

Lifetime Income Solutions

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Today's Agenda

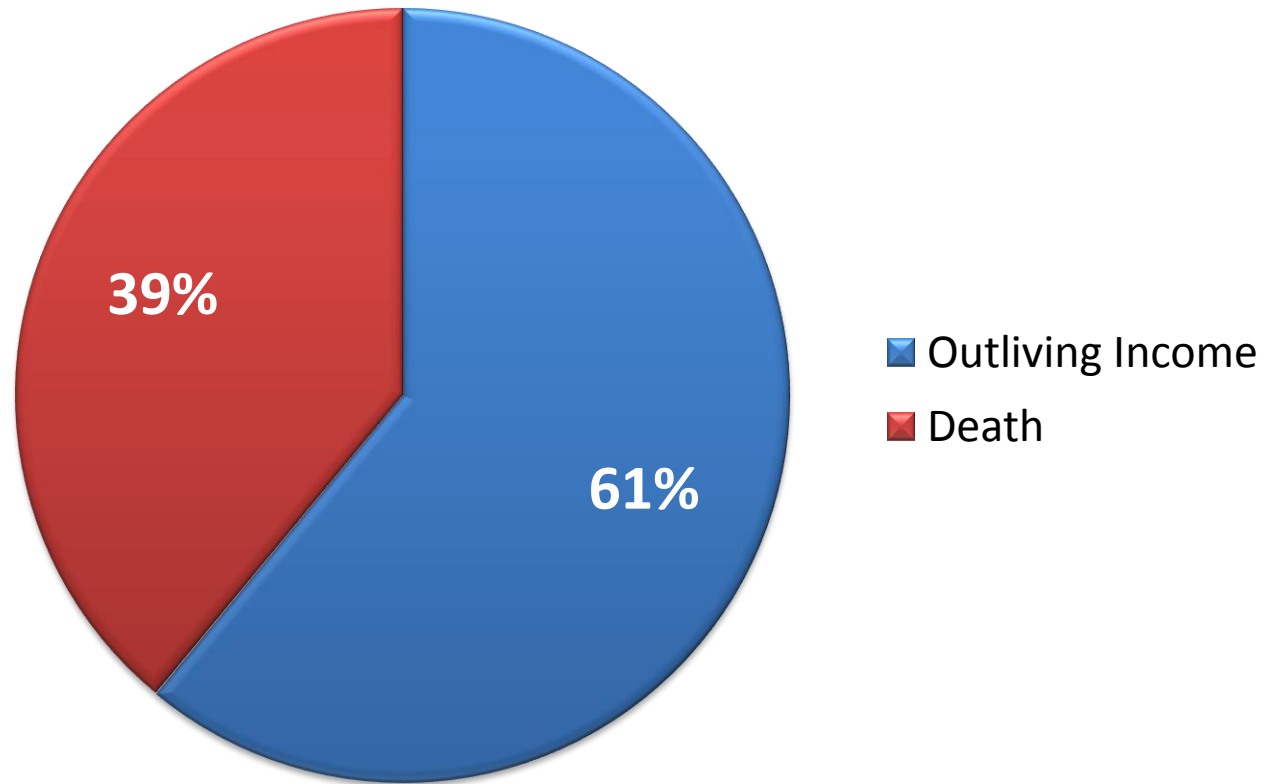
- Introduction: Retirement Needs
- Evolution of Retirement Income
- Retirement Income Solutions
- Highland Capital Brokerage
- Planning a Retirement Strategy
- Questions

INTRODUCTION: RETIREMENT NEEDS

Retirement Risks

- Longevity – Participants expect longer retirement
- Inflation – Rates can impact expenses
- Volatility – Markets are difficult to predict
- Event – Sudden unexpected financial needs

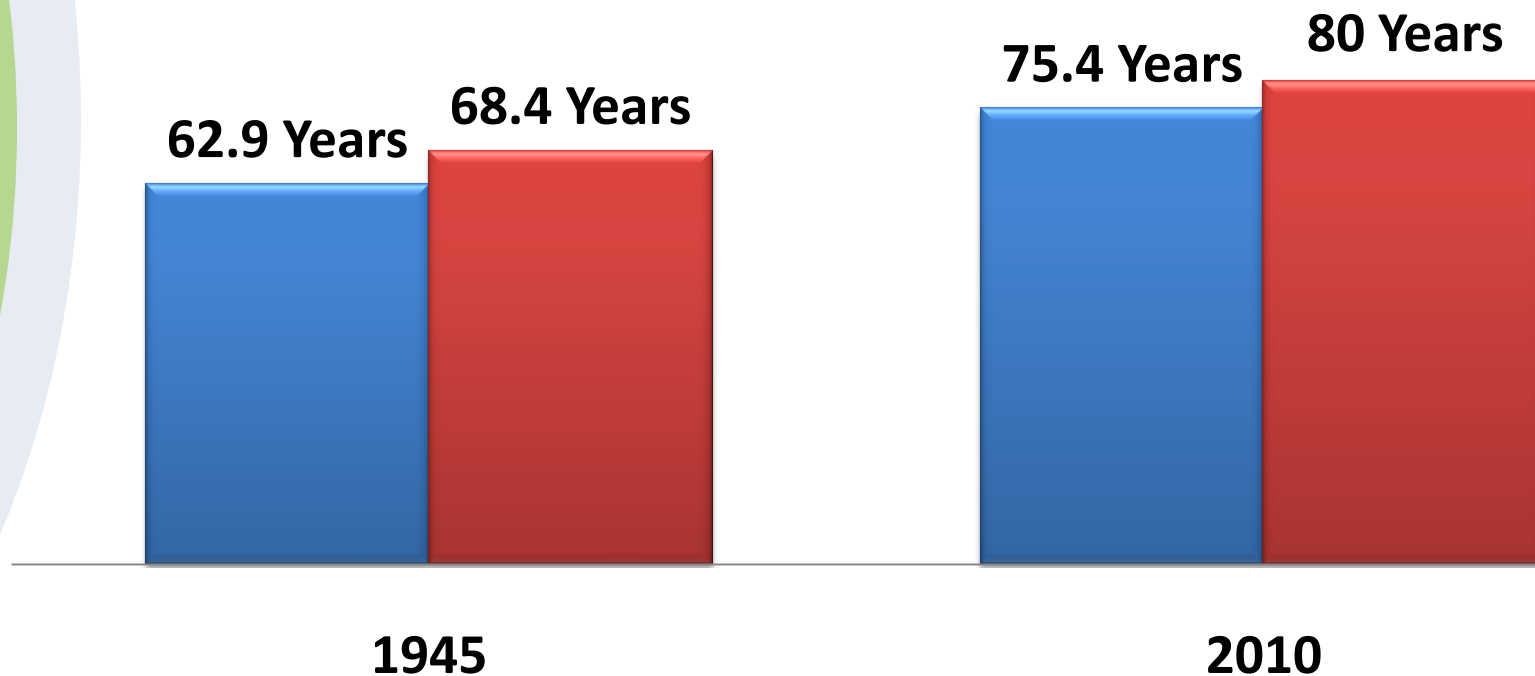
#1 Fear of Americans Today



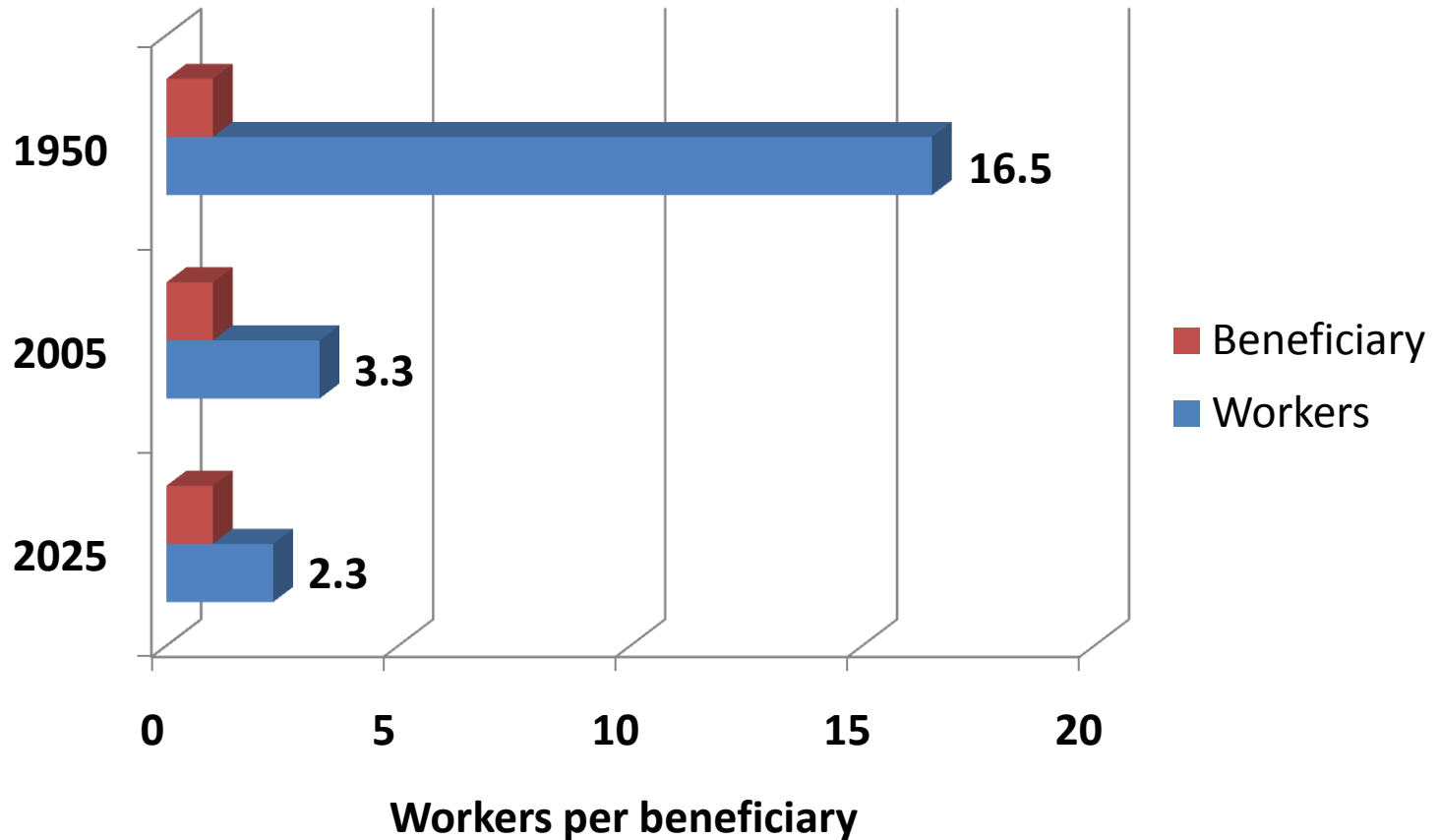
Factors Affecting Retirement

Life expectancies are much longer today

■ Men ■ Women

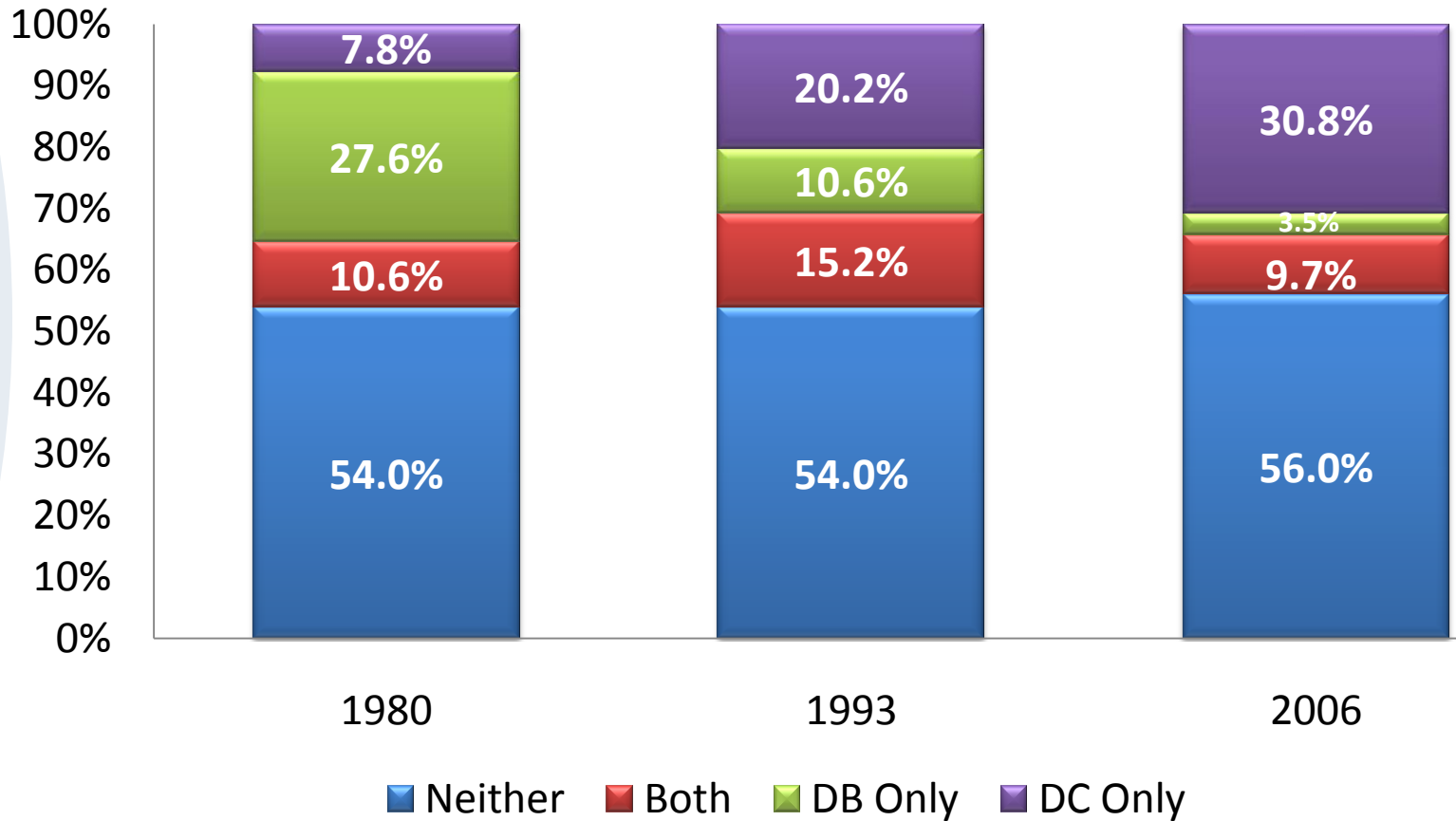


Social Security Imbalance



EVOLUTION OF RETIREMENT INCOME

Evolution of Retirement Income



"Notes," February 2009, Vol. 30, No. 2, www.ebri.org
 "The Financial Crisis and Private Defined Benefit Plans," Center for Retirement Research at Boston College, November 2008

What Really Matters to Participants



We've worked for four decades. We would like to have the income to be able to enjoy our retirement.

Fear rises while Dow's 1,000-point drop remains a mystery

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CD rates at lowest levels in years

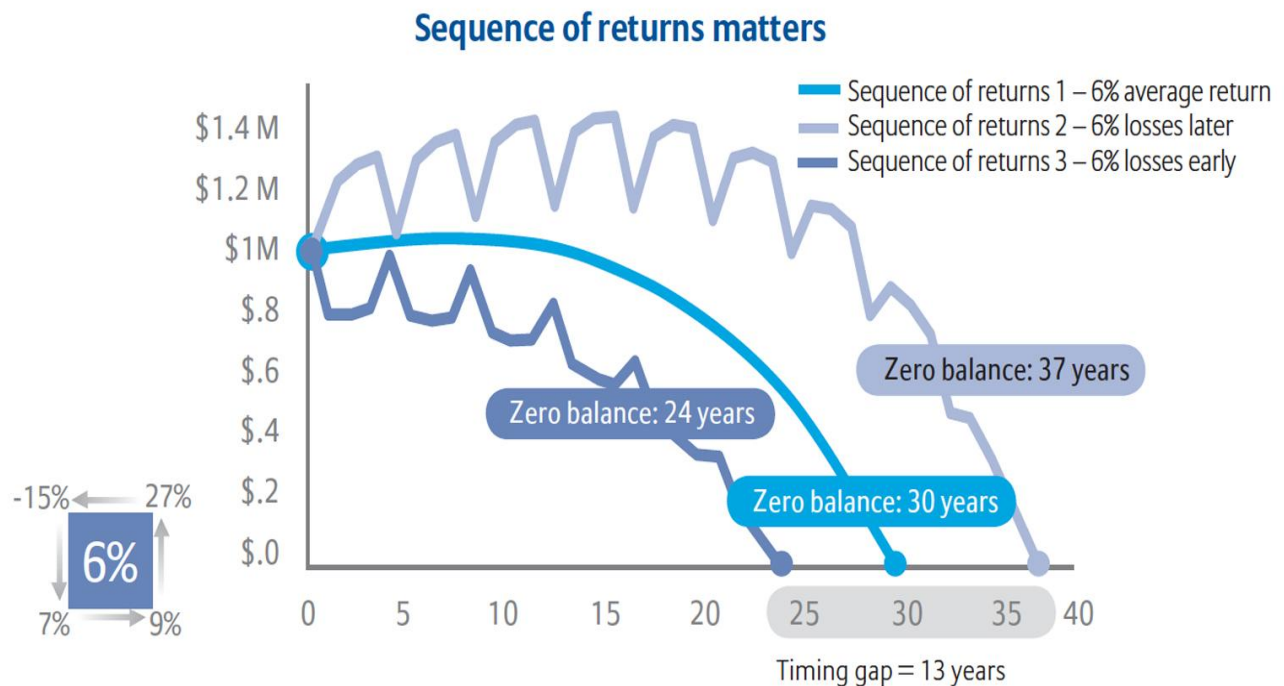
Many savers turning to dividend-paying stocks

June 14, 2010 | By Becky Yerak, Tribune reporter
Pity the poor CD saver.

The national average rate for certificates of deposit and money market accounts at least a decade, according to a June 8 analysis by Market Rates Insight.

"In more than 25 years of rate surveys, we've found that yields on CDs and money market accounts have fallen to their lowest levels since the early 1980s," echoed Greg McBride, senior financial analyst for Bankrate.com, another rate

Sequence of Returns Matter During Distribution (Reverse Dollar Cost Averaging)



This is a hypothetical example and is not intended to project the performance of any specific investment. If this were an actual product, the returns may be reduced by certain fees and expenses.

RETIREMENT INCOME SOLUTIONS

Develop Lifetime Income Strategy

- Determine post-retirement monthly expenses
- Calculate monthly Social Security benefits
- Determine appropriate lifetime income solution to meet basic expenses
- Determine USIRASM investment

USIRASM

- Convenient and easy individual retirement account
- A diversified portfolio of investment options
- Well-known and successful investment managers including Vanguard, T. Rowe Price, MFS and JPMorgan
- Flexible and manageable

Lifetime Income Solution Attributes

- Included among plan rollover options
- Stable, predictable standard of living
- Guaranteed income stream
- Guaranteed not to lose value
- Protection against market downside
- Worry-free option

Introducing New Income Solutions

- USICG partnered with Highland Capital Brokerage to bring participants an expanded choice of income options
- Partners since 2006
- Available December 15, 2011
- Help participants develop a comprehensive Lifetime Income Solution strategy
- Exciting new program for all participants

HIGHLAND CAPITAL BROKERAGE

Highland Capital Brokerage

To create trusted relationships by delivering customized insurance solutions, personalized local service and superior value.

Highland Capital Brokerage

- Wholly owned subsidiary of NFP
- 9th largest brokerage firm worldwide
- 14 regional offices
- National coverage
- Higher governance versus competition
- Greater buying power and service at carriers
- Contact 8am-8pm ET

PLANNING A RETIREMENT STRATEGY

Income Planning Solutions

- Single Premium Immediate Annuity
- Deferred Income Annuity
- Fixed Rate Annuity
- Indexed Annuity
- Guaranteed Lifetime Income Benefit

American General
Life Companies



 **W&S Financial
Group Distributors**
A member of Western & Southern Financial Group

Issuers: Integrity Life Insurance Company
National Integrity Life Insurance Company

Single Premium Immediate Annuity

- Several payout options available at issue
- May guarantee income for life or period certain
- Income is guaranteed
- Carrier assumes risk of longevity
- Client may elect inflation hedge



Deferred Income Annuity



- Guaranteed income
- Selected period at time of issue
- Income is deferred until chosen time
- Client assumes no investment risk
- Backed by carrier

Fixed Rate Annuity

- Interest rate and period are selected at issue
- Rates are guaranteed for period selected
- Carrier assumes all investment risk
- Account value paid to beneficiary at death
- May opt for lifetime income
- Client maintains control of rollover

Indexed Annuity

- Fixed Annuity backed by the insurance carrier
- Interest is determined by positive changes in stock market index
- Cannot lose money if held to maturity
- No up-front sales charges

Guaranteed Lifetime Income Benefit

- Additional rider to fixed indexed annuities
- Provide control of rollover to client
- Payouts guaranteed for life at stated payout
- Additional costs associated with rider

Participant Example

- Age 65 - pre-retirement income \$50,000
- Monthly expenses in retirement \$2,916
- Social Security monthly benefit \$1,433
- Shortfall \$1,483 monthly
- \$300,000 accumulated in 401(k) plan
- Purchase a Single Premium Immediate Annuity of \$1,483; invest remaining balance in the USIRA

Participant Access for Help

- Roadmap for income planning
- Video explaining value of annuities
- Product information
- Online planner
- Toll-free access to annuity professionals

Summary

- Retirement needs have changed
- Planning is important
- Participants can get help
- Retirement Income Solutions can provide stability
- Contact your USI Consulting Group Account Manager