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Annuities and GICs

Publication of United States Annuities

Feb. 1988 (Vol. 3, No. 1)

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FROM AMERICA'S LEADING ANNUITY AND GIC BROKER

Annuities may be classified according to (1) When benefit payments begin - with income commencing immediately (Immediate Annuities) or with commencement deferred to a later date permitting the premium to accumulate interest or earnings (Deferred Annuities); (2) How premiums are paid - e.g., with one deposit (Single Premium) or in fixed or varying periodic deposits (Flexible Premium); (3) Whether the income amount is fixed at commencement, is adjusted according to changes in the cost of living (COLA) or is dependent on the performance of an underlying equity account (Variable Annuities); and (4) By the number of lives covered under the contract (which may be one or two, or a large group of participants).

IMMEDIATE ANNUITIES

Single Premium Immediate Annuities (SPIAs) are purchased by a single deposit with income usually commencing soon thereafter. In its simplest form -- the Straight Life or Non-Refund annuity -- payments are guaranteed over the lifetime of one person. This form of annuity insures against outliving one's financial resources and is an important instrument in planning for retirement. Given a fixed deposit, the monthly payments that derive from a Straight Life annuity are always greater than those derived from other forms of annuity since with a Life annuity the income stream always ends with the last regular payment preceding the annuitant's death. There are times, however, when other forms of SPIA are better suited for a particular situation, such as (1) when the income needs to be guaranteed over the lifetimes of two or more annuitants (Joint and Survivor); or (2) when a provision is added such that if the annuitant(s) die before the end of a specified period (e.g., 5 or 10 years or more) payments continue to a designated beneficiary until the end of the specified period (Certain Period and Continuous); or (3) when the annuitant dies before the total amount received equals the premium deposit, payments continue to a named beneficiary (Refund). In these situations the monthly income reduces from the Straight Life benefit to pay the added coverage. Also, while this may sound paradoxical, an SPIA may have a deferred commencement. In this case, however, the contract cannot be surrendered for its cash value as is possible with a deferred annuity contract.

The principal advantages of an SPIA are its (1) Simplicity; the annuitant does not have to manage his investments, watch markets, report interest or dividends, or compete against professional investors; (2) Security; the annuity provides stable lifetime income which can never be outlived. Annuities provide unbeatable financial security by guaranteeing income for a specified period no matter what the economic conditions; (3) High Returns; the interest rates used by insurance companies to calculate SPIA income are generally higher than CD or Treasury rates, and since part of the principal is returned with each payment, greater amounts are received than would be provided by interest alone; (4) Preferred Tax Treatment; only the portion attributable to interest represents taxable income; the bulk of the payments are nontaxable return of principal; (5) Avoidance of Probate if life - period certain option is selected; (6) Safety of Principal; funds guaranteed by assets of insurer and not subject to fluctuations or market risks; (7) No sales or administrative charges.

SPIAs can provide guaranteed income in these situations: (1) Retirement from Service; (2) Terminal Funding or Pension Terminations (with deferred commencements, too); (3) Retired Lives Buyouts from Active Plans; (4) Structured Settlements for Personal Injury, Estate, or Divorce cases; (5) Professional Sports Contracting; and (6) Credit Enhancement and Loan Guarantee Transactions.

The following quotations represent single premium amounts required to guarantee \$1000 of monthly income on the annuity forms described below when purchased with qualified funds. These quotes also assume that the dates of issue and first payment are the same and include all fees and commissions but not state premium taxes, if applicable. Call (201) 613-0700 for quotations.

PUBLISHER: Annuities & GICs is published by United States Annuities, leading independent annuity and GIC research and brokerage service. Editorial and business offices are at 98 Hoffman Rd., Englishtown, NJ 07726. Tele: (201) 613-0700, FAX: (201) 613-9087. This information is for personal use or for discussions with clients or prospects only. Dissemination in any form without written permission is a copyright violation and protective action will be taken. COPYRIGHT 1988 UNITED STATES ANNUITIES.

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SUBSCRIPTIONS & CIRCULATION: Annuities & GICs is sold by subscription throughout the United States, Canada, and overseas. PRICE: U.S. first-class delivery, prepaid only, \$90/year. In addition, about 15,000 copies of a sample Annuities & GICs rate bulletin are distributed approximately once every 2 months. These bulletins are passed through to more than 45,000 readers.

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Reporting Companies (87Best's)	Date of Quote	COST OF \$1000 MONTHLY INCOME (QUALIFIED FUNDS)						
		ISSUE AGES AND FORMS OF ANNUITY						
		Male 65 Life	Male 70 Life	Fem. 65 Life	Fem. 70 Life	10yr PC No Life	M65 F60 J&50% ^S *	M65 F60 J&100% ^S *
Presidntl** (A) nq	01/18	\$ 96,712	\$ 87,489	\$104,275	\$ 96,246	\$ 79,365	\$106,270	\$115,875
Transam.L. (A)	01/20	\$ 98,328	\$ 88,261	\$106,496	\$ 98,328	\$ 89,365	\$109,170	\$120,048
West.Unit. (B+) nq	01/21	\$100,100	\$ 89,286	\$109,290	\$ 99,206	\$ na	\$ na	\$124,224
Standard** (A+)nq	01/14	\$100,401	\$ 90,353	\$109,032	\$100,401	\$ 80,810	\$110,903	\$121,312
Wash. Natl.(A+) nq	01/12	\$102,618	\$ 92,430	\$111,778	\$102,447	\$ 82,694	\$116,111	\$125,167
Jacksn Ntl. (A+)nq	01/19	\$103,107	\$ 92,609	\$111,831	\$102,489	\$ 82,108	\$114,219	\$125,338
Exec. Life CAL (A+)	01/19	\$103,144	\$ 92,857	\$111,673	\$102,487	\$ 82,624	\$114,085	\$125,026
Canada Life (A+)	01/22	\$103,219	\$ 93,251	\$111,916	\$102,904	\$ 84,390	\$114,165	\$125,111
Lincln.Bnf. (A+) nq	01/15	\$105,047	\$ 94,346	\$113,915	\$104,377	\$ 84,906	\$116,340	\$127,633
Western Pac.(NA-3)	01/18	\$105,931	\$ 94,632	\$115,416	\$105,166	\$ 86,178	\$114,765	\$130,198
Penn Mutual (A+)	01/17	\$105,820	\$ 94,339	\$105,820	\$ 94,339	\$ 81,433	\$116,279	\$126,422
Guar.Sec. (NA3)nq	01/18	\$105,931	\$ 94,632	\$115,416	\$105,166	\$ 86,178	\$114,765	\$130,198
Kans.City.** (A+)nq	01/12	\$106,370	\$ 94,351	\$106,370	\$ 94,351	\$ 83,532	\$117,059	\$127,814
Am.Mut.L.** (A+) nq	01/25	\$106,495	\$ 94,517	\$116,549	\$105,819	\$ 86,206	\$ na	\$ na
Manufacturer.(A+)nq	01/18	\$106,825	\$ 95,425	\$119,125	\$109,125	\$ 85,725	\$119,625	\$132,525
Fed. Kemp. (A) nq	01/27	\$107,023	\$ 95,695	\$117,566	\$107,828	\$ 85,504	\$119,080	\$131,137
Western Life (A+)nq	01/12	\$108,085	\$ 97,018	\$117,544	\$107,745	\$ 85,866	\$116,555	\$131,625
Wash. Sq. (A) nq	01/11	\$109,370	\$ 98,335	\$120,827	\$109,370	\$ 85,018	\$119,817	\$138,321
Delta L. (A) nq	01/22	\$111,341	\$100,470	\$111,341	\$100,470	\$ 83,009	\$123,958	\$130,949
Minn Mut.** (A+)nq	01/22	\$113,766	\$103,474	\$113,746	\$103,474	\$ 84,520	\$116,144	\$131,196
Equitable (A+)nq	01/19	\$117,207	\$106,796	\$117,207	\$106,796	\$ 87,047	\$126,084	\$134,960
Bank.Sec. (A)	01/19	\$118,139	\$105,560	\$118,139	\$105,560	\$123,076	\$129,274	\$140,327
Southwestern(A+)nq	01/19	\$121,952	\$111,047	\$121,952	\$111,047	\$ 89,748	\$126,241	\$139,847
Amer. Inv.** (A) nq	01/11	\$122,399	\$110,132	\$122,399	\$110,132	\$ 87,796	\$122,850	\$141,043
FncI.Benf. (NA0)nq	01/20	\$139,664	\$117,785	\$139,664	\$117,785	\$ 86,956	\$127,877	\$147,492

Source: United States Annuities, Rate Surveys Division, Telephone: (201) 613-0700. All Rights Reserved.

* J&S annuity reducing on death of Male (primary annuitant) only. ** First payment 1 month after date of issue
nq= available for non-qualified deposits, too. Premiums may differ from above.

DEFERRED ANNUITIES

Deferred Annuities are accumulation contracts providing cash value buildup on a tax-deferred basis until withdrawn. There are three types of deferred annuities: (1) Single Premium Deferred Annuities (SPDAs) which accept a one time investment of principal. Interest is credited on the account at a declared fixed rate which may be guaranteed for periods ranging anywhere from a calendar quarter to as much as ten years but never falls below a minimum or "floor" rate of 4% to 6%; (2) Flexible Premium Deferred Annuities (FPAs) which have all the features of SPDAs with the added flexibility that multiple deposits over the life of the contract are permitted, however, the interest rate guarantees are reduced and the surrender penalties in effect are for longer periods; and (3) Individual Variable Annuities (IVAs) which unlike fixed annuities typically offer a range of funding accounts where investment unit values are subject to fluctuation in response to market conditions.

The IRS recognizes deferred annuities as a means of providing retirement income, and has conferred tax-favored status to them with the understanding that no withdrawals are made before age 59-1/2. If an early withdrawal is necessary, the full amount representing interest income is taxed at the normal rate and subject to a 10% surcharge. This penalty does not apply, for example, when the proceeds are used to purchase an immediate annuity (see SPIA above) making payments for life or for at least five years.

Some of the features which make SPDAs attractive over competing investments are: (1) Guaranteed principal Plus interest at competitive rates; (2) Tax-deferred accumulation which allows the annuity holder to earn interest on money he would otherwise have been obliged to pay in taxes; (3) Guaranteed Income for life if so desired or lump sum return of principal plus interest taxed at distribution; (4) No sales charges or front-end loads, 100% of deposit earns interest; (5) No administrative, management or supervision worries; (6) Probate avoidance and some relief from estate taxation if properly arranged.

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The cash accumulation figures presented below are based on a single premium deposit of \$100,000 in qualified funds by a 45 year old male who annuitizes his contract on a Life Only monthly income after 20 years (age 65). Quotes include all fees and commissions but not state premium taxes, if applicable. Call (201) 613-0700 for further quotations.

Reporting Companies (87Best's)	Date of Quote	Policy Name	Initial Credited Rate	Yield Guarantee Period	Bail-out Escape Rate	Surrender Fees			20 Yr Cash Accum Curr Rate	Mo Life Income Curr Rate
						1	4	7		
Guar. Sec. (NA3) nq	01/18	SPDA IV	10.00%	1 Year	na	10%	5%	2%	\$672,750	\$6,411
Amer. Invest. (A) nq	01/11	Eagle I	9.50%	1/14/90	7.00%	10%	7%	4%	\$427,195	\$5,494
West. Unit. (B+) nq	01/19	UNIMAX II	9.60%	1 Year	na	5%	5%	4%	\$625,477	\$6,248
Fed. Kemper (A)	01/27	Pro S	9.50%	1/14/89	na	6%	6%	6%	\$614,161	\$5,992
Delta Life (A)	01/18	SPA Pref.S.	9.40%	1 Year	4.00%	6%	6%	3%	\$515,290	\$4,686
Golden Rule (A) nq	01/19	Wealth Bld	9.35%	1 Year	na	8%	5%	2%	\$597,553	\$5,450
Jackson Natl (A+) nq	01/18	MAX Plan	9.25%	none	na	6%	3%	0%	\$586,717	\$5,861
Fnc'l.Benf. (NA0)	01/19	SPDA III	9.25%	1 Year	0%	10%	7%	4%	\$586,717	\$3,807
Am. Mut. L. (A+)	01/25	Accum. 588	9.00%	none	7.50%	6%	3%	0%	\$560,441	\$5,397
Pres. Life (A) nq	01/18	SPDA I	9.00%	11/30/88	7.00%	7%	4%	1%	\$560,441	\$5,615
Lincoln Benf (A+)	01/13	The One	8.75%	3 Years	na	7%	4%	1%	\$535,285	\$5,361
Exec. Life (A+) nq	01/19	Safe AnnII	8.75%	1 Year	7.75%	5%	2%	0%	\$535,285	\$5,464
Wash. Natl.(A+)	01/12	WN Plan II	8.70%		na	6%	6%	0%	\$530,385	\$5,378
Wash. Square (A)	01/13		8.65%	2 Years	7.65%	7%	4%	1%	\$525,526	\$5,006
Penn Mut. (A+)	01/15	Divers. II	8.50%	3 Years	na	5%	5%	5%	\$511,204	\$4,715
Standard Ins (A+)	01/14	Flex Prm	8.50%	none	5.75%	7%	6%	3%	\$511,205	\$5,255
Minn. Mut. (A+) nq	01/22	SPDA	8.50%	2 Year	na	8.1%	5.4%	2.7%	\$511,205	\$4,494
Kans. City (A+)	01/12	SDDA	8.35%	3 Years	6.6%	7%	6%	2%	\$497,254	\$4,679
West. Life (A+)	01/12	Fort. SPG	8.25%	3 Years	7.24%	6%	4%	0%	\$488,155	\$4,515
Transamerica (A)	01/20	Flex-Pac	8.25%		7.24%	8%	5%	5%	\$488,073	\$4,458
Southwestern(A+)	01/19	Liberty 5	8.00%	5 Years	na	5%	4%	2%	\$466,000	\$3,828
Equitable (A)	01/15	Evliplan II	8.00%	1 Year	na	6%	4%	1%	\$466,096	\$4,060
Manufacturers(A+)	01/12	Value Add.	7.50%	5 Years	na	6%	4%	0%	\$424,785	\$4,020

Source: United States Annuities, Rate Surveys Division, Telephone: (201) 613-0700. All Rights Reserved.

nq= available for non-qualified deposits, too, however, credited rates may differ from those shown above.

YIELD GUARANTEE PERIOD: Length of time for which initial credited rate is guaranteed.

BAIL-OUT/ESCAPE RATE: A rate below which if declared all funds may be withdrawn without surrender penalties.

SURRENDER PENALTIES PER YEAR: A schedule of company imposed charges for annual withdrawals in excess of the permitted free annual withdrawal corridor (usually 10% of the accumulated cash value).

GICs & INSURED FINANCIAL GUARANTEES

GICs (Guaranteed Interest or Investment Contracts) and GFAs (Guaranteed Funding Agreements) are an integral part of many qualified and non-qualified plan's investment portfolios. They provide the highest rates of return and lowest market volatility of any fixed-income asset. GICs are backed by the general account assets of the insurance companies who in turn employ immunization strategies to match the duration of their assets with their GIC/GFA obligations.

While each GIC/GFA contract is negotiated individually to meet the specific needs of the buyer, the following brief description covers nearly all the different types of GICs currently in use: (1) Bullet Deposit contracts effectively compete with CDs of similar durations. Bullets provide a current interest rate guarantee on a one-time deposit for a specified maturity period (1 to 10 years). (2) Window or Flexible or Recurring Deposit contracts are similar to bullets except they provide a current interest rate guarantee which covers all deposits received over a 12-month period. These instruments are attractive for employee contributions in 401K plans. (3) Benefit Responsive contracts provide interest accumulation (as with "bullets") and scheduled or non-scheduled withdrawals to meet a plan's or contractholder's cash flow needs. Funds can be paid out at book value to cover retirement or separation from employment costs for qualified plans or loan or bond interest payments in credit enhancement, municipal-funding or venture capital applications.

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Applications: GICs and GFAs have many qualified and non-qualified applications including: (1) Defined Benefit and Defined Contribution - 401K plans. (2) 501(c) tax-exempt organizations, VEBA plans, and non-qualified Deferred Comp plans. (3) Educational Endowments, Foundation and Charitable Trusts. (4) Asset diversification programs. (5) Taft-Hartley Fiduciary Management Trusts. (6) Group Legal Service funds. (7) Retired Life Reserves or Premium Stabilization funds for health and welfare plans.

The following rates are for Bullet GICS in qualified plan situations and are quoted net of expenses and with no commissions. Call (201) 613-0700 for rates on Window and Benefit Responsive GICS and Non-Qualified Guaranteed Funding Agreements.

Reporting Companies (87Best's)	Date of Quote	\$100,000 Deposit				\$1,000,000 Deposit				\$5,000,000 Deposit			
		Compound		Simple		Compound		Simple		Compound		Simple	
		3 Yr	7 Yr	3 Yr	7 Yr	3 Yr	7 Yr	3 Yr	7 Yr	3 Yr	7 Yr	3 Yr	7 Yr
Safeco L.(A+)	01/18	8.49%	-	8.49%	-	8.68%	-	8.68%	-	-	-	-	-
Hartford (A+)	01/14	8.24%	8.88%	8.24%	8.88%	8.49%	9.13%	8.49%	9.13%	8.44%	9.09%	8.44%	9.09%
Transam. (A)	01/15	8.22%	-	8.03%	9.03%	8.57%	-	8.38%	9.38%	8.27%	-	8.38%	9.37%
Guar.Sec. (NA3)	01/18	-	8.95%	-	8.95%	-	8.95%	-	8.95%	-	8.95%	-	8.95%
Confed. (A+)	01/15	8.06%	9.28%	8.11%	9.33%	8.31%	9.48%	8.36%	9.53%	8.41%	9.53%	8.46%	9.58%
Exec. Lif.(A+)	01/20	-	-	-	-	8.27%	9.43%	8.27%	9.58%	8.30%	9.45%	8.30%	9.60%
Home Life. (A+)nq	01/10	-	-	-	-	8.20%	-	8.15%	-	-	-	-	-
Life/GA. (A+)	01/18	-	-	-	-	-	9.10%	-	9.10%	-	9.15%	-	9.15%
NorthWest. (A+)nq	01/19	-	-	-	-	8.45%	8.98%	8.28%	8.85%	8.47%	9.06%	8.41%	8.87%
Nationwide (A+)	01/22	8.15%	-	8.01%	-	8.19%	-	8.05%	-	-	-	-	-
New York L.(A+)	01/11	8.10%	8.70%	8.15%	8.75%	8.30%	8.90%	8.35%	8.95%	8.35%	8.95%	8.40%	9.00%
Minn. Mut. (A+)	01/21	8.04%	-	8.11%	-	8.23%	-	8.33%	-	8.24%	-	8.34%	-
Penn Mut. (A+)	01/15	7.87%	8.87%	7.87%	8.82%	8.83%	9.24%	8.33%	9.19%	8.33%	9.24%	8.33%	9.19%
Prudential (A+)	01/15	-	-	-	-	-	-	-	-	8.08%	9.08%	8.08%	9.03%
Southwest. (A+)nq	01/19	7.74%	8.61%	7.87%	8.97%	8.07%	8.87%	8.20%	9.23%	8.07%	8.87%	8.20%	9.23%
Mass. Mut. (A+)	01/12	6.88%	8.33%	6.75%	7.83%	7.68%	8.93%	7.65%	8.76%	7.85%	9.10%	7.78%	8.79%

Source: United States Annuities, Rate Surveys Division, Telephone: (201) 613-0700. All Rights Reserved.
nq= available for non-qualified deposits, too, however, credited rates may differ from those shown above.

CDs & TREASURIES (Rates as of 2/1/88)

The following table illustrates the highest national CD yields available published by the institutions themselves. In general, these thrift or bank accounts are insured up to \$100,000 per person by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC). Annuities and GICs does not evaluate the financial conditions of the institutions offering such high yields. The Treasury rates listed below are current market yields published in Investor's Daily.

Term	Institution	Location	Phone	Stated Yield	Compnd Mthd	Ann Eff Yield	Avrg Ann Yield
6-Mo.	First City Savings	Irving,TX	(800) 631-5312	8.25%	CD	8.60%	na
	U. S. Government	na	na	6.30%	na		
1-Yr.	Sunbelt Savings	Dallas,TX	(800) 527-5165	8.75%	CQ	9.04%	na
	U. S. Government	na	na	6.80%	na		
2-1/2 Yr.	Sunbelt Savings	Dallas,TX	(800) 527-5165	9.00%	CQ	9.31%	9.97%
	U. S. Government	na	na	7.33%	na		
5 Yr.	Baltimore Fed. S&L	Baltimore, MD	(800) 777-2331	9.15%	CD	9.58%	11.60%
	U. S. Government	na	na	7.89%	na		

Sources: 100 Highest Yields (for CDs); Investor's Daily (for Treasuries). na= information not available
Compounding Abbreviations - CC=continuously, CD=daily, CQ=quarterly, SA=semi-annually, CA=annually, SI=simple interest.
Average Annual Yield is the average yield per year over the life of the investment assuming principal and interest on deposit until maturity.

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TERMINAL FUNDING & "GROUP BUYOUT" ANNUITIES

Terminal Funding Annuities (TFAs), sometimes called Non-Par Buyout or Guaranteed Deferred Benefit Annuities are custom contracts which cover the accrued benefit liabilities of terminating or ongoing pensions. They may be used to guarantee future benefits for a separating or retiring individual or group of plan participants. When applied to the purchase of a group of participants' benefits (as in Single Premium Non-Par Group Buyout Contracts: SPGAs) the underlying rates used by the insurance companies are a blend of various maturities matching the projected cash flow of the future benefits. Premiums depend on the types of plan provisions included in the contract, such as the early retirement subsidies, unreduced disability benefits, or pre-retirement death benefits, as well as participant characteristics such as age, sex, or the ratio of immediate to deferred benefits. Not surprisingly, price leadership among insurers' changes throughout the year as each insurer's profits and premium objectives develops, and even with respect to the same plan, at any time competing quotes may vary by as much as 30%.

United States Annuities Brokerage Services can assist you in the purchase of group annuities for terminating or ongoing plans. Our work entails the following steps:

- (1) Meetings with plan actuaries and corporate decision makers to develop a contract implementation schedule.
- (2) Developing plan specifications for presentation to the major insurance companies. By properly communicating plan needs, risk premiums and costs are reduced.
- (3) Reviewing competitive bid proposals for completeness, refining the best offers and organizing final bidding procedures and transfer of funds.
- (4) Auditing final changes in data and costs, final contracts and participant certificates. Continuing to represent the plan vis a vis the insurer in all subsequent inquiries.

Our combination of specialized marketing expertise and unique annuity-tracking database make us your best source for group terminal funding contracts. Call (201) 613-0700 for details.

The following table of individual annuity costs illustrates the premium required to guarantee \$1000 of monthly life income if purchased by a qualified plan for a participant at the stated ages listed below and with the first payment deferred to age 65. These contracts offer no cash surrender values ("non-par"). The deferred income amounts are contractually guaranteed. In general, these contracts offer a minimum REA death benefit and permit early commencement with reduced benefits. Call (201) 613-0700 for further quotations.

Reporting Companies (87Best's)	Quote Date	I	S	S	U	E	A	G	E	S
		Male 30	Male 40	Male 50	Male 60		Fem. 30	Fem. 40	Fem. 50	Fem. 60
Delta Life (A)nq	01/18	\$ 7,610	\$ 14,309	\$ 29,467	\$ 67,031		\$ 8,534	\$ 15,981	\$ 32,605	\$ 73,281
Canada Life (A+)	01/22	\$ 9,327	\$ 16,048	\$ 28,894	\$ 65,337		\$ 10,183	\$ 17,629	\$ 31,800	\$ 71,091
Wash. Natl(A+)nq	01/12	\$ 34,197	\$ 50,620	\$ 74,930	\$ 110,915		\$ 40,010	\$ 59,224	\$ 87,666	\$ 129,767

Source: United States Annuities, Rate Surveys Division, Telephone: (201) 613-0700. All Rights Reserved.
nq= available for non-qualified deposits, too, however, credited rates may differ from those shown above.

STRUCTURED SETTLEMENT ANNUITIES

Periodic payment annuities, commonly known as structured settlements, are a popular means of providing compensation to personal injury and tort victims that offer significant advantages to all parties concerned. The greatest benefits accrue to the plaintiff since the IRS code excludes from gross income any damages he receives through such a settlement annuity on account of personal injuries or sickness, as long as the method of funding the settlement is not a part of the agreement, and that the annuity is not obtained at the election of the plaintiff, as that might constitute constructive receipt. Additionally, the inherent flexibility of annuities provides life-long financial security for the plaintiff, lower costs to the insurance company or defendant who pays the damages, and tax benefits to plaintiff attorneys by allowing receipt of fees over an extended period of time.

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Settlement schedules take different forms. They commonly include an initial lump-sum payment to cover attorney's fees, medical expenses, pain and suffering, loss of income, and so forth; monthly payments continuing for plaintiff's life which may also include a cost of living adjustment; and decennial lump-sum payments. Additional elements can provide education endowments for plaintiff's children, reversionary medical trusts, term insurance to cover cost of plaintiff's burial or to care for plaintiff if other family members predecease him, or lump sum payments to family members if plaintiff is no longer living after a stipulated fixed period.

The following quotations represent the total premium amount required to guarantee \$1000 of monthly life income, assuming a 0% or 3% per annum cost of living adjustment (COLA). Quotes assume (1) normal life expectancy (ie., plaintiff's injury is not life impairing) and (2) cost of any third-party assignment is extra and (3) that the date of issue and the first payment dates are the same. All fees and commissions but not state premium taxes, if applicable, are included.

Reporting Companies (87Best's)	Date of Quote	COST OF \$1000 MONTHLY INCOME (with X% COLA) ISSUE AGES AND FORMS OF ANNUITY							
		Male 15		Male 50		Fem. 15		Fem. 50	
		0% COLA	0% COLA	3% COLA	3% COLA	0% COLA	0% COLA	3% COLA	3% COLA
Pres. Life (A)	01/18	\$123,154	\$105,620	\$171,921	\$133,380	\$124,891	\$112,657	\$176,632	\$146,029
Standard (A+)	01/14	\$133,267	\$117,151	\$198,894	\$153,037	\$134,421	\$122,273	\$203,980	\$163,031
Jacks. Nl. (A+)	01/22	\$138,117	\$123,680	\$203,028	\$166,554	\$138,685	\$129,015	\$205,506	\$177,058
Exec. L. (A+)	01/19	\$139,508	\$116,332	\$208,329	\$150,214	\$141,126	\$125,413	\$215,141	\$167,163
Fed. Kem. (A)	01/27	\$142,833	\$127,274	\$231,793	\$175,375	\$143,492	\$134,428	\$237,732	\$192,082
Delta L. (A)	01/21	\$145,709	\$126,616	\$223,220	\$169,254	\$146,949	\$132,687	\$228,488	\$181,498

Source: United States Annuities, Rate Surveys Division, Telephone: (201) 613-0700. All Rights Reserved.

VARIABLE ANNUITIES

Variable Annuities (VAs) resemble mutual funds with their menu of stocks, bonds, short-term and guaranteed rate options with unit values subject to market fluctuations. (Fixed annuities only offer the guaranteed interest rate accounts - see section on SPDAs). VAs transfer most of the investment risks and opportunities from the insurer to the policyholder and are considered securities for licensing and disclosure. VAs generally accept qualified and after-tax deposits and like SPDAs, earnings compound tax-free until distribution (mutual funds pay taxes each year on income and capital gains). The owner of a VA may direct his plan investment strategy by transferring or "switching" the funds (usually by phone) among the various accounts. Many VAs also permit loans against accumulations and provide the following guarantee not available in a mutual fund: Should the investor die before distribution, his beneficiary receives at least his initial investment in the VA.

Advantages: VAs offer these benefits: (1) Investment flexibility; since emphasis can be shifted to stocks, bonds, or fixed accounts as markets change. (2) Competitive guaranteed interest rates. (3) Guaranteed safety of principal (Fixed Accounts). (4) Guaranteed death benefits. (5) Ability to switch investment without charge, brokerage commissions, or tax implications. (6) Tax-deferred accumulation. (7) Access to money through loans or withdrawals. (8) A choice of annuity options including guaranteed life income. (9) Estate benefits.

The following table shows the ten best performing VA funds on a calendar-year and 12-month year-to-date bases (latest data available) thru Oct. 1987. The data reflect the change in net asset value including the benefit of the total reinvestment of all income dividends and capital gains distributions at net asset value on the fund's ex-dividend date. Reinvestment of distributions at market value below net asset value produces higher returns than shown. Sources: Lipper Analytical Services; National Underwriter.

Reporting Cos. Policy Names	12/31/86- 10/31/87		Reporting Cos. Policy Names	12/31/86- 10/31/87	
	% Change	% Change		% Change	% Change
IDS Life Var Ann Fund B	+25.20%	+23.45%	Franklin Life Var Ann A	+12.60%	+11.13%
IDS Life Var Ann Fund A	+24.16%	+22.55%	Nationwide VA TCG Q	+10.29%	+ 7.90%
Penn Mutual VA3 AGG EQ	+18.61%	+14.86%	IDS Life Account F	+ 8.59%	+ 5.14%
Lincoln Natl Growth FD	+14.32%	+14.80%	Lincoln Natl VA FD B	+ 8.58%	+ 8.40%
Franklin Life Var Ann B NQ	+13.85%	+12.28%	Hudson River VL Agg Stk	+ 8.01%	+ 7.26%

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