



403(b) Plan Playbook

AGENT RESOURCE

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Your 403(b) Playbook

This Playbook is your roadmap to the many opportunities in the 403(b) plan market.

It offers steps to find and engage 403(b) plan prospects, build successful relationships, access to helpful tools to serve clients and partner with National Life Group.

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As part of our very important role in educating the public about the value of life insurance and annuity products, we are all about insuring – and bringing assurance to – retirement for teachers of America.

Mehran Assadi, Chairman, CEO and President, National Life Group

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Get Started

Developing a clear, workable plan for success in the 403(b) plan arena begins by getting familiar with your distinct market and partnering with National Life Group.

Get to Know the Plan(s)

Learn the language of 403(b) and other retirement plans:

- Study your home [state's pension plan](#) – When you know its basics, you can speak to its shortfalls among your prospects.
- Sign up for industry-related news and articles from the [National Tax-Deferred Savings Association](#), the [National Center for Education Statistics](#) and the [Indexed Annuity Leadership Council](#).
- Get Certified Training – It helps whether you're new or experienced in this market. Sessions are regularly [scheduled](#) around the country.
- Line up fact-finding visits to your target school site(s) – We help you get pre-approved campus access to meet with key school contacts.

Get to Know NLG

Partner with our focused Retirement Services Team and they will help you:

- Know where to identify employer plans that carry NLG as a provider.
- Partner with Retirement Services and get paid to open or re-open an employer retirement plan.

Stay in touch with us:

- Get to know your relationship [manager](#).
- Explore our library of 403(b) selling ideas and marketing tools on our Agent Portal.

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Get Started *Cont'd*

Certified Training

Instruction and resources to help you:

- See the depth and scope of the market and its many opportunities for you.
- Identify and access prospective clients.
- Differentiate yourself and effectively overcome obstacles.
- Maximize our approved tools, programs and resources.
- Apply practical industry, market and product trends to your daily practice.
- Check the current [schedule](#).



Connect

[Click here](#) to contact a Retirement Services representative or email RetirementServices1@NationalLife.com.

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Opportunities

Ideal for educators (teachers, administrators, superintendents, etc.), the 403(b) plan is an effective tool to supplement their state's Teacher Retirement System pension, which by itself will not be adequate for most of them.

403(b) Basics

- Established in 1958.
- Named after a section of the [IRS tax code](#).
- Full name: 403(b) Tax-Sheltered Annuity (TSA).
- Purpose: Created specifically for public schools and certain 501(c)(3) tax-exempt organizations to offer their employees.

How 403(b) Plans Work

- Funded with pre-tax contributions.
- Allows catch-up contributions from participants over 50.
- Partial access through loans, withdrawals and other options or annuity features.
- Permits penalty-free full withdrawals at age 59½, or for other qualifying events.

403(b) Plan Benefits

- [Tax-deferred](#) growth potential.
- Complements other retirement plans.
- Flexible account options to diversify assets.
- Portable for easy, tax-free rollovers to other plans and IRAs.
- Available as traditional, [Roth](#), Special Pay and 3121 plans.

The 403(b)/457(b) Certified Training Manual provides more comprehensive explanations of these plans.

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Prospects

Serving the 403(b) market requires a multi-pronged strategy to reach the employers who provide or administer a plan and the individual employees who participate in it.

Plan Participants

Because all full-time employees, and some part-time and seasonal employees, of a sponsor are eligible to take part in their 403(b) plans (referred to as universal availability), just about anyone is a potential client. Educators represent a very diverse customer base, but most will fall into one of three generations of prospects:



Baby boomers (1945 – 1964)

- Turning 65 at a rate of 10,000 people per day until 2029.
- Younger boomers, under 62, especially need to take steps now to prepare for retirement.



Generation X (1965 – 1980)

- Have a long savings horizon of up to 30 years.
- They're higher earners, but the biggest spenders so the challenge is to convince them to channel available dollars into retirement savings.



Millennials (1980 – 2000)

- The youngest working generation but expected to make up more than 75 percent of the total American workforce by 2020.
- Can be a challenge to reach but should be the most attractive prospect for a forward-thinking financial professional.

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Prospects *Cont'd*

Plan Sponsors

Under IRS rules, not all employers can offer a 403(b) plan. And among those that do, not all of them throw open their doors to just any agent wanting to offer retirement products to their participants. There is a process, which we walk you through in the [Prospecting](#) section that follows next.

403(b) Eligible Employers

- Public and Private K-12 Schools
- Colleges & Universities
- Local Governments
- Churches
- Other 501(c)(3) tax-exempt organizations



Opportunity Via Universal Availability

Did you know that the IRS requires the plan to give meaningful notice to employees of their right to make elective deferrals into a plan?

The sponsor must notify the employees of:

- Their right to make elective deferrals.
- When to make an election.
- When and how often during the year they can change that election.

This opens a significant opportunity for you.

Not all districts are aware of the requirement and, as a result, many employees are missing out on the opportunities that a 403(b) can provide.

So, if you know of an employer out of compliance with this guideline, we can work with you to assist them to meet the IRS requirements at no cost to them.

It's a meaningful way to help employers and a straight inroad to gain new prospects for you.

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Prospecting

The 403(b) business can boil down to the relationships you establish with employers. The most effective strategies to serve existing or new prospects (aka, “payroll slots”) involve steps to create a presence within districts and schools and build credibility over time.

Targeting School Districts

Some school districts have open access, while others do not. When campus access is permitted, you can visit and lead on-site presentations a little more freely. However, when district access is restricted, it takes a lot more relationship building with stakeholders to make a difference.

1. Prior to approaching a district, contact your NLG [Relationship Manager](#) to determine:

- Whether NLG is an approved vendor in the plan.
- If NLG already has active flowing policies in the plan.
- If our relationship is dormant.
- Key contacts within the target district for you to work with.

2. For existing payroll slots, follow these steps:

- Contact Retirement Services or your Field Leader.
- We verify if NLG has “vendor approval.”
- You then approach the school district.
- Verify NLG “Status” there.
- Follow district- and state-specific solicitation [rules](#) to proceed.

3. For new payroll slots, follow these steps:

- Partner with Business Development.
- Provide us with “not vendor-approved” list in your region.
- Identify your top opportunities there.
- We help provide RFP or Proposal response to prospect.
- We help get NLG vendor-approved.
- We both promote fixed annuities or our Balanced Opportunities platform.
- Complete the required forms to become vendor-approved.
- You apply for our Slot Bonus Program.

[Legal Disclosure](#)

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Prospecting *Cont'd*

Third Party Administrators

NLG works very closely with many independent Third Party Administrators (TPAs). Local governments or districts choose TPAs carefully to assure complete coordination among approved vendors. So, it's important that you get to know the TPA serving your target school district and any special rules or solicitation restrictions they have.

Here's how TPAs can factor into your strategy:

- Search for NLG “not vendor-approved” employers in your region.
- Identify your top opportunities there.
- Complete the required forms to become vendor-approved.
- Apply for our Slot Bonus Program.



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Client Engagement

Districts are approached by a lot of agents hoping to offer financial products to their employees. Many school districts allow on campus meetings, others restrict access to prevent an onslaught. Either way, financial professionals that actively follow the rules, and add value for their clients, quickly differentiate themselves in this competitive market.

Meeting Needs for Retirement Planning

Everything we do to reach potential clients in the 403(b) boils down to one goal: helping them work toward and plan for their retirement income needs.

Even better, retirement means different things to different clients. So the stories and situations they represent offer an almost unlimited range of opportunities to relate to and serve different needs.

While everyone may have a different goals, everyone needs a strategy. And for most clients, they need to think about how their strategy can help them ensure they'll replace their income once they leave the work place.

One generally accepted rule of thumb is that most people should plan to generate about 70 percent of their pre-retirement income when they leave the workforce.

This is the core [message](#). And how well you spread this message can make all the difference in your success.

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Client Engagement *Cont'd*

Virtual Engagement

The ENGAGE! Toolkit is your guide to virtual connection with K-12 school districts and their employees.

This step-by-step guide will help you prepare for and facilitate virtual business with current and prospective clients, both individually and within schools.

As a part of the ENGAGE Toolkit, we have created a Presentation Series that is specifically intended to help facilitate your prospecting conversations, virtually.

In each presentation series, you will find a tailored presentation, call prompts, social media posts, and registration emails to aid in the virtual connection between you and your K-12 School Districts Employees.

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Client Engagement *Cont'd*

On-Campus Engagement

If the school allows on-site visits, try these highly effective marketing and prospecting techniques:

1. Educational Seminars & Workshops

- Enlighten school employees or plan sponsors on the value of a [403\(b\) plan](#).
- Schedule breakfast and [lunch-and-learn](#) meetings.
- Distributing of [lead cards](#) is typically allowed too.
- We have tools to help you schedule, promote and conduct an on-site or off-site educational workshop.

2. Faculty & Union Meetings

- Coordinate with the school district and principals to get on agendas.
- Speak at faculty and union meetings using presentations approved by them and NLG.
- Just introduce yourself, what you do and why you're there – it's not a lecture.

3. In-Service & Orientation Meetings

- Held prior to the school-year's start in nearly every district.
- All hands on-deck attendance of faculty and other staff.
- Many venues let in speakers on retirement and financial topics.
- Talk a little about yourself, but mostly about them and their financial challenges – it's empowering.

4. Benefit Fairs

- Be part of their most important HR-related event of the year.
- A captive audience already tuned in to healthcare, insurance and other HR-focused topics.
- We have marketing tools to help you stand out here too.

5. Targeted Mailings/E-mails

- Digital marketing is easy and effective.
- Follow the district's rules on blast e-mailing to their staff.
- We have compliance-approved templates to use in districts that permit them.

6. Appointments On-Campus

- Always check in with the head office on arrival.
- Don't wander the halls, and head to your designated meeting area at the scheduled time.
- Display your identification at all times.

7. School Board Meetings

- The best venue to converse with the superintendent and other high officials.
- Invaluable intel on critical school and staff issues, programs and focus areas – and perhaps ideas for how you can help with them.

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Client Engagement *Cont'd*

Off-Campus Engagement

Some districts restrict or altogether prohibit financial professionals from campuses and school offices. For these situations, here are several proven marketing and prospecting techniques:

1. Client Appreciation Nights

- Invite 15 clients and spouses to attend an evening at a restaurant.
- Ask each customer to bring another couple from the school district that doesn't yet do business with you.
- Choose a restaurant with a side room, which is often free with a minimum purchase.
- Many offer a buffet or appetizers with pre-selected wine, tea, and soft drinks.
- Consider a guest speaker on timely and fun topics.
- Ask a few of your customers to speak briefly about how you have helped them.

2. Superintendent Luncheon

- Superintendents share a lunch at least once a quarter to compare notes on district issues.
- They also often allow you to speak for 30 minutes or so.
- Share how you serve the school district and its employees.
- If you recently volunteered to paint a house, clean a park or something else to help the district, tell a story about it and how you did some good.

3. Evening Educational Seminars and Workshops

- Very effective when your customers invite non-clients to attend.
- Use rooms available in a restaurant, a public library, museum, or hotel.

4. Targeted Mailings/E-mails

- Build a campaign theme or topic to reach clients
- Ask for referrals.
- Request that they forward your e-mails.
- Create prospect lists using home addresses/e-mails for educators and employees by county.

5. Advertising

- Buy space in the school newspaper or union newsletter, which is usually very appreciated.
- Get your name and what you offer in front of your target audience.

6. State Senator and Representative Outreach

- Let them know how you are serving constituents in their school district.
- They make decisions regarding your school district's budget.
- Can be influential to get you access and keep it.

7. Appointments Off Campus

- Often this works better than on-campus sit downs to provide a fuller financial consultation.
- Clients may be more open to meaningful discussions when in more comfortable surroundings.
- The spouse's participation is more likely too, which frequently leads to an offer to them as well.

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Relationship-building Programs

Educators are pillars of the community and many volunteer their spare time to serve beyond the classroom. We encourage agents to participate alongside them, not only to give something back to their own communities but to see for themselves the unsung sacrifices that many teachers make to help others.

With this at heart, we sponsor several high-profile recognition programs to honor a select group of educators and agents who go above and beyond.



- **LifeChanger of the Year** honors hundreds of K-12 educators and other school employees across the country for making a significant difference in the lives of students.



- **Agent Do Good Award** recognizes the agent who is passionate about a cause and making a difference in his or her community.
- **Agent Do Good Tour** helps build good will and community presence by having agents appear at local non-profit events and present a donation awarded from the NLG Foundation.



Make an Impact

- **Prizes for Pages** program helps build relationships in school districts by promoting and rewarding literacy.
- **School Supply Box** is a great idea to contribute to schools with much-needed resources at the start of the school year.
- NLG offers **40 hours of volunteer time** to employees to help you build relationship through service.

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Incentive Programs



Incentive Programs

We offer even more incentive when you explore new prospects and engage existing clients on a regular basis:

- Slot Bonus Program rewards you for opening 403(b) payroll slots that are either new or dormant.
- [Premium Increase Program](#) encourages you to grow your existing premium flows by offering you the chance to earn full commissions as well as credits to National Life-sponsored conferences. The more you add to your existing flows, the more credits you earn, which helps to reinforce what we call the virtual circle of success.



Your Circle of Success

Even after you submit new business, the job goes on. Enrollment in an employer sponsored plan is only the first step.

Here are a few ideas to keep participants on your radar long after the first sale and differentiate you from the many competitors in this marketplace.

- Deliver the policy in person.
- Conduct annual reviews and financial [check-ups](#).
- Follow up as things change, to ensure ongoing suitability.
- Build relationships, not just a customer base.
- Always use compliance-approved materials and presentations.
- Follow district [rules](#) of engagement.

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Solutions for Growth



Solutions for Income

Product Solutions

Serving 403(b) clients can be rewarding in many ways. But cookie-cutter products are not what we do. That's why – in states where approved for sale – we offer participants in this market flexible premium indexed annuity products.

Featuring [five crediting options](#), our products are designed with the customer at heart and each product can address specific needs for long- and short-term growth or income goals.

We offer a wide range of needs-assessment tools and product material to help you position our products with 403(b) participants. Again, check approval in your state(s).

[Learn more about the products.](#)

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Solutions for Growth



Solutions for Income

Product Solutions *Cont'd*

Crediting Options

A huge differentiator of our products is the choice of five crediting options.

- The US Fundamental Balanced Index and Global Balanced Index are exclusive to National Life Group.
- Our products also offer Annual Point-to-Point, Monthly Point-to-Point and Declared Rate strategies.
- All five provide the downside protection of a 0% floor guarantee.*

And clients are free to allocate their values among the different index strategies at any time – another opportunity for you to reach out as their needs change over time.

Balanced Opportunities

For employer situations that require more product depth, we offer the Balanced Opportunities Platform, a turn-key program that includes a selection of third-party mutual funds alongside our indexed annuity products.

It also provides helpful participant enrollment technology, education, and other services on a single retirement platform. Balanced Opportunities offers an efficient and exciting path to rapidly expand your production in this vibrant marketplace. Keep in mind, that many sales situations for Balanced Opportunities may require securities registration.

The 403(b)/457(b) Certified Training Manual offers more comprehensive information about our products and the Balanced Opportunities program.

*Assuming no withdrawals during the withdrawal charge period. Rider charges continue to be deducted regardless of whether interest is credited.

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Income Guarantees (GLIR)

As lifespans grow, clients are more likely now to run out of money during retirement. To help solve this, we offer the Guaranteed Lifetime Income Rider (GLIR)* on our indexed annuity products.

GLIR is another powerful solution for you to illustrate for 403(b) participants. It provides the option for a guaranteed income stream based on each client's situation. Most importantly, it helps tackle one of their largest fears – outliving their retirement income.

Online Illustrations

The NLGroup Illustrations – ForeSight™ Web is available to:

- Show accumulation value over various timelines.
- Project guaranteed annual income benefits starting at different ages.
- Sum-up the total income benefit based on a specified age and number of years.
- Highlight premium allocations among the five index options.

Do you rely more on a mobile device?

Our “Quick Quote” app lets you project GLIR on your mobile device or tablet. You can discuss this value with clients, but the mobile app itself is not approved to show to clients.

The 403(b)/457(b) Certified Training Manual offers more comprehensive information about the Guaranteed Lifetime Income Rider. GLIR incurs an additional cost.

* The GLIR may not be available on all products or in all states.

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Marketing Tools and Materials

State-Specific Teacher Pension Plan Flyers:



CAL STRS



FL



GA



NC

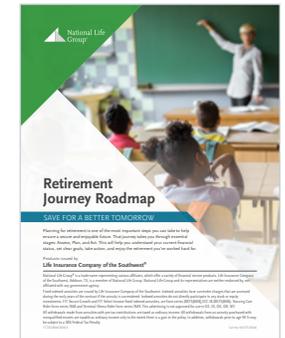


SC



TX

If you can't find your state here, use the Generic Teacher Pension Plan Brochure



Teacher Pension Plan Brochure

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Marketing Tools and Materials Cont'd

Plan Sponsor Prospecting



[Employer Rules of Engagement Brochure](#)



[Top 10 Reasons to add FIAs from NLG to your Plan Flyer](#)



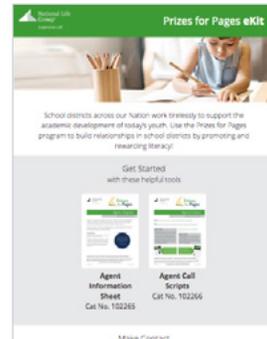
[403\(b\) Universal Availability Requirements Brochure](#)



[Educate and Empower Flyer](#)



[LifeChanger of the Year Agent eKit](#)



[Prizes for Pages eKit](#)



[457\(b\) Playbook](#)

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Marketing Tools and Materials Cont'd

Engaging Plan Participants



[Retire with Income That Cannot Be Outlived Flyer](#)



[Retirement Analysis Lead Card](#)



[Lifetime Checkup Worksheet](#)



[Gross Up Paycheck Calculator](#)



[Offering What Matters Most Brochure](#)



[403\(b\) Solutions for You Brochure](#)



[Roth 403\(b\) Plans for Education Professionals Flyer](#)



[Haven't Lost a Penny Flyer](#)



[ENGAGE! Toolkit](#)



[PRESENT! Toolkit](#)



[Bridging State Pension Gap Presentation](#)



[Planning for Financial Independence Presentation](#)



[Social Media Playbook - Independent](#)



[Social Media Playbook - Affiliated](#)



[Bridging the Retirement Gap Presentation](#)

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Mutual Funds are sold by prospectus. For more complete information, please request a prospectus from your registered representative, or through the plan website. Please read it and consider carefully a Fund's objectives, risks, charges and expenses, including 12b-1 fees, before you invest or send money. The prospectus contains this and other information about the investment company.

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The total amount of transaction and replication costs is not predictable and will depend on a number of factors, including the leverage of the Index, which may be as high as 200%, the performance of the indexes underlying the Index, market conditions and the changes in the market states, among other factors. The transaction and replication costs, which are increased by the Index’s leverage, and the maintenance fee will reduce the potential positive change in the Index and increase the potential negative change in the Index. While the volatility control applied by the Index may result in less fluctuation in rates of return as compared to indices without volatility controls, it may also reduce the overall rate of return as compared to products not subject to volatility controls.

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