



**X FÓRUM NACIONAL
DE SEGURO DE VIDA
E PREVIDÊNCIA PRIVADA**



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A better retirement begins here

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SVP Retirement & Income Solutions

September 2022

Top 3 U.S. Retirement/Income Provider



#1 Defined benefit recordkeeper

#3 Pension risk transfer provider

The market
Opportunity

76M
Boomers
with 10,000
turning 65 every day

\$1+ trillion
combined assets under custody

9.1 million
Retirement individuals

45,000

DC plans






\$430+ billion

in retirement assets



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Agenda

-  U.S. Retirement Landscape
-  Shifting Demographics
-  Driving Better Outcomes
-  Challenges to a Secure Retirement
-  Addressing Retirement Income Needs

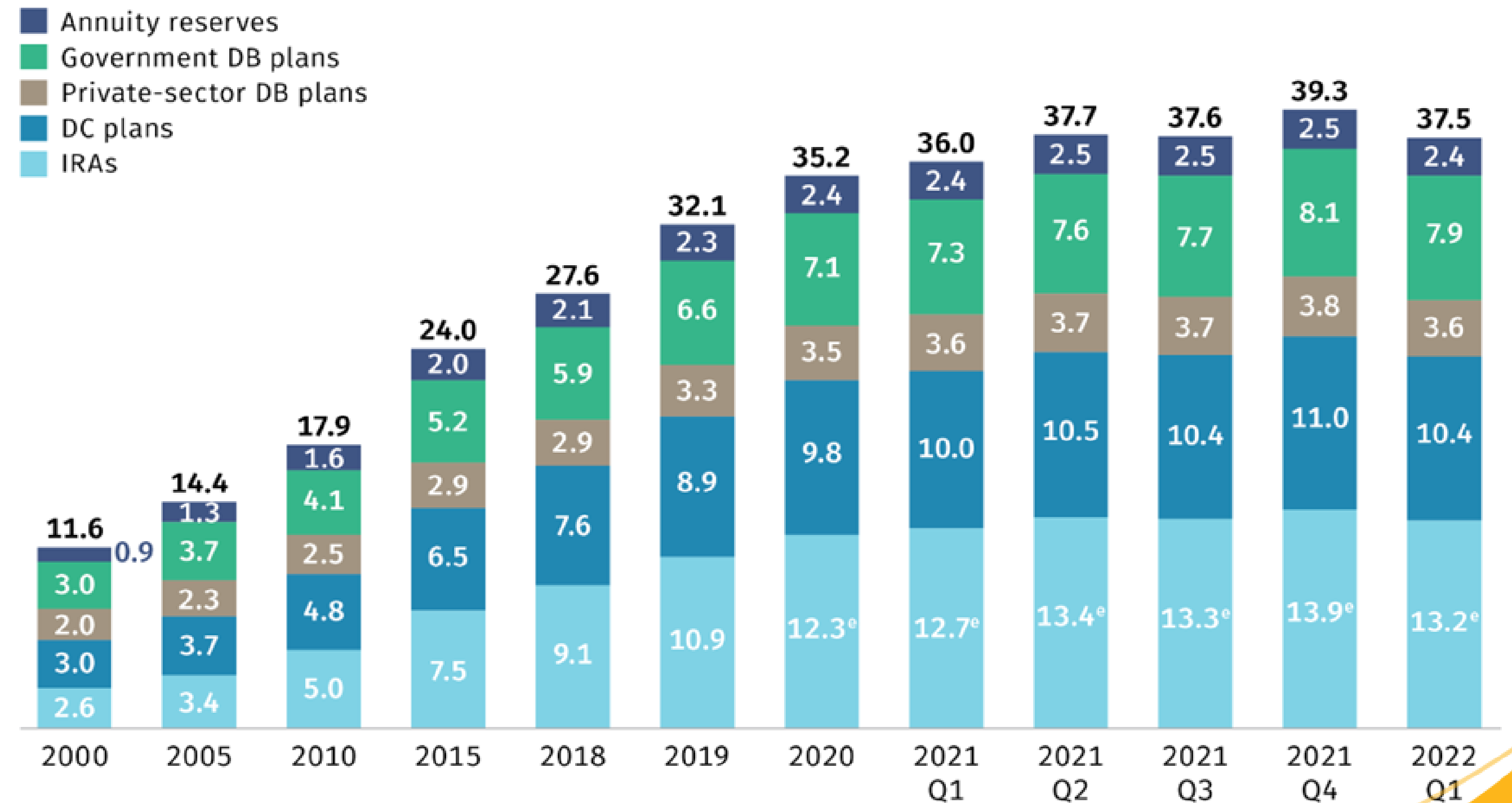
U.S. Retirement Landscape

Total Retirement Market = \$37T

- Total DB approximately \$11T
- Annuity reserves have held steady the last several years
- Defined Contribution (DC) assets, while growing through market appreciation, are experiencing outflows comparable to ongoing inflows

US Total Retirement Market Assets

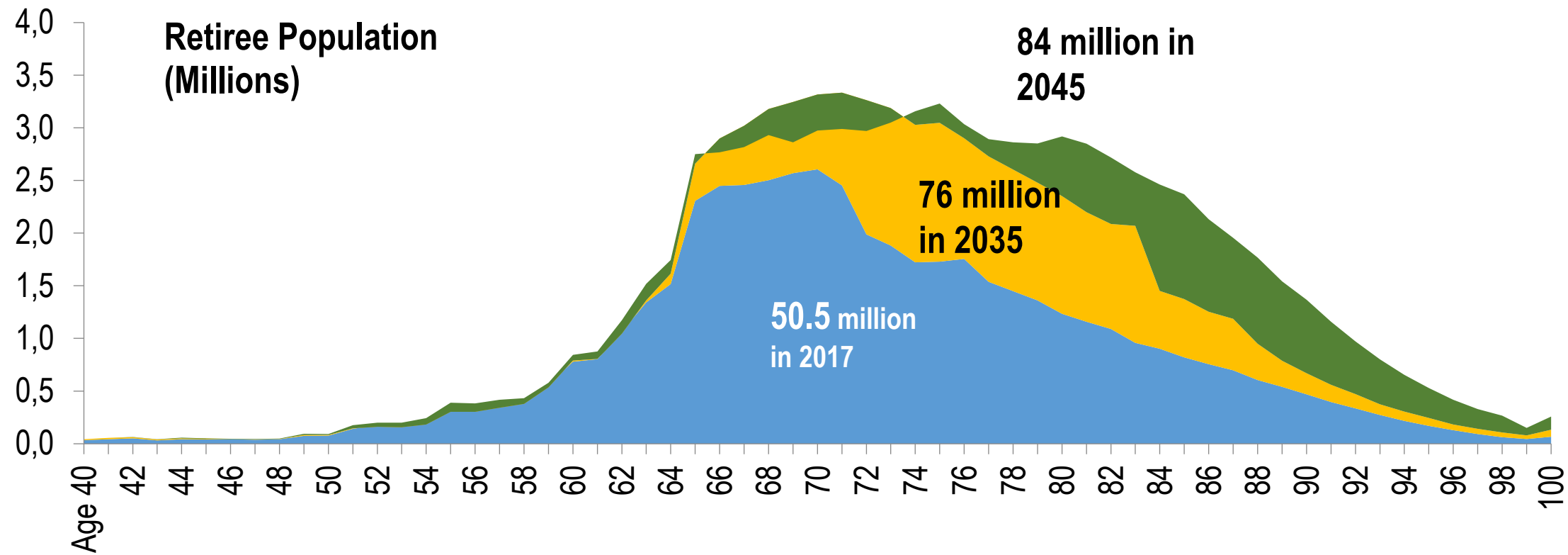
Trillions of dollars, end-of-period, selected periods



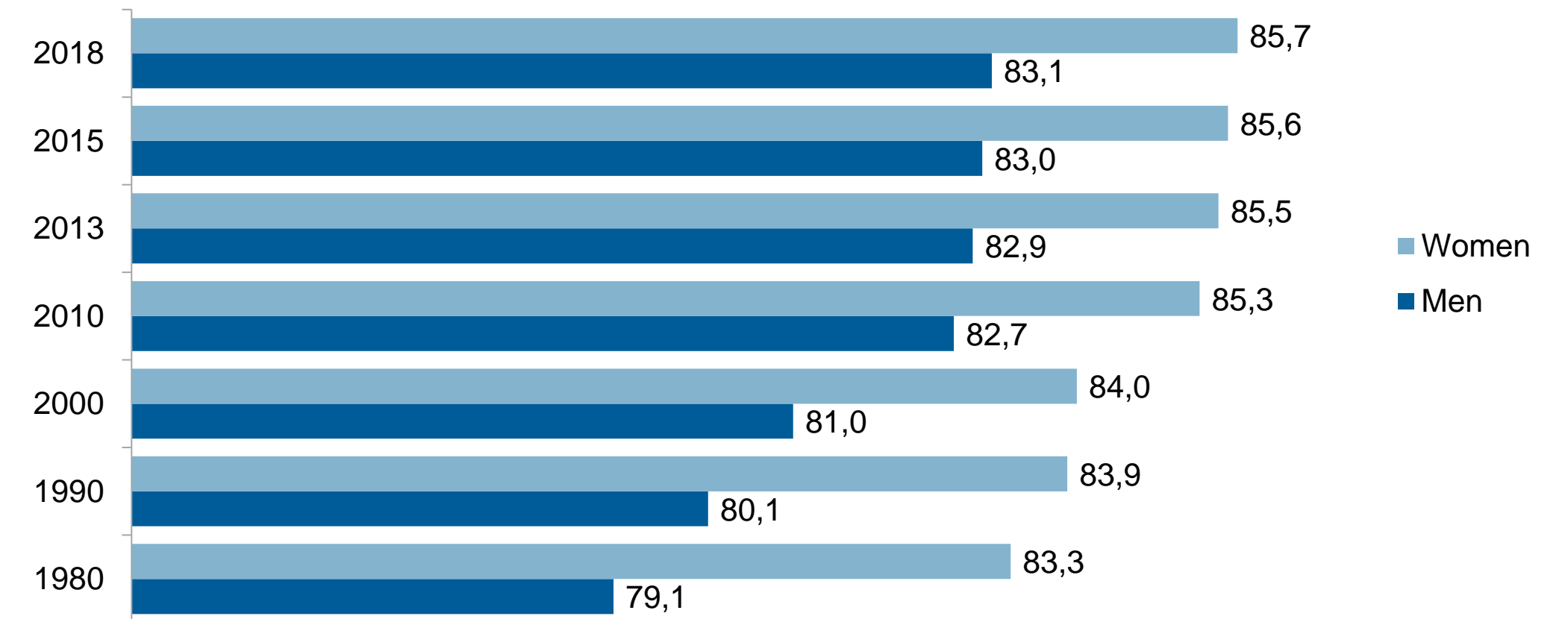
Shifting Demographics

Demand for guaranteed lifetime income is huge - nearly \$920 billion over next few decades. Interest in creating guaranteed income remains high for pre-retirees

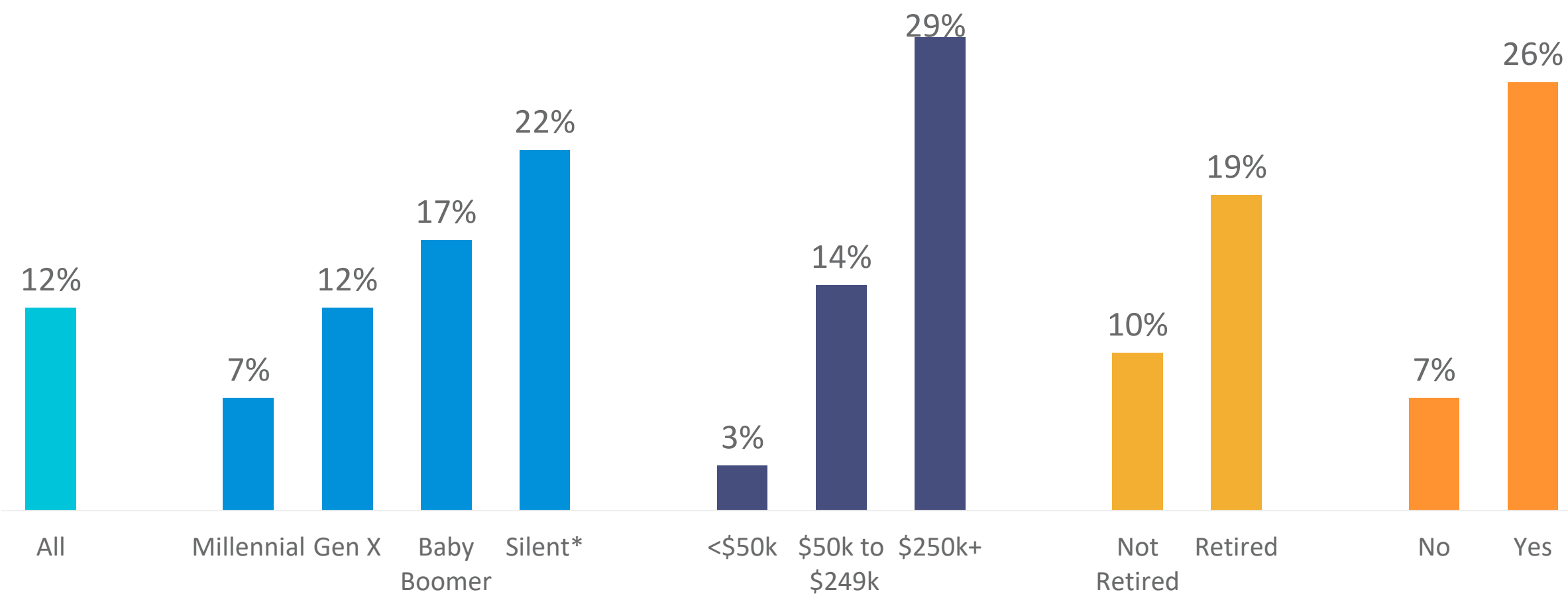
Projected Number of Retirees in 2035 and 2045



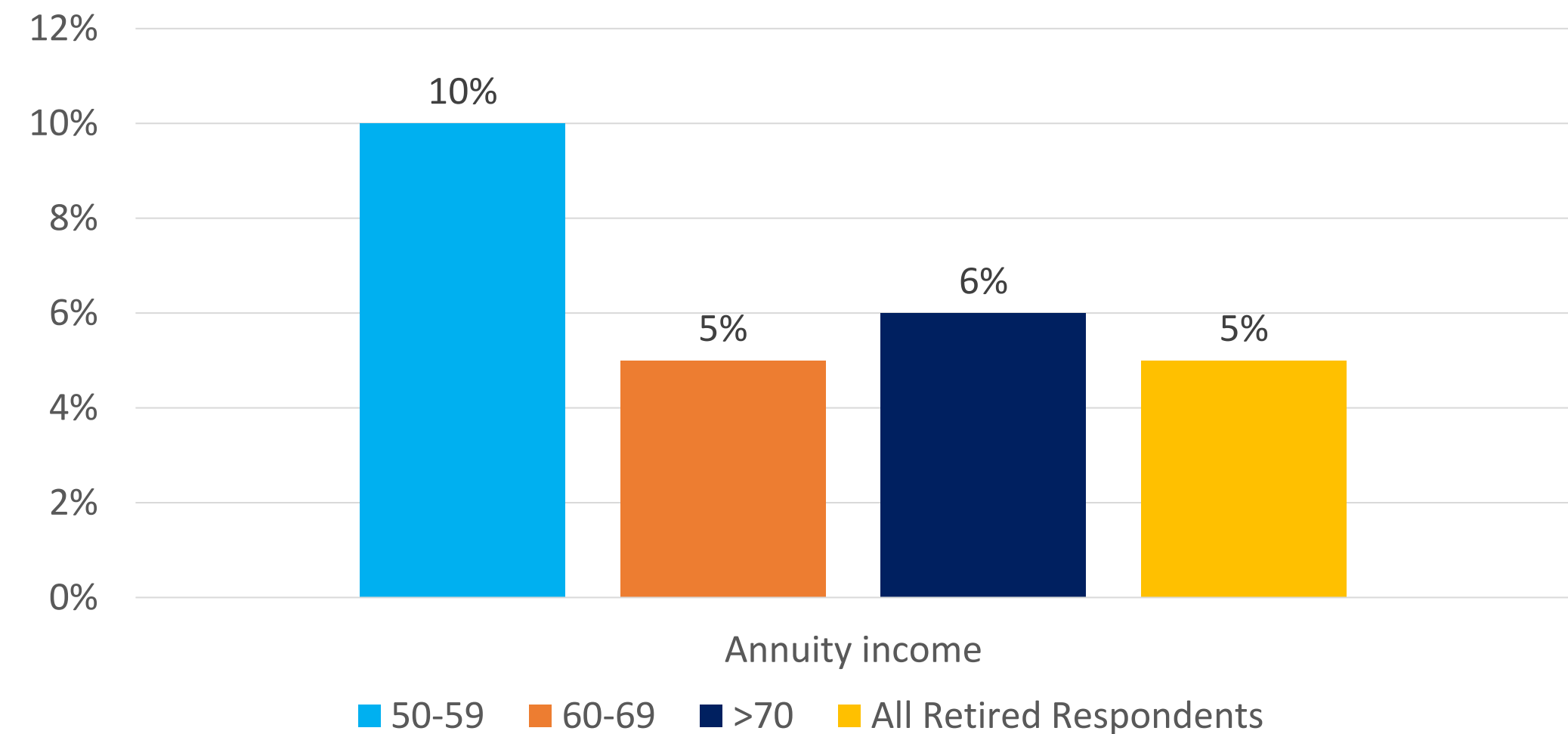
Average Life Expectancy at Age 65: 1980 – 2018



Deferred Annuity Market Penetration Rates by Generation and Other Characteristics



Primary Source of Retirement Income by Age



Formula to Drive Better Outcomes



Access



Adequacy



Participation

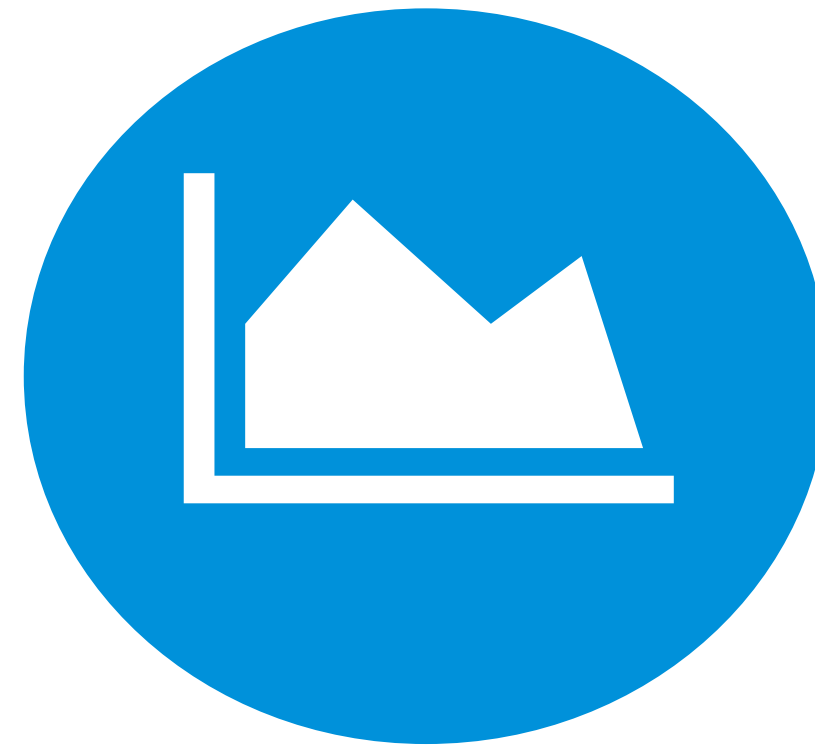


Longevity

Challenges leading up to and in retirement



Plan Design Considerations



Behavioral Finance



Evolving Trends

Plan Design Considerations

- Auto-Defaults
 - Enrollment
 - Re-enrollment
 - Default Asset Allocation
 - Auto Escalation
 - Auto Income
- Employer Match Design
- Voluntary Savings Programs
- Retirement Income (out of plan marketplace)



Behavioral Finance

RICHARD H. THALER

WINNER OF THE NOBEL PRIZE IN ECONOMICS

and CASS R. SUNSTEIN

WINNER OF THE HOLBERG PRIZE



Nudge

NEW YORK TIMES Bestseller

Improving Decisions About
Health, Wealth, and Happiness

"One of the few books . . . that fundamentally changes the way I think about the world." —Steven D. Levitt, coauthor of FREAKONOMICS

- Choice Architecture
- Communication/Participant Education
- Lifetime Income Illustration
- Comparison Statistics



Evolving Trends

 Increasing longevity

 Unknown Morbidity Impact

Unplanned entry due to:

 Disability

 Job Loss

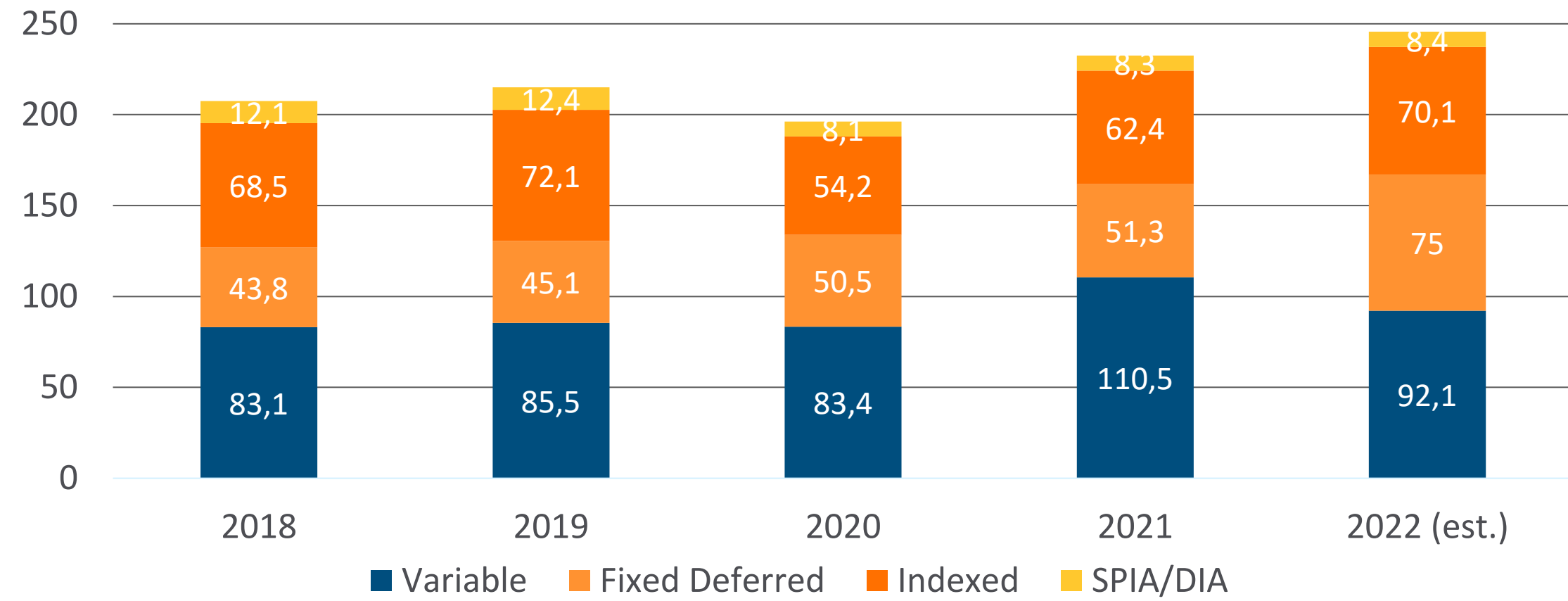
 Non-Linear Spending in Retirement

 Gray Divorce

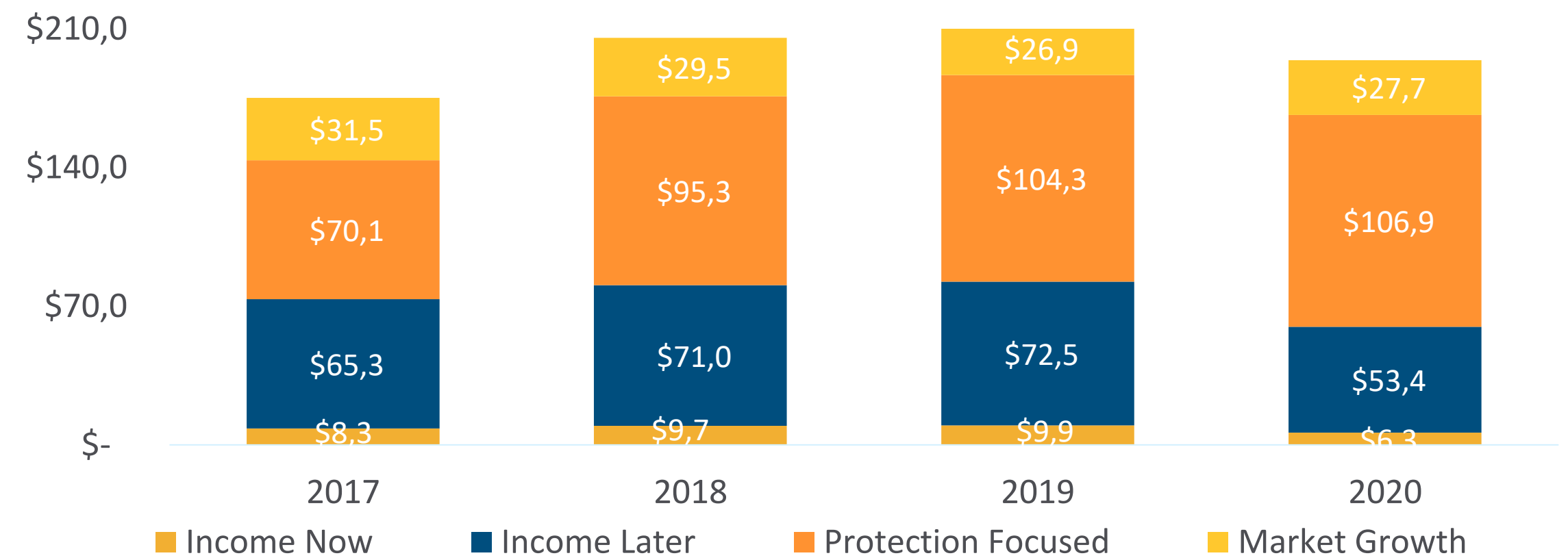
 Cognitive Decline

Retail Annuities Snapshot

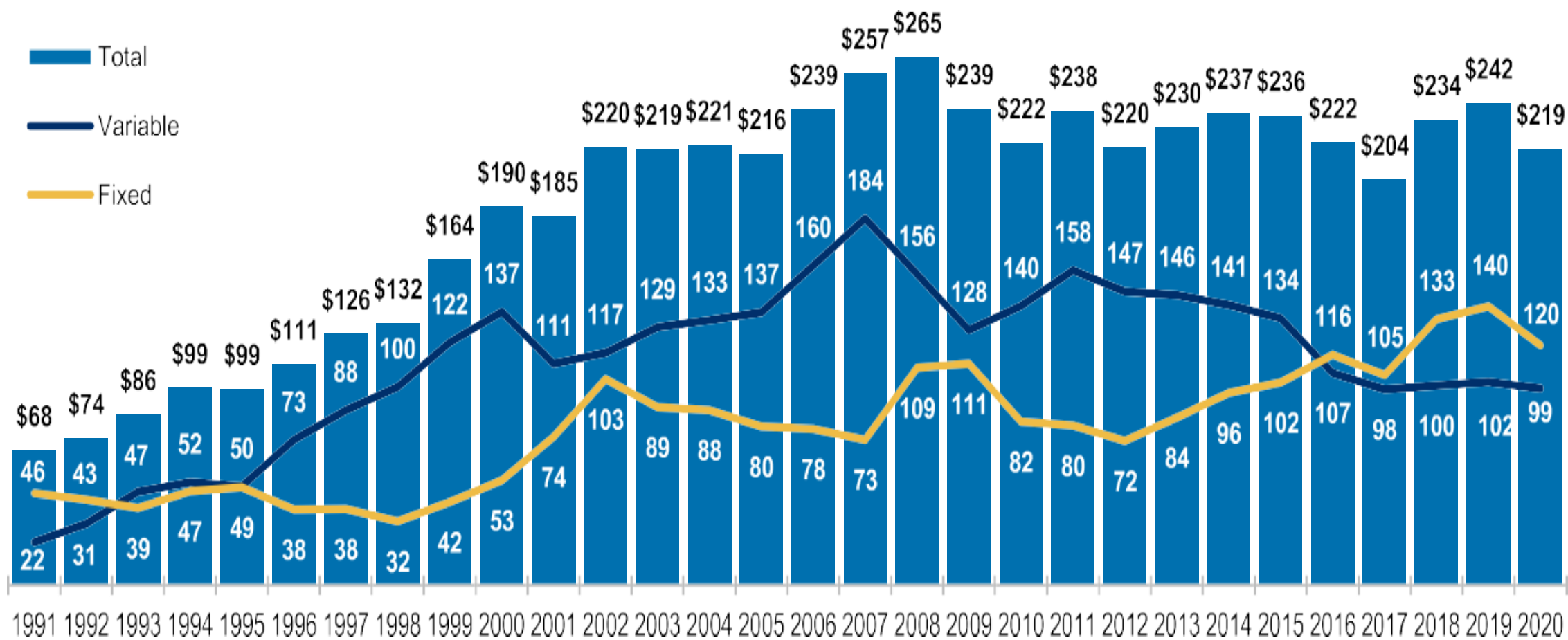
Annuities have experienced flat growth driven by regulation and shifting advisor practices



Movement from Income to Accumulation focused solutions



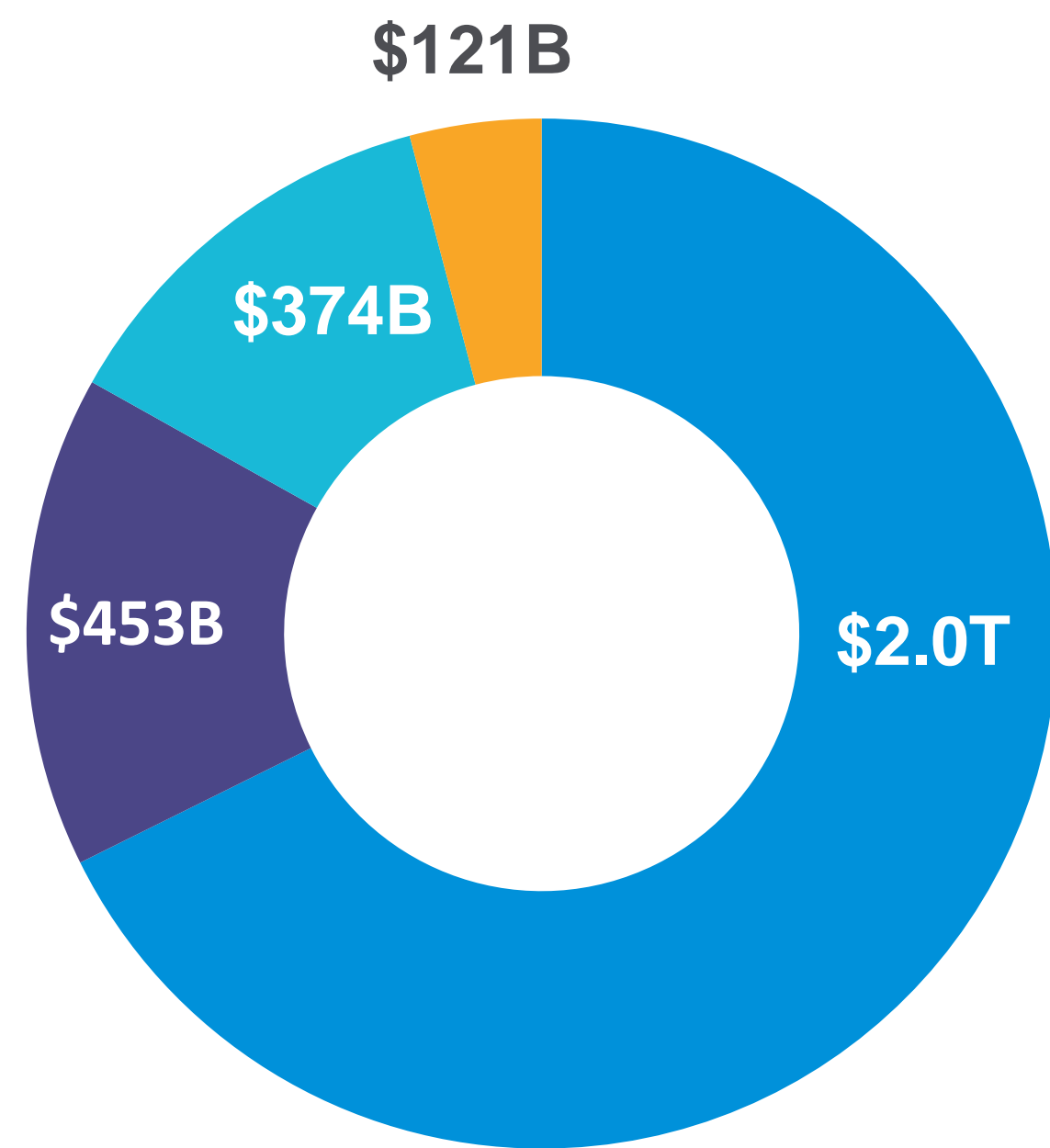
Total Annuity Sales Dollars in billions



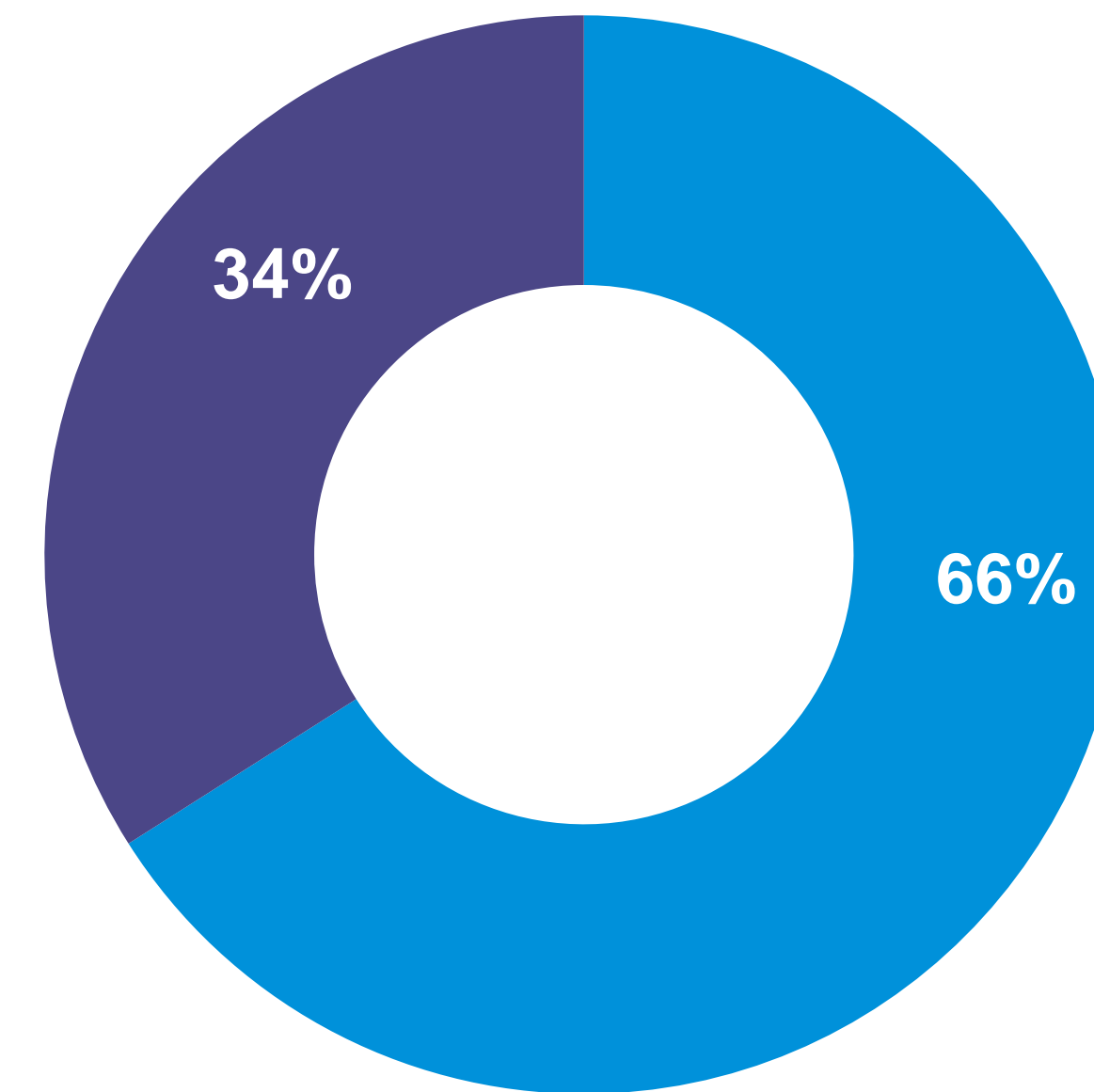
10 Year Treasury Rates



Industry Individual Annuities - \$2.9 Trillion



- Variable
- Fixed-Rate
- Indexed
- Income



- Qualified
- Non-Qualified

Qualified annuity is part of a formal retirement savings plan that is funded with pre-tax dollars. Non-qualified annuity is funded post-tax dollars and there are no additional tax advantages of loading the investment with pre-taxed dollars.

Income Product Options

While innovation continues to drive product optionality, there isn't a clear 'winner' when it comes to retirement income product

Core Annuity Products

- Fixed Deferred Annuities
- Immediate Payout Annuities
- Variable Annuities

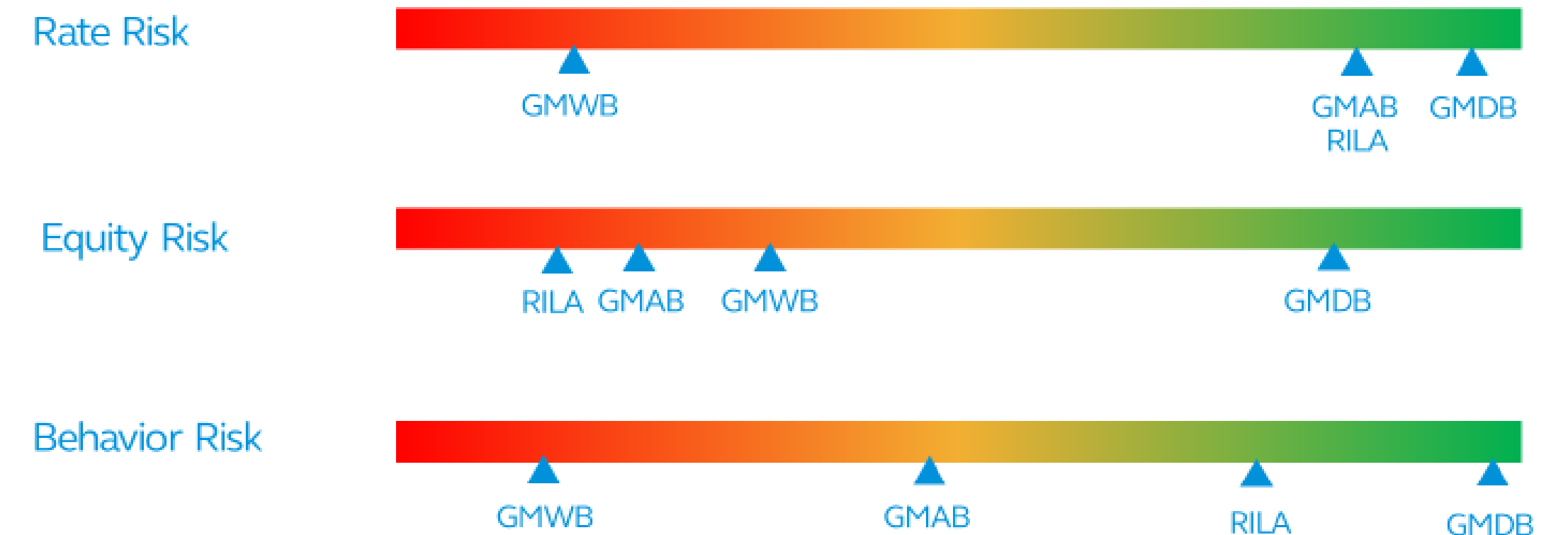
Key Risks Addressed

- **Mortality/Longevity risk**
- Equity/Investment performance risk
- Reinvestment risk
- **Sequence of returns risk**

New/recent/refreshed solutions in market

- Deferred Income Annuities
- Buffered Fund Structured Solutions
- Registered Linked Indexed Annuities (RILAs)
- Guaranteed Minimum Accumulation Benefits

Risk Illustration





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Obrigado(a).