2026 **Advanced Sales Forum**

Rooted in Knowledge — Aligned for Growth

Annuity Product Deep Dive: Building For Successful Sales

LIMRA LOMA

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Agenda

I. Annuity Product 101
- Annuity Value Proposition
- Annuity Product Landscape
- Accumulation versus Decumulation
- Pricing 101
- Key Risks and Mitigants

II. Industry Trends and What's Next
- Retail Marketplace Evolution
- Competitive Environment
- Marketplace Trends
- Product Development Trends

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Annuity Product 101

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Annuity Value Proposition

Annuities provide unique benefits and features that provide compelling retirement solutions

Tax Deferral

Tax-deferred growth, providing efficient wealth accumulation

Capital Preservation

Principle protection helps prevent against market downturns

Lifetime Income

Access to lifetime income that consumers cannot outlive

Protection

Ability to add legacy protection through long term care and death benefit protection

Annuity Product Landscape

Product Type	Key Consumer Benefit	Insurer Value Proposition
Income Annuity SPIA or DIA	Guaranteed Lifetime Income	Limited behavior risks
MYGA Multi Year Guaranteed Annuity	Guaranteed rate of return	Predictable cashflows
FIA Fixed Index Annuity	Index-linked growth with no downside risk	Unique features can increase persistency and add margin
RILA Registered Index Linked Annuity	Index-linked growth with limited downside risk	Low capital requirements
VA Variable Annuity	Market participation with maximum upside	Fee based revenue source

Lower Risk
Lower Return

Higher Risk
Higher Potential Return

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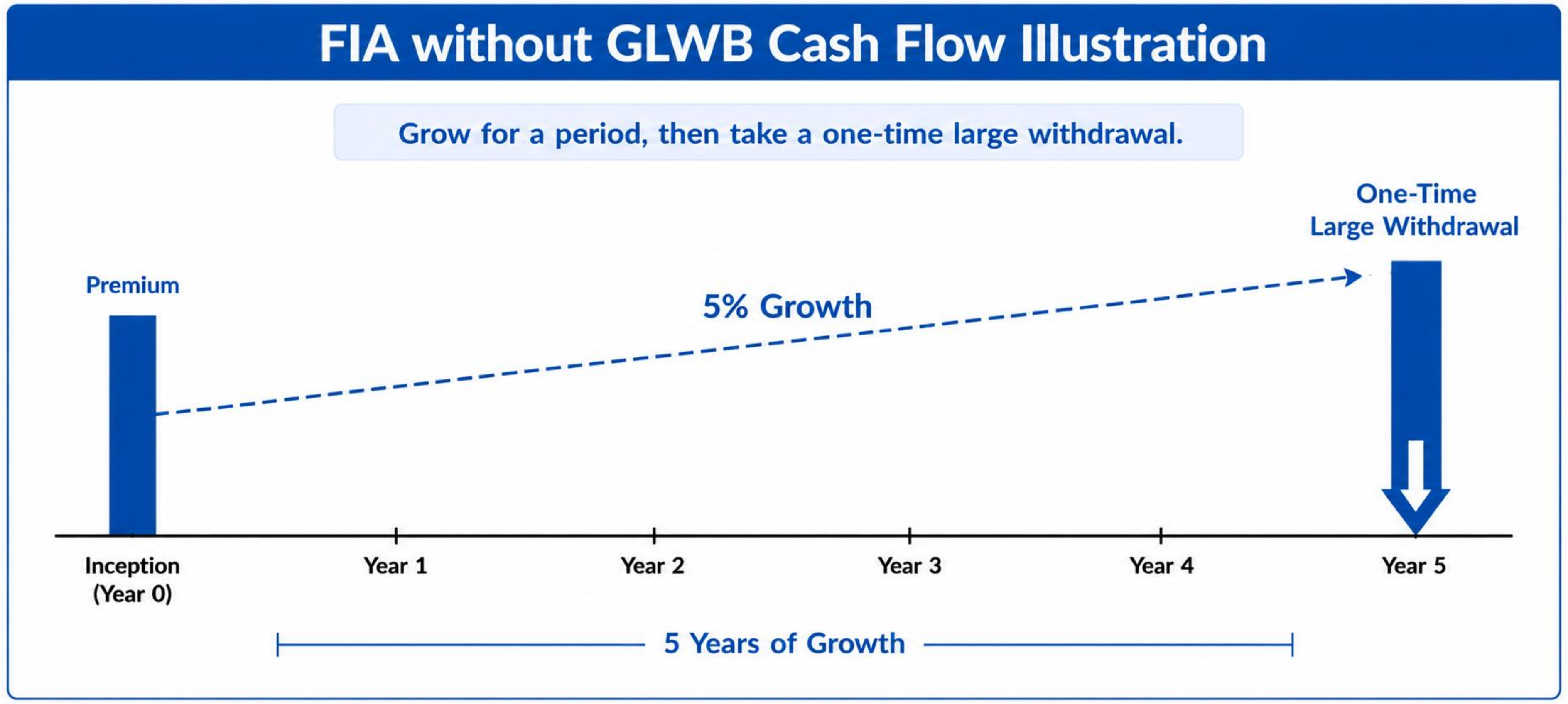
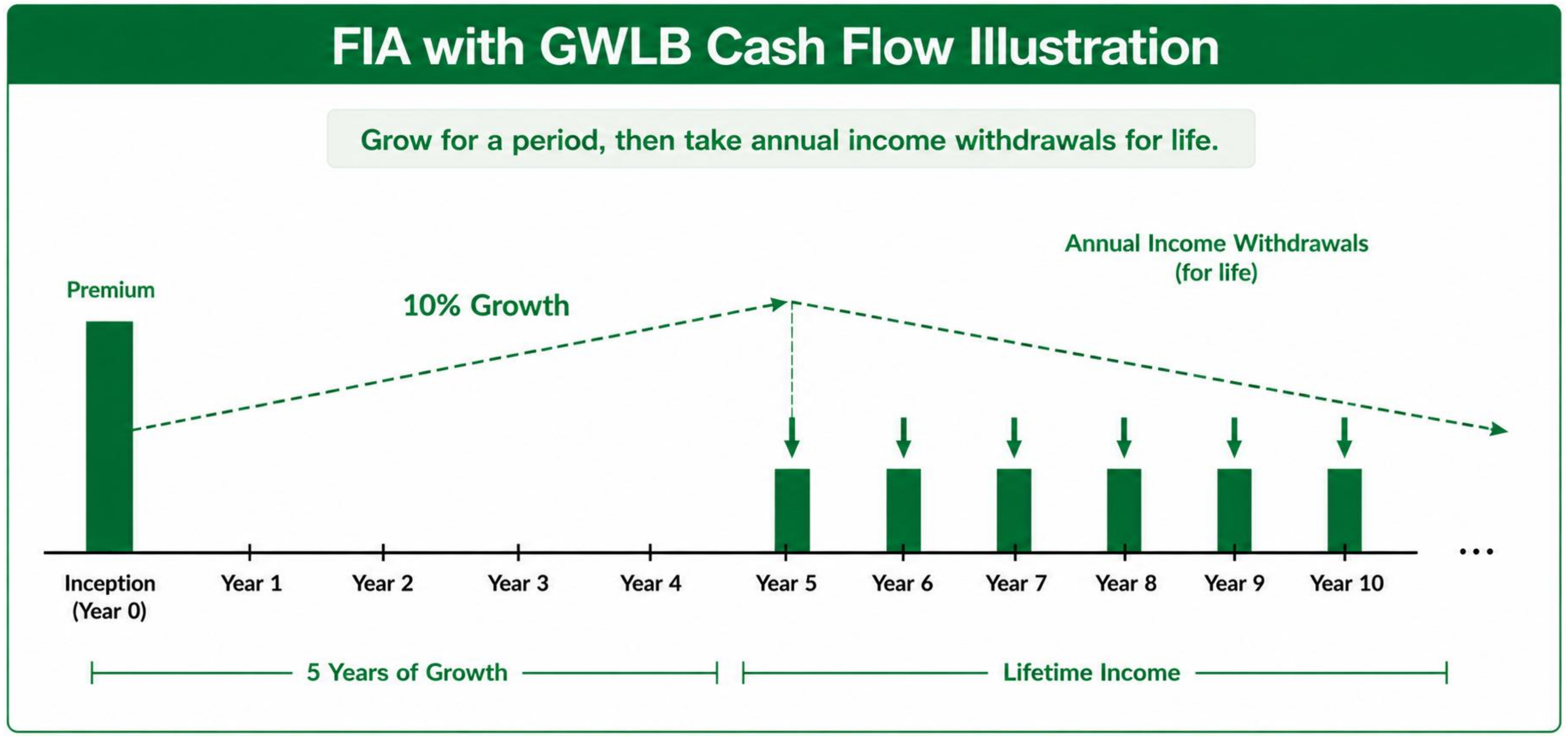
Accumulation versus Decumulation Products

Annuities designed for accumulation are shorter duration, designed to maximum asset growth

Annuities designed for income are longer duration and designed to draw down asset values





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Annuity Pricing 101

Insurer

Invests policyholder premium plus additional required capital

Investment Returns

Insurer earns investment income on invested assets

Liability Cost

Insurer pays the policyholder benefits (premium + additional value)

Expenses

Insurer pays the expenses and distribution costs required to maintain the policy

Profit

Additional margin between earned yield and cost of funding the policy

Key Risks and Mitigants

Interest Rate Risk

Investment yields decrease over time

Mitigants

- Asset liability matching
- Product repricing
- Market value adjustment

Longevity Risk

Policyholders with lifetime benefits live longer than expected

Mitigants

- Third party reinsurance
- Product diversification
- Assumption setting

Policyholder Behavior

Surrenders, withdrawals, benefit utilization deviates from expectations

Mitigants

- Non-guaranteed elements
- Surrender charges
- Assumption setting

Product design and development is always a key risk mitigant

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Industry Trends and What's Next

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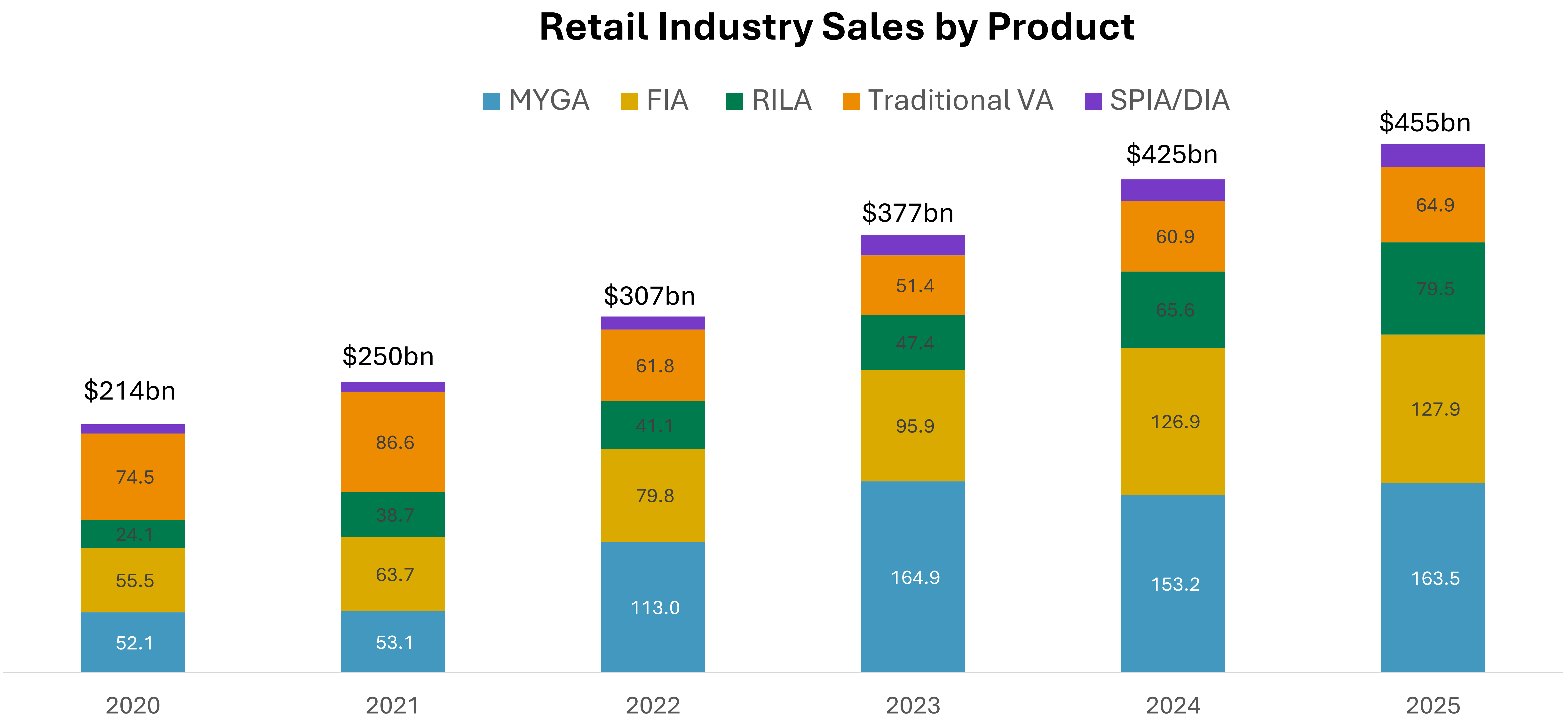
Retail Annuity Marketplace Evolution



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Competition is intensifying....

- Private equity investment / new entrants
- Scaled players (Mergers of Equals, etc)
- Most have or are setting up Bermuda Entities
- Integrated asset management is table stakes
- Incumbents are expanding into institutional products (Pension Risk Transfer, Block Insurance Deals, Funding Agreement Backed Notes)
- RILA is the fastest growing segment – went from 5 carriers to 25+

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3rd Party Distributors are consolidating…..

- Independent Marketing Organizations (IMOs) are consolidating
- Independent broker dealers (IBDs) are becoming bigger
- The largest broker dealers are opening their platforms to more carriers to support client demand
- More FPs are transitioning their business to advisory models (RIA, Hybrid RIA)

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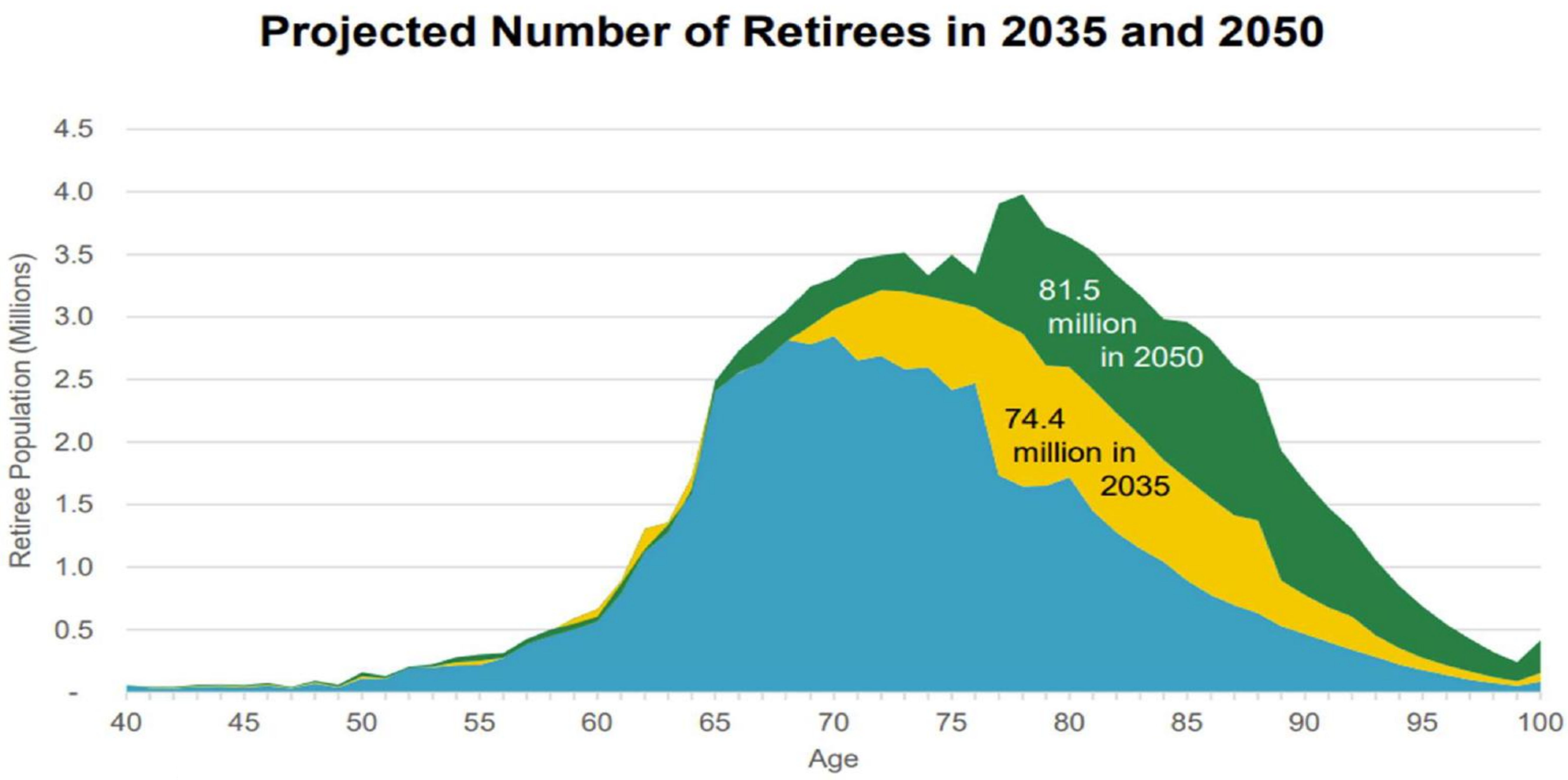
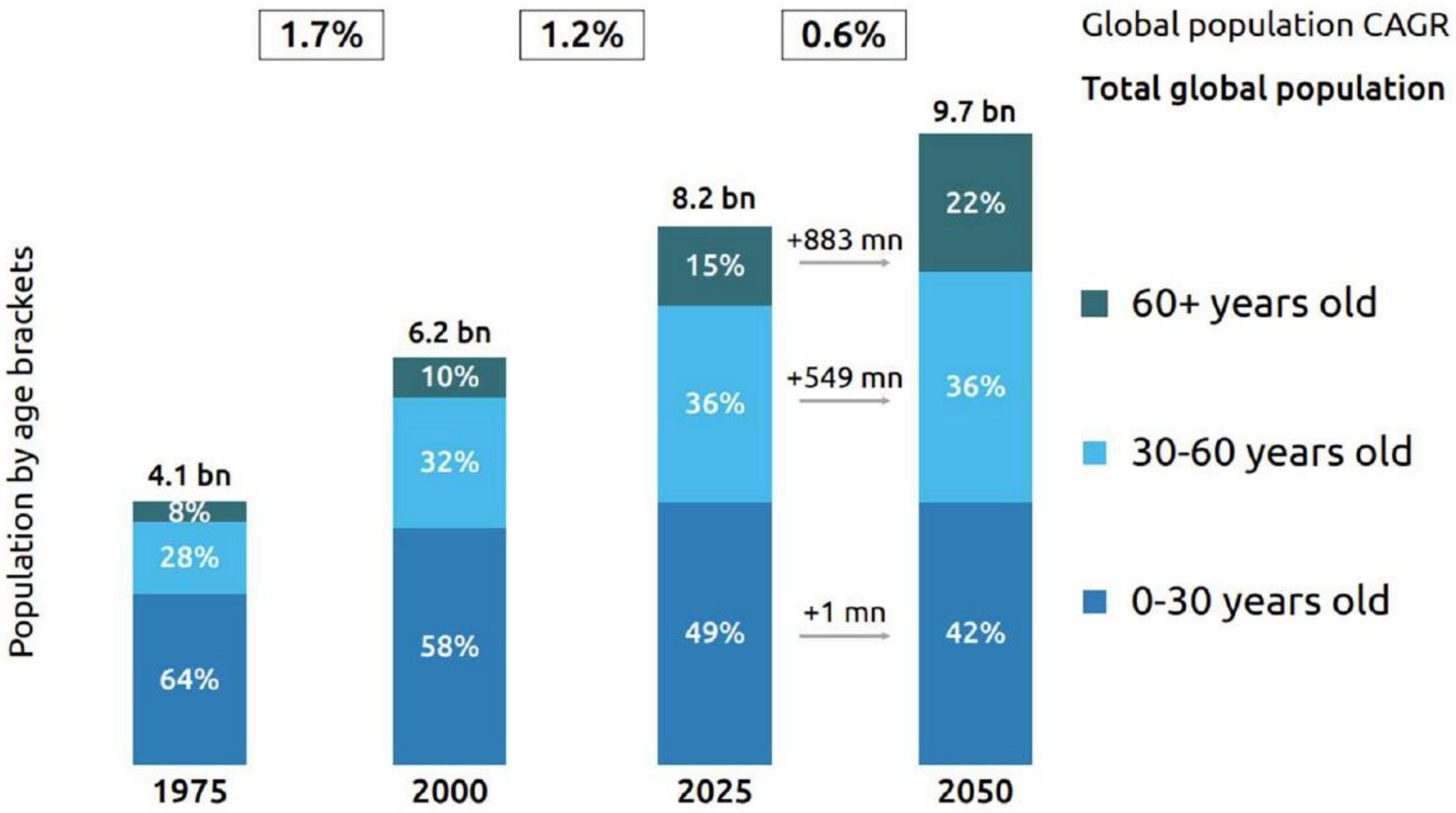
Retirees will be a quarter of the population by 2050….



LLG research

People are living longer....



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How we expect these trends to impact product development

- Carriers offering unique and innovative products
- Demand for guaranteed income solutions
- Continued competitive pressure

Thank You

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