

# ANNUITY SHOPPER

*(Formerly Annuities and GIC's)*

*A Publication of United States Annuities*

*July-Aug. 1989 (v. 4, n.4)*

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

- Plan 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 in the contract which may be one or two, or a large group of participants, as for example in the case of a pension plan termination (described below).

## 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 quotations in Table 1 represent the single premium deposit needed to guarantee \$1000 of monthly income on the different annuity forms using sex-distinct or unisex rates, as appropriate. 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. These rates were in effect during the survey period of June 26 - 28, 1989. Call 1-800-U.S.ANNUITIES (1-800-872-6684) for individual quotes and further details.

Table 1. Single Premium Immediate Annuities

Reporting Companies (88Best's)	ISSUE AGES, RATE BASES, AND FORMS OF ANNUITY								
	Male 65 Life	Fem. 65 Life	Unisex 65 Life	Male 70 Life	Fem. 70 Life	Unisex 70 Life	10C&C M 65	10YrOnly No Life	M65 F60 J&50%S
Ministers L.(A) qnq	\$ 98,572	\$112,926	\$101,184	\$ 86,919	\$102,969	\$ 89,748	\$107,659	-	\$109,079
Pres. Life(A) qnq	\$ 98,814	\$107,411	\$107,411	\$ 88,496	\$ 98,039	\$ 98,039	\$104,275	\$ 81,235	\$109,890
West. Unit.(B+) qnq	\$100,100	\$109,290	-	\$ 89,286	\$ 99,206	\$ -	\$105,374	\$ 86,580	-
Minn. Mut. (A+) qnq	\$103,474	\$113,747	\$113,747	\$ 91,409	\$103,474	\$103,474	\$110,165	\$ 84,520	\$116,183
Stand.Ins.(A+) qnq	\$104,050	\$113,350	\$111,088	\$ 93,210	\$103,942	\$101,212	\$109,869	\$ 82,540	\$115,400
Wash. Natl.(A+) qnq	\$104,427	\$113,788	\$110,044	\$ 94,519	\$104,280	\$101,180	\$110,320	\$ 83,376	\$117,846
First Colny(A+) qnq	\$104,665	\$113,794	-	\$ 94,038	\$104,262	-	\$110,863	\$ 84,150	\$118,671
Lincln Ben(A+R) qnq	\$104,685	\$113,675	\$111,982	\$ 93,845	\$103,992	\$102,135	\$110,482	\$ 84,653	\$116,148
WM Life (NR) qnq	\$104,753	\$115,215	\$109,694	\$ 92,475	\$103,936	\$ 97,876	\$111,701	\$ 84,193	\$118,175
Jacksn Ntl (A+) qnq	\$104,932	\$114,025	\$110,132	\$ 93,897	\$104,167	\$ 99,800	\$110,742	\$ 82,850	\$116,550
Exec.Life (A+) qnq	\$105,029	\$113,755	-	\$ 94,568	\$104,473	\$ -	\$110,422	\$ 82,791	\$116,092
SunlifeCan.(A+) qnq	\$105,374	\$113,379	\$108,578	\$ 94,607	\$103,627	\$ 98,232	\$112,867	\$ 82,576	\$114,679
Unit. Pac. (A+) qnq	\$105,411	\$114,922	\$114,922	\$ 94,639	\$105,571	\$105,571	\$110,682	\$ 84,704	\$116,536
LifeInsS.W.(A+) qnq	\$105,647	\$114,205	\$108,864	\$ 98,572	\$105,092	\$ 98,864	\$111,533	\$ 86,406	\$121,853
Ohio Natl (A+) qnq	\$105,879	\$115,992	\$114,892	\$ 94,406	\$105,425	\$104,219	\$112,577	\$ 85,128	\$118,711
Kans.City.L(A+) nq	\$106,370	\$116,379	\$106,370	\$ 94,351	\$105,696	\$ 94,351	-	-	\$119,432
SunlifeAmer(A+) qnq	\$106,838	\$115,341	-	\$ 97,371	\$107,182	-	\$112,234	\$ 84,389	\$123,305
Transam.L. (A) q	\$106,952	\$117,233	\$111,359	\$ 94,787	\$106,952	\$ 99,900	\$117,647	\$ 90,009	\$120,627
Empire Life(NR) qnq	\$107,510	\$118,247	\$112,581	\$ 94,909	\$106,671	\$100,452	\$114,641	\$ 86,409	\$121,285

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## PLAN TERMINATION & TERMINAL FUNDING ANNUITIES

Single Premium Group Annuities (SPGAs), also known as Terminal Funding, Single-Shot or Buyout contracts, guarantee the benefits of a pension plan's retired, active or deferred vested participants. SPGAs are usually employed in situations which require that accrued benefits be "settled" with commercial annuities. These include pensions plans which are terminating, on-going plans locking in high rates as an investment, FASB 87-88 settlements, and plant closings due to mergers or acquisitions. SPGAs can reduce a plan's annual administration costs, reduce its unfunded liability, or increase the reversion available from an overfunded plan.

SPGAs frequently credit a higher rate of interest than the actuarial rates a plan may be using to value its benefits. To maximize his gain a plan sponsor must, either, monitor each insurer's underlying SPGAs rates himself or delegate the function to an experienced SPGA consultant. This kind of constant surveillance is necessary to catch the changes in price leadership among the insurers, which often takes place overnight as each carrier's short term profit and/or premium-sales objectives is achieved. Not surprisingly, at different times during the year, SPGA quotes for the same plan may vary by as much as 30%!

United States Annuities helps plan sponsors obtain the best SPGAs for their terminating or ongoing plans. We represent more than 35 carriers in this market; companies with the highest "A" and "A+" ratings by A. M. Best Co. Our knowledge of the special underwriting considerations that are of particular importance to the insurance companies allows us make sure that your plan is not rejected simply because no one was available to answer questions of a routine nature. In addition, we often consult directly with the plan's actuaries when there is a need to discuss details of a more technical nature. Our ability to effectively manage the flow of critical information offers you the greatest opportunity to receive the best contract available to fit the needs of your plan.

We work directly with the major life insurance companies our research determines to be competitive in these markets. While our efforts are directed at selecting the particular insurer or group of insurers that will provide annuities at the lowest cost, consideration is also given to the quality of services the insurance company provides. We provide continual contact with your insurance company representatives from the time our quotes are presented through the follow-up period after the final contract and all certificates have been delivered. If you have special needs on how the contract is to be serviced after the takeover, we will negotiate with the insurers to cover these requirements, and depending on their nature, that no additional costs are imposed.

When soliciting SPGAs on your behalf, you can have us attend to some or all of the following steps. You dictate our level of involvement:

### SETTING OBJECTIVES AND PROTECTING PLAN ASSETS

In consultation with the Plan sponsor and/or enrolled actuary, objectives are set for the cost of the annuities, contract provisions, liquidity of the funds, and proposed purchase and effective dates. Market values of assets available for transfer to the insurance company are determined to insure that they are sufficient to cover the estimated cost of annuities. A bond portfolio hedging strategy may be employed to protect the assets until the final distribution is made. (During periods of declining interest rates the present value or cost of annuities generally increases. In the absence of a defensive investment strategy, significant erosion of assets may occur.)

### PREPARING THE BID SPECIFICATIONS AND DATA LISTINGS

We market your plan by submitting specifications and data to those carriers best suited to underwrite your liability. The presentation of complete specifications and clean data (especially on diskette or mag tape) reassures the carriers that everything is "in order" and serves

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## PLAN TERMINATION & TERMINAL FUNDING ANNUITIES, cont'd

as an extra inducement, not only for them to accept the case for pricing, but also to calculate the annuity premiums using their most competitive cost factors. With respect to preparing these documents you may contract with us to: (a) assist with the creation of the census data files; (b) review the Plan Document to suggest which provisions should be included; and (c) negotiate the level of assistance provided by the insurance company to bring about a timely distribution of benefit payments, annuity certificates, and so forth.

### MANAGING THE COMPETITIVE BIDDING PROCESS

Through close and ongoing communication with the insurers who agreed to bid on your plan we are assured that it is being priced correctly and that premium calculations are returned to us on a timely basis. Once the interested carriers begin their underwriting process, we reduce your burden of having to answer redundant questions from numerous carriers by acting as your go-between. We provide the insurers with the additional information they request to keep premium costs at the lowest possible level. By properly communicating plan needs we can encourage the insurers to reduce risk premiums and not price such provisions as early retirement on an overly conservative basis. We also keep you informed of the insurers' responses throughout the initial bidding period.

In the week before the winning insurer is selected, we send you written proposals from the bidding companies describing the plan provisions and benefits they have agreed to provide. These proposals are carefully reviewed by the plan actuary and any revisions to the specs or other considerations that could influence the decision-making process are addressed.

### ANNUITY PURCHASE / WIRE TRANSFER / DECISION DAY

On the day the final quotes are due, we may move to the offices of the decision maker to coordinate the final bidding process. The insurance companies are instructed to submit their bids before noon of that day. The quotations are matched to the previously agreed upon control numbers. When all the initial bids have been received, the runner-up insurers are invited to revise their quotes downward to the lowest figure possible. Soon after, the plan sponsor is in a position to accept the most favorable bid. We assist in preparing the letter of commitment which indicates the agreement to purchase the annuities at the quoted price. The premium amount is wired to the winning insurance carrier to "lock in" the quote. We can supervise the wire transfer transaction to assure the proper delivery of funds to the carrier, with timely confirmation back to respective parties.

### TAKEOVER PROCEDURE / CONTRACT ISSUANCE

In virtually all groups that involve a substantial number of participants, minor corrections to the census and/or benefit amounts may occur after an agreement to purchase the annuities has been reached. These changes are audited to assure that all attendant premium adjustments are priced on the same rate basis as the original quote. We review the Master Group Contract, checking it against the bidding and proposal letter specifications, citing any application changes and forwarding them to the plan sponsor or actuary for review. We may also assist the plan sponsor in verifying the correctness of the individual annuity certificates once issued.

### HOW TO OBTAIN GROUP ANNUITY QUOTES

Our combination of specialized marketing expertise and annuity-tracking database makes us your best source for group annuity contracts. Simply mail or fax (201-521-5113) the plan document and census data and we'll prepare specifications for submission to the carriers. We can provide these quotes on either a commission or fee basis. Simply call our toll-free number 1-800-872-6684 and we'll work out the details with you. Call today. We invite your inquiries.

Table 1. Single Premium Immediate Annuities, cont'd

Reporting Companies (88Best's)	ISSUE AGES, RATE BASES, AND FORMS OF ANNUITY								
	Male 65 Life	Fem. 65 Life	Unisex65 Life	Male 70 Life	Fem. 70 Life	Unisex 70 Life	10C&C M 65	10YrOnly No Life	M65 F60 J&50%S
Ctrl Life (A+) qnq	\$107,527	\$116,550	\$111,857	\$ 96,805	\$107,296	\$101,729	\$113,626	\$ 85,540	\$115,607
Federal Kem.(A) qnq	\$108,006	\$118,842	\$118,842	\$ 96,387	\$108,786	\$108,786	\$114,090	\$ 85,710	\$120,447
Am.Mut.L. (A+) qnq	\$108,225	\$118,623	\$111,607	\$ 95,877	\$107,526	\$ 99,601	\$114,942	\$ 86,206	-
Canada Life(A+) qnq	\$108,889	\$118,807	\$118,807	\$ 97,542	\$108,363	\$108,363	\$114,479	\$ 85,394	\$121,448
Manufact.L.(A+) qnq	\$109,025	\$122,125	\$122,125	\$ 97,125	\$111,425	\$111,425	\$115,025	\$ 86,825	\$122,725
Wash. Sq. (A) qnq	\$109,370	\$120,827	-	\$ 98,335	\$109,370	-	-	\$ 85,018	-
WM Life (nr) qnq	\$109,378	\$119,762	\$114,303	\$ 97,006	\$108,327	\$102,359	\$115,774	\$ 85,186	\$122,861
Southwest (cA+) qnq	\$109,507	\$119,688	\$114,420	\$ 97,768	\$109,241	\$103,275	\$115,369	\$ 85,255	\$118,796
KntkyCtrl(A+c)qnq	\$110,111	\$110,111	\$110,111	\$ 99,504	\$ 99,504	\$ 99,504	-	-	-
Keyst.Prov(A+) qnq	\$110,404	\$119,767	\$114,829	\$ 99,258	\$109,559	\$104,208	\$115,757	\$ 86,620	-
West. Life(A+) qnq	\$110,841	\$121,418	\$121,418	\$ 98,882	\$110,591	\$110,591	\$116,604	\$ 84,788	\$120,523b
Guar. Sec.(na3) qnq	\$112,613	\$123,457	-	\$ 99,602	\$111,359	-	\$118,624	\$ 85,179	\$126,828
WestPac(na3) qnq	\$112,613	\$123,457	-	\$ 99,602	\$111,359	-	\$118,624	\$ 85,179	\$126,828
Prudential(A+) qnq	\$112,675	\$124,134	\$118,407	\$ 99,476	\$112,131	\$105,805	-	\$ 87,102	\$126,929
Penn.Mutual(A+) qnq	\$113,322	\$125,200	\$117,022	\$100,500	\$113,707	\$103,292	\$119,817	\$ 86,787	\$128,476
Amer.L.& Cas(A) qnq	\$113,379	\$123,609	-	\$101,215	\$112,613	-	\$119,760	\$ 88,417	-
State Life (A) qnq	\$114,430	\$124,141	-	\$103,315	\$114,507	-	-	\$ 87,782	\$123,087

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

## 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 cash accumulation figures in Tables 2 thru 6 are based on a single deposit of \$100,000 (for SPDAs and CoAs) or 20 annual deposits of \$10,000 each (for FPDAs) 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. These rates were in effect during the survey period of June 26 - 28, 1989. Call 1-800-U.S.ANNUITIES (1-800-872-6684) for individual quotes and further details.

Table 2. Single Premium Deferred Annuities (With Bailout)

Reporting Companies (88Best's)	Policy Name	Issue Ages	Initial Credited Rate	Yield Guarantee Period	Floor Rate	Bail-out Escape Rate	Surrender Fees			20 Yr CashAccum CurrRate	Mo Life Income Curr Rate
							1	4	7		
Finan.Ben. (NR3) qnq	Accumul.	0-85	9.50%	1 Year	4.00%	8.00%	15%	13%	7%	\$614,161	\$4,821
Guar.Sec.(NA-3) qnq	SPDA III	0-78	9.50%	1 Year	4.00%	7.00%	10%	5%	2%	\$396,010	\$3,517
Ohio Natl(A+)qnq	Choice	0-80	9.20%	1 Year	4.00%	7.75%	8%	5%	2%	\$581,370	\$5,641
Ctrl Life(A+) qnq	SPA II	0-85	9.00%	1 Years	4.50%	7.50%	6%	3%	0%	\$560,441	\$5,167
Kansas C.L.(A+) qnq	SDDA	0-80	9.00%	12/31/91	4.50%	7.25%	7%	6%	2%	\$560,441	\$5,273
Am. Mut. L. (A+) qnq	SPDA 588	0-80	8.85%	1 Year	-	7.30%	6%	3%	0%	\$545,216	\$5,103
Presidentl L.(A) qnq	SPDA I	0-80	8.80%	1 Year	5.50%	6.80%	7%	4%	1%	\$540,230	\$5,467
Unit. Pac.L.(A+) qnq	Benchmark	0-75	8.75%	1 Year	4.00%	7.75%	7%	4%	1%	\$535,285	\$5,033
Life SWest(A+) qnq	BASE I	0-80	8.75%	1 Year	4.50%	8.25%	5%	5%	0%	\$535,285	\$5,294
Sun L.Amer.(A+) qnq	Century200	0-80	8.70%	1 Year	4.00%	7.70%	4.3%	4.3%	4.3%	\$530,385	\$4,964
West. Life(A+) qnq	Fortune SPG	0-75	8.60%	3 Years	4.00%	7.50%	6%	4%	0%	\$520,711	\$4,650
First Colony(A+) qnq	SPDA I	0-80	8.60%	1 Year	4.00%	7.10%	7%	6%	3%	\$520,711	\$5,075
Transamerica (A) q	Ret. Bldr	-	8.55%	1 Year	-	7.55%	8%	5%	2%	\$515,937	\$4,824
Am.Life&Cas(A) qnq	Guar. II	0-90	8.55%	1 Year	4.00%	6.00%	7%	4%	1%	\$515,937	\$4,752
Linc. Ben.(A+R) qnq	The One	0-99	8.50%	3 Years	5.00%	7.75%	7%	4%	1%	\$511,205	\$5,087
ExecLife(A+)qnq	5+5	0-70	8.50%	5 Years	6.00%	9.50%	16%	6%	6%	\$586,625	\$5,601
FidelBnkrs(A+c)qnq	SPDA-G3-BO	0-80	8.30%	3 Years	3.00%	8.30%	6%	3%	0%	\$492,685	\$4,370
Wash Sq. (A) ana	SPDA I	0-75	8.00%	2 Years	4.50%	7.00%	7%	4%	1%	\$466,096	\$4,401

See Table 6 for legend and notes.

Table 3. Single Premium Deferred Annuities (With No Bailout)

Reporting Companies (88Best's)	Policy Name	Issue Ages	Initial Credited Rate	Yield Guarantee Period	Floor Rate	Surrender Fees			20 Yr Cash Accum Curr Rate	Mo Life Income Curr Rate
						Year	1	4		
Safeco Life (A+) q	QPA 3+	-	9.95%	1 Year	4.34%	9%	7%	4%	\$536,403	\$4,337
Exec. Life (A+) qnq	Ann.One	0-80	9.50%	1 Year	4.00%	9%	7%	4%	\$614,161	\$5,864
EmpireLife(na1)qnq	FlexPremAnn	0-85	9.40%	1 Year	3.00%	9.8%	5.4%	1.8%	\$603,040	\$5,847
KntckyCtrl(A+c) qnq	SPDA	0-72	9.30%	none	4.00%	5%	5%	5%	\$592,112	\$5,542
Minister.Life(A) qnq	SPDA	0-65	9.30%	-	-	7%	4%	0%	\$592,112	\$5,963
West. Unit.(B+) qnq	Unimax II	0-84	9.30%	1 Year	4.50%	5%	5%	4%	\$592,111	\$5,915
Jackson Natl(A+) qnq	MAX Plan	0-70	9.25%	Cal.Yr.	5.00%	6%	3%	0%	\$586,717	\$5,591
Presidentl L.(A) qnq	SPDA	0-80	9.15%	1 Year	5.50%	7%	4%	1%	\$576,070	\$5,830
Wash. Natl.(A+) qnq	WN Plan II+	0-93	9.05%	1/15/90	4.00%	5.5%	4.2%	0%	\$565,605	\$5,639
Am.Life&Cas(A) qnq	Guar. I	0-90	9.05%	1 Year	4.00%	5%	2%	0%	\$565,605	\$5,209
WMLife(na3) qnq	InvestAnn	0-85	9.05%	1 Year	3.00%	5%	1.8%	0%	\$565,605	\$5,484
Sun L. Amer.(A+) qnq	Cent200+	0-80	9.00%	1 Year	4.00%	4.5%	4.5%	4.5%	\$560,441	\$5,246
Keyst.Prov.(A+) qnq	KeyAnn.87	1-85	9.00%	1 Year	-	7%	6%	0%	\$560,441	\$5,284
State Life(A) qnq	Flex Ann.I	0-80	9.00%	1 Mo.	4.50%	7%	4%	1%	\$560,435	\$5,644
Guar.Sec.(NA-3) qnq	SPDA IV	0-78	9.00%	1 Year	4.00%	10%	5%	2%	\$394,202	\$3,501
Ctrl Life(A+) qnq	Guar. 5	0-80	8.95%	5 Years	4.00%	6%	0%	0%	\$555,321	\$5,115
LifeI.ofS.W.(A+) qnq	BasePlus I	0-80	8.90%	1 Year	4.50%	7%	4%	1%	\$550,247	\$5,442
United Pac L.(A+)qnq	Asset Ann	0-75	8.85%	Cal.Yr+1	4.50%	5%	4%	1%	\$545,216	\$5,127
Linc. Bene.(A+) qnq	The One	0-99	8.75%	3 Years	5.00%	7%	4%	1%	\$535,285	\$5,326
Minn.Mutual(A+) qnq	InvestAnn.	18-85	8.75%	2 Years	4.00%	6%	4.2%	2.4%	\$535,285	\$5,173
West. Life(A+) qnq	Fortune SP	0-67	8.65%	-	4.00%	7%	4%	0%	\$525,430	\$4,692
Western Natl(A+) qnq	SPDA Plus	0-90	8.55%	1 Year	4.00%	5%	5%	0%	\$515,937	\$4,943
CanadaLife (A+) qnq	ProAnn 2	0-80	8.50%	1/15/91	4.50%	7%	6%	0%	\$511,205	\$4,687
Penn.Mutual(A+) qnq	DvrsfierII	0-80	8.50%	3 Years	4.00%	5%	5%	5%	\$511,205	\$4,505
Fid. Bnkrs(A+c) qnq	SPDA-G3	0-80	8.50%	3 Years	3.00%	6%	3%	0%	\$511,205	\$4,534
Southwestern(cA+) q	Liberty 5	-	8.20%	1 Year	-	5%	4%	2%	\$506,514	\$4,440
SunlifeCan (A+) qnq	Horiz+	0-80	8.00%	5 Years	4.00%	5%	5%	0%	\$466,096	\$4,442

See Table 6 for legend and notes.

Table 4. Single Premium Certificates of Annuity (No Load- No Surrender Charges)

Reporting Companies (88Best's)	Policy Name	Issue Ages	Initial Credited Rate	Yield Guarantee Period	Surrender Fees			20 Yr Cash Accum Curr Rate	Mo Life Income Curr Rate
					Year	1	4		
Gnrl.Srvcs(NA5)qnq	Dir.Recog.	nomax	10.57%	1 Year	0%	-	-	-	-
West.United(B+)qnq	TDCD	0-84	10.00%	1 Year	2%	-	-	-	-
Exec.Life (A+)qnq	SafeAnn.	0-80	9.25%	1 Year	5%	-	-	-	-
Guar.Secur.(na3)qnq	Continuum	0-80	9.00%	1 Year	5%	-	-	-	-
West.Pac.(na3)qnq	SPDA-88	0-80	9.00%	1 Year	5%	-	-	-	-
Fid.Bankers(A+c)qnq	CD-A	0-80	8.75%	1 Year	5%	-	-	-	-
SunLifeAmer(A+)qnq	CD-5	0-80	8.40%	5 Years	6%	-	-	-	-

See Table 6 for legend and notes.

Table 5. Flexible Premium Deferred Annuities (With Bailout)

Reporting Companies (88Best's)	Policy Name	Issue Ages	Initial Creditd Rate	Yield Guarantee Period	Floor Rate	Bail-out Escape Rate	Surrender Fee			20 Yr Cash Accum Curr Rate	Mo Life Income Curr Rate
							Year	1	4		
Transamerica (A) q	Flex-Pac	0-80	8.65%	Cal. Yr.	-	7.65%	13%	10%	7%	\$533,601	\$4,989
Prudential (A+) qnq	Discovery	0-75	8.25%	3 Years	4.00%	7.25%	7%	6%	0%	\$513,201	\$4,521

See Table 6 for legend and notes.

Table 6. Flexible Premium Deferred Annuities (With No Bailout)

Reporting Companies (88Best's)	Policy Name	Issue Ages	Initial Credited Rate	Yield Guarantee Period	Floor Rate	Surrender Fees			20 Yr Cash Accum Curr Rate	Mo Life Income Curr Rate
						1	4	7		
Gen.Srvcs(NA-5)qng	Dir.Recog.	1-80	10.57%	-	4.00%	1%	0%	0%	\$675,777	\$5,264
Fed Kemper (A) qng	ProAnn. 3	0-80	9.25%	1/15/90	-	6%	6%	6%	\$630,025	\$5,777
EmpireLife (NR) qng	Flx Prm Ann	0-85	9.40%	1 Year	3.00%	11.7%	6.3%	1.8%	\$585,453	\$5,677
Wash. Natl.(A+) qng	WN Plan II+	0-93	9.05%	1/15/90	4.00%	5.4%	4.8%	3.6%	\$561,033	\$5,593
JacksonNatl(A+) qng	Flex I-A	0-70	9.25%	Cal Yr.	3.00%	12%	8%	3%	\$574,853	\$5,478
Kansas City (A+)qng	Ret.Contr.	0-70	9.25%	Cal.Yr.	4.00%	15%	12%	9%	\$603,109	\$5,674
Prudential (A+)qng	FixedInter.	0-75	8.75%	1 Year	3.00%	8%	5%	2%	\$542,285	\$4,778
KtckyCtrl (A+c)qng	FPDA	0-72	9.30%	none	4.00%	5%	5%	5%	\$578,363	\$5,413
West.Life (A+) qng	FortuneFlx	0-74	8.65%	none	4.00%	7%	6%	3%	\$533,507	\$4,764
LifeSwest (A+) qng	Flex 3000	0-80	8.90%	none	4.50%	7%	4%	1%	\$550,920	\$5,449
Minister.Life(A) qng	FPDA	0-65	9.15%	-	-	7%	4%	0%	\$567,902	\$5,719
Am.Life&Cas(A) qng	AmFlexIPlus	0-90	9.05%	1 Year	4.50%	6%	3%	0%	\$561,041	\$5,167
WM Life (NR) qng	Invest.Ann	0-85	9.05%	1 Year	3.00%	5%	1.8%	0%	\$561,041	\$5,440
CntrlLife(A+)qng	FPA	10+	8.40%	none	4.00%	12%	8%	4%	\$517,878	\$4,770
West. Unit.(B+) qng	UniflexII	0-85	9.30%	1 Year	4.50%	5%	5%	3%	\$578,363	\$5,778
State Life (A) qng	Flex I	0-80	9.00%	1 mo.	4.50%	7%	4%	1%	\$557,645	\$5,628
GuarSecur (na3) qng	Enhanc./2	0-80	9.00%	2 Years	4.00%	15%	13%	7%	\$455,000	\$4,040
West.Pac.(na3) qng	Sequoia/2	0-80	8.50%	2 Years	4.00%	20%	19%	16%	\$450,885	\$4,004
Ohio Natl(A+) qng	Prime I	0-75	9.30%	1 Year	4.00%	7.8%	7.8%	7.8%	\$576,775	\$5,596
Am. Mut. Life(A+)qng	Flex 388	0-80	8.90%	none	4.00%	6%	3%	0%	\$550,920	\$5,157
Western Natl(A+) qng	FPDA Plus	0-90	8.50%	none	4.00%	6%	4%	0%	\$524,891	\$5,028
Linc. Ben. (A+R) qng	Futur.I	0-99	8.87%	none	5.00%	7%	7%	7%	\$549,177	\$5,465
Penn Mutual(A+) qng	Diver.II	0-80	8.50%	3 Years	4.00%	5%	5%	5%	na	na
Safeco Life (A+)q	QPA III	-	8.70%	6-12mos.	4.34%	9%	7%	4%	\$537,513	\$4,346
Presidentl L.(A) qng	Flex.Ann	0-75	8.50%	Cal.Yr.	5.50%	7%	7%	4%	\$524,891	\$5,312
Minn.Mutual(A+) qng	Flex	18-65	8.00%	2 Years	4.00%	9%	6.3%	3.6%	\$494,229	\$4,776
CanadaLife (A+) qng	FPDA	0-70	8.00%	1 Year	4.00%	10%	8.5%	7%	\$493,091	\$4,594
SunlifeCan (A+) qng	dHorizon+	0-80	8.00%	5 Years	4.00%	5%	5%	0%	\$494,229	\$4,710

qng= 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

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).

## 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.

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.

Table 7. Structured Settlements Annuities

Reporting Companies (88Best's)	Date of Quote	I S S U E A G E S A N D F O R M S O F A N N U I T Y							
		Male 15 0% COLA	Male 50 0% COLA	Male 15 3% COLA	Male 50 3% COLA	Fem. 15 0% COLA	Fem. 50 0% COLA	Fem. 15 3% COLA	Fem. 50 3% COLA
Pres. Life (A)	06/20	\$131,114	\$109,937	\$190,069	\$140,425	\$133,324	\$117,937	\$196,819	\$155,259
Wash.Natl.(A+)	06/20	\$139,024	\$125,489	-	-	\$139,777	\$130,567	-	-
ExecLife (A+)	06/23	\$142,145	\$117,398	\$215,392	\$152,099	\$143,984	\$126,859	\$223,394	\$169,826
Fed Kemp (A)	06/23	\$143,965	\$123,959	\$232,451	\$169,381	\$145,559	\$132,723	\$241,605	\$188,399
SunlifeCan(A+)	07/06	\$148,368	\$128,370	-	-	\$149,477	\$133,333	-	-
WM Life (nr)	06/20	\$149,467	\$130,207	\$226,511	\$177,079	\$150,498	\$136,916	\$230,222	\$190,357
CtrlLife (A+)	06/27	\$151,254	\$124,554	\$225,172	\$161,536	\$154,058	\$134,560	\$233,830	\$180,367
Empire (nr)	06/20	\$153,400	\$133,634	\$232,472	\$181,739	\$154,458	\$140,520	\$236,281	\$195,366

## 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.

The rates in Table 8 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.

Table 8. Bullet 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
Exec.L. Cal(A+)q	06/23	-	-	-	-	8.75%	8.88%	8.75%	8.85%	8.75%	8.88%	8.75%	8.88%
Safeco(A+)q	06/28	8.65%	-	8.65%	-	8.83%	-	8.83%	-	-	-	-	-
Southwstrn(A+)	06/22	8.61%	8.83%	8.51%	8.73%	8.76%	8.98%	8.66%	8.88%	8.85%	9.07%	8.75%	8.97%
Hartford (A+)q	06/22	8.53%	8.58%	8.53%	8.58%	8.78%	8.83%	8.78%	8.83%	8.78%	8.83%	8.78%	8.83%
SunlifeAmer(A+)q	06/22	-	-	-	-	8.65%	8.95%	8.65%	8.85%	8.70%	8.90%	8.70%	8.90%
OhioNatl(A+)q	06/26	8.47%	8.58%	8.47%	8.58%	8.72%	8.83%	8.72%	8.83%	8.72%	8.83%	8.72%	8.83%
Penn Mutual(A+)q	06/26	8.44%	8.65%	8.39%	8.58%	8.87%	9.01%	8.82%	8.94%	8.90%	9.03%	8.85%	8.96%
NwestrnNatl(A+)q	06/22	-	-	-	-	8.66%	8.72%	8.65%	8.71%	8.81%	8.87%	8.81%	8.86%
Manulife(A+)q	06/03	-	-	-	-	8.59%	8.52%	8.72%	8.79%	8.70%	8.60%	8.84%	8.89%
Transam. (A)q	06/22	8.24%	-	8.28%	8.42%	8.64%	-	8.68%	8.76%	8.67%	-	8.71%	8.80%
Canada Life(A+)q	06/22	7.56%	-	7.61%	8.19%	8.64%	-	8.69%	8.74%	8.73%	-	8.78%	-

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.

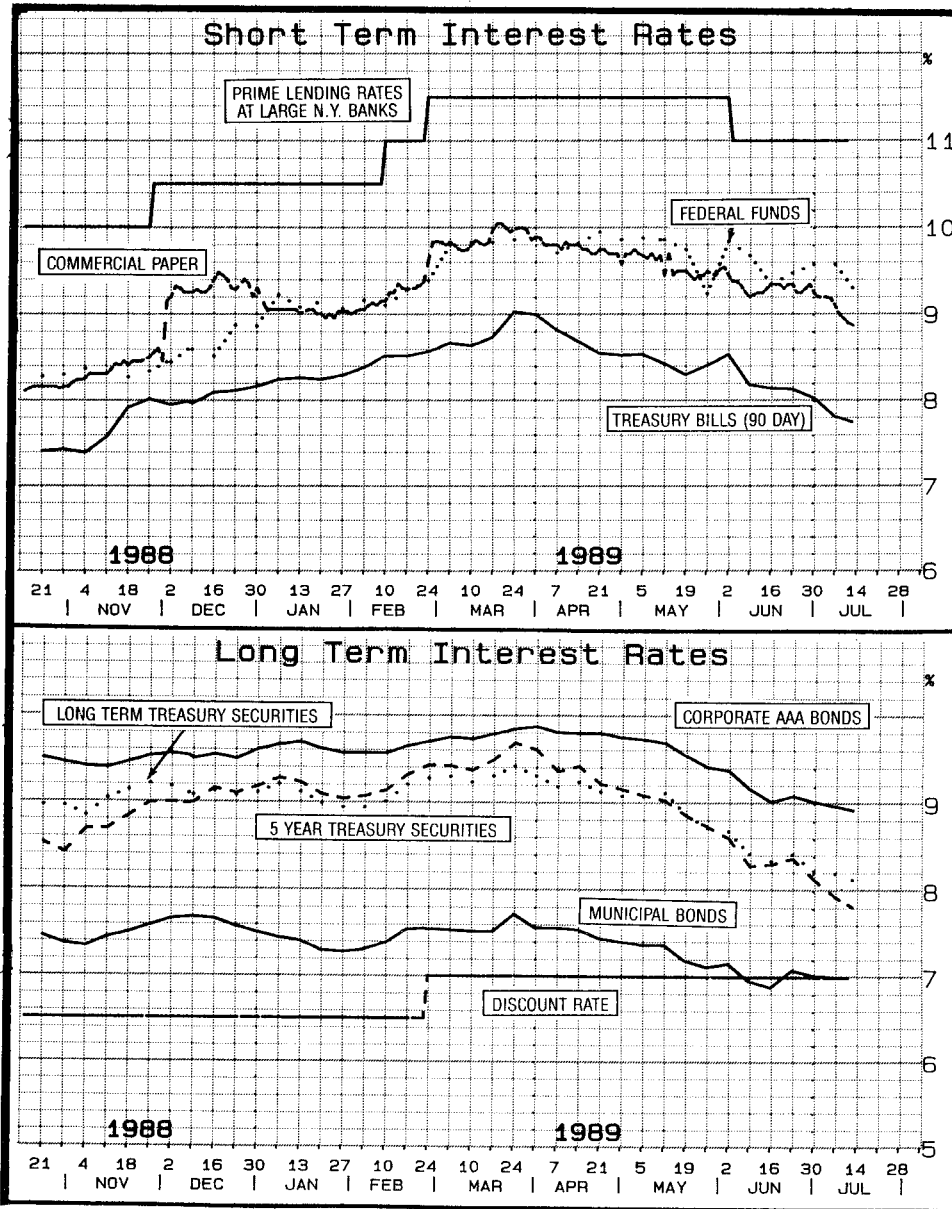
q= available for qualified funds only.



## INSURANCE COMPANIES IN ANNUITY SHOPPER

<u>COMPANY</u>	<u>BEST'S</u>	<u>ASSETS</u>	<u>ADDRESS</u>	<u>CITY STATE ZIP</u>
AIG (Amer.Intl.Group)	A	\$ 1.35B	P.O.B.727,Wall St.Sta.	New York, NY 10268
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
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
Delta Life & Annuity	A	\$ 0.26B	P.O. Box 240308	Memphis, TN 38124
Empire Life Insur. Co	A	\$ 0.04B	P.O. Box 370	Seattle, WA 98111
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
General Services Life	NR	\$ 0.06B	4333 Edgewood Rd, NE	Cedar Rapids, IO 52499
Golden Rule	A	\$ 0.30B	7440 Woodland Dr.	Indianapolis, IN 46278
Guarantee Security L.	NR	\$ 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
WM (Wash.Mutual) Life	NR	\$ 0.05B	P.O. Box 370	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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