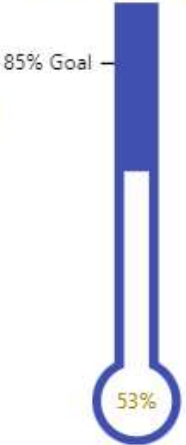
\$100k+
\$60k - \$75k
>\$25k

Service Provider - 2024 Goal





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FP Satisfaction Score



53% / 85% Goal

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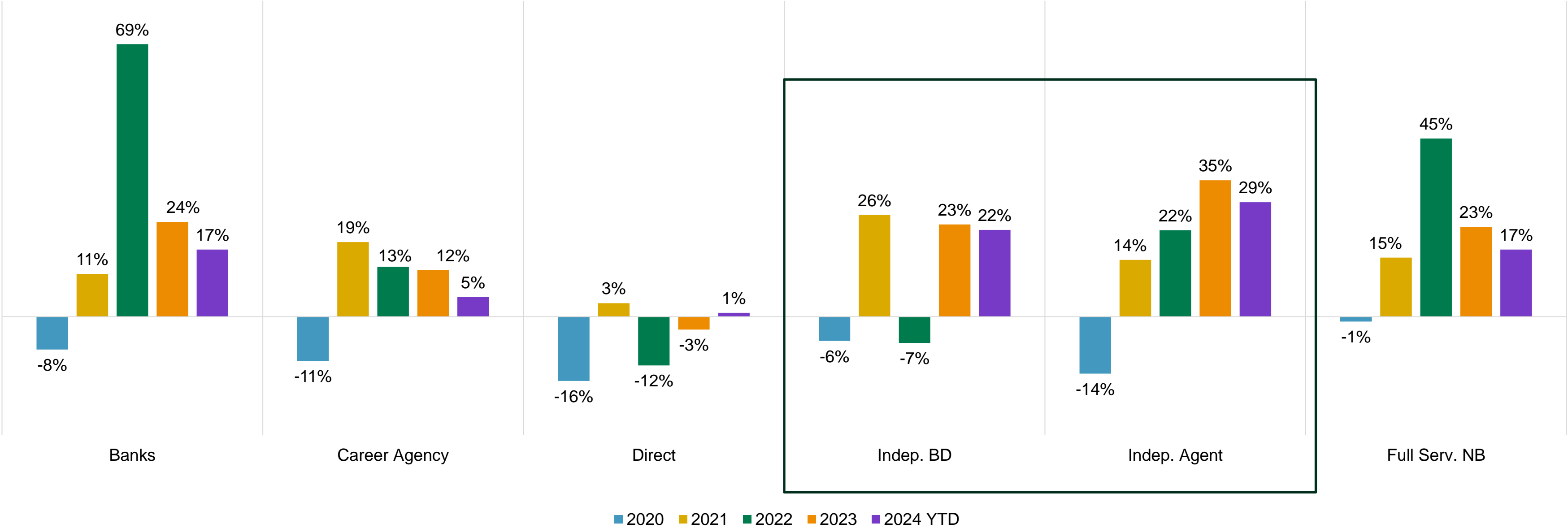




Navigate With Confidence

Topic 1 – Shift to Independence

U.S. Annuity Growth Rates By Channel



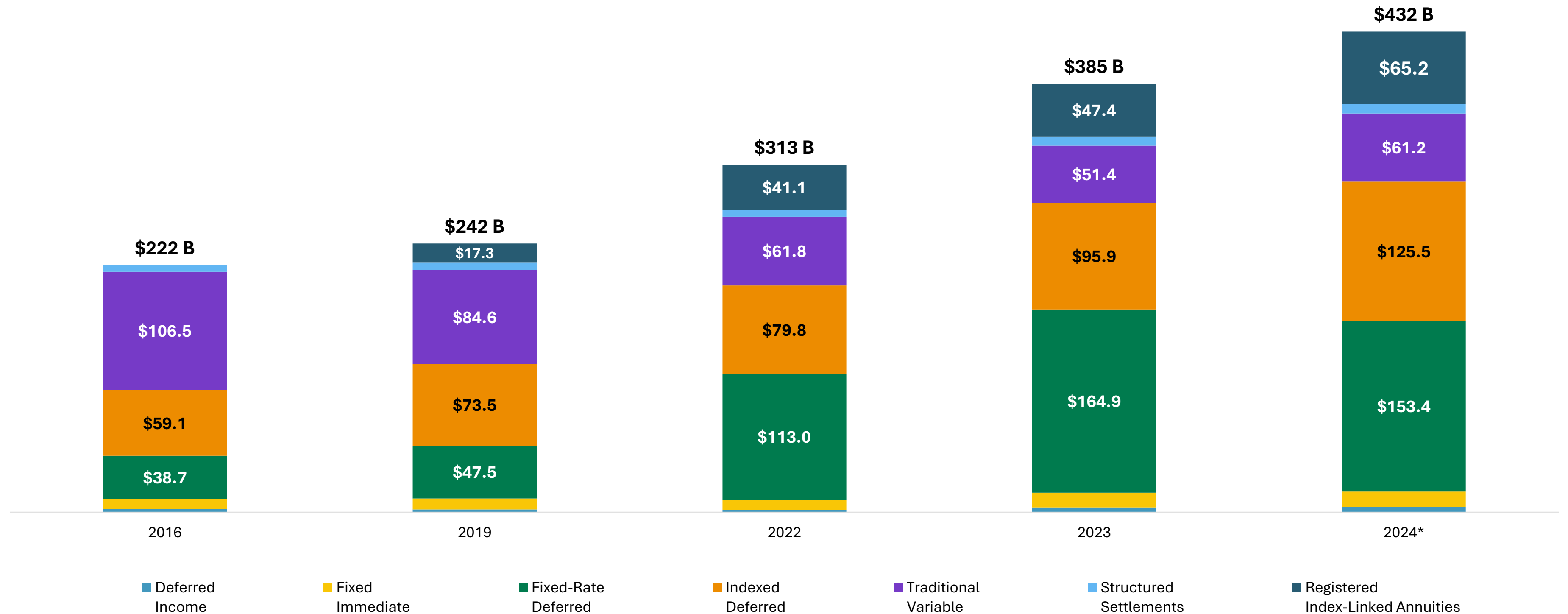
Percent of Sales (YTD 2024)**					
21%	13%	2%	23%	21%	17%

**Other: Includes structured settlements, third-party marketers, pension plan representatives, and relationships with other financial firms.*
***Excludes Home Service and any other channels that do not fall into any of the above categories*
Source: LIMRA's U.S. Total Annuity Sales Survey



Topic 2 – Product Mix & Growth

U.S. Annuity Sales Trend by Product



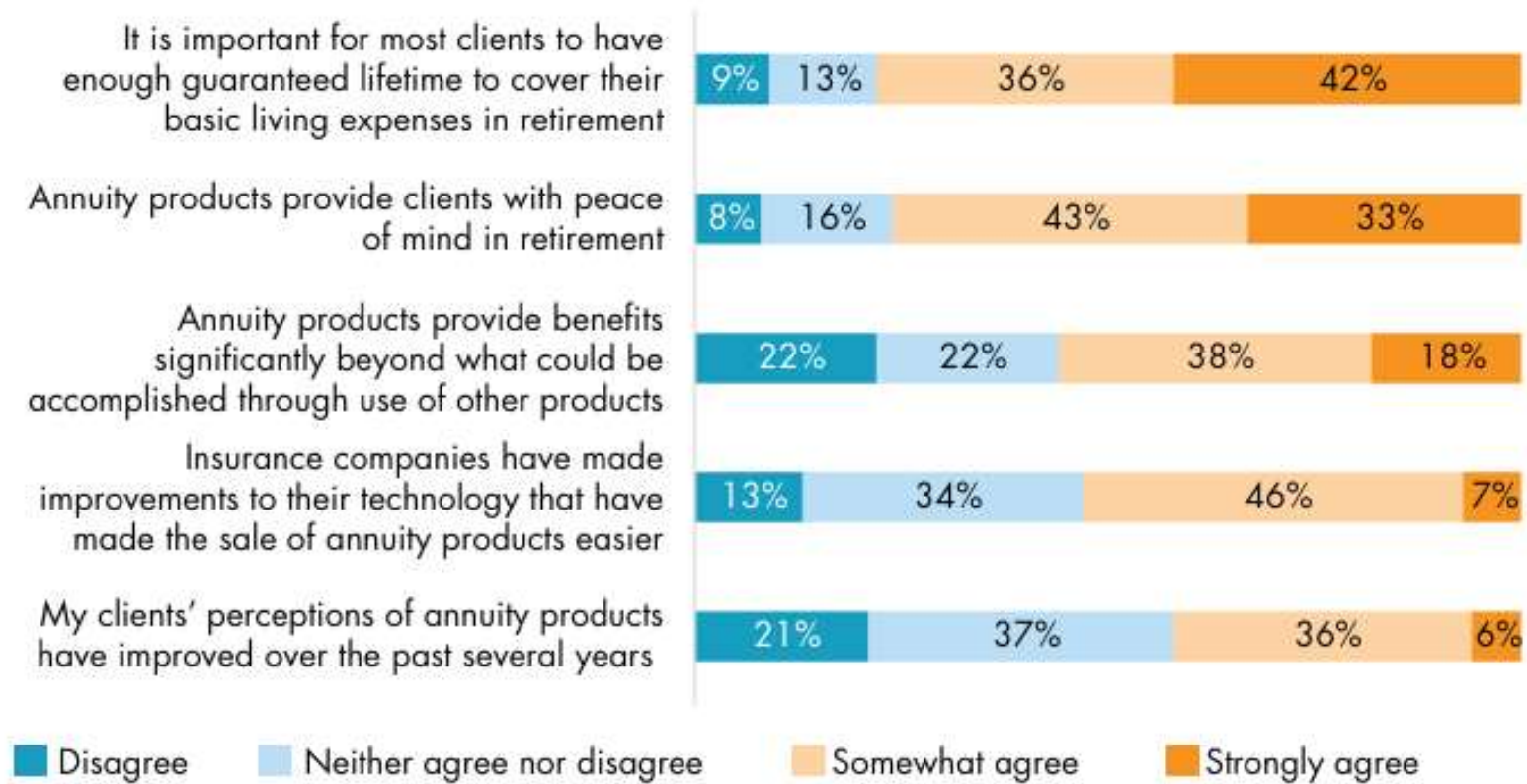
Annualized Premium.

Source: U.S. Individual Annuity Sales Survey 3Q YTD 2024 + 4Q monthly estimates, LIMRA.

Topic 3 – Technology: What is Becoming Table Stakes?

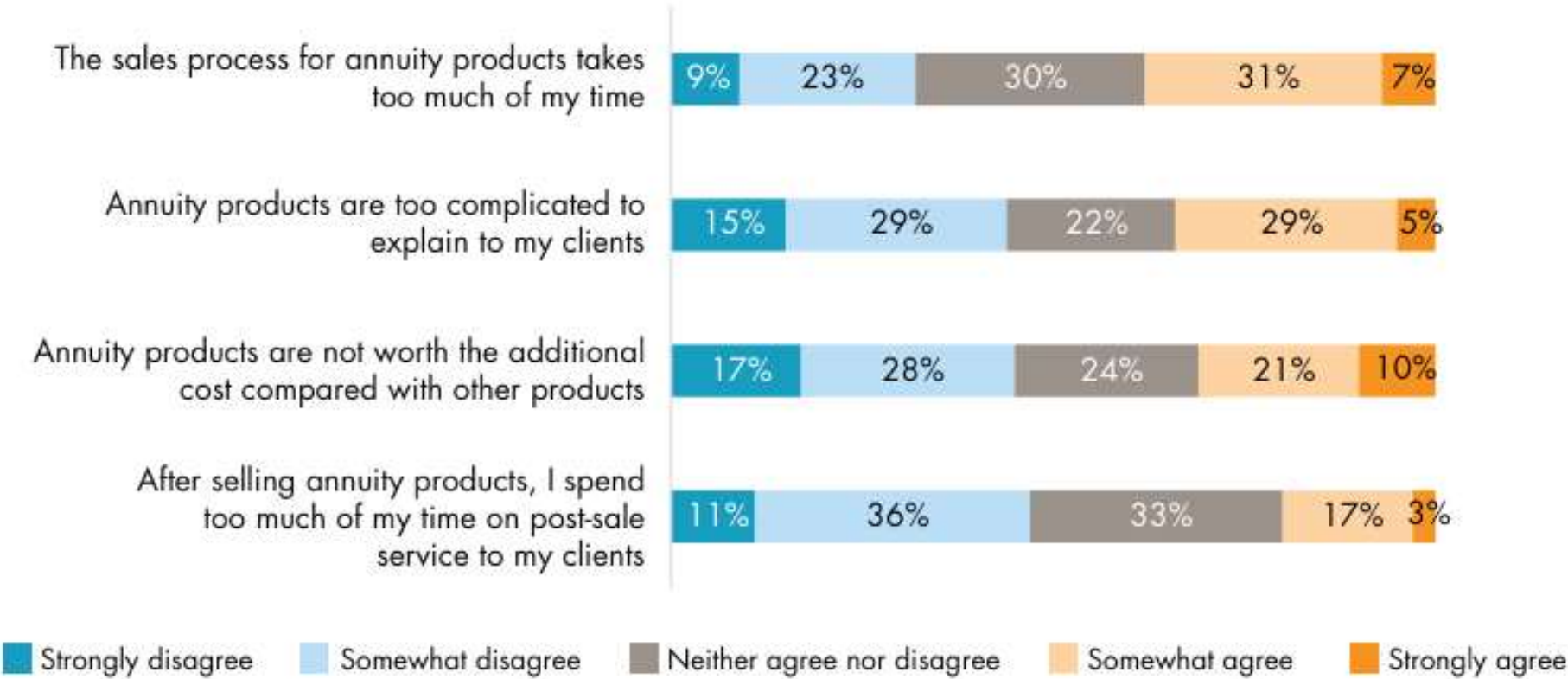
Advisor Statements About Annuities

Figure 1 — Agreement With Positive Statements About Annuities



Based on 1,069 advisors. "Disagree" includes "strongly disagree" and "somewhat disagree" responses.

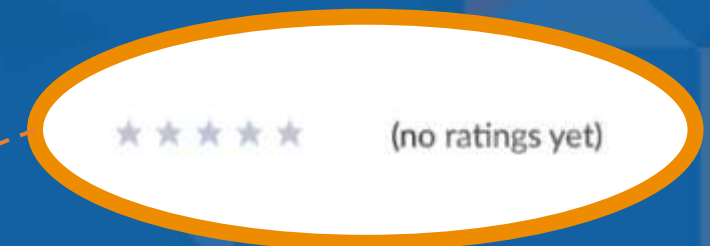
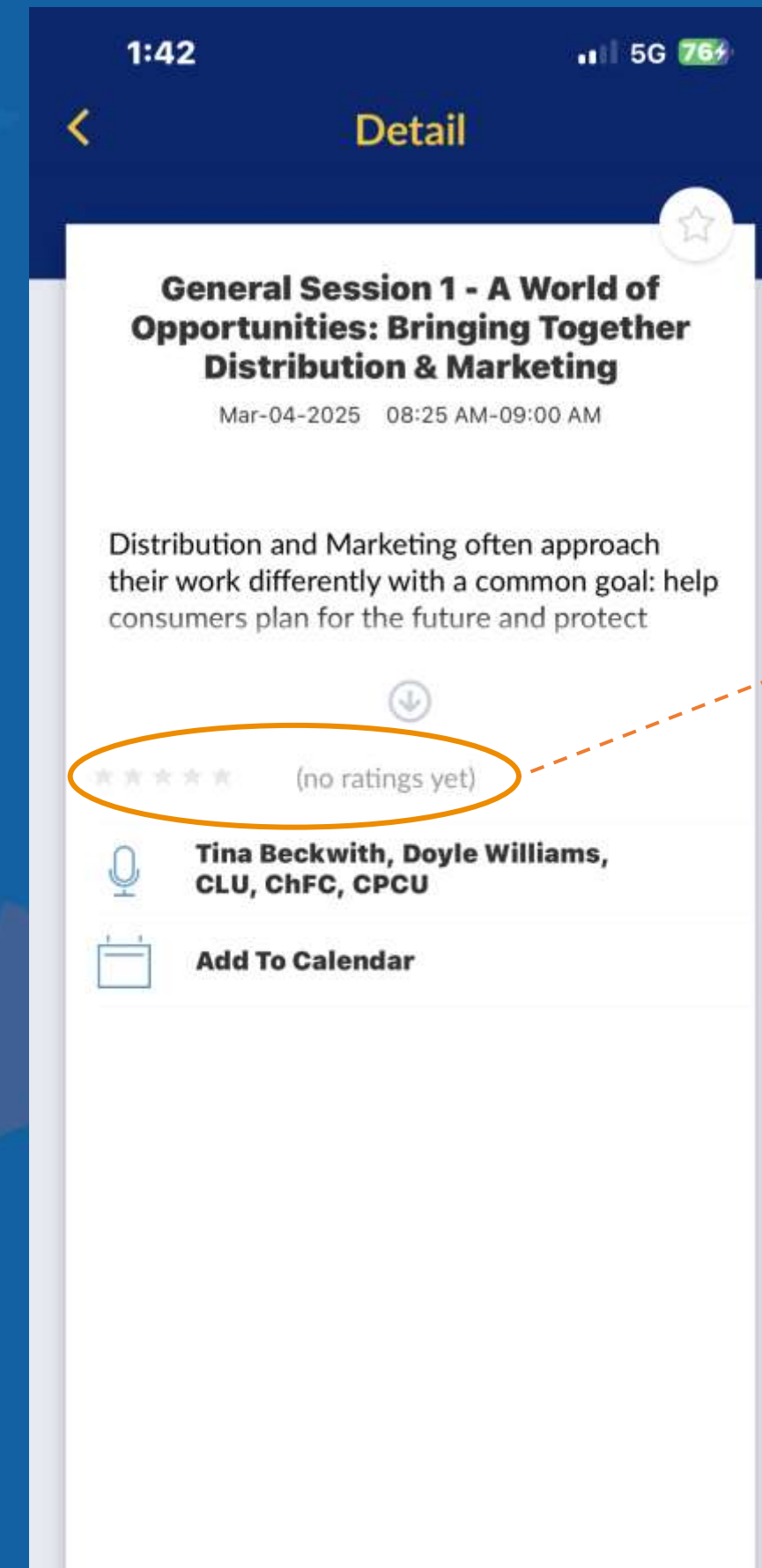
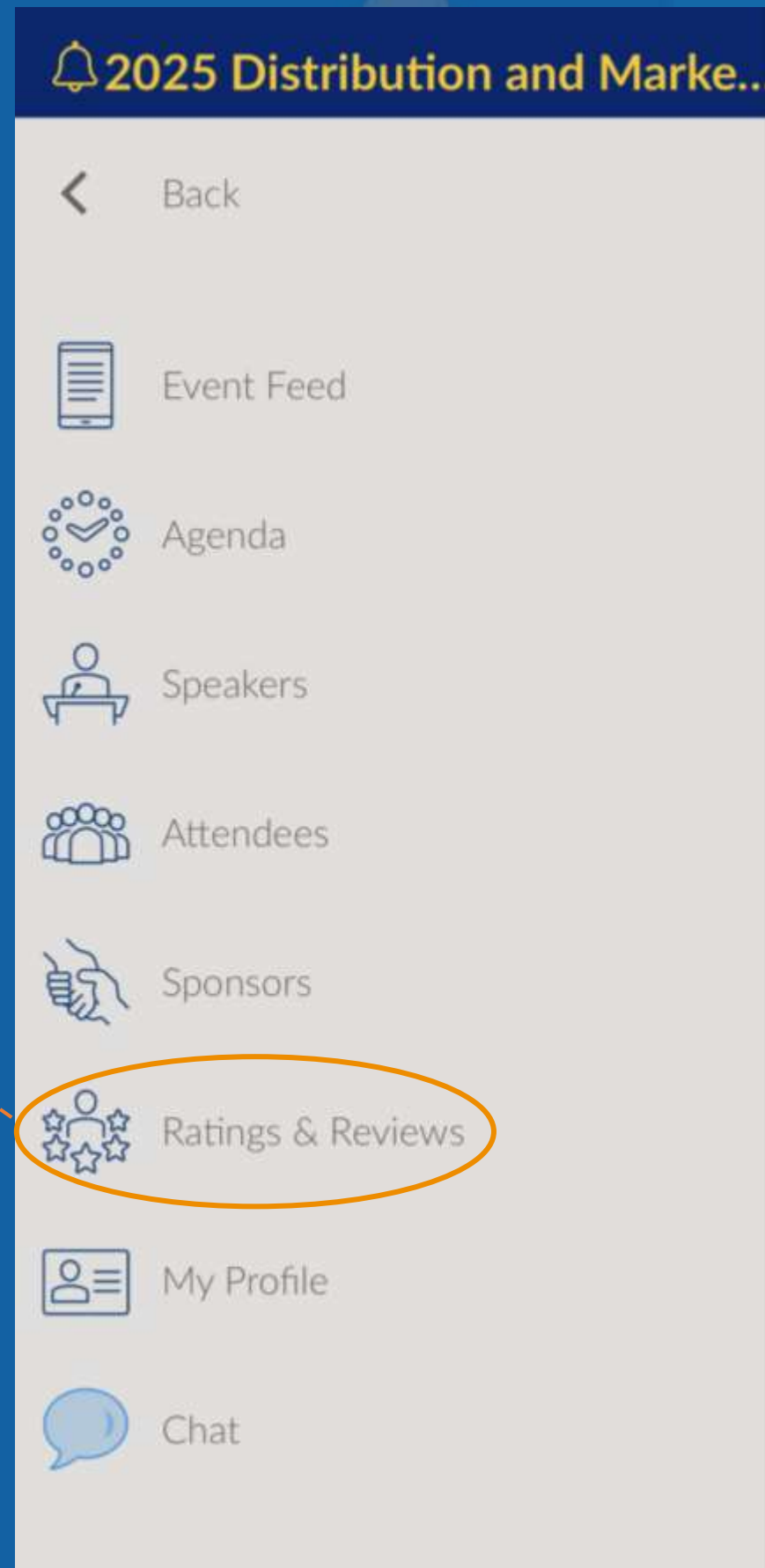
Figure 2 — Agreement With Negative Statements About Annuities



Based on 1,069 advisors.

Audience Questions

Please Provide Your Feedback on the Conference App



Thank You

