



NASSAU RE



CREATE THE LIFE OF YOUR DREAMS.

Design it your way for
a secure and satisfying
retirement

www.nsre.com



NAVIGATING THE SEAS OF YOUR RETIREMENT JOURNEY WILL BE **SMOOTH SAILING WITH THE RIGHT PLAN IN PLACE.**

Use this workbook as GPS to chart a course with your financial advisor

GET YOUR BEARINGS & DEFINE YOUR GOALS	1
PLAN FOR UNPREDICTABLE SEAS/RISKS	0
NAVIGATE WITH A PLAN	0
CHART YOUR COURSE/GPS SOLUTIONS	0
GPS SOLUTIONS FOR GROWTH	0
GPS SOLUTIONS FOR INCOME	0
GPS SOLUTIONS CARE	0
GPS SOLUTIONS FOR FAMILY	0
SHORE UP YOUR OPTIONS	0
SET SAIL WITH A SEASONED NAVIGATOR	0
LAUNCH YOUR PLAN TODAY	0



GET YOUR BEARINGS & DEFINE YOUR GOALS

Take the time to consider what is most important to you and your family. When laying out your goals, think about them in two ways: personal goals and financial goals. They very much go hand in hand when it comes to living a happy retirement.

These are the most common goals among retirees:

PERSONAL

- Spend time with family and/or grandkids
- Travel – 1 trip/year or more
- Go back to school
- Downsize or re-locate your home
- Buy a second property
- Buy a boat or RV
- Become more involved with community

FINANCIAL

- Generate enough income to last a lifetime
- Manage unanticipated medical costs
- Keep up with the rising cost of health care, goods & services
- Remain financially sound during market swings
- Protect family members in your absence

Jot down other goals that are important for your retirement for discussion with your financial advisor.

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PLAN FOR UNPREDICTABLE SEAS — KNOW YOUR RISKS

Living the Dream Means Being Prepared for Shifting Horizons

We live in very exciting times, witnessing innovations, technology and social norms we never thought possible. We video chat with family and live in smart homes with smart phones. Changes to Social Security, vanishing pensions and market volatility combine with lots of global uncertainty. It's all happening very quickly and just when you're thinking about retiring.

As you think about retirement, it's wise to plan for the realities you'll encounter.

PUT A PLAN IN
PLACE AND WORK
YOUR PLAN.

JUST LIKE YOU
ALWAYS HAVE.

Common Risks Among Retirees

- 1. Longevity and outliving your money
- 2. Market volatility
- 3. Health care costs
- 4. Social Security and pension risk
- 5. Rising costs of goods and services
- 6. Maintaining or upgrading lifestyle

Are there any other
concerns that you'd like
to discuss?

Take a moment to jot
them down here.

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THE GOOD NEWS IS THAT MANY OF LIFE'S UNCERTAINTIES CAN BE MANAGED WITH A SOLID PLAN IN PLACE. IT'S IMPORTANT TO SEE HOW THESE PRIMARY RISKS CAN IMPACT YOUR PLANNED INCOME SOURCES.



Pro Tip: Owning a variety of different types of investments, each designed to accomplish different goals, can reduce the impact of market volatility on your portfolio and improve the potential for better returns. Most important, you can plan for much-needed protection during withdrawal periods.*

Let's look more closely at the retirement risks you can plan for.

1. LONGEVITY RISK

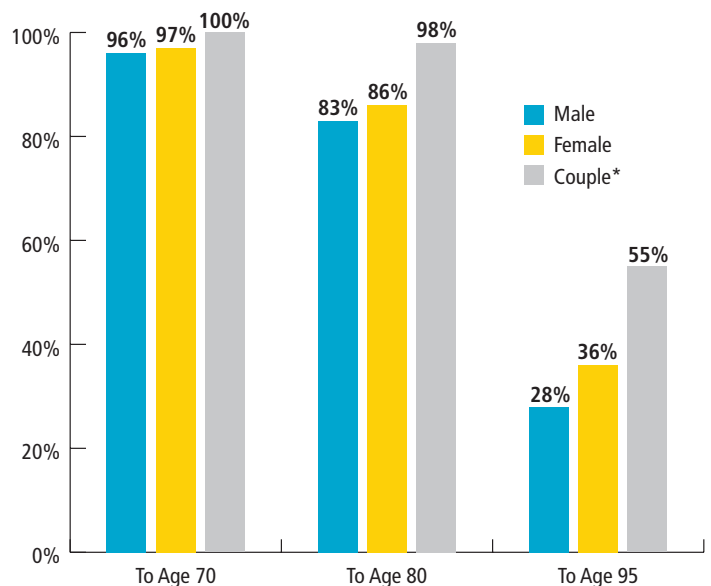
We're living longer and that's also good news. Naturally, outliving income is a very big concern for many retirees. As you develop your plan, remember to factor in a longer time horizon due to increased life expectancy.

Does longevity run in your family?

Family history of longevity:

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Probability of Living to Various Ages



*Probability of one living
Source: 2012 Individual Annuity Reserving Table (based on reaching age 65 in the year 2019)

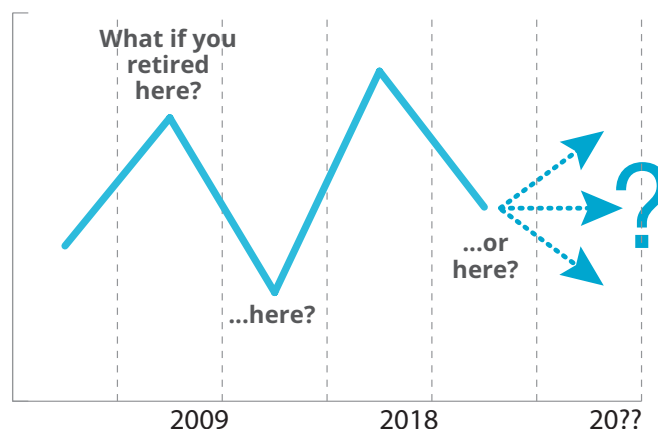
*Of course, no one can predict which will perform best and a diversified portfolio may not necessarily outperform a non-diversified portfolio. Nor are you ever guaranteed against a loss with either choice. It makes most sense to divide your retirement savings among different investment types that accomplish different goals for different times in your life. For example, an investment that offers accelerated growth in pre-retirement years, and another one that generates reliable income during retirement.

2. MARKET RISK

Market volatility can be tricky in retirement years. When we're younger and the market corrects, we have more time to recoup our losses. However, we are much more vulnerable during retirement as we systematically withdraw income from our portfolios with much less time to recover.

Simply put – as we draw down our reserves, there is less of it to grow when the market is up, and less time to recover when it's down.

Timing of Retirement



3. HEALTH CARE RISK

If health care costs give you pause, you're not alone. The out-of-pocket expenses from a significant health event can quickly drain retirement savings if not properly planned for. With diminishing employer-sponsored health plans for retirees, rising medical costs are a natural concern.

Since health care events can be unpredictable, be sure your retirement plan accounts for flexible access to your money when it's needed.

Medigap supplement insurance for 20 years – \$107,600¹

Health premiums/out of pocket costs (20 years) – \$166,000²

Three years in an assisted living facility – \$135,000³

One year in a skilled nursing home – \$97,500³

TOTAL \$ 506,100

Possible expenses per person, in today's dollars. These are hypothetical time frames based upon the potential needs of an individual during a retirement period of 20 years, a three-year period of assisted living and a one-year period needing skilled nursing care.

Questions/concerns? 

1. Medicare.gov; cost of Plan B premium, 2019

2. Center for Research at Boston College (out of pocket expenses); LIMRA Secure Retirement Institute, 2018

3. Genworth Financial, 2017 Cost of Care Survey (Based on average private room cost)

4. SOCIAL SECURITY & PENSION RISK

Both Social Security and traditional pension plans have become less reliable sources of retirement income. With the increase in full retirement age and the potential for taxation, Social Security benefits will likely replace a smaller portion of your income than you may have expected.

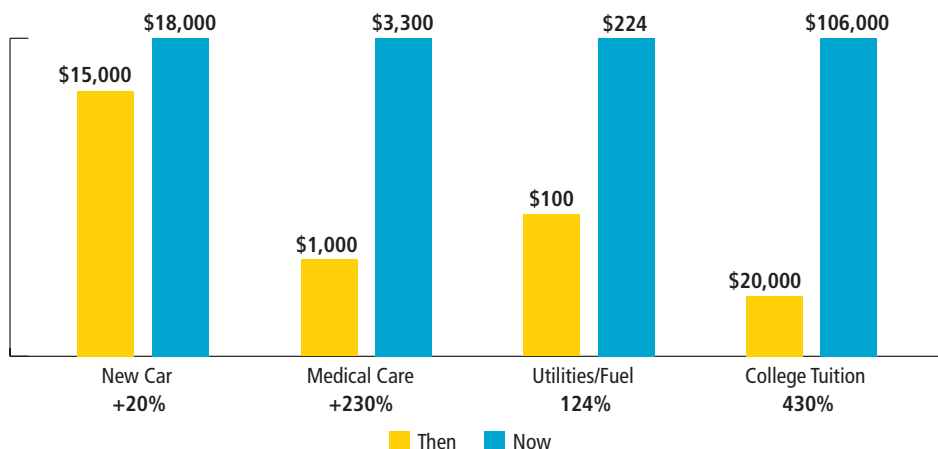
80% of Americans do not believe that Social Security alone can provide them with sufficient retirement income.

Source: "The Language of Retirement 2017," IRI & Jackson.

5. PURCHASING POWER RISK

It's astonishing to compare what our money could buy in the 80's vs. today. The cost of living is always rising and you'll want to protect your nest egg from the reality of steadily increasing prices.

Cost of Common Goods, Then and Now



Source: U.S. Bureau of Labor Statistics; www.in2013dollars.com. Illustrates a hypothetical 1989 cost as compared to what that cost would be in 2019.

Social Security is expected to stop paying benefits in full by the year 2034. Even if paid in full, the average payout is around \$16,000 per year – barely above the poverty line.

Source: Paul N. Van de Water and Kathy Ruffing, Center on Budget and Policy Priorities, "Social Security Benefits are Modest," August 7, 2017.

6. LIFESTYLE RISK

Most people envision their retirement as a continuation or upgrade to their current lifestyle. Take a moment to consider how you see yourself enjoying this next phase of life:

- Hitting the golf course every day?
- Enjoying time with the grandkids?
- Re-locating or snowbirding?
- Finishing your degree?
- Running a committee in your community?

What do you want to do in retirement?

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BUILDING A PLAN TO SECURE YOUR RETIREMENT

WHAT'S YOUR CURRENT SITUATION?

You can take charge of your retirement by being proactive now. The first step to putting a plan in place is to take stock of where you are today.

To get you started, take an inventory of your personal financial picture.

INCOME

Guaranteed income from:

- Social Security
- Pension
- Part-time employment
- Savings withdrawals

EXPENSES

- Utilities
- Mortgage/Rent
- Taxes
- Food
- Insurance
- Auto Loan
- Dining Out
- Travel
- Leisure & Entertainment

ASSETS

- Savings
- 401K, IRA, Mutual Funds
- CDs, Annuities
- Home*
- Auto
- Land & Other Property (boats, motorcycles, RV, etc.)*

LIABILITIES

- Mortgage
- Car loans
- Student & Personal Loans
- Credit card debt

*Not included in calculations for household net worth.

PLANNING OBJECTIVES

CONSIDER THESE FOUR COMMON RETIREMENT PLANNING OBJECTIVES AND HOW YOU WILL PLAN TO FUND EACH ONE.

Accumulating your assets and building a strong base for the future means:

- Participating in market upside
- Minimizing losses
- Diversifying for performance

You may have one or more of these typical planning vehicles in place:

- 401K
- IRA
- Mutual Funds
- CDs
- Other taxable investments

Some common income concerns:

- Enough money to last a lifetime
- Supplement my savings
- Regular income I can count on

Typical income sources include:

- Social Security
 - Pension
- Rental properties
- Part time employment
- Savings

Planning for the high cost of extended care is important to your security.

Care needs you may encounter:

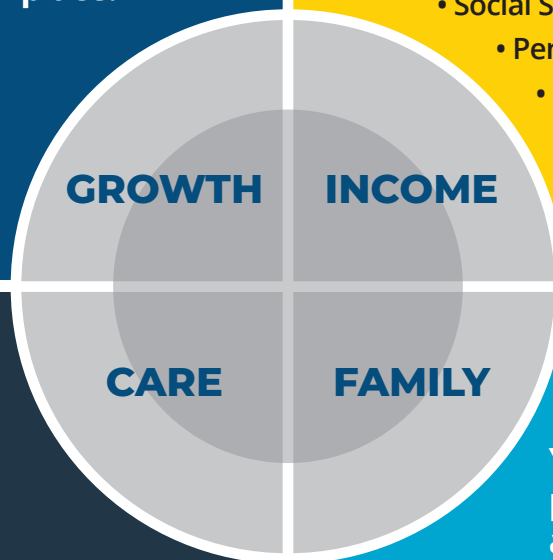
- At home care (home health aide or nursing support)
- Assisted living
- Nursing home

Your funding options:

- Traditional long-term care insurance
- Self-funded

You may plan now to provide funds for family and loved ones:

- Funeral costs & final expenses
- Interim cash to cover your heirs in the transfer of your assets, including probate costs
- Legacy for family inheritance or community



Identify solutions that offer the flexibility to protect you from a variety of retirement risks, while addressing growth, income, care and family goals.

Products like fixed indexed annuities that offer guaranteed lifetime income⁴ and safety from downside risk can be a good solution to protect your retirement nest egg.

4. Lifetime payment guarantees are based on the claims-paying ability of the insurance company and only payments, not account values, are guaranteed.



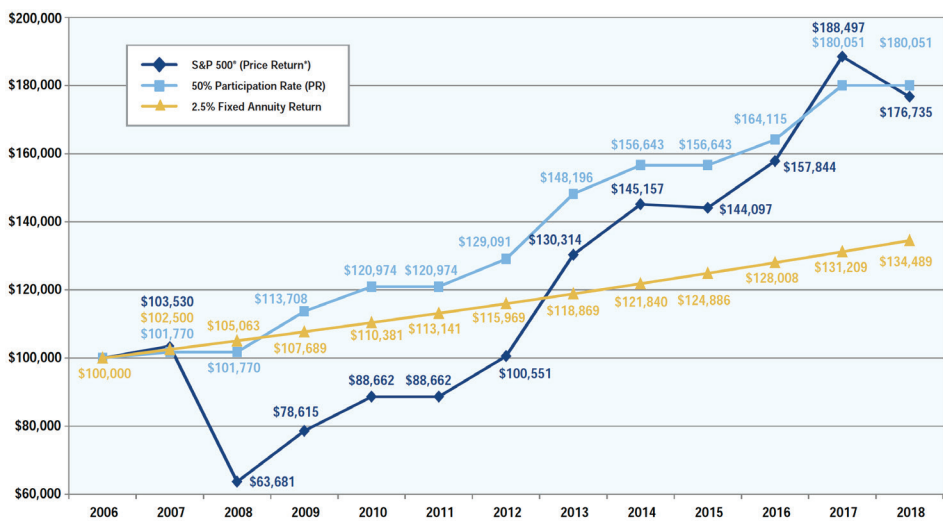
PROTECTED GROWTH. PROTECTION FOR YOUR PRINCIPAL.

Benefits of Fixed Indexed Annuities for **GROWTH**

ACTIVE RETIREES NATURALLY WANT TO BE IN THE MARKET WHEN IT'S UP. WISE RETIREES KNOW TO PROTECT FROM THE INEVITABLE DOWNSIDE.

Needs and Solutions

A Demonstration of Index Crediting



RETIREE CONCERN	FIXED INDEXED ANNUITY SOLUTION
Have I saved enough? How can I take advantage of an up market?	Participation in market growth
What impact will market downturns have on my retirement?	Income protection is yours – when the market is down, your initial premium will never be reduced
I don't want all my eggs in one basket – I'd like to diversify my holdings in order to maximize my portfolio's performance	A variety of methods are available for crediting interest to your account, including a fixed account that earns a consistent, reliable rate.



RELIABLE INCOME FOR A CONFIDENT RETIREMENT.

Benefits of Fixed Indexed Annuities for **INCOME**

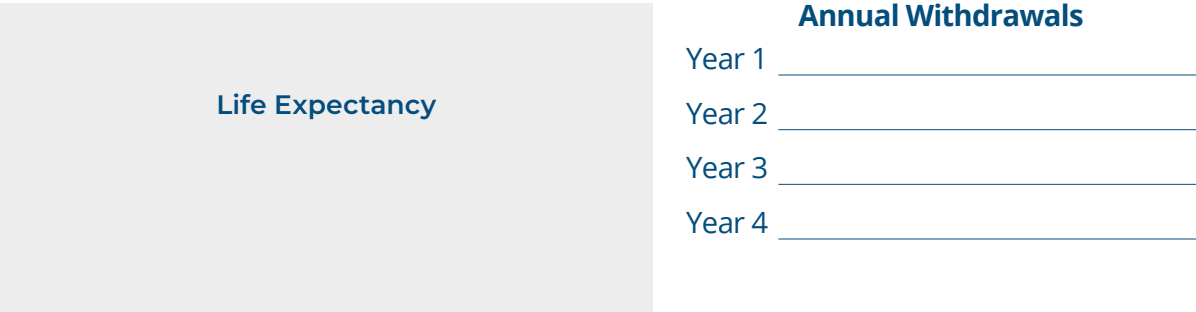
RELIABLE, SUFFICIENT INCOME IS A CRITICAL ELEMENT
IN CREATING A CONFIDENT FINANCIAL FUTURE.
GUARANTEED LIFETIME INCOME IS LIBERATING FOR
MANY RETIREES.

80% of people
say they'd
purchase
a product
providing
guaranteed
lifetime
income, even
if it cost more
than the
alternative.

Source: Insured
Retirement Institute,
"The Language of
Retirement," June
2017.

Needs and Solutions

The chart below illustrates the protection afforded when a guaranteed lifetime income benefit is purchased with an annuity contract. While the annuity value is depleted, the rider guarantees a set income amount for the rest of the owner's lifetime.



RETIREE CONCERN	FIXED INDEXED ANNUITY SOLUTION
I need a reliable source of income that lasts as long as I do	Options for securing a guaranteed lifetime income benefit ⁵
I want to increase the income I have without risking the money I've saved	Income-enhancing features that allow you to grow your money without risking your principal
I'd like to turn on an income stream when I need it	The flexibility to take an income stream immediately or at a future date
I need a degree of liquidity	Penalty-free withdrawal periods are available each year of an FIA contract

5. Withdrawals are taken from your contract value and guaranteed for life as long as you don't exceed the annual guarantee. Any withdrawals taken prior to the date guaranteed lifetime income begins will impact guaranteed income but will not stop the roll-up.

ADDED PROTECTION FOR YOUR CARE EXPENSES

Did you know? There is a 7 in 10 chance, after age 65, that you will require long term care.

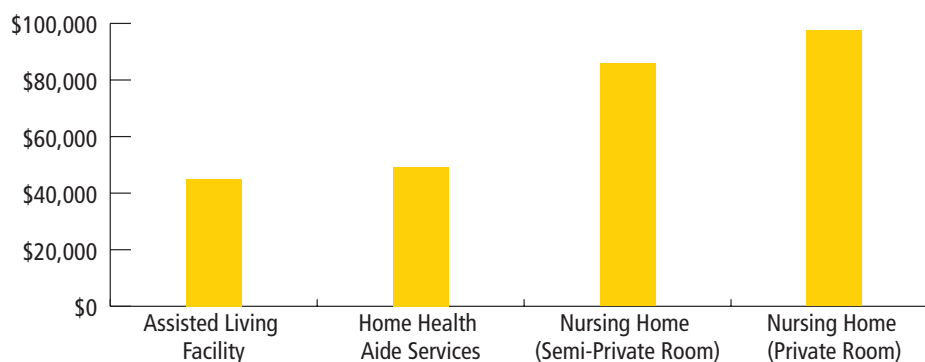
Source: Department of Health and Human Services

Benefits of Fixed Indexed Annuities for **CARE**

ONCE YOU'VE DECIDED WHETHER A GROWTH OR INCOME APPROACH BEST SUITS YOUR NEEDS, YOU MAY CONSIDER OTHER CUSTOMIZATION OPTIONS BY ADDING CARE PROTECTION. SHOULD YOU NEED CARE OVER AN EXTENDED PERIOD, AN OPTIONAL RIDER ON YOUR FIXED INDEXED ANNUITY PROVIDES HELPFUL COVERAGE.

Needs and Solutions

While considering long-term care needs, you may want to plan for 2-3 years of care



Source: Genworth 2017 Cost of Care Survey

RETIREE CONCERN	FIXED INDEXED ANNUITY SOLUTION
What if I suffer a major health event?	Protection from unanticipated healthcare costs may be chosen
Will I need assisted living or nursing home care?	You'll have the option to withdraw income at a higher rate for care needs such as a skilled nursing facility, in-home care or other long-term care property ⁶
What if I have to stay awhile in a nursing home?	Depending on your care needs, you'll be given the choice to increase your annual income withdrawal for up to five years
Our daughter wants to take care of us and we want to be sure she is financially secure	FIA's offer a flexible payout model where your money may be used in any way you wish – no receipts will be required

6. This is not a qualified Long-Term Care benefit under the Internal Revenue Code. Proof of qualification must be submitted each year to receive this benefit. Must be certified by a physician as impaired and unable to perform at least two of the six activities of daily living (ADLs) - eating, bathing, dressing, transferring, toileting and maintaining continence. A 90-day elimination period applies. See the contract for qualifying confinement criteria.

PROTECTION FOR YOUR FAMILY

**Benefits of
Fixed Indexed
Annuities for** **FAMILY**

MANY OF US WANT TO MAKE IT EASY FOR THOSE WE LEAVE BEHIND. PERHAPS YOU'D LIKE TO LEAVE A NEST EGG FOR FAMILY, OR A LEGACY FOR YOUR COMMUNITY OR FAVORITE CHARITY. AN OPTIONAL RIDER ON YOUR FIXED INDEXED ANNUITY WILL PROVIDE THE FUNDING TO ACHIEVE THOSE GOALS.

Needs and Solutions

The chart below illustrates that a \$100,000 Death Benefit Base can grow to \$200,000 by the 10-year contract anniversary.



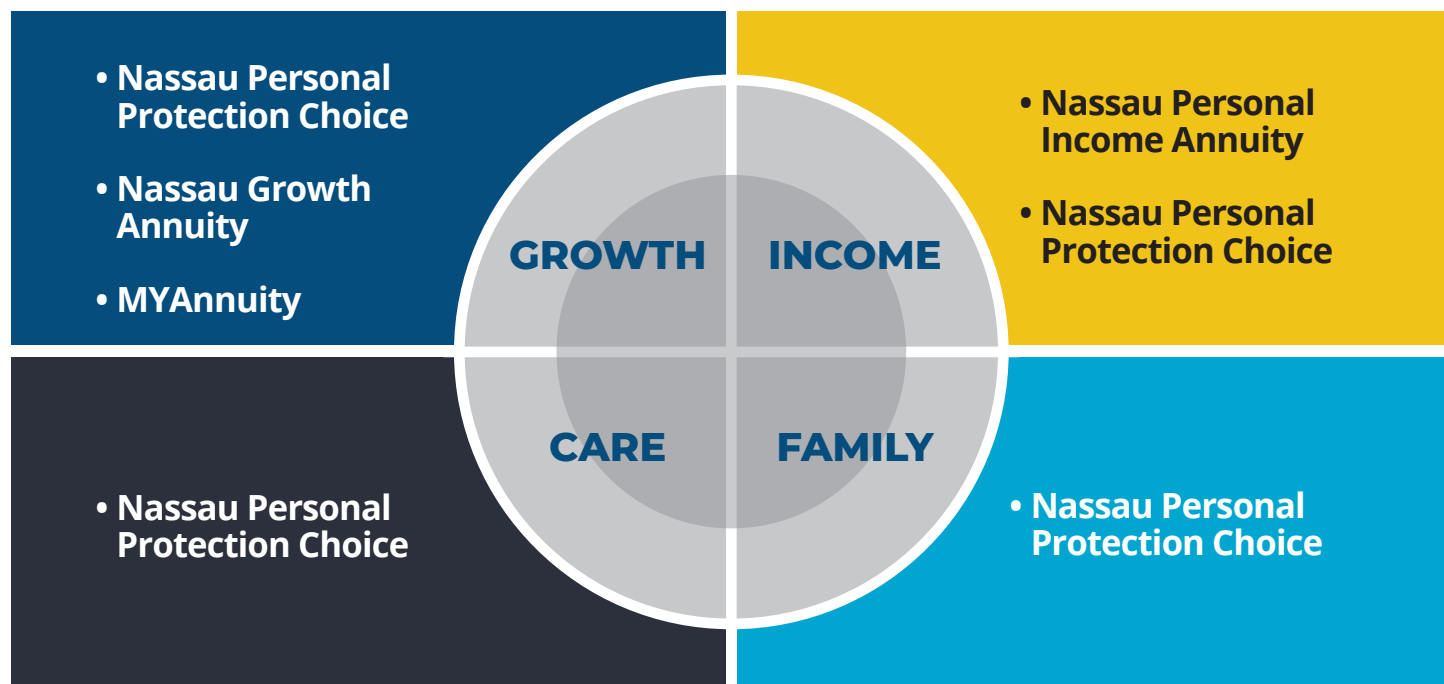
RETIREE CONCERN	FIXED INDEXED ANNUITY SOLUTION
How will I provide for my family if I die prematurely?	A death benefit will be paid to your beneficiary(ies) when you die
Who will pay my final expenses, my debt and probate costs?	Your loved ones will receive income from your FIA to cover all final expenses and funeral costs while also allowing them to bypass probate costs
Will there be anything left to leave my family?	Options are available to grow the death benefit amount while you're still living so you may leave a legacy for loved ones
How will I replace my spouse's social security income should they die before I do?	An optional income feature will help provide you with guaranteed income for life (footnote)

7. All withdrawals, including guaranteed income withdrawals, are taken from your contract value and will reduce the death benefit and enhanced death benefit (if elected) at the same percentage as contract value.

8. The death benefit is not life insurance and is includable in ordinary taxable income to your beneficiaries when paid.

SHORE UP YOUR OPTIONS. SAFE. SECURE. YOUR LIFE. YOUR WAY.

The Nassau Re suite of fixed indexed annuities offers options that may be tailored to suit your specific goals.



More on Fixed Indexed Annuities

As you can now see, Fixed Indexed Annuities offer solutions to many common goals and concerns expressed by retirees. According to a 2014 study, people buy annuities for the following reasons:

Reasons Annuity Owners Cite for Creating Guaranteed Lifetime Income⁹

- Peace of mind
- Produce a stable and predictable income
- Concerned about running out of money
- Need more guaranteed income to cover basic living expenses
- Helps with budgeting
- Maximize income in retirement
- Do not receive enough income from Social Security and/or pension plan

Purchasing a Fixed Indexed Annuity. How it Works:

- Make a single lump sum deposit
- Discuss and decide on a crediting strategy with your financial professional
- Select how you would like to allocate your funds among the accounts available to you

Some examples of available accounts:

- Monthly S&P[®] 500 (1-year segment)
- 1-year S&P 500 (cap rate)
- 1-year S&P 500 (participation rate)

Fixed Accounts

As another option, you can allocate your funds to a Fixed Account rather than one tied to a market index. The Fixed Account earns interest daily, at a specified rate of return that is guaranteed for one contract year. It offers a modest, reliable and predictable return with no market risk.

9. Annuities: Love Them When You Know Them, Hate Them When You Don't, August 2014, LIMRA

SET SAIL WITH AN EXPERIENCED NAVIGATOR.

NASSAU WILL HELP MAKE YOUR VISION FINANCIALLY POSSIBLE BY PROVIDING ESSENTIAL LIFETIME INCOME AND SECURING THE SAVINGS YOU'VE WORKED HARD TO BUILD.

To meet your needs, we focus on these timeless core values:

- Outstanding Service – We will provide high-quality service when questions arise or needs change.
- Enduring Commitment – We will conduct our business with a long-term view because our commitments to you are for a lifetime.
- Integrity – We will strive to earn and keep your trust in everything we do.

A RICH HERITAGE OF

FINANCIAL STRENGTH AND STABILITY

Nassau Re insured President Abraham Lincoln and paid the claim to his survivors. That's how long we've been in business (since 1851), and with that comes financial stability:

- \$20 Billion in combined assets*
- \$5.3B in annuity funds under management**
- 495,000 policies and contracts*



COMMITMENT TO INNOVATION AS WE HEAD INTO THE FUTURE, WE WILL CONTINUE TO OFFER INNOVATIVE ANNUITY AND LIFE INSURANCE PRODUCTS THAT WILL MEET A BROAD SET OF YOUR NEEDS.

*Reflects Nassau Re assets as of 6/30/18 and approximate policies and contracts as of 12/31/17.

**As of 12/31/17 and includes the combined results of PLIC, PHLVIC & PLAC.



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