



# Worried about inflation?

## A fixed indexed annuity from F&G could help you plan for that

When we asked U.S. investors 30 and older how the events of the past 12 months have impacted their views on retirement and risk, according to the 2024 F&G Annual Risk Tolerance Tracker survey, 4 out of 5 (80%) mentioned inflation as the top stressor.<sup>1</sup>

When considering alternative retirement income, 88% of respondents would like guaranteed income for life.<sup>1</sup>

### A potential solution from F&G

F&G Safe Income Advantage<sup>®</sup> fixed indexed annuity (FIA) offers two ways for clients to take their income that can help hedge against inflation:

One that increases each year (up to a cap) or stays level based on the inflation-linked CPI-U index<sup>2</sup>



One guaranteed to increase a set amount each contract anniversary<sup>2</sup>



### Increasing income options can generate more total income over time

Inflation-linked increasing income can grow by as much as 5% each year, based on the CPI-U inflation index.

According to the Bureau of Labor Statistics, the average increase the last 10 years has been about 2.15%.

The CPI-U tracks the price of a basket of goods and services purchased by urban consumers. Tying income increases to the index can help your clients keep up with the potentially higher cost of living as they age. If the CPI-U is flat or decreases, income payments stay the same. They'll never go down.

When the CPI-U increases like it did in 2021, income payments would increase by the annual max of 5%.

Your clients might also choose to guarantee themselves a fixed 3.5% raise every year or go with a level payment for life.

<sup>1</sup> F&G's Annual Risk Tolerance Tracker, <https://www.fglife.com/news/annual-risk-tracker-2024>. To qualify for the survey, respondents had to be U.S. adults age 30+, have sole or shared financial decision-making responsibility for their household, and own financial products valued at \$10,000 or more.

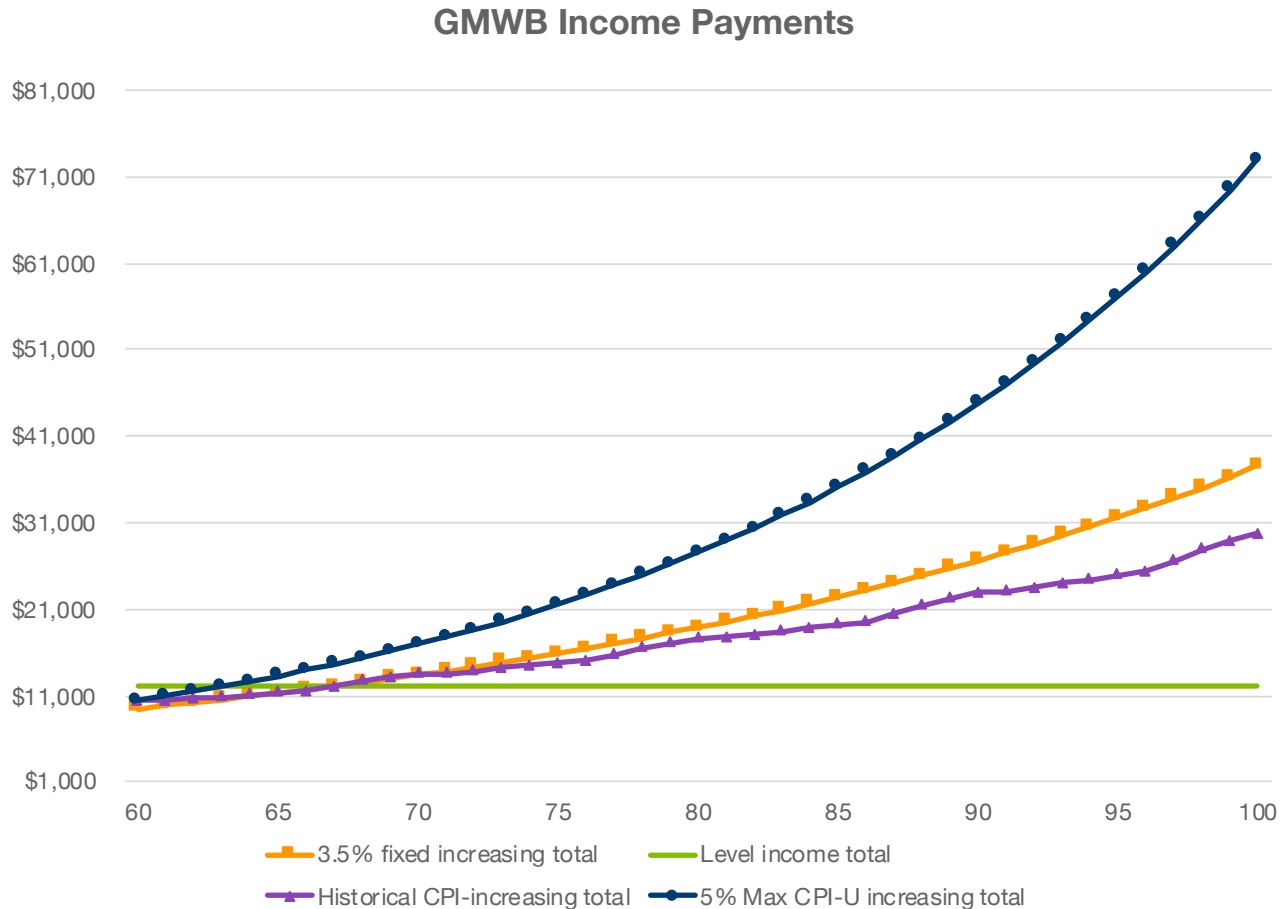
<sup>2</sup> Increasing income payments will stop when the account value becomes \$0.

## How long do you plan to live?

It's a question no one really knows for sure, and that's what makes the idea of annuities so appealing.

If your clients could predict exactly how long they'd live, choosing which income option to select would be simple. Instead, we'd simply say it depends.

Here's how the numbers break down:



This hypothetical example is for illustrative purposes only and not intended to be the performance of any specific product. The example assumes an initial premium of \$100,000, policy purchased at age 50, and aggregate GMWB payments beginning at age 60 after a 10-year deferral period with an income base roll-up rate of 7.2%. It assumes no withdrawals are taken during the deferral period, no excess withdrawals are taken during the withdrawal period, and account value never reaches \$0. Increases end after 50 years or when the account value reaches \$0. The increasing income assumes 3.50% annual growth and 4.73% payout factor. The level income assumes a 6.06% payout factor and that GMWB payments are elected immediately after the policy anniversary. The CPI income assumes growth modeled after the past 10 years (then repeating at 10-year intervals) and a payout factor of 5.17%. The example rates may not reflect those currently available.

## Call us today at 800.445.6758! We'd love to discuss your next case.

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This product is a deferred, fixed indexed annuity that provides a minimum guaranteed surrender value. You should understand how the minimum guaranteed surrender values are determined and the product features used to determine the values. Even though contract values may be affected by external indexes, the contract annuity is not an investment in the stock market and does not participate in any stock, bond or equity investments.

The level of Guaranteed Withdrawal Payment amount is guaranteed for life as long as no Excess Withdrawals are taken. Excess Withdrawals will reduce the Guaranteed Withdrawal Payment amount and in some cases reduce it to zero, terminating the contract.

The example is hypothetical, non-guaranteed and is not an indication of the policy's and/or interest crediting option's past or future performance.

Past performance does not guarantee future results.

The provisions, riders and optional additional features of this product have limitations and restrictions, may have additional charges and may not be available in all states.

Surrender charges and market value adjustment may apply to partial and full surrenders. Surrenders may be taxable and may be subject to penalties prior to age 59 ½.

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