

\$35.00

# ANNUITY SHOPPER

*(Formerly Annuities and GICs)*

*Publication of United States Annuities*

Winter 1988-89 (v. 4, n.1)

## ***MOST COMPETITIVE RATES FOR***

- Pension Termination Annuities
- Immediate and Deferred Annuities
- Terminal Funding Annuities
- Structured Settlement Annuities
- GICs and Insured Financial Guarantees

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 following quotations represent single premium amounts required to guarantee \$1000 of monthly income on the annuity forms described below when calculated using sex-distinct rates. These quotes assume first payment is one month after the date of issue and include all fees and commissions but not state premium taxes, if applicable. Call 1-800-U.S.ANNUITIES (1-800-872-6684) for details.

Reporting Companies (88Best's)	COST OF \$1000 Date of Quote	MONTHLY INCOME (BASED ON SEX DISTINCT RATES)							
		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*	
Ministers L.(A) qnq	12/07	\$ 98,628	\$ 86,969	\$112,991	\$103,028	-	\$109,141	\$123,685	
West. Unit.(B+) qnq	12/23	\$100,100	\$ 89,286	\$109,290	\$ 99,206	\$ 86,580	-	\$123,762	
Am.Mut.L. (A+) qnq	12/13	\$100,502	\$ 93,196	\$114,547	\$104,166	\$ 84,530	-	\$129,533	
Wash. Natl.(A+) qnq	12/13	\$101,416	\$ 90,968	\$110,355	\$101,295	\$ 82,597	\$114,577	\$123,484	
Unit. Pac. (A+) qnq	12/06	\$102,020	\$ 91,870	\$110,400	\$101,451	\$ 85,482	\$112,638	\$123,259	
Canada Life(A+)qnq	12/21	\$103,001	\$ 92,822	\$111,844	\$102,611	\$ 83,336	\$114,139	\$125,278	
Transam.L. (A) q	12/23	\$103,185	\$ 92,119	\$112,544	\$103,185	\$ 88,626	\$112,167	\$127,703	
Manufact. L.(A+)qnq	12/15	\$103,225	\$ 92,525	\$114,625	\$105,425	\$ 83,425	\$115,025	\$126,925	
Minn. Mut. (A+) qnq	12/20	\$103,474	\$ 91,409	\$113,747	\$103,474	\$ 84,520	\$116,183	\$128,891	
Natl.Fidel.(A+)qnq	12/14	\$103,531	\$ 92,638	\$112,873	\$103,267	\$ 83,935	\$118,118	\$126,840	
Ohio Natl.L.(A+)qnq	12/14	\$103,566	\$ 92,666	\$113,133	\$103,179	\$ 84,371	\$115,670	\$127,774	
Amer. Inv.(A) qnq	12/12	\$103,606	\$ 93,209	\$112,195	\$103,000	\$ 84,006	\$111,462	\$125,388	
Pres. Life (A) qnq	12/20	\$103,950	\$ 93,197	\$112,867	\$103,199	\$ 82,850	\$115,473	\$126,904	

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## IMMEDIATE ANNUITIES continued . . .

Reporting Companies (88Best's)	COST OF \$ 1000 Date of Quote	MONTHLY INCOME (BASED ON SEX DISTINCT RATES)						
		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*
Stand.Ins. (A+) qnq	12/15	\$104,050	\$ 93,210	\$113,350	\$103,942	\$ 82,540	\$115,414	\$126,795
Jacksn Ntl. (A+)qnq	12/14	\$104,167	\$ 93,458	\$112,994	\$103,520	\$ 82,781	\$115,473	\$126,743
Prudential(A+)qnq	12/20	\$104,172	\$ 92,561	\$114,107	\$103,647	\$ 83,572	\$116,607	\$129,041
First Colony(A+)qnq	12/12	\$104,451	\$ 93,864	\$113,546	\$104,053	\$ 84,036	\$116,037	\$127,623
Exec.L. Cal (A+)qnq	12/16	\$105,028	\$ 94,567	\$113,755	\$104,473	\$ 82,790	\$116,092	\$127,155
Penn.Mutual(A+)qnq	12/16	\$105,132	\$ 93,832	\$115,540	\$105,574	\$ 82,906	\$110,697	\$126,622
Life I. S.W.(A+)qnq	12/07	\$105,647	\$ 98,572	\$114,205	\$105,092	\$ 86,406	\$121,853	\$135,003
Lincoln Ben(A+R)qnq	12/21	\$105,718	\$ 94,667	\$114,898	\$104,992	\$ 85,165	\$117,445	\$129,171
Southwest (cA+)qnq	12/16	\$105,780	\$ 94,743	\$115,288	\$105,575	\$ 83,676	\$114,388	\$129,123
Kans.City.L.(A+)nq	12/05	\$106,370	\$ 94,351	\$116,379	\$105,697	\$ 85,790	\$117,059	\$127,814
Equitable (A+)qnq	12/20	\$106,728	\$ 95,826	\$116,900	\$106,326	-	\$118,835	\$130,941
SunlifeAmer(A+)qnq	12/15	\$106,838	\$ 97,371	\$115,341	\$107,182	\$ 84,389	\$123,305	-
Central L. (A+) nq	12/16	\$107,526	\$ 96,805	\$116,550	\$107,296	\$ 83,340	\$115,606	\$129,870
Federal Kem.(A) qnq	12/22	\$108,006	\$ 96,387	\$118,842	\$108,786	\$ 85,710	\$120,447	\$132,889
West. Natl.L(A+)qnq	12/05	\$108,075	\$ 96,790	\$117,479	\$107,278	\$ 84,966	\$120,157	\$132,238
Sun L.Cnda (A+)qnq	12/13	\$108,225	\$ 96,993	\$116,550	\$106,383	\$ 84,674	\$116,686	\$132,450
State Life (A)q	12/13	\$109,338	\$ 99,145	\$118,229	\$109,510	\$ 85,389	\$117,199	\$130,559
Wash. Sq. L.(A) qnq	12/16	\$109,370	\$ 98,335	\$120,827	\$109,370	\$ 85,017	-	-
Kent.Ctrl.(A+c)qnq	12/16	\$110,111	\$ 99,504	\$110,111	\$ 99,504	-	-	\$128,305
WM L.&Empire(NR)qnq	12/27	\$110,213	\$ 97,622	\$120,763	\$109,122	\$ 85,570	\$123,915	\$137,633
Keyst.Prov.(A+)qnq	12/19	\$111,015	\$ 99,752	\$120,343	\$110,161	\$ 86,061	-	\$136,576
West. Life (A+) qnq	12/15	\$111,025	\$100,802	\$124,662	\$113,075	\$ 83,547	\$123,814b	\$141,296
Guar.Sec.(NA-3)qnq	12/15	\$112,612	\$ 99,601	\$123,456	\$111,358	\$ 85,178	\$126,828	\$141,043
West.Pac.(NA-3)qnq	12/15	\$112,612	\$ 99,601	\$123,456	\$111,358	\$ 85,178	\$126,828	\$141,043
Amer.L.& Cas(A)qnq	12/15	\$113,379	\$101,215	\$123,609	\$112,613	\$ 88,417	\$123,001	\$139,665
Finan.Ben.(NR3)qnq	12/17	\$113,640	\$100,700	\$113,640	\$100,700	\$ 83,400	\$122,850	\$141,040
John Alden (cA+)qnq	12/05	\$114,082	\$100,806	\$125,848	\$113,632	\$ 87,912	\$128,925	\$143,768

Source: U. S. Annuities Brokerage Services, Englishtown, NJ, Tel: 1-800-U.S.ANNUITIES (1-800-872-6684).

\* J&S annuity reducing on death of Male (primary annuitant) only. b= reduces on death of either annuitant  
qnq= available for qual. and non-qual. funds q= qualified funds only. cA+= Best's Contingent A+

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.

## 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.

DEFERRED ANNUITIES continued . . .

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.

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 1-800-U.S.ANNUITIES (1-800-872-6684) for details.

Reporting Companies (88Best'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		
Finan.Ben. (NR3)qnq	12/14	Accumul.	10.00%	1 Year	8.00%	15%	13%	7%	\$672,750	\$5,920
Amer. Invest.(A)qnq	12/12	SPDA-I	9.75%	1/14/90	7.25%	10%	7%	4%	\$642,822	\$6,479
Fed Kemper (A) qnq	12/20	Pro Ann. 5	9.50%	1/15/89	-	6%	6%	6%	\$614,161	\$5,338
Kent.Ctrl.(cA+)qnq	12/15	SPDA	9.30%	(Cal. Yr.)	none	5%	5%	5%	\$592,111	\$5,542
State Life(A) qnq	12/13	Flex Ann.I	9.15%	1 Month	-	7%	4%	1%	\$576,074	\$5,764
Sun L. Amer.(A+)qnq	12/16	SPDA 4	9.05%	1 Year	-	6%	3%	0%	\$565,605	\$5,294
Safeco Life (A+) q	12/16	Qual. Pen.	9.00%	6 mo.	-	10%	7%	4%	\$560,441	\$4,726
Jackson Natl (A+)qnq	12/14	MAX Plan	9.00%	-	-	6%	3%	0%	\$560,441	\$5,481
John Alden(cA+)qnq	12/05	All Purpose	9.00%	Cal. Yr.	-	9%	7%	4%	\$560,441	\$4,913
Golden Rule(A) qnq	12/12	WlthBldrII	9.00%	1 Year	-	8%	5%	3%	\$560,441	\$5,520
Ohio Natl L.(A+)qnq	12/15	Choice Ann.	9.00%	1 Year	8.00%/d	8%	5%	2%	\$560,441	\$5,263
Exec. Life (A+) qnq	12/16	Ten-Strike	8.95%	10 Years	4.00%	6%	4%	1%	\$555,669	\$5,525
Wash. Natl.(A+) qnq	12/13	WN Plan II+	8.90%	Cal. Yr.	-	6%	6%	0%	\$550,247	\$5,646
Keyst.Prov.(A+)qnq	12/19	KeyAnn.87	8.85%	1 Year	-	7%	6%	0%	\$545,216	\$5,112
First Colony(A+)qnq	12/12	SPDA I	8.80%	1 Year	7.30%	7%	6%	3%	\$540,229	\$5,276
West. Unit.(B+) qnq	12/23	Unimax II	8.80%	1 Year	-	5%	5%	4%	\$540,229	\$5,397
Presidential L.(A)qnq	12/20	SPDA I	8.75%	12/31/89	6.75%	7%	4%	1%	\$535,285	\$5,149
Minn.Mutual(A+) qnq	12/20	SPDA	8.75%	2 Years	-	6%	4.2%	2.4%	\$535,285	\$5,173
Equit.Var.(A) qnq	12/20	Evliplan II	8.75%	1 Year	-	6%	4%	1%	\$535,285	\$4,967
Western Natl (A+)qnq	12/05	SPDA Plus	8.70%	1 Year	-	5%	5%	0%	\$530,385	\$5,160
Unit. Pac. L.(A+)qnq	12/06	Benchmark	8.70%	1 Year	7.70%	7%	4%	1%	\$530,385	\$5,150
Transamerica (A) q	12/23	RET. BLD.	8.65%	1 Year	7.64%	8%	5%	2%	\$525,526	\$5,108
Minister.Life (A)qnq	12/07	SPDA	8.55%	-	-	7%	4%	0%	\$515,937	\$5,195
Southwestern(cA+)q	12/16	Liberty 5	8.55%	1 Year	-	5%	4%	2%	\$515,937	\$4,892
Am. Mut. L. (A+) qnq	12/13	Accum. 588	8.50%	1 Year	7.00%	6%	3%	0%	\$511,205	\$5,056
West.Pac.(NA-3)qnq	12/19	SPDA-88	8.50%	1 Year	e	5%	2%	1%	\$511,205	\$4,309
Guar.Sec.(NA-3)qnq	12/19	GSLIC Cont.	8.50%	1 Year	e	5%	2%	1%	\$511,205	\$4,309
West. Life(A+) qnq	12/16	Fortune SPG	8.50%	3 Years	7.40%	6%	4%	0%	\$511,205	\$4,462
Wash. Sq. (A) qnq	12/07	SPDA	8.50%	2 Years	7.50%	7%	4%	1%	\$511,205	\$4,827
Linc. Ben. (A+R)qnq	12/23	The One	8.50%	3 Years	-	7%	4%	1%	\$511,205	\$4,988
Kansas C. L. (A+)qnq	12/05	SDDA	8.50%	3 Years	6.75%	7%	6%	2%	\$511,205	\$4,809
WM L.&Empire (NR)qnq	12/27	Flx Prm Ann	8.40%	1 Year	-	9.7%	6%	2%	\$501,864	\$1,288
Central L.(A+) qnq	12/22	Guar. 5	8.30%	5 Years	-	6%	0%	0%	\$492,684	\$4,582
Standard Ins (A+)qnq	12/15	Flex Prem	8.25%	-	5.00%	7%	6%	3%	\$488,155	\$4,847
Sun L. Canada(A+)qnq	12/13	Horizon Pl	8.25%	5 Years	5.00%	5%	5%	0%	\$488,155	\$4,530
LifeI.of S.W.(A+)qnq	12/07	BASE I	8.25%	1 Year	7.75%	5%	5%	0%	\$488,155	\$4,827
Penn.Mutual(A+)qnq	12/16	DvrsfierII	8.00%	1 Year	-	7%	4%	1%	\$466,100	-

Source: U. S. Annuities Brokerage Services, Englishtown, NJ, Tel: 1-800-U.S.ANNUITIES (1-800-872-6684).  
 qnq= available for qual. and non-qual. funds      q= qualified funds only.      cA+= Best's Contingent A+  
 d=lesser of 8% or 90% of T-Bill rate      e=no charge for surrender during 30 day period after each policy anniversary date

LEGEND:

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 permitted free annual withdrawal corridor (usually 10% of the accumulated cash value).

## DEFERRED ANNUITIES continued . . .

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.

## GICs &amp; 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.

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 1-800-U.S.ANNUITIES (1-800-872-6684) for rates on Window and Benefit Responsive GICS.

Reporting Companies (88Best'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
SunLifeAmer(A+)q	12/15	-	-	-	-	9.55%	9.75%	9.55%	9.75%	9.55%	9.75%	9.55%	9.75%
Prudential(A+)q	12/16	-	-	-	-	-	-	-	-	9.55%	9.69%	9.55%	9.69%
Penn Mutual(A+)q	12/18	9.00%	9.34%	8.97%	9.32%	9.45%	9.71%	9.43%	9.69%	9.45%	9.71%	9.43%	9.69%
N.W. Natl L(A+)q	12/30	-	-	-	-	9.44%	9.55%	9.43%	9.54%	9.57%	9.65%	9.56%	9.64%
Hartford (A+)q	12/20	9.17%	9.31%	9.17%	9.31%	9.42%	9.56%	9.42%	9.56%	9.42%	9.56%	9.42%	9.56%
Safeco. (A+)q	12/16	9.22%	-	9.22%	-	9.39%	-	9.39%	-	-	-	-	-
Exec.L. Cal(A+)q	12/30	-	-	-	-	9.30%	9.35%	9.30%	9.48%	9.33%	9.37%	9.33%	9.46%
Transam. (A)q	12/30	8.82%	-	8.78%	9.04%	9.15%	-	9.11%	9.37%	9.24%	-	9.20%	9.45%
Southwest.(A+)qnq	12/16	8.97%	9.46%	8.86%	9.36%	9.12%	9.61%	9.01%	9.51%	9.18%	9.67%	9.07%	9.57%
Confed. (A+)q	12/16	8.87%	9.39%	8.38%	9.44%	9.12%	9.54%	9.17%	9.59%	9.12%	9.54%	9.17%	9.59%
L.I.Georgia(A+)q	12/30	-	8.73%	-	8.73%	-	9.53%	-	9.53%	-	9.58%	-	9.58%
Canada Life(A+)q	12/21	8.02%	-	8.07%	8.60%	9.11%	-	9.16%	9.42%	9.20%	-	9.25%	9.40%
Manulife(A+)q	12/05	-	-	-	-	9.22%	9.14%	9.29%	9.50%	9.33%	9.22%	9.41%	9.60%
Ohio Natl(A+)qnq	12/15	8.35%	8.30%	8.28%	8.57%	8.72%	8.80%	8.74%	8.91%	8.72%	8.80%	8.74%	8.91%
Jack.Natl.(A+)qnq	12/14	-	-	-	-	-	-	-	-	8.72%	8.65%	8.66%	8.69%

Source: U. S. Annuities Brokerage Services, Englishtown, NJ, Tel: 1-800-U.S.ANNUITIES (1-800-872-6684).

qnq= available for qualified and non-qual. funds.

q= available for qualified funds only.

## TERMINAL FUNDING & GROUP 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 1-800-U.S.ANNUITIES (1-800-872-6684) for details.

## 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.

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 first payment date is one month after the date of issue. All fees and commissions but not state premium taxes, if applicable, are included. Call 1-800-U.S.ANNUITIES (1-800-872-6684) for details.

Reporting Companies (88Best'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	3% COLA	0% COLA	3% COLA	0% COLA	3% COLA	0% COLA	3% COLA
Pres. Life (A)	12/20	\$131,114	\$109,937	\$190,069	\$140,425	\$133,324	\$117,937	\$196,819	\$155,259
CentrLife(A+)	12/16	\$139,424	\$115,937	\$204,280	\$148,590	\$141,886	\$124,664	\$211,875	\$164,941
Standard (A+)	12/15	\$140,576	\$122,405	\$213,937	\$161,462	\$141,891	\$128,060	\$219,811	\$172,649
Exec. L. (A+)	12/21	\$142,145	\$117,397	\$215,391	\$152,099	\$143,983	\$126,858	\$223,393	\$169,826
OhioNatl(A+)	12/14	\$152,471	\$127,329	\$267,374	\$174,929	\$154,574	\$134,375	\$280,264	\$191,339
Sun L.Cnda(A+)	12/13	\$153,139	\$132,275	\$248,756	\$181,159	\$154,320	\$137,363	\$253,165	\$192,678
WM L.&Empr(NR)	12/27	\$156,539	\$136,407	\$242,296	\$188,122	\$157,645	\$143,206	\$246,430	\$201,977

Source: U. S. Annuities Brokerage Services, Englishtown, NJ, Tel: 1-800-U.S.ANNUITIES (1-800-872-6684)

## INSURANCE COMPANIES IN ANNUITY SHOPPER

<u>COMPANY</u>	<u>BEST'S</u>	<u>ASSETS</u>	<u>ADDRESS</u>	<u>CITY STATE ZIP</u>
AID Assoc for Luther.	A+	\$ 5.32B	4321 North Ballard Rd	Appleton, WI 54919
American Investors L.	A	\$ 0.85B	415 S W 8th Ave	Topeka, KS 66601
American L. & Casualty	A	\$ 1.02B	P.O. Box 9136	Des Moines, IA 50306
American Mutual Life	A+	\$ 0.41B	Liberty Bldg.	Des Moines, IA 50309
Bankers Security L.	A	\$ 0.26B	4601 Fairfax Drive	Arlington, VI 22203
Delta Life & Annuity	A	\$ 0.26B	P.O. Box 240308	Memphis, TN 38124
Canada Life Assurance	A+	\$ 9.13B	6201 Powers Ferry N.W.	Atlanta, GA 30339
Central Life Assurance	A+	\$ 2.10B	611 5th Avenue	Des Moines, IA 50309
Confederation Life	A+	\$ 10.40B	260 Interstate North	Atlanta, GA 30348
Equitable Life/EVLICO	A+/A	\$ 49.28B	2 Penn Plaza 16-K	New York, NY 10121
Executive Life /Calif.	A+	\$ 11.40B	P.O. Box 6090	Englewood, CA 90312
Federal Kemper	A	\$ 1.5 B	Building I, D-3	Long Grove, IL 60049
Financial Benefit	NR	\$ 0.22B	7251 W.Palmetto Pk.Rd.	Boca Raton, FL 33433
First Colony Life	A+	\$ 2.50B	7th & Main Streets	Lynchburg, VA 24504
Golden Rule	A	\$ 0.30B	7440 Woodland Dr.	Indianapolis, IN 46278
Guarantee Security L.	NA3	\$ 0.97B	P.O. Box 17870	Jacksonville, FL 32245
Hartford Life	A+	\$ 6.00B	1201 White Horse Road	Voorhees, NJ 08043
Home Life Ins. Co.	A+	\$ 3.54B	75 Wall Street	New York, NY 10005
Jackson National	A+	\$ 3.60B	5901 Executive Dr.	Lansing, MI 48909
John Alden	A+	\$ 1.60B	7300 Corporate Ctr Dr.	Miami, FL 33126
Kansas City Life	A+	\$ 1.60B	P.O. Box 419139	Kansas City, MO 64141
Kentucky Central Life	A+	\$ 0.85B	Kincaid Towers	Lexington, KY 40507
Keystone Provident	A+	\$ 3.80B	99 High Street	Boston, MA 02110
Life Ins. Co. Georgia	A+	\$ 1.90B	POB 105006	Atlanta, GA 30348
Life In. Co. Southwest	A+	\$ 0.49B	P.O. Box 569080	Dallas, TX 75356
Lincoln Benefit Life	A+R	\$ 0.06B	134 S. 13th	Lincoln, NE 68508
Manufacturers Life	A+	\$ 19.01B	200 Bloor Street East	Toronto, CN M4W 1E5
Metropolitan Life	A+	\$ 88.14B	One Madison Avenue	New York, NY 10010
Ministers Life	A	\$ 0.16B	P.O. Box 910	Minneapolis, MN 55440
Minnesota Mutual	A+	\$ 4.00B	400 N. Robert St.	St. Paul, MN 55101
National Fidelity Life	A+	\$ 0.38B	PO Box 510	Dallas, TX 75221
Nationwide Life Ins.	A+	\$ 7.29B	One Nationwide Plaza	Columbus, OH 43216
North West Natl Life	A+	\$ 4.70B	Wash.Sq.Capital PO9402	Minneapolis, MN 55440
Ohio National Life Ins	A+	\$ 1.95B	PO Box 237	Cincinnati, OH 45202
Penn Mutual Life Ins.	A+	\$ 4.09B	530 Walnut Street	Philadelphia, PA 19172
Presidential Life Ins.	A	\$ 1.60B	69 Lydecker Street	Nyack, NY 10960
Prudential Life Ins.	A+	\$ 108.81B	Prudential Plaza	Newark, NJ 07101
Safeco Life Ins.	A+	\$ 2.50B	Safeco Plaza	Seattle, WA 98185
Southwestern Life	A+	\$ 5.70B	P.O. Box 2699	Dallas, TX 75221
Standard Ins. Co.	A+	\$ 1.40B	P.O. Box 711	Portland, OR 97207
State Life Ins. Co.	A	\$ 0.17B	P.O. Box 406	Indianapolis, IN 46206
Sun Life of America	A+	\$ 2.23B	260 Peachtree St.,N.W.	Atlanta, GA 30303
Sun Life of Canada	A+	\$ 15.50B	One Sun Life Exec.Pk.	Wellesley Hills, MA 02181
Transamerica	A	\$ 5.50B	1150 S. Olive St.	Los Angeles, CA 90015
United Pacific Life	A+	\$ 2.80B	33301 9th Avenue South	Federal Way, WA 98003
Wash.Mut.(WM L.& Emp.)	NR	\$ 0.05B	1000 2nd Ave.	Seattle, WA 98111
Washington National	A+	\$ 1.70B	1630 Chicago Ave.	Evanston, IL 60201
Washington Square Life	A	\$ 0.28B	PO Box 7326	Philadelphia, PA 19101
Western Life Ins. Co.	A+	\$ 0.66B	PO Box 64271	St. Paul, MN 55164
Western National	A+	\$ 3.00B	P.O. Box 871	Amarillo, TX 79167
Western Pacific Life	NA-3	\$ 0.28B	P.O. Box 19027	Jacksonville, FL 32245
Western United Life	B+	\$ 0.30B	P.O. Box 428	Spokane, WA 99210

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