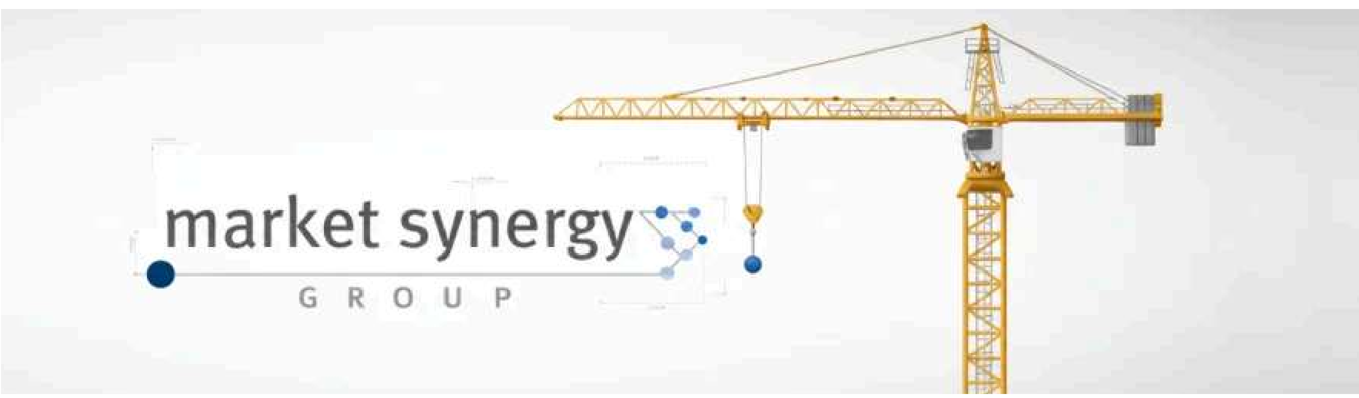
FOR INSURANCE CARRIER EXECUTIVES ENTERING THE RILA MARKET

Lease or Build

The strategic choice every new RILA entrant must make — and why the answer determines who competes and who merely participates.



Prepared by Market Synergy Group

01 · EXECUTIVE SUMMARY

A record-growth market with one defining question

The Registered Index-Linked Annuity (RILA) market is one of the most dynamic growth stories in financial services. Yet the path to participation isn't straightforward. Every carrier entering RILA distribution faces a defining question before writing a single policy: **build**

proprietary distribution infrastructure from the ground up, or partner with an organization that already has it built?

$79.5B	+20%	$85B+
RILA sales in 2025 — an eleventh consecutive record year	Year-over-year growth in 2025	LIMRA projection for 2026

Building an internal capability is achievable, but it requires multimillion-dollar investment, years of development, scarce specialized talent, and execution risk before a dollar of premium is written.

Leasing distribution through Market Synergy Group (MSG) offers a compelling alternative: immediate access to a proven network of wholesalers, broker-dealers, and IMOs; carrier-grade product development support; compliant technology infrastructure; and a variable cost model — you pay nothing until your products sell.

For carriers who want to be competitive distributors, not just participants, the lease model through MSG is the fastest, most cost-efficient, lowest-risk path to market today.

KEY TAKEAWAY

MSG offers new RILA entrants what would otherwise take millions of dollars to build independently: an activated distribution network, proven product development capability, advisor-facing technology, and a variable cost structure that eliminates pre-revenue risk.

02 · THE BUILD PATH

What it really takes

Distribution relationships are finite. Wholesalers, IMOs, and broker-dealers can only partner with so many carriers effectively — the carriers who act now establish shelf space that's difficult for later entrants to displace.

Being a RILA *participant* and being a competitive RILA *distributor* are two different things: product excellence alone doesn't drive sales volume. Distribution excellence does. Carriers who choose to build independently should plan honestly for what it takes:

1

Product Design & Regulatory Filing

Actuarial design requires scarce, senior-level RILA talent. SEC registration demands specialized securities counsel; state-by-state insurance filings add further complexity. Full regulatory clearance typically runs 12–18 months.

2

Banking & Hedging Partnerships

RILAs carry index-linked risk that must be hedged through derivatives. Establishing credit relationships, ISDA agreements, and collateral arrangements from scratch requires institutional credibility most first-time entrants don't yet have.

3

Building a Wholesaling Organization

National presence requires 15–40 wholesalers at $150,000–$400,000+ each in annual compensation, plus sales desk support, training, and management overhead — committed before a single sale.

4

Building a Retail Distribution Network

Getting onto a broker-dealer's approved platform takes 6–18 months per relationship. Meaningful national distribution requires active relationships with 20+ BDs and a broad IMO network, each with its own due diligence, compliance, and technology integration requirements.

5

Technology & Advisor Experience

Advisors expect digital illustration tools, seamless new business submission, and real-time case tracking. Building this requires software development, compliance review, and ongoing maintenance — all carrying cost and execution risk.

THE BOTTOM LINE

24–48+ months	$10–30M+	$5–15M+
From decision to first sale	Pre-revenue infrastructure investment	Annual fixed wholesale overhead, regardless of sales

03 · THE LEASE PATH

The MSG advantage

Market Synergy Group was built specifically to solve the distribution problem every new RILA entrant faces. Over more than a decade, MSG has assembled the infrastructure, relationships, technology, and expertise carriers would otherwise spend years and tens of millions of dollars developing on their own. Partnering with MSG means accessing a fully integrated ecosystem, not just hiring a distribution company.

Speed to market: weeks, not years

MSG's distribution network, technology, and broker-dealer relationships already exist. MSG activates distribution for a new carrier partner in a fraction of the time required to build independently, with immediate access to an active wholesaler network and existing BD/IMO relationships.

Zero upfront expense until you sell

Carriers partnering with MSG don't incur significant out-of-pocket infrastructure costs before their first sale. Costs scale with production — financial risk is fundamentally realigned so it follows revenue rather than precedes it.

Product development expertise

Proprietary research grounded in real advisor and client behavior, experience navigating SEC and state filings efficiently, and deep understanding of hedging and capital markets dynamics — all backed by the market credibility an MSG-associated product carries.

The largest RILA wholesaler network in North America

MSG's wholesalers are already known to advisors, already credentialed with the relevant broker-dealers, and already equipped to represent new products on day one — spanning both the IMO and institutional broker-dealer worlds.

THE CREDIBILITY MULTIPLIER

An MSG-designed and MSG-distributed RILA enters the market with an implied endorsement from an organization advisors, broker-dealers, and IMOs already recognize — a trust transfer no new carrier can replicate through marketing spend alone.

04 · SIDE-BY-SIDE

Build vs. lease through MSG

DIMENSION	BUILD IT YOURSELF	LEASE THROUGH MSG
Time to First Sale	24–36+ months from decision	Ready to go as soon as the product is approved
Pre-Revenue Capital	Millions before first dollar of premium	Minimal — costs align with production
Wholesale Team Cost	$5–15M+ annually in fixed compensation	Variable — embedded in distribution model
BD & IMO Access	Built from zero over 2–5 years	Immediate — active relationships in place

DIMENSION	BUILD IT YOURSELF	LEASE THROUGH MSG
Regulatory Expertise	Must develop or hire specialized counsel	Experienced team, multiple successful filings
Execution Risk	High — novel undertaking for most carriers	Lower — MSG has done this before

05 · CONCLUSION

The case for leasing

Market Synergy Group offers a fundamentally different proposition: access to the infrastructure, relationships, and capabilities a carrier would otherwise spend years and tens of millions of dollars building — available now, at a cost structure that moves with production rather than against it.

For carriers who want to compete in RILA distribution, not merely participate — and who recognize that distribution excellence is as important as product excellence — the MSG partnership model deserves serious consideration.

We welcome the conversation.

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