

# CANNEX VA Analysis<sup>SM</sup>

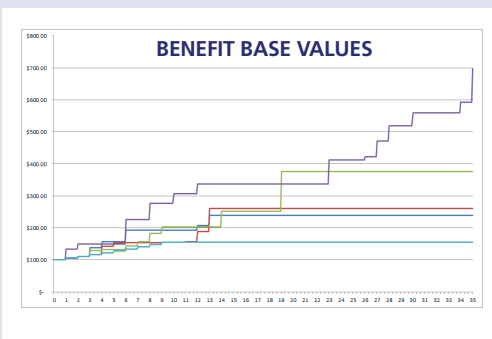
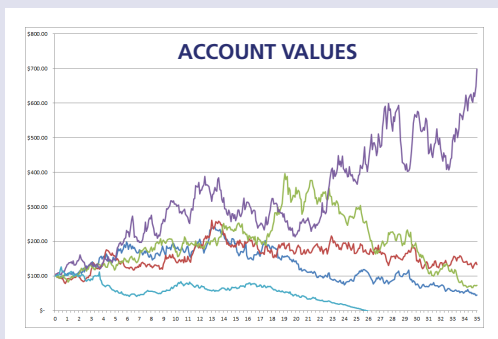
## WHAT IS IT?

The **CANNEX VA Analysis** is a patent pending tool that evaluates variable annuity (VA) products in a common framework. Users can rank products across a number of components, including:

- » **Income Benefit**
- » **Death Benefit**
- » **Total Economic Benefit**
- » **Fees Paid**

## HOW DOES IT WORK?

- » The formulae, rates and parameters specific to each contract are programmed and maintained within the service which, in turn, feeds comprehensive testing of annuity features on an apples-to-apples basis.
- » A present value analysis helps create a common metric that is applied across all product types and designs. This forms the fundamental basis for ranking products across each component of the contract because it more accurately represents the real value of each benefit.
- » The results are based on a specific investor profile and intended use of the contract and show specific combinations of riders available with a base contract.
- » Results highlight the average performance of each component of the contract based on a Monte Carlo analysis of capital markets and actuarial assumptions. Minimum contractual guarantees are also provided to help demonstrate the “bottom line” performance in the event that markets never contribute during the life of the contract.
- » All contracts have a set of CANNEX-generated summaries. In addition, supplemental material and support documentation from the carrier are provided alongside hypothetical results. These can include product brochures, specimen documents, forms, and links to websites or videos.



The unique performance of each contract combination is illustrated on a common basis.

## WHY USE THIS METHOD OF COMPARISON?

Until now, advisors have had to rely heavily on qualitative disclosures of fees and rates. Though valuable in its own right, this practice does not provide a complete picture of which product would be the most appropriate for a specific investor. In some cases, the product with higher fees may provide the best economic benefit to the investor. This is especially important when an annuity is allocated into a broader financial plan or portfolio and is intended to meet a specific need.

## HOW CAN YOU USE IT?

The CANNEX VA Analysis allows the advisor to assess a variety of contracts and benefits to help determine if they will suit the client need. This quantitative process can also support other planning, education and recommendation processes. Ultimately, the CANNEX VA Analysis provides another layer of support to address suitability and regulatory requirements as part of a compliance process.

Users can access the service either directly through the CANNEX service portal or through other third-party tools used in the planning, sales or new business processes. In other words, the results can be used within any format or service the advisor or firm chooses.

Financial Institution Product Name (Share Class) Living Benefit and Death Benefit Options	Minimum Annual Income	Average Annual Income	Average Income Benefit	Average Death Benefit	Average Total Economic Benefit	Average Fee	Actions
	Payment	Payment	Value	Value	Value	Value	
AIG Polaris Platinum III Variable Annuity (B Class) Polaris Income Builder and Standard Death Benefit	\$6,891	\$7,900	\$84,300	\$34,200	\$118,500	\$47,500	
Brighthouse Financial, (formerly MetLife) Series VA-4 Variable Annuities (B Class) Guaranteed Withdrawal Benefit (GWB v1) and Standard Death Benefit - Principal Protection	Tiered	\$6,800	\$72,500	\$35,700	\$108,200	\$47,100	
Forethought Life Insurance Company - A Global Atlantic Company ForeRetirement IV Variable Annuity (B Class) Daily +5 Daily Step Up Withdrawl Benefit and Standard Death Benefit	\$6,250	\$8,170	\$87,200	\$29,500	\$116,700	\$48,200	
Jackson National Life Insurance Perspective II (B Class) Lifeguard Freedom Flex GMWB With Income Stream Bonus and Annual Step-Up and Basic Death Benefit					\$500	\$51,200	
Minnesota Life Insurance Company - A Securian Co. MultiOption Guide Series (B Class) MyPath Value and Death Benefit					\$800	\$48,100	
Nationwide Life Insurance Company Nationwide Destination B 2.0 (B Class) 7% Nationwide Lifetime Income Rider and Standard Premium)					\$200	\$50,200	
Pacific Life Insurance Company Pacific Choice Variable Annuity 5 Year Option (B Class) Enhanced Income Select (Single) and Standard De					\$100	\$40,300	

Information						
Product						
Financial Institution	Pruco Life Insurance Company					
Product Name (Share Class)	Prudential Premier Retirement Variable Annuity B Series ('B Series') (B Class)					
Living Benefit and Death Benefit Options	Highest Daily Lifetime Income v3.0 Benefit and Minimum Death Benefit					
	Minimum	Average	Standard Deviation	Percentile		
Annual Income Payment	\$6,420	\$7,580	16%	\$6,670	\$7,170	\$8,050
Income Benefit Value (APV <sup>1</sup> )	\$68,734	\$80,900	16%	\$71,200	\$76,500	\$85,900
Death Benefit Value (APV <sup>1</sup> )	\$13,674	\$34,800	60%	\$19,300	\$28,400	\$43,900
Total Economic Benefit Value (APV <sup>1</sup> )	\$82,408	\$115,700	27%	\$93,100	\$106,200	\$127,900
Fee Value (APV <sup>1</sup> )	\$29,124	\$47,300	30%	\$36,800	\$44,400	\$55,100

<sup>1</sup> APV - Actuarial Present Value

Results based on \$100,000 premium for Female, Age 65, with a 5 year income deferral.

## WHY CANNEX?

- » Experienced quantitative and actuarial support team
- » Unique operation that works directly with its carrier partners
- » Flexible service that can be deployed within any application or process



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