

# Annuity

## NAC BenefitSolutions® fixed index annuity

Issued by North American Company for Life and Health Insurance®

# The case of the RMD + Legacy customer

Our customer is quickly nearing the age she must begin taking required minimum distributions (RMDs). She has other supplemental income so she only wants to draw her required distribution from this account but places importance on being able to leave a legacy for her beneficiaries.

### Customers goals:

- Satisfy this RMD requirement
- Legacy for beneficiaries



## RMD + LEGACY

### The facts

#### Assumptions:

- NAC BenefitSolutions 10 - \$250,000 premium
- Single female, issue age 72
- RMDs begin in contract year two
- 100% allocation to 2-year Point-to-Point with Hypothetical Participation Rate - 145% (Morgan Stanley Dynamic Global)
- Assumes no withdrawals prior to election of Lifetime Payment Amount

Contract year 11	Guaranteed (beginning in contract year 11)	Hypothetical non-guaranteed <sup>1</sup>
Cumulative RMD withdrawals	\$76,876	\$116,762
Remaining benefit base	\$291,365	\$441,999
Rider death benefit <sup>2</sup> (five equal annual payments)	\$58,273 x5	\$88,399 x5

The benefit base will be reduced for any withdrawals taken either before or after lifetime payment amounts begin. If any withdrawals, including RMDs are taken, the benefit base will be reduced by the same percentage withdrawn from the accumulation value. Rider death benefit is remaining benefit base, adjusted for any withdrawals, paid as five equal payments. The benefits rider has an annual cost of 1.20% of the benefit base.

NAC BenefitSolutions could be your **RMD + Legacy** solution.

Call Sales Support for  
illustrations and product details.

**866-322-7066**



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REV 1-23

# NAC BenefitSolutions® fixed index annuity

CASE FILES

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The NAC BenefitSolutions® is issued on base contract form NA1006A/ICCI4-NA1006A or appropriate state variation including all applicable endorsements and riders.

Fixed index annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Although fixed index annuities guarantee no loss of premium due to market downturns, deductions from the accumulation value for optional benefit riders or strategy fees or charges associated with allocations to enhanced crediting methods could exceed interest credited to the accumulation value, which would result in loss of premium. They may not be appropriate for all clients. Interest credits to a fixed index annuity will not mirror the actual performance of the relevant index.

1. These lifetime payment amounts are provided for example and reference only and are specific to the stated assumptions, including premium, issue age and deferral period and should not be viewed as a prediction for a specific client.
2. Rider death benefit includes option for payments over 5 years based on benefit base with 1-year waiting period (2-year in some states). Rider death benefit options vary by state. Additional death benefit and other features are explained in the product brochure and disclosure. For product materials, check for variations in your state.

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NOTE ON SIMULATED RETURNS: Back-testing and other statistical analyses provided herein use simulated analysis and hypothetical circumstances to estimate how the Index may have performed between April 3, 2007 and March 17, 2022, prior to its actual existence. The results obtained from such "back-testing" should not be considered indicative of the actual results that might be obtained from an investment in the Index. The actual performance of the Index may vary significantly from the results obtained from back-testing. Unlike an actual performance record, simulated results are achieved by means of the retroactive application of a back-tested model itself designed with the benefit of hindsight and knowledge of factors that may have possibly affected its performance. Morgan Stanley provides no assurance or guarantee that any product linked to the Index will operate or would have operated in the past in a manner consistent with these materials. Calculation based on simulated performance is purely hypothetical and may not be an accurate or meaningful comparison. Past performance (actual or simulated) is not necessarily indicative of future results.

#### Risk factors:

- The level of the Index can go down. The Index components are exposed to various risks and their market price may be influenced by many unpredictable factors including risks associated with global equities markets, currency exchange rates, interest rates, commodities, and precious metals.
- There are risks relating to the volatility target mechanism. The Index's volatility target mechanism is applied to target an overall level of realized volatility equal to 5% but the realized volatility may be less than or greater than 5% and the volatility target may adversely affect Index performance.
- There are risks associated with leverage. The Index rules contemplate the possibility of leverage within the Index to achieve the 5% volatility target, which is expected to magnify declines.
- The Index has a limited performance history and past performance is no indication of future performance.
- The Index has embedded costs. The components that are used in constructing the Index include adjustments for costs associated with trading within and between various components, as applicable. The return of such components and, as a result, the return of the Index will be lower than if there were no associated costs.
- Purchasers of products linked to the Index will have no access to the assets underlying the Index.
- The Index methodology is fixed subject to certain adjustments and will not change over time even if the Index under performs a relevant benchmark.
- Morgan Stanley and its affiliates may from time to time engage in transactions involving the components of the Index, which may negatively impact the level of the Index.

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