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# ANNUITY SHOPPER

*Publication of United States Annuities*

**Jan.-Feb. 1991 (v. 6, n.1)**

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# 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 immediate annuity, since with a single life annuity the income ends with the last regular payment preceding the annuitant's death. There are times 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 annuity); or (2) when a provision is added such that if the annuitant(s) die(s) 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 annuity); or (3) when the annuitant dies before the total amount received equals the premium deposit, payments continue to a named beneficiary (Refund annuity). An SPIA may have a deferred commencement. In this case the contract cannot be surrendered for its cash value as is possible with a typical SPDA annuity contract (see below).

The quotations in Table 1 represent the monthly income which can be purchased with each \$1000 of premium 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 Jan. 2 - Jan. 7, 1991. Call 1-800-U.S.ANNUITIES (1-800-872-6684) for individual quotes and further details.

**Table 1. Single Premium Immediate Annuities**

Reporting Companies (Best's)	ISSUE AGES, RATE BASES, AND FORMS OF ANNUITY								
	Male 65 Life	Fem. 65 Life	Unisex 65 Life	Male 70 Life	Fem. 70 Life	Unisex70 Life	Unisex65 10C&C	Pd.Cert. 10YrOnly	M65 F60 J&50%S
Ministers Life(A+)qnq	\$ 9.92	\$ 8.56	\$ 9.65	\$ 11.40	\$ 9.47	\$ 11.01	\$ 8.84	-	\$ 9.10
Secur.Mut./NY(A)qnq	\$ 9.83	\$ 8.56	-	\$ 11.30	\$ 9.66	-	-	-	\$ 8.46
*Aetna Life(A+) qnq	-	-	\$ 9.23	-	-	\$ 10.38	\$ 8.77	\$ 12.10	-
Kans.City.L(A+) nq	\$ 9.41	\$ 8.60	\$ 9.41	\$ 10.61	\$ 9.47	\$ 10.61	-	\$ 11.66	\$ 7.82
Empire Life(NR) qnq	\$ 9.40	\$ 8.55	\$ 8.98	\$ 10.65	\$ 9.47	\$ 10.06	\$ 8.55	\$ 11.69	\$ 8.33
WM Life (NR) qnq	\$ 9.40	\$ 8.55	\$ 8.98	\$ 10.65	\$ 9.47	\$ 10.06	\$ 8.55	\$ 11.69	\$ 8.33
Minn. Mut. (A+) qnq	\$ 9.37	\$ 8.49	\$ 8.49	\$ 10.65	\$ 9.37	\$ 9.37	\$ 8.20	\$ 11.60	\$ 8.30
FinanBenefit(NA-3)qnq	\$ 9.37	\$ 8.58	-	\$ 10.44	\$ 9.36	-	-	\$ 11.99	\$ 7.58
*Transam.L. (A) q	\$ 9.35	\$ 8.53	\$ 8.98	\$ 10.46	\$ 9.35	\$ 10.01	\$ 8.50	\$ 10.65	\$ 8.55
*Manulife (A+) qnq	\$ 9.25	\$ 8.13	\$ 8.74	\$ 10.48	\$ 9.04	\$ 9.75	\$ 8.97	\$ 11.27	\$ 8.06
*CanadaLife(A+) qnq	\$ 9.20	\$ 8.43	\$ 6.55	\$ 10.28	\$ 9.25	\$ 9.25	\$ 8.21	\$ 11.75	\$ 8.25
*UnitedPacific(A+)qnq	\$ 9.20	\$ 8.38	-	\$ 10.32	\$ 9.18	-	-	\$ 11.70	\$ 8.26
MONY (A+) qnq	\$ 9.07	\$ 8.32	\$ 8.32	\$ 10.13	\$ 9.08	\$ 9.08	\$ 8.10	-	-
*PennMutual(A+) qnq	\$ 9.24	\$ 8.78	\$ 9.09	\$ 10.38	\$ 9.62	\$ 10.28	\$ 8.65	\$ 11.83	\$ 7.89
Nat'lHeritage(NA-3)qnq	\$ 9.21	\$ 8.42	-	\$ 10.36	\$ 9.29	-	-	\$ 11.99	-
GreatAmerican(A+)qnq	\$ 9.20	\$ 8.36	\$ 8.36	\$ 10.41	\$ 9.39	\$ 9.39	-	\$ 10.80	\$ 8.39
CommerUnion(A+) qnq	\$ 9.20	\$ 8.46	\$ 8.80	\$ 10.28	\$ 9.27	\$ 9.72	\$ 8.46	\$ 11.58	\$ 8.27
LifeSthwest (A+)qnq	\$ 9.18	\$ 8.47	\$ 8.90	\$ 10.22	\$ 9.23	\$ 9.82	\$ 8.52	\$ 11.63	\$ 7.89
*Pres. Life(A) qnq	\$ 9.16	\$ 8.39	\$ 8.39	\$ 10.29	\$ 9.25	\$ 9.25	\$ 8.15	\$ 11.78	\$ 7.77
Stand.Ins.(A+) qnq	\$ 9.15	\$ 8.36	\$ 8.55	\$ 10.27	\$ 9.17	\$ 9.42	\$ 8.26	\$ 11.75	\$ 8.20
Ctrl Life (A+) qnq	\$ 9.15	\$ 8.42	\$ 8.79	\$ 10.18	\$ 9.17	\$ 9.68	-	\$ 11.68	\$ 8.49
SecurityConn(A+)qnq	\$ 9.10	\$ 8.35	\$ 8.54	\$ 10.21	\$ 9.17	\$ 9.43	\$ 8.25	\$ 11.63	\$ 8.15
*Ohio Natl (A+) qnq	\$ 9.14	\$ 8.31	\$ 8.39	\$ 10.31	\$ 9.19	\$ 9.30	\$ 8.13	\$ 11.65	\$ 8.10
*Equitable (A+) qnq	\$ 9.09	\$ 8.18	\$ 8.58	\$ 10.17	\$ 9.05	\$ 9.53	\$ 8.23	-	\$ 8.04
KeystoneProv(A+)qnq	\$ 9.07	\$ 8.36	\$ 8.72	\$ 10.09	\$ 9.14	\$ 9.61	\$ 8.41	\$ 11.70	-
*AmerInvestors(A)qnq	\$ 9.07	\$ 8.32	\$ 8.70	\$ 10.16	\$ 9.14	\$ 9.65	\$ 8.35	\$ 11.48	\$ 8.34
*JacksonNatl(A+) qnq	\$ 9.00	\$ 8.24	\$ 8.55	\$ 10.12	\$ 9.08	\$ 9.49	\$ 8.23	\$ 11.67	\$ 8.04
LncInBenefit(A+)qnq	\$ 8.99	\$ 8.24	\$ 8.37	\$ 10.10	\$ 9.07	\$ 9.24	\$ 8.10	\$ 11.39	\$ 8.04
SunlifeCan.(A+) qnq	\$ 8.99	\$ 8.34	\$ 8.72	\$ 10.04	\$ 9.15	\$ 9.66	\$ 8.38	\$ 11.71	\$ 8.08
*Prudential(A+) qnq	\$ 8.95	\$ 8.15	\$ 8.52	\$ 10.10	\$ 8.99	\$ 9.49	\$ 8.16	\$ 11.42	\$ 7.97
*Federal Kem.(A) qnq	\$ 8.95	\$ 8.11	\$ 8.11	\$ 10.07	\$ 8.89	\$ 8.89	\$ 7.91	\$ 11.44	\$ 7.99
Gen.Services(NA-3)qnq	\$ 8.86	\$ 8.16	\$ 8.49	\$ 9.83	\$ 7.68	\$ 7.92	\$ 8.22	\$ 11.77	\$ 8.02
ShelbyLife (B+)qnq	\$ 8.80	\$ 8.05	-	\$ 9.91	\$ 8.89	-	-	\$ 11.91	\$ 8.27
WestrnNatl (A+)qnq	\$ 8.81	\$ 8.07	-	\$ 9.89	\$ 8.89	-	-	\$ 11.42	\$ 7.88
*Southwtrn(A+c)qnq	\$ 8.78	\$ 8.02	\$ 8.39	\$ 9.85	\$ 8.79	\$ 9.31	\$ 8.08	\$ 11.49	-

See Table 8 for legend and notes.

**ANNUITY RATES AND QUOTATIONS:** ANNUITY SHOPPER obtained the rates, premium calculations, and contract specifications in this issue from the insurance companies who responded to our bimonthly survey. We make no representations regarding the accuracy of these quotes nor do we evaluate the financial conditions of nor make any endorsement for the products of any company reported herein. COMPANIES NOT LISTED DID NOT RESPOND TO OUR WRITTEN SURVEY.

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## DEFERRED ANNUITIES

Deferred Annuities are accumulation contracts providing cash value buildup on a tax-deferred basis until withdrawn. We report on 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 and guaranteed to stay above a "floor" rate of about 4%; and Flexible Premium Deferred Annuities (FPAs) which have all the features of SPDAs with the added flexibility that they accept multiple deposits over the life of the contract. FPA interest rate guarantees, however, are lower than and surrender penalties are greater than for SPDAs.

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 Jan. 2 - Jan. 7, 1991. 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 (Best's)	Policy Name	Issue Ages	Initial Credit%/Floor%	Yield Guarantee Period	Bail-out Escape Rate	Surrender Fees/Year		Proj. 20 Yr CashAccum CurrRate	Mo.Income/\$1000 Male 65 Life Only	
						1	7		Curr.	Guar.
FinanBenefit(NA-3)qnq	Benchmark	0-85	9.25%/d	1 Year	8.25%	12%	6%	\$586,717	\$7.85	\$6.69
*AmerInvestors(A)qnq	SPDA-I	0-80	9.00%/d	1/14/92	6.50%	10%	4%	\$560,441	\$9.44	\$6.69
MassGeneral(A)qnq	General	0-80	8.80%/d	1 Year	7.80%	14%	8%	\$540,229	\$8.01	\$5.99
*Transamerica (A) q	Bonus One	0-70	8.75%/c	1 Year	6.74%	9%	3%	\$449,115	\$9.32	\$5.57
ShelbyLife(B+) qnq	SPDA	0-80	8.70%/d	3 Years	6.70%	10%	4%	\$530,385	\$10.06	\$6.59
Linc. Ben.(A+) qnq	Opportun.II	0-99	8.62%/h	1 Year	7.75%	6.3%	5.9%	\$522,849	\$9.37	\$6.42
*Ohio Natl(A+)qnq	Choice II	0-80	8.40%/d	1 Year	7.39%	6%	0%	\$501,864	\$9.41	\$6.87
*Presidentl L.(A) qnq	SPDA I	0-85	8.30%/g	1 Year	6.30%	7%	1%	\$492,685	\$9.16	\$4.75
Kansas C.L.(A+) qnq	SDDA	0-80	8.25%/e	12/31/93	6.50%	7%	2%	\$488,155	\$9.41	\$3.35
FederalKemper(A)qnq	Pro 2	0-84	8.20%/e	2 calyrs	8.20%	7%	0%	\$534,400	\$8.86	\$6.61
Life/Sthwest(A+)qnq	SPA 1-Bail.	0-80	8.15%/d	1/15/93	7.15%	7%	0%	\$479,216	\$9.58	\$6.62
Secur-Conn(A+)qnq	SPDA-1	0-85	8.10%/g	1 Year	7.10%	7%	0%	\$474,803	\$9.10	\$6.68
Ctrl Life(A+) qnq	SPA 5	0-85	8.10%/e	1 Year	6.59%	7%	1%	\$474,803	\$9.06	\$6.68
*Southwestrn(A+c)qnq	SPDA I-B	0-80	8.10%/d	1 Year	7.35%	8%	2%	\$474,803	\$8.72	\$7.47
Ctrl Life(A+) qnq	SPA 5	0-85	8.10%/e	1 Year	6.59%	7%	1%	\$474,803	\$9.06	\$6.68
Standard (A+)qnq	FPA	0-80	8.00%/c	-	5.75%	7%	3%	\$466,096	\$9.45	\$7.27
SecurMut./NY(A)qnq	SPDA	0-80	8.00%/e	1 Year	6.00%	4%	0%	\$466,096	\$9.83	-
*UnitedPac.(A) qnq	Benchmark	0-75	7.85%/d	1 Year	6.85%	7%	1%	\$453,318	\$9.20	\$6.68
*EquitableVar.(A)qnq	EVLIPLAN II	0-79	7.75%/d	5 years	6.50%	6%	1%	\$444,985	\$9.27	\$6.92
FidelBnkrs(A+c)qnq	SPDA-G3-BO	0-80	7.55%/b	3 Years	7.55%	6%	0%	\$428,754	\$8.87	\$6.58

See Table 8 for legend and notes.

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

Reporting Companies (Best's)	Policy Name	Issue Ages	Initial Credit%/Floor%	Yield Guarantee Period	Surrender Fees/Year		Proj. 20 Yr CashAccum CurrRate	Mo. Income/\$1000 Male 65 Life Only	
					1	7		Curr.	Guar.
FinBenefit(NA-3)qnq	Champion	0-85	9.50%/d	1 Year	15%	7%	\$614,161	\$7.85	\$6.69
Nat'lHerit(NA-3)qnq	CapitalBldr	0-85	9.50%/d	1 Year	16%	0%	\$588,060	\$9.21	-
SAFECO (A+) qnq	QPA III+	0-75	9.35%/e	1 Year	9%	4%	\$480,222	\$7.97	\$6.09
GreatAmerican(A+)qnq	SPIO-2	18-65	9.00%/d	-	10%	4%	\$560,441	\$9.67	\$7.07
LinclnBenef(A+) qnq	OpportunII	0-99	8.87%/f	1 Year	6.3%	6.1%	\$547,651	\$9.37	\$6.42
*JacksonNat'l(A+) qnq	Max Plan	0-80	8.75%/f	Cal Yr.	6%	0%	\$535,356	\$9.00	\$7.99
*Presidentl L.(A) qnq	SPDA NBO	0-85	8.60%/g	1 Year	7%	1%	\$520,711	\$9.16	\$4.51
*UnitedPacific(A+)qnq	Prosper. 1	0-75	8.60%/d	1 Year	7%	0%	\$396,753	\$9.20	\$6.68
GoldenRule (A)qnq	SPDA II	0-70	8.50%/b	1 Year	8%	2%	\$511,205	\$9.12	\$2.27
*AmerInvestors(A)qnq	SPDA VII	0-80	8.50%/d	1 Year	10%	4%	\$511,205	\$9.44	\$6.69
*FederalKemper(A) qnq	PRO 2	0-84	8.50%/e	1/15/93	7%	0%	\$564,828	\$8.86	\$6.61
StateLife (A) qnq	FlexAnn I	0-80	8.50%/e	1 Year	7%	1%	\$511,207	\$8.89	\$6.81
KeystoneProv(A+)qnq	SPDA 5	1-85	8.40%/c	1 Year	7%	0%	\$501,864	\$9.43	\$5.65
LifeSthwest(A+) qnq	SPA 1	0-80	8.40%/d	1/15/93	7%	0%	\$501,864	\$9.58	\$6.62
*Southwestern(A+c) q	SPDA I	0-80	8.35%/d	1 Year	8%	2%	\$497,253	\$8.72	\$7.47
Minn.Mutual(A+) qnq	SEC OPT 3	18-85	8.30%/d	3 Years	10%	4%	\$462,854	\$9.37	\$5.54
*Transamerica (A) q	Merit-SP	0-65	8.30%/c	1 Year	9%	5%	\$467,390	\$9.32	\$5.57
SecurConn(A+) qnq	SPDA-1	0-85	8.30%/g	1 Year	7%	0%	\$492,685	\$9.10	\$6.68
*EquitableVar.(A)qnq	EVLIPLAN II	0-79	8.25%/d	1 Year	6%	1%	\$488,155	\$9.27	\$6.92
KemperInvest(A)qnq	Choice	-	8.25%/d	1 Year	7%	3%	\$488,155	\$8.97	\$7.07
WestrnNatl(A+)qnq	SPDA +II	0-90	8.15%/d	1 Year	7%	0%	\$479,215	\$9.28	\$7.07

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

Reporting Companies (Best's)	Policy Name	Issue Ages	Initial Credit%/Floor%	Yield Guarantee Period	Surrender Fees/Year		Proj. 20 Yr CashAccum CurrRate	Mo. Income/\$1000	
					1	7		Male 65	Life Only Guar.
Ctrl Life(A+) qnq	Guarantee 5	0-80	8.10%/d	5 Years	6%	0%	\$474,803	\$9.06	\$6.68 (cont.)
Canada Life(A+) qnq	Security 1	-	8.10%/d	1 Year	7%	2%	\$474,803	\$9.22	\$4.22
*Penn Mutual (A+)qnq	Diversif.II	0-85	8.00%/d	7 Years	7%	1%	\$466,096	\$9.24	\$6.30
CommUnion(A+) qnq	Flex-I	0-80	8.00%/e	1 Year	6%	0%	\$466,096	\$9.20	\$6.68
Nat'l Home (A+) qnq	MVP	0-75	7.90%/d	6 Years	6%	0%	\$457,539	\$9.18	\$6.28
SunlifeCan(A+)qnq	Regatta	0-80	7.80%/d	7 Years	6%	3%	\$449,133	\$9.47	\$6.68
FidelBnkrs(A+c)qnq	SPDA-G-3	0-80	7.75%/b	3 Years	6%	0%	\$444,985	\$8.87	\$6.58
ManuLife (A+) qnq	Ledger Acct	0-70	7.75%/d	5 Years	8%	2%	\$261,569	\$9.29	\$6.68
MONY (A+) qnq	SPDA	1-75	7.75%/e	1 Year	7%	1%	\$444,985	\$8.26	\$5.64
Gen.Svcs(NA-3) qnq	DirectRecog	1-69	7.25%/d	3 Years	10%	4%	\$421,676	\$8.89	-

See Table 8 for legend and notes.

# Who's No. 1 in ANNUITIES?

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**Table 4. Single Premium Certificates of Annuity  
(No Load- No Surrender Charges on Anniversary Date)**

Reporting Companies (Best's)	Policy Name	Issue Ages	Initial Credited Rate	Yield Guarantee Period	Penalty for Non-Anniversary Surrender by Year				
					1	2	3	4	5
*Jcksn Natl (A+)qnq	Ann.Ren.Ann.	0+	8.00%	1 Year	5%	4%	3%	2%	1%
Fid.Bankers(A+c)qnq	CD-A	0-80	7.75%	1 Year	5%	4%	3%	2%	1%
Kemper (A) qnq	Renuity	0-85	7.70%	3 Years	3%	3%	3%	3%	3%
*Manulife (A+)qnq	SPDA-II	0-80	7.50%	5 Years	No Surrender except at 5th Anniversary				
Gen.Svcs (NA-3) qnq	Dir.Recog.	1+	7.25%	3 Years	0%	0%	0%	0%	0%
Linc.Bene.(A+r) qnq	Tactician	0-99	7.25%	1 Year	0%	0%	0%	0%	0%
*OhioNatl (A+)qnq	CD-Annuity	0-80	7.00%	1 Year	1%	1%	1%	1%	1%
*Southwstrn(A+c)qnq	CD-I	0-80	6.90%	1 Year	5%	4%	3%	2%	1%

See Table 8 for legend and notes.

**Table 5. Flexible Premium Deferred Annuities (With Bailout)**

Reporting Companies (Best's)	Policy Name	Issue Ages	Initial Credit%/Floor%	Yield Guarantee Period	Bail-out Escape Rate	Surrender Fees/Year		Proj.20 Yr CashAccum CurrRate	Mo.Income/\$1000 Male 65 Life Only	
						1	7		Curr.	Guar.
Standard (A+) qnq	FPA	0-80	8.00%/c	-	5.75%	7%	3%	\$494,229	\$9.45	\$7.27
*Transamerica (A) q	Flex-Pac	0-64	7.75%/c	Cal.Yr.	6.74%	13%	7%	\$478,836	\$9.32	\$7.09
SecurMutual/NY(A)qnq	Flex+	0-80	7.50%/e	1 Year	5.50%	7%	4%	\$465,526	\$9.83	-
*Prudential (A+) qnq	Discovery	0-75	7.00%/d	3 Years	5.99%	7%	0%	\$441,298	\$8.86	\$5.73

See Table 8 for legend and notes.

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

Reporting Companies (Best's)	Policy Name	Issue Ages	Initial Credit%/Floor%	Yield Guarantee Period	Surrender Fees/Year		Proj. 20 Yr CashAccum CurrRate	Mo.Income/\$1000 Male 65 Life Only	
					1	7		Curr.	Guar.
Nat'lHerit(NA-3)qnq	CapRetAccum	0-85	9.50%/d	1 Year	16%	10%	\$574,987	\$9.21	-
ShelbyLife (B+)qnq	AnnuityPlus	0-85	9.00%/d	1 Year	8%	2%	\$556,251	\$10.06	\$6.59
Fid.Bankers(A+c) qnq	Gold Plan	0-80	9.00%/d	1 Year	10%	4%	\$560,441	\$8.87	\$6.58
*JacksonNatl(A+)qnq	Flex I	0-70	8.75%/b	Cal Yr.	12%	3%	\$541,069	\$9.00	\$7.99
GoldenRule (A) qnq	Withbuilder	0-65	8.50%/b	1 Year	13%	5%	\$523,681	\$9.12	\$3.23
*Ohio Natl(A+) qnq	Prime I	0-75	8.50%/d	Cal Yr.	7.8%	7.8%	\$523,439	\$9.41	\$6.87
*AmerInvestors(A) qnq	FPDA-I	0-65	8.50%/f	none	13%	6%	\$524,891	\$9.44	\$6.69
Kansas City (A+)q	Ret.Contr.	0-70	8.50%/d	2 CalYrs	15%	9%	\$549,450	\$9.41	\$3.82
State Life (A) qnq	FlexAnn I	0-80	8.50%/e	1 Year	7%	1%	\$521,737	\$8.89	\$6.81
Linc. Ben. (A+r) qnq	Futurist I	0-99	8.47%/f	none	7%	7%	\$523,162	\$9.37	\$6.42
Western Natl(A+) q	FPDA PlusII	0-90	8.45%/d	none	8%	2%	\$521,733	\$9.28	\$7.07
LifeSthwest(A+) qnq	Flex 3000	0-80	8.40%/e	1 Year	7%	1%	\$523,382	\$9.58	\$6.62
Fed Kemper (A) qnq	ProAnn. 1	0-84	8.25%/e	2 CalYrs	8%	0%	\$562,731	\$8.86	\$6.61
*Prudential(A) qnq	FPDA	0-85	8.15%/g	Cal Yr.	7%	4%	\$503,216	\$9.16	\$5.71
Safeco Life (A+)q	QPA III	0-75	8.10%/i	6-12mos.	9%	4%	\$500,201	\$7.97	\$6.09
Kemper Invest(A) qnq	All Savers	0-85	8.00%/e	2 Years	6%	1%	\$466,096	\$8.81	\$6.97
*PennMutual (A+) qnq	Diversif. II	0-85	8.00%/d	7 Years	7%	2.5%	\$494,229	\$9.24	\$6.30
*Equitable (A+) qnq	EQUIVEST	0-79	8.00%/d	1 Qtr.	6%	5%	\$494,229	\$9.27	\$6.77
WM/Empire (NR) qnq	FPA	0-85	7.85%/b	1 Year	8.1%	2.7%	\$485,418	\$9.70	\$6.77
CommUnion (A+) qnq	Flex-II	0-80	7.75%/d	1 Year	9%	0%	\$479,641	\$9.20	\$6.68
CtrlLife(A+)qnq	FPA	10+	7.75%/d	none	12%	4%	\$478,973	\$9.06	\$6.68
Manulife (A+) qnq	LedgerAcct	0-70	7.75%/d	5 Years	8%	2%	\$329,209	\$9.29	\$6.68
SunlifeCan(A+)qnq	Compass G	0-80	7.70%/d	7 Years	6%	1%	\$476,780	\$9.47	\$6.52
Gen.Svcs (NA-3) qnq	Dir.Recog.	1-69	7.25%/d	3 Years	10%	4%	\$453,489	\$8.89	-
Prudential(A+)qnq	Fixed Inter.	0-68	7.20%/d	1 Year	8%	2%	\$450,504	\$8.86	\$5.73

See Table 8 for legend and notes.

## 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. These rates were in effect during the survey period of Jan. 2 - Jan. 7, 1991. Call 1-800-U.S.ANNUITIES (1-800-872-6684) for details.

**Table 7. Structured Settlements Annuities**

Reporting Companies (Best's)	ISSUE AGES AND FORMS OF ANNUITY								Add'l Cost Assignment
	Male 15		Male 50		Fem. 15		Fem. 50		
	0% COLA	0% COLA	3% COLA	3% COLA	0% COLA	0% COLA	3% COLA	3% COLA	
CommUnion(A+)	\$146,883	\$123,467	\$226,475	\$162,377	\$148,754	\$131,270	\$233,912	\$178,450	\$ 500.
*Pres.Life (A)	\$148,226	\$119,962	\$227,079	\$156,764	\$151,347	\$130,020	\$237,681	\$176,014	\$ 100.
StndrdIns.(A+)	\$151,181	\$129,969	\$235,948	\$173,633	\$152,734	\$136,406	\$242,997	\$186,579	\$ 500.
WM/Empire(NR)	\$151,268	\$131,909	\$228,709	\$179,023	\$152,304	\$138,653	\$232,440	\$192,369	-
Fed.Kemper(A)	\$151,363	\$129,162	\$249,344	\$178,159	\$153,591	\$138,835	\$259,710	\$199,301	-
SunLifeCan(A+)	\$157,978	\$136,240	-	-	\$159,236	\$141,643	-	-	-
*OhioNat'l (A+)	\$167,403	\$137,184	\$304,451	\$192,768	\$169,940	\$145,513	\$320,159	\$212,431	n/a

See Table 8 for legend and notes

## 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 (Best'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 (A+) q	01/07	8.06%	-	8.06%	-	8.23%	-	8.23%	-	-	-	-	-
OhioNat'l(A+)qnq	01/07	7.62%	8.62%	7.59%	8.44%	7.92%	8.92%	7.89%	8.74%	7.92%	8.92%	7.89%	8.74%
NwstrnNat'l(A+)q	01/11	-	-	-	-	7.92%	8.84%	7.89%	8.70%	8.05%	8.98%	8.03%	8.84%
Penn Mutual(A+)q	01/08	7.56%	8.60%	7.53%	8.57%	7.99%	8.96%	7.96%	8.93%	8.03%	8.98%	8.00%	8.95%
Hartford (A)q	01/16	7.50%	8.60%	7.30%	8.43%	7.75%	8.85%	7.63%	8.68%	7.75%	8.85%	7.63%	8.68%
Transam. (A-)q	01/16	7.48%	8.55%	7.40%	8.39%	7.87%	8.85%	7.79%	8.69%	-	8.90%	-	8.74%

COLA= Cost of Living Adjustment

\* = Companies represented by U.S. Annuities

qnq = available for qual. and non-qual. funds; q= qualified funds only

A+c = Best's Contingent A+

Floor Rate <Next to Credited Rate>: a=2.50%; b=3.00%; c=3.50%; d=4.00%; e=4.50%; f=5.00%; g=5.50%; h=6.00%; i=4.25%

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).

## INSURANCE COMPANIES IN ANNUITY SHOPPER

<u>COMPANY</u>	<u>BEST'S</u>	<u>S &amp; P</u>	<u>MOODY'S</u>	<u>WEISS</u>	<u>ASSETS</u>	<u>NAIC NIG#</u>	<u>FIN.SZ.*</u>	<u>DOM.</u>
AETNA Life & Annuity	A+	AAA	Aaa	C	\$ 35.00B	-	XV	CT
American Investors L.	A	-	-	C+	\$ 1.5+B	8.2%	VII	KS
American Mutual Life	A+	-	-	C-	\$ 0.41B	-	VIII	IA
Canada Life Assurance	A+	AAA	-	n/a	\$ 9.13B	-	XI	ON(Can)
Central Life Assurance	A+	A	-	C-	\$ 2.00B	5.0%	VIII	IA
Colonial Penn Life I.	A+	-	-	C	\$ 0.12B	7.0%	VIII	PA
Commercial Union L.	A+	-	-	A-	\$ 0.40B	0.0%	VI	DE
Empire Life Insur. Co	NA-3	-	-	D+	\$ 0.01B	0.0%	V	NE
Equitable Life	A+	A	A1	C+	\$ 52.50B	8.7%	XV	NY
EVLICO	A	A+	A1	D+	\$ 8.90B	9.6%	X	NY
Federal Kemper	A	-	-	C+	\$ 2.10B	13.0%	VIII	IL
Fidelity Bankers L.	A+c	BBB+	-	D	\$ 3.90B	17.0%	VIII	VA
Financial Benefit L.	NA-3	-	-	D	\$ 0.5+B	15.0%	-	FL
First Colony Life	A+	AA+	-	B+	\$ 2.50B	4.0%	IX	VA
General Services Life	NA-3	AA+	-	D+	\$ 0.62B	5.7%	V	IA
Golden Rule	A	-	-	D+	\$ 0.43B	8.4%	VII	IL
Great American	A+	-	-	C-	\$ 3.70B	7.0%	VIII	KS
Hartford Life	A	AAA	Aa2	B+	\$ 8.00B	0.0%	VIII	CT
Jackson National	A+	-	-	C-	\$ 10.00B	21.0%	IX	MI
Kansas City Life	A+	-	-	A-	\$ 1.90B	<2.0%	VIII	MO
Kemper Investors	A	-	Aa3	D+	\$ 5.00B	13.0%	VIII	IL
Keystone Prov. Life	A+	-	-	C+	\$ 7.00B	5.5%	XV	RI
Life In. Co. Southwest	A+	-	-	D	\$ 0.84B	0.6%	VI	TX
Lincoln Benefit Life	A+r	AAA	AA1	B	\$ 0.06B	5.8%	X	NE
Manufacturers Life	A+	AAA	-	n/a	\$ 22.00B	2.8%	XIV	BC(Can)
Mass. General	A	-	-	B-	\$ 0.50B	-	-	MA
Metropolitan Life	A+	AAA	Aaa	B+	\$ 88.14B	-	XV	NY
Ministers Life	A	-	-	B-	\$ 0.22B	4.5%	V	MN
Minnesota Mutual	A+	AAA	Aa1	C+	\$ 5.0+B	2.4%	VIII	MN
MONY	A+	AA+	A2	C	\$ 22.00B	5.8%	X	NY
National Home life	A+	AA	-	B+	\$ 4.03B	3.3%	VIII	MO
National Heritage Life	NA-3	-	-	C	\$ 0.06B	1+ %	III	DE
NW Life Assur\Canada	A	-	-	n/a	\$ 0.40B	-	-	BC(Can)
North West Natl Life	A+	AA+	A1	n/a	\$ 5.30B	6.5%	IX	MN
Ohio National Life Ins	A+	-	Aa2	B	\$ 2.60B	2.5%	VIII	OH
Penn Mutual Life Ins.	A+	A+	A1	C+	\$ 6.00B	2.3%	IX	PA
Presidential Life Ins.	A	BBB+	Baa1	D+	\$ 2.3+B	24.6%	VIII	NY
Prudential Life Ins.	A+	AAA	Aaa	B	\$ 163.00B	5.6%	XV	NJ
Safeco Life Ins.	A+	-	Aa2	C+	\$ 4.80B	11.2%	V	WA
Security Conn. Life	A+	-	-	B	\$ 0.79B	3.0%	VIII	CT
Security Mutual/NY	A	AA-	-	C+	\$ 0.82B	2.0%	VI	NY
Shelby Life	B+	-	-	n/a	\$ 0.08B	4.0%	IV	OH
Southwestern Life	A+c	A-	Baa2	C	\$ 1.49B	4.0%	VIII	TX
Standard Insur. Co.	A+	-	-	B-	\$ 1.92B	<1.0%	VIII	OR
State Life Ins. Co.	A	-	-	B-	\$ 0.19B	2.0%	V	IN
Sun Life of America	A+	AA	A3	B	\$ 2.23B	-	VIII	MD
Sun Financial (Canada)	A+	AAA	-	n/a	\$ 25.00B	-	IX	ON(Can)
Transamerica	A-	AA+	Aa3	C-	\$ 8.10B	-	XII	CA
United Cos. Life	A	-	-	C+	\$ 1.00B	9.1%	VII	LA
United Pacific Life	A+	BBB+	Baa2	C-	\$ 5.10B	13.9%	IX	WA
WM (Wash.Mutual) Life	NA-3	-	-	D+	\$ 0.35B	0.3%	IX	AZ
Washington National	A+	-	-	C-	\$ 1.70B	-	VIII	IL
Washington Square Life	A	-	-	C	\$ 0.28B	-	V	PA
Western Life Ins. Co.	A+	-	-	B	\$ 0.66B	-	VII	MN
Western National	A+	A-	A3	B+	\$ 3.70B	1.3%	VIII	TX

A.M. Best's Rating Scale: A+ (Superior), A & A- (Excellent), B+ (Very Good), B and B- (Good), C+ (Fairly Good), C and C- (Fair)  
 S & P Rating Scale: AAA, AA, A, BBB, BB, B, CCC, CC, C, D (+ or - shows relative standing within major category)  
 Moody's Rating Scale: Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C (numerical modifiers: 1=at high end of category, 2=mid-range, or 3=lower end)  
 Weiss Rating Scale: A to F (B+ and above: Recommended; B: Currently Safe; C: Fair; D: Weak; E: Very Weak; F: Under State Supervision)  
 (For more info contact: Weiss Research, Inc.; P.O. Box 2923; West Palm Beach, FL 33402; (407) 684-8100)

Bests' Financial Size ("FIN. SZ.") rating of Adjusted Policyholders' Surplus. Measured between I (=least) and XV (=most).

\*\*\*Asset figures & Financial Size Category under revision

#Nat'l Assoc. Insurance Commissioners' defined "Non-Investment Grade" bonds as a percentage of assets. Data provided on survey sheets by carriers.

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