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**SUMMER
2013**

VOL. 28, No. 2

CONSUMER ALERT

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- p.37 Tips for Buying a MYGA Annuity**
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Please Begin Here—

What is an annuity? An annuity is an obligation of an insurance company. If an annuity makes a guarantee it is always based solely on the ability of that insurance company to pay its claims. An annuity is not a bank obligation and is not insured by FDIC or any other federal agency.

Are annuities subject to taxes? Annuity earnings and pre-tax payments are subject to income taxes at withdrawal. Annuity withdrawals or payments prior to age 59-1/2 may be subject to a 10% federal penalty tax.

Does the *Annuity Shopper* recommend I buy an annuity? No, you should consult with a competent financial planner to determine whether an annuity is recommended or suitable for your financial situation.

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About the Annuity Shopper:

There are many types of annuities. They can accomplish different goals. An annuity, for example, may provide tax-deferred growth. Some examples would be multi-year fixed interest annuities, fixed indexed annuities, or variable annuities. An annuity may guarantee a steady income for life or for a specified period of time. Examples of income annuities would be immediate annuities and deferred income annuities. Some annuities combine both growth and distribution features.

If you are new to annuities, may I suggest you read the "How to" articles for each type of annuity.

To reach us by phone call 800-872-6684. We welcome your questions and suggestions. You can also find the latest issue of Annuity Shopper online at www.immediateannuities.com.

Hersh L. Stern
Publisher

Send questions or suggestions with your name, address, and phone number to Hersh Stern, Publisher, *Annuity Shopper*, 28 Harrison Ave., Suite D908, Englishtown, NJ 07726.

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Tips for Buying an Immediate Annuity ('SPIA')

A SINGLE PREMIUM IMMEDIATE ANNUITY, also known as an SPIA, is typically purchased with a single lump sum (called a premium) and begins making payments to you one month after you pay the premium. An immediate annuity can be purchased with funds from a variety of sources, such as a maturing Certificate of Deposit (CD), monies which have accumulated in a Deferred or Variable Annuity, funds from a tax-qualified retirement plan, or from an IRA account.

The key element to understanding an immediate annuity is the nature of the transaction which takes place between the insurance company and the buyer: In exchange for a lump-sum payment, the insurance company agrees to make regular payments according to a specified schedule. Typically, this might be for the life of one or two annuitants or for a specified number of years, or for a combination of both. This transaction is irrevocable once the contract is delivered to the buyer and the "right to examine" or "free-look" period has ended. An immediate annuity generally has no cash value though some companies offer limited liquidity or accelerated payment options.

Some of the Advantages of An Immediate Annuity

- (1) **Simplicity**—the annuitant does not have to manage his investments, watch markets, or report dividends;
- (2) **Security**—the annuity can provide stable income for one or two annuitants' lifetimes or for a specified period of years or for a combination of both;
- (3) **Returns**—since a portion of the premium is returned with each payment, the monthly payout amount is greater than would be provided by withdrawing interest alone;
- (4) **No Initial Sales Fees or Annual Administrative Charges.**

Uses of an Immediate Annuity

SPIAs may be particularly useful when providing a steady stream of income in the following situations:

- (1) Retirement (at the end of full- or part-time employment)
- (2) Annuitizing a deferred annuity via a Section 1035 Exchange to spread out taxes on the accumulated deferred interest
- (3) Settling an Estate or Divorce obligation
- (4) Guaranteeing pension plan or deferred compensation benefits

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CPI-U Inflation Adjustments

Fixed Income Increase Option — Keeping Up With Inflation

If you are concerned that the purchasing power of your fixed income annuity payments will decline due to inflation, you might want to consider selecting the Inflation Adjustment increase option.

Inflation Adjustments

Our fixed income annuity offers inflation adjustments tied to the Consumer Price Index (CPI-U), which enable you to receive an inflation-indexed stream of income that is guaranteed for life.¹

Your income payments will be adjusted each year on January 1 to correspond with changes in the non-seasonally adjusted Consumer Price Index (CPI-U) published by the Bureau of Labor Statistics. These adjustments can either raise or lower the payments for the next year, depending upon changes in the CPI-U.

When the CPI-U moves upward, the annual adjustment will increase your payment amount and there is no limitation on the annual increase. Conversely, when the CPI-U falls, your annual payment adjustment decreases the amount you receive. However, be assured that any decrease will not reduce the payment below the initial benefit amount, as illustrated in the table below (Year 3). Because of this guaranteed minimum payment level, any negative movements in the CPI-U that are not applied to the annuity income amount will be used to offset future CPI-U increases (Year 4).

Sample Adjustment

The table below is based upon an initial monthly payment of \$500. Increases or decreases in the movement of the CPI-U are reflected in the second column. The third column represents the adjustments made to the monthly payments every January 1. It also illustrates how payments will not fall below the initial premium (floor) and excess declines are applied (offset). This table is for illustrative purposes only.

Year	Change in CPI-U ²	Change in Monthly Payment	Resulting Monthly Payment Amount
1	—	—	\$500.00
2 ³	+ 2.4%	+ 2.4%	\$512.00
3	- 3.4%	- 2.4% (floor)	\$500.00
4	+ 4.2%	+ 3.072% (offset ⁴)	\$515.36
5	+ 3.7%	+ 3.7%	\$534.43
6	+ 6.2%	+ 6.2%	\$567.56
7	+ 12.1%	+ 12.1%	\$636.23
8	+ 6.9%	+ 6.9%	\$680.13
9	- 1.2%	- 1.2%	\$671.97
10	+ 1.9%	+ 1.9%	\$684.74

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Tips for Buying an Immediate Annuity ('SPIA')

(Continued from page 5)

Forms of Annuity

In its simplest form, an immediate annuity guarantees to make payments over the lifetime of one person. This type, called a "Straight Life," "Life Only," or "Non-refund" annuity, insures the recipient against outliving his financial resources and is an important instrument in planning for retirement. Given a fixed deposit amount, the monthly payments which derive from a "Straight Life" annuity are always greater than those derived from other forms of the lifetime annuity, such as the "Life with Period Certain" annuity, or the "Joint and Survivor" annuity. The insurer of a single life annuity calculates its obligation only until the last regular payment preceding the annuitant's death. With other more extended forms of annuity, the insurer calculates its risk over a longer period than the one life expectancy, and reduces proportionately the monthly payment amount. However, since the payments on a single life annuity terminate when the annuitant dies, selecting this form of annuity is tantamount to betting that you will live longer than the average person. Life expectancy data can be found in the section titled "Life Expectancy Tables" (see Table of Contents).

When you extend the range of a life annuity by continuing payments to a second person ("Joint and Survivor" annuity) or for a guaranteed minimum period of time ("Period Certain" annuity), the extra coverage will usually reduce the monthly payment. Some situations where these "extended" forms of immediate annuity would be appropriate are: (1) when the income needs to be guaranteed over the lifetimes of a husband and wife ("Joint and Survivor" annuity); (2) when payments must continue for a specified period (e.g. 5 or 10 years or more) to a designated beneficiary ("Certain and Continuous" annuity); or (3) when the annuitant wants to make sure that, if he should die before his full investment has been distributed in monthly payments, an amount equal to the balance of the deposit continues to a named beneficiary ("Installment Refund" annuity).

Source of Funds—

Qualified vs. Non-Qualified

The term *qualified* (when applied to Immediate Annuities) refers to the tax status of the funds used for purchasing the annuity. These are premium dollars which until now have "qualified" for IRS exemption from income taxes. The whole payment received each month from a qualified annuity is taxable as income (since income taxes have not yet been paid on these funds). Qualified annuities may either come from corporate-sponsored retirement plans (such as Defined Benefit or Defined Contribution Plans), Lump Sum distributions from such retirement plans, or from such individual retirement arrangements as IRAs, SEPs, and Section 403(b) tax-sheltered annuities. Generally speaking,

insurance companies use male/female (sex-distinct) rates to price qualified annuities in situations where the purchaser and/or owner is an individual. When the annuity is being purchased by a corporation, annuity rates are generally unisex. Some states, however, require that unisex rates be used for all qualified annuities.

Non-qualified immediate annuities are purchased with monies which have not enjoyed any tax-sheltered status and for which taxes have already been paid. A part of each monthly payment is considered a return of previously taxed premium and therefore excluded from taxation. The amount excluded from taxes is calculated by an Exclusion Ratio, which appears on most annuity quotation sheets. Non-qualified annuities may be purchased by employers for situations such as deferred compensation or supplemental income programs, or by individuals using their after-tax savings accounts or money market accounts, CD's, proceeds from the sale of a house, business, mutual funds, other investments, or from an inheritance or proceeds from a life insurance settlement. While most insurance companies apply their male/female (sex-distinct) tables to non-qualified annuities, some states require the use of unisex rates for both males and females.

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Immediate Annuities Update

The immediate annuity factors (also called “purchase rates”) shown in **Tables 1 through 14** illustrate the amounts of monthly income \$100,000 of premium will purchase from the listed insurance companies. These immediate annuities provide a first income payment 30 days after the date premium is received by the insurance companies. The factors shown are net of all fees except state premium taxes, if applicable.

In **Table 1** we report the purchase rates for Period Certain Annuities, which have no life contingency. These are simply installment payments which continue for a fixed period of years (5, 10, 15, 20, 25, and 30 respectively) and then cease. Neither the age or sex of the annuitant effects the quotes.

Tables 2 through 10 illustrate purchase rates for Single Life Annuities. In separate tables we report the factors for males and females ranging from age 50 through age 90 in 5 year intervals. Each table distinguishes between purchase rates for males and females, and reports figures for four annuity payment options or plans: Life Only (“Life Only”), Life with 10 Years Certain (“10 yr C&C”), Life with 20 Years Certain (“20 yr C&C”), and Life with Installment Refund (“Install.Rfd.”).

In some cases, the tax status of the funds used to buy an annuity may influence the purchase rates an insurance company applies to your premium. Our rate tables are based on the assumption the premium is **“Non-Qualified.”** Note, some companies pay different income amounts for **“Qualified”** premium.

The term non-qualified funds, also known as “after-tax monies”—such as money from a CD or savings account—refers to funds which have not enjoyed the tax-qualified status of IRAs or pension monies. Because these funds have already been taxed once before, that portion of each monthly check which is considered a return of the purchaser’s investment (or principal) is not taxed again (ie., it is excluded from income).

Qualified funds, on the other hand, are monies which until now have enjoyed special tax treatment. Because no taxes have yet been paid on such funds, each monthly payment received from an annuity which was purchased with such deposits is fully taxable as income when received.

In addition to the tax status of the funds being used to purchase an annuity, the annuitant’s age and gender as well as the payment option or plan (also known as the “form” of annuity) will directly affect the monthly payment amount. Age and sex relate to life expectancy and thus ultimately to the insurance company’s cost to provide its guarantees. Therefore, when insurance companies employ sex-distinct rates, female annuitants—who have longer life expectancies than males of the same age—should expect to receive less

annuity income from their premium dollars. Obviously, the number of possible age, sex, and form combinations are too many to present in this kind of format. So we’ve illustrated immediate annuity income at five-year intervals, beginning at age 50 and continuing through age 90. You may also call us toll-free at 800-872-6684 to receive a free calculation for an annuity not shown.

A “Straight Life” or **Life Only** annuity is one which makes periodic payments to an annuitant for the duration of his or her lifetime and then ceases. There are no payments to beneficiaries.

A **Life with 10 Years Certain (10 Yr C&C)** annuity guarantees that payments will be made for at least ten years, regardless of whether the annuitant survives over that period. If he/she does not survive, the remainder of the 10-year payments will be made to beneficiaries. If the annuitant survives beyond the 10-year guarantee period, payments will continue for the duration of his/her lifetime and then cease. A **Life with 20 Years Certain Annuity (20 yr C&C)** is administered in the same way as the 10 yr C&C annuity, except that the guarantee period covers twenty years instead of ten.

Tables 11 through 14 provide the purchase rates for Joint and Survivor Annuities (“J&S”) for a male/female couple ages 65/60 to ages 80/75.

In these four Joint and Survivor tables we illustrate the rates for the Joint & 100% Survivor Annuity which does not reduce on either death but continues in full so long as one of the annuitants is living. Additionally, we show the rates for Joint life annuities with **10-Years Certain and 20-Years Certain**. These payment plans guarantee that payments will be made to beneficiaries for the first ten or twenty years, respectively, if both joint annuitants die during these guarantee periods. If both annuitants live beyond the guarantee periods, payments continue for the duration of their lifetimes. Please call us toll-free at 800-872-6684 if you have any questions about how these annuities work.



Immediate Annuities Update

Table 1. Period Certain (AKA Term Certain) Annuities

This annuity pays for the duration of the specified period only, not for the annuitant's lifetime. If the annuitant should die before the end of the period, payments continue to beneficiaries. Quotes shown are monthly income per \$100,000.

Insurance Company	5 Years Period Certain	10 Years Period Certain	15 Years Period Certain	20 Years Period Certain	25 Years Period Certain	30 Years Period Certain
Allianz	N/A	\$ 865	\$ 636	\$ 530	\$ 469	\$ 432
American General (AIG)	N/A	\$ 878	\$ 627	\$ 513	\$ 445	\$ 404
American National	N/A	\$ 865	\$ 647	\$ 541	\$ 475	\$ 425
Equitrust Life	\$ 1685	\$ 924	\$ 698	\$ 570	N/A	N/A
Genworth	N/A	\$ 901	\$ 656	\$ 534	\$ 464	\$ 421
Integrity Life	N/A	\$ 872	\$ 634	\$ 518	\$ 453	\$ 414
Jackson National	N/A	\$ 846	\$ 611	\$ 509	\$ 432	\$ 381
Kansas City Life	\$ 1677	\$ 897	\$ 620	\$ 482	\$ 399	\$ 344
Lafayette Life	N/A	\$ 856	\$ 622	\$ 517	N/A	N/A
Lincoln Benefit	N/A	\$ 839	\$ 606	\$ 495	\$ 433	\$ 397
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Mass Mutual Life Ins.	\$ 1683	\$ 908	\$ 673	\$ 558	\$ 489	\$ 445
MetLife Investors	N/A	N/A	\$ 627	\$ 545	\$ 448	\$ 403
Minnesota Life	N/A	\$ 858	\$ 635	\$ 504	\$ 426	\$ 375
Nationwide LIC	\$ 1667	\$ 884	\$ 643	\$ 525	\$ 458	\$ 416
New York Life	N/A	\$ 886	\$ 640	\$ 536	\$ 472	\$ 436
No. Amer. Co. Life & Health	\$ 1700	\$ 926	\$ 669	\$ 552	N/A	N/A
Pacific Life & Annuity Co.	N/A	\$ 866	\$ 631	\$ 520	\$ 476	\$ 423
Penn Mutual	N/A	\$ 888	\$ 650	\$ 526	\$ 457	N/A
Symetra Financial	\$ 1670	\$ 886	\$ 637	\$ 517	\$ 450	\$ 408
United Omaha	\$ 1666	\$ 866	\$ 619	\$ 502	N/A	N/A
Average	\$ 1677	\$ 877	\$ 636	\$ 523	\$ 450	\$ 405
Quotes as of June 1, 2013 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.						

Immediate Annuities Update

Table 2. Single Life Annuities — Age 50

Column Headings: **Life Only:** Pays for the remainder of the annuitant's lifetime. **Life with 3% COLA:** Pays for the remainder of the annuitant's lifetime. Monthly income increases annually by 3% on every policy anniversary date. **Life with 10 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 10 years, payments continue to beneficiaries until the end of the 10th year. **Life with 20 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 20 years, payments continue to beneficiaries until the end of the 20th year. **Life with Installment Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, payments continue to beneficiaries until the total amount paid equals the premium. Quotes shown are per \$100,000 of non-qualified money with monthly income beginning 30 days after purchase.

Insurance Company	Male					Female				
	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund
Allianz	\$ 435	N/A	\$ 432	\$ 421	N/A	\$ 415	N/A	\$ 414	\$ 408	N/A
American Gen.	\$ 433	\$ 274	\$ 427	\$ 412	\$ 411	\$ 412	\$ 256	\$ 408	\$ 399	\$ 398
American Nat.	\$ 402	\$ 241	\$ 399	\$ 390	\$ 392	\$ 381	\$ 222	\$ 379	\$ 374	\$ 375
Equitrust Life	\$ 435	N/A	\$ 431	\$ 421	N/A	\$ 411	N/A	\$ 409	\$ 403	N/A
Genworth	N/A	N/A	\$ 406	\$ 397	\$ 396	N/A	N/A	\$ 395	\$ 389	\$ 388
Integrity Life	\$ 398	\$ 258	\$ 401	\$ 394	\$ 393	\$ 383	\$ 243	\$ 387	\$ 383	\$ 382
Jackson National	\$ 370	\$ 228	\$ 367	\$ 358	\$ 353	\$ 347	\$ 206	\$ 346	\$ 341	\$ 336
Kansas City Life	\$ 404	N/A	\$ 401	\$ 392	\$ 390	\$ 380	N/A	\$ 378	\$ 373	\$ 372
Lafayette Life	\$ 375	N/A	\$ 372	\$ 361	\$ 355	\$ 348	N/A	\$ 346	\$ 341	\$ 336
Lincoln Benefit	\$ 392	\$ 254	\$ 390	\$ 379	\$ 376	\$ 374	\$ 236	\$ 373	\$ 367	\$ 364



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Mass Mutual Life	\$ 437	\$ 282	\$ 434	\$ 425	\$ 426	\$ 418	\$ 264	\$ 416	\$ 411	\$ 411
MetLife Investors	\$ 363	N/A	\$ 361	\$ 354	\$ 351	\$ 355	N/A	\$ 354	\$ 350	\$ 346
Minnesota Life	\$ 364	N/A	\$ 361	\$ 352	\$ 347	\$ 340	N/A	\$ 339	\$ 334	\$ 330
Nationwide LIC	\$ 413	\$ 277	\$ 410	\$ 401	N/A	\$ 405	\$ 267	\$ 403	\$ 397	N/A
New York Life	\$ 414	N/A	\$ 414	\$ 414	\$ 414	\$ 412	N/A	\$ 410	\$ 404	\$ 403
No. Amer. Co.	\$ 412	N/A	\$ 409	\$ 398	\$ 397	\$ 386	N/A	\$ 384	\$ 379	\$ 377
Pacific Life	\$ 416	\$ 255	\$ 414	\$ 406	\$ 405	\$ 402	N/A	\$ 401	\$ 395	\$ 394
Penn Mutual	\$ 406	\$ 255	\$ 402	\$ 395	\$ 391	\$ 381	\$ 232	\$ 380	\$ 375	\$ 373
Symetra Financial	\$ 396	\$ 253	\$ 393	\$ 384	\$ 382	\$ 378	\$ 237	\$ 377	\$ 371	\$ 369
United Omaha	\$ 401	\$ 265	\$ 400	\$ 390	N/A	\$ 381	\$ 245	\$ 381	\$ 376	N/A
Average	\$ 400	\$ 253	\$ 398	\$ 389	\$ 382	\$ 381	\$ 236	\$ 381	\$ 375	\$ 368

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Rated Age Immediate Annuity



A person with a serious medical condition may qualify for an annuity which pays them a greater than normal income. This occurs when an insurance company determines that the person's actuarial age is older than their chronological age. The level of income calculated based on a so-called "rated age" is usually greater because the insurance company expects the duration of the income stream to be shorter, i.e., the company expects to make fewer payments.

What constitutes a "Ratable Medical Condition"?

The following are examples of "ratable" conditions. This is not an exhaustive list. There are other conditions which may qualify for "rated age" underwriting. To discuss your specific situation please call 866-866-1999. We would be glad to help in any way we can.

Alzheimer's	Emphysema/COPD	Mental Illness
Alcoholism	Heart Attack or Angina	Multiple Sclerosis
ALS (Lou Gehrig's Disease)	Heart Valve Disease	Muscular Dystrophy
Angioplasty or Heart Surgery	Hodgkin's Disease	Organic Brain Syndrome
Cancer (except for basal cell)	Injury from Falls or Imbalance	Paraplegia or Quadriplegia
Congestive Heart Failure	Leukemia	Stroke
Cirrhosis of the Liver	Lymphoma	Transient Ischemic Attack

How do I obtain a "Rated Age" quotation?

It is a lot simpler to apply for a rated age determination than to apply for a life insurance policy. You do not have to meet with a paramedic or undergo any special physical examinations. Just send us a copy of your doctors' recent reports written at the time of significant examinations, hospitalizations, surgeries, or rehabilitation. You may also send us copies of reports obtained from hospital admissions and discharge departments. Keep in mind that your chances for obtaining a more favorable rating will increase with the number of detailed reports you submit! If you do not have access to any of these reports you may send us a summary of your significant medical information on the attached form. Note, however, that the insurance companies prefer reading copies of your doctors' reports. They will often decline to underwrite an annuity when they only receive information from the person who is purchasing the policy.

When sending the requested information please also include a signed Authorization to Release Information form. Call 800-872-6684 to request a copy of the Authorization form be sent to you.

**To receive a rated age quotation
call Hersh Stern, General Agent,
at 800-872-6684 (toll-free)**

Immediate Annuities Update

Table 3. Single Life Annuities — Age 55

Column Headings: **Life Only:** Pays for the remainder of the annuitant's lifetime. **Life with 3% COLA:** Pays for the remainder of the annuitant's lifetime. Monthly income increases annually by 3% on every policy anniversary date. **Life with 10 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 10 years, payments continue to beneficiaries until the end of the 10th year. **Life with 20 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 20 years, payments continue to beneficiaries until the end of the 20th year. **Life with Installment Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, payments continue to beneficiaries until the total amount paid equals the premium. Quotes shown are per \$100,000 of non-qualified money with monthly income beginning 30 days after purchase.

Insurance Company	Male					Female				
	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund
Allianz	\$ 464	N/A	\$ 458	\$ 440	N/A	\$ 439	N/A	\$ 437	\$ 426	N/A
American Gen.	\$ 458	\$ 303	\$ 450	\$ 429	\$ 431	\$ 438	\$ 284	\$ 432	\$ 418	\$ 418
American Nat.	\$ 437	\$ 276	\$ 431	\$ 416	\$ 419	\$ 400	\$ 252	\$ 407	\$ 398	\$ 400
Equitrust Life	\$ 471	N/A	\$ 465	\$ 447	N/A	\$ 441	N/A	\$ 438	\$ 428	N/A
Genworth	N/A	N/A	\$ 436	\$ 421	\$ 421	N/A	N/A	\$ 422	\$ 411	\$ 411
Integrity Life	\$ 426	\$ 288	\$ 427	\$ 415	\$ 415	\$ 407	\$ 270	\$ 410	\$ 403	\$ 402
Jackson National	\$ 407	\$ 264	\$ 403	\$ 386	\$ 382	\$ 378	\$ 238	\$ 375	\$ 366	\$ 362
Kansas City Life	\$ 441	N/A	\$ 435	\$ 419	\$ 420	\$ 410	N/A	\$ 407	\$ 398	\$ 397
Lafayette Life	\$ 416	N/A	\$ 410	\$ 392	\$ 387	\$ 383	N/A	\$ 380	\$ 370	\$ 365
Lincoln Benefit	\$ 424	\$ 287	\$ 419	\$ 400	\$ 397	\$ 400	\$ 264	\$ 398	\$ 386	\$ 383
 For today's best quotes call 1-800-872-6684										
Mass Mutual Life	\$ 467	\$ 316	\$ 463	\$ 446	\$ 451	\$ 445	\$ 295	\$ 442	\$ 433	\$ 434
MetLife Investors	\$ 403	N/A	\$ 399	\$ 387	\$ 383	\$ 392	N/A	\$ 389	\$ 380	\$ 376
Minnesota Life	\$ 401	N/A	\$ 397	\$ 381	\$ 376	\$ 372	N/A	\$ 370	\$ 361	\$ 356
Nationwide LIC	\$ 441	\$ 305	\$ 436	\$ 421	N/A	\$ 428	\$ 292	\$ 425	\$ 415	N/A
New York Life	\$ 450	N/A	\$ 450	\$ 438	\$ 441	\$ 440	N/A	\$ 436	\$ 424	\$ 424
No. Amer. Co.	\$ 452	N/A	\$ 446	\$ 427	\$ 429	\$ 419	N/A	\$ 416	\$ 406	\$ 405
Pacific Life	\$ 451	\$ 291	\$ 447	\$ 434	\$ 434	\$ 435	\$ 276	\$ 432	\$ 422	\$ 422
Penn Mutual	\$ 440	\$ 290	\$ 434	\$ 420	\$ 420	\$ 413	\$ 265	\$ 410	\$ 400	\$ 399
Symetra Financial	\$ 426	\$ 285	\$ 421	\$ 406	\$ 404	\$ 403	\$ 264	\$ 401	\$ 392	\$ 390
United Omaha	\$ 430	\$ 296	\$ 427	\$ 410	N/A	\$ 405	\$ 272	\$ 404	\$ 395	N/A
Average	\$ 434	\$ 286	\$ 430	\$ 414	\$ 409	\$ 410	\$ 266	\$ 409	\$ 399	\$ 393
Quotes as of June 1, 2013 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.										

October 16, 1996

Jane Bryant Quinn
Newsweek Focus
251 West 57th Street
New York, NY 10019

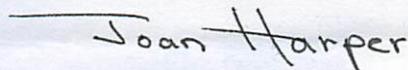
Dear Ms. Quinn:

As a recent retiree, I am writing to express my appreciation for your column in NEWSWEEK on January 15, 1996 entitled "Leading Questions." Your fourth question in that column could have applied to me, as approaching 65, I was interested in purchasing a guaranteed annuity upon my retirement. The insurance company in which my money was held, through a plan with my employer, offered an extremely low rate for a fixed annuity.

After reading your column, I contacted The Annuity Shopper and was most impressed with Hersh Stern and the employees of The Annuity Shopper. They obtained several quotes for me, were always available to answer my questions, and treated me as though they were truly interested in helping me. Through them I was able to obtain a very good annuity, and the entire process was greatly simplified with their assistance. I would highly recommend The Annuity Shopper.

Thank you for your timely column.

Sincerely,



Joan Harper
18 Maudsley Avenue
Barrington, RI 02806



Hersh Stern
The Annuity Shopper

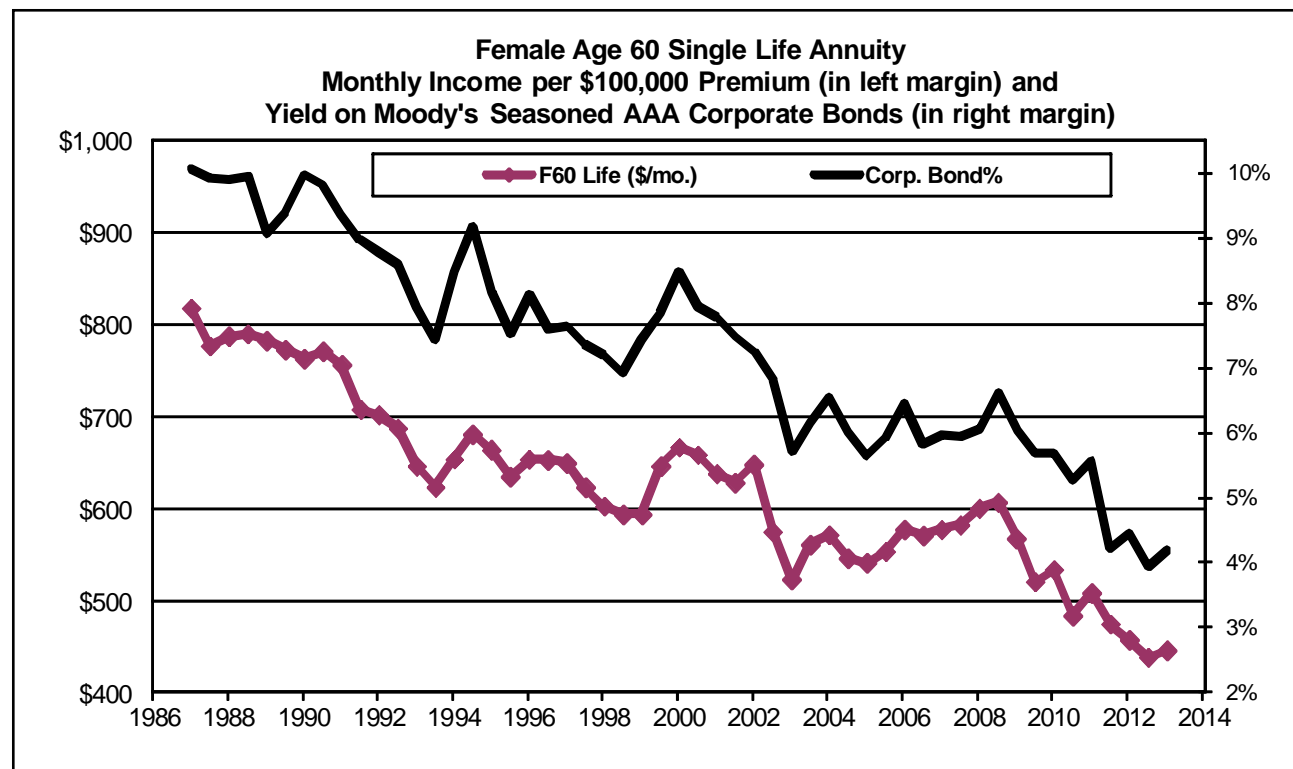
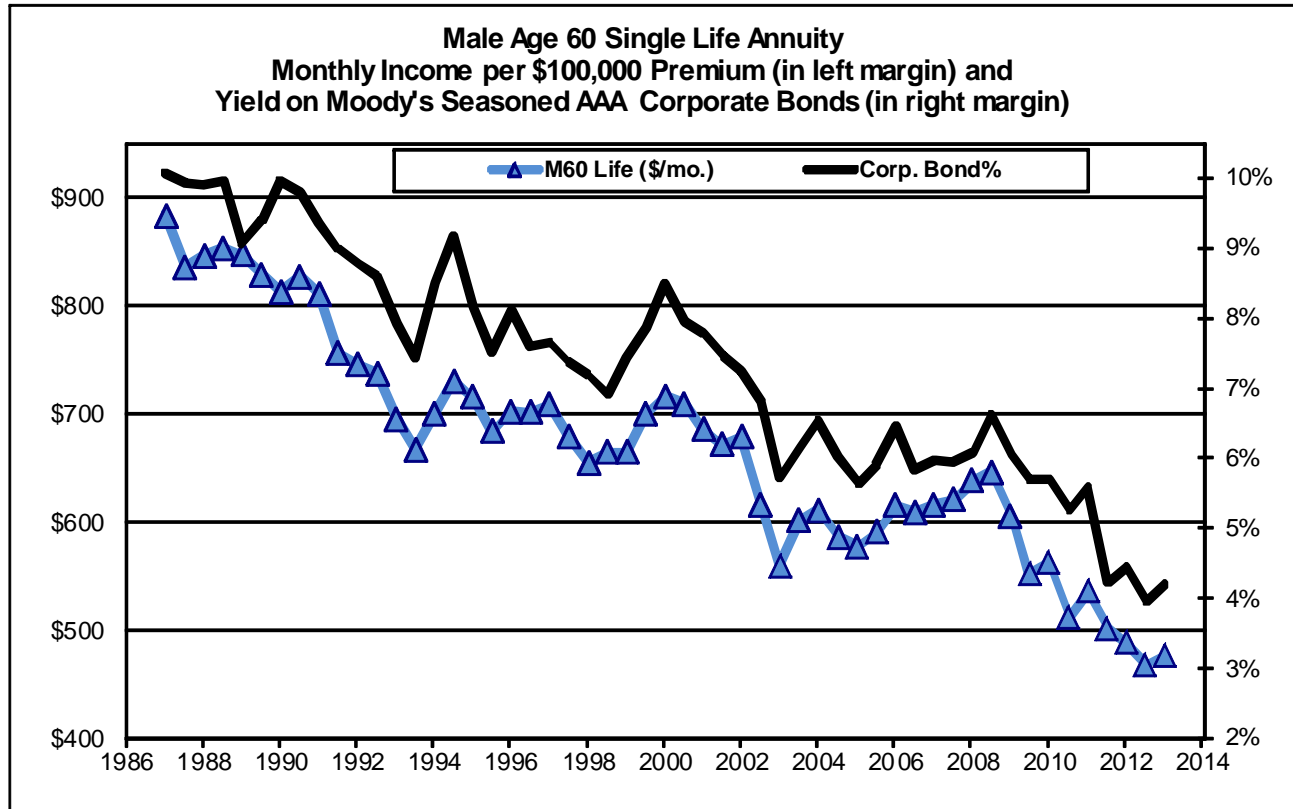
Immediate Annuities Update

Table 4. Single Life Annuities — Age 60

Column Headings: **Life Only:** Pays for the remainder of the annuitant's lifetime. **Life with 3% COLA:** Pays for the remainder of the annuitant's lifetime. Monthly income increases annually by 3% on every policy anniversary date. **Life with 10 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 10 years, payments continue to beneficiaries until the end of the 10th year. **Life with 20 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 20 years, payments continue to beneficiaries until the end of the 20th year. **Life with Installment Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, payments continue to beneficiaries until the total amount paid equals the premium. Quotes shown are per \$100,000 of non-qualified money with monthly income beginning 30 days after purchase.

Insurance Company	Male					Female				
	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund
Allianz	\$ 505	N/A	\$ 494	\$ 460	N/A	\$ 471	N/A	\$ 466	\$ 447	N/A
American Gen.	\$ 475	\$ 343	\$ 484	\$ 452	\$ 459	\$ 453	\$ 322	\$ 444	\$ 441	\$ 444
American Nat.	\$ 470	\$ 311	\$ 461	\$ 434	\$ 441	\$ 436	\$ 281	\$ 431	\$ 416	\$ 418
Equitrust Life	\$ 519	N/A	\$ 508	\$ 476	N/A	\$ 481	N/A	\$ 476	\$ 457	N/A
Genworth	N/A	N/A	\$ 477	\$ 449	\$ 454	N/A	N/A	\$ 457	\$ 438	\$ 440
Integrity Life	\$ 464	\$ 327	\$ 462	\$ 440	\$ 443	\$ 439	\$ 304	\$ 404	\$ 427	\$ 428
Jackson National	\$ 456	\$ 312	\$ 447	\$ 417	\$ 417	\$ 420	\$ 279	\$ 415	\$ 398	\$ 395
Kansas City Life	\$ 488	N/A	\$ 479	\$ 449	\$ 456	\$ 450	N/A	\$ 445	\$ 428	\$ 430
Lafayette Life	\$ 470	N/A	\$ 460	\$ 425	\$ 427	\$ 429	N/A	\$ 423	\$ 403	\$ 401
Lincoln Benefit	\$ 467	\$ 330	\$ 456	\$ 422	\$ 423	\$ 435	\$ 300	\$ 429	\$ 407	\$ 405
 For today's best quotes call 1-800-872-6684										
Mass Mutual Life	\$ 507	\$ 359	\$ 498	\$ 470	\$ 481	\$ 481	\$ 333	\$ 476	\$ 458	\$ 464
MetLife Investors	\$ 452	N/A	\$ 445	\$ 421	\$ 421	\$ 436	N/A	\$ 431	\$ 414	\$ 412
Minnesota Life	\$ 451	N/A	\$ 442	\$ 412	\$ 412	\$ 414	N/A	\$ 409	\$ 392	\$ 389
Nationwide LIC	\$ 480	\$ 343	\$ 471	\$ 444	N/A	\$ 462	\$ 326	\$ 456	\$ 437	N/A
New York Life	\$ 491	\$ 351	\$ 490	\$ 462	\$ 473	\$ 475	\$ 332	\$ 468	\$ 447	\$ 451
No. Amer. Co.	\$ 504	N/A	\$ 494	\$ 460	\$ 470	\$ 464	N/A	\$ 458	\$ 439	\$ 442
Pacific Life	\$ 497	\$ 338	\$ 491	\$ 466	\$ 473	\$ 477	\$ 319	\$ 473	\$ 454	\$ 457
Penn Mutual	\$ 483	\$ 334	\$ 474	\$ 445	\$ 451	\$ 451	\$ 305	\$ 446	\$ 428	\$ 429
Symetra Financial	\$ 466	\$ 326	\$ 457	\$ 429	\$ 432	\$ 437	\$ 299	\$ 432	\$ 415	\$ 415
United Omaha	\$ 469	\$ 336	\$ 463	\$ 432	N/A	\$ 438	\$ 306	\$ 435	\$ 418	N/A
Average	\$ 477	\$ 330	\$ 470	\$ 441	\$ 442	\$ 447	\$ 305	\$ 441	\$ 426	\$ 423
Quotes as of June 1, 2013 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.										

Immediate Annuities Update



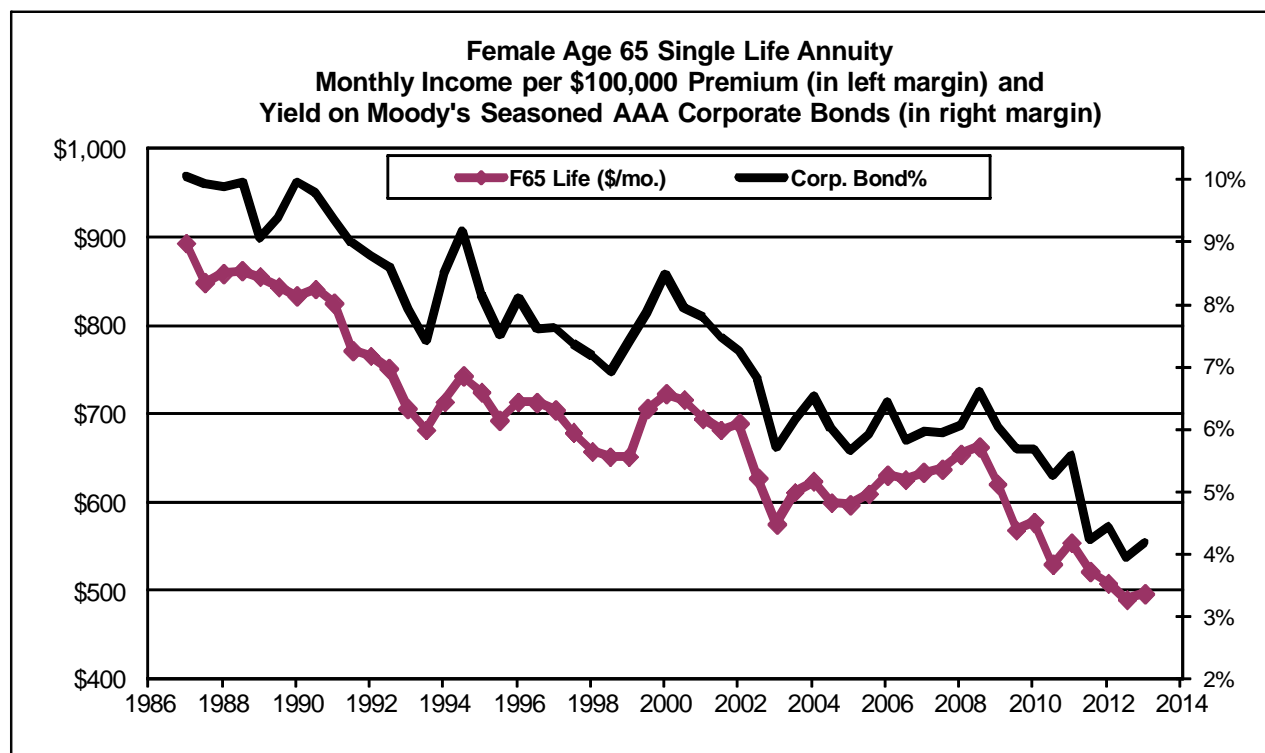
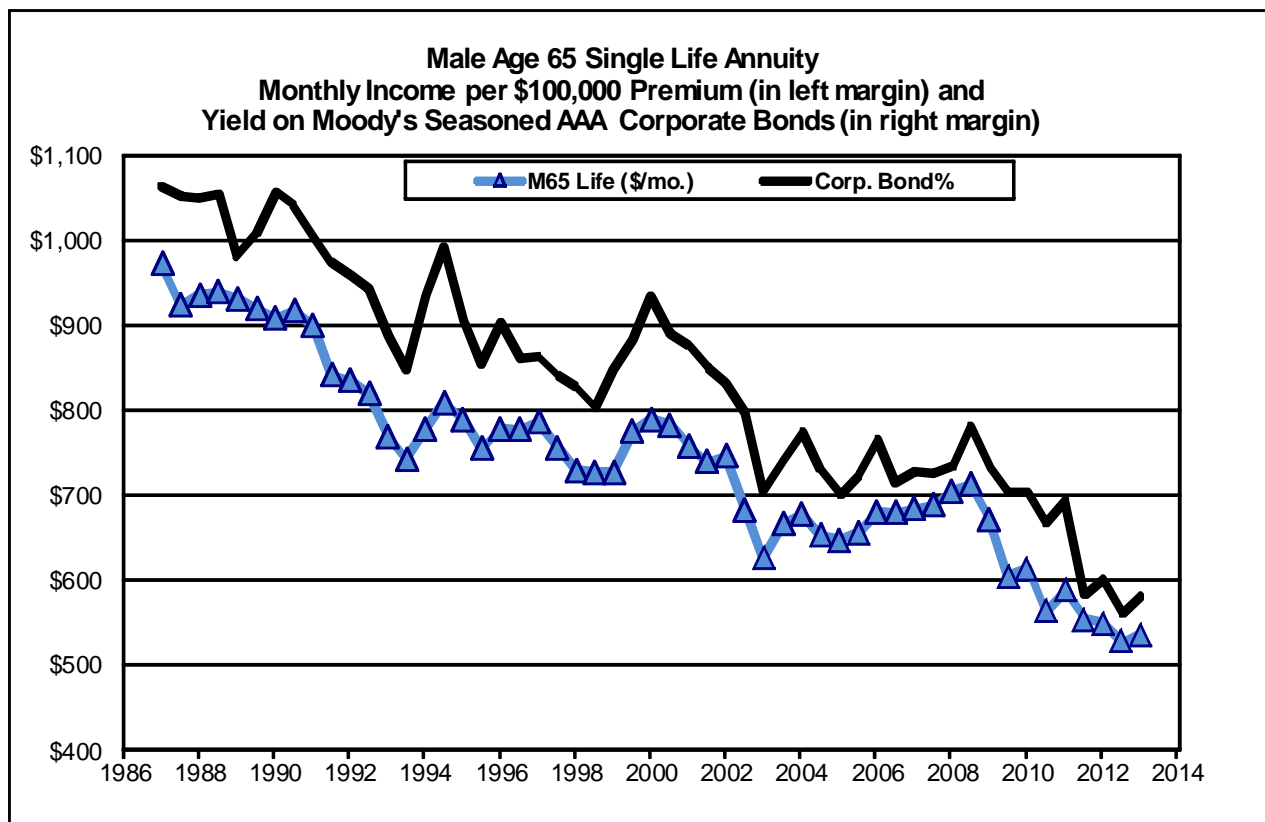
Immediate Annuities Update

Table 5. Single Life Annuities — Age 65

Column Headings: **Life Only:** Pays for the remainder of the annuitant's lifetime. **Life with 3% COLA:** Pays for the remainder of the annuitant's lifetime. Monthly income increases annually by 3% on every policy anniversary date. **Life with 10 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 10 years, payments continue to beneficiaries until the end of the 10th year. **Life with 20 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 20 years, payments continue to beneficiaries until the end of the 20th year. **Life with Installment Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, payments continue to beneficiaries until the total amount paid equals the premium. Quotes shown are per \$100,000 of non-qualified money with monthly income beginning 30 days after purchase.

Insurance Company	Male					Female				
	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund
Allianz	\$ 565	N/A	\$ 542	\$ 482	N/A	\$ 519	N/A	\$ 507	\$ 470	N/A
American Gen.	\$ 530	\$ 399	\$ 511	\$ 477	\$ 496	\$ 504	\$ 374	\$ 489	\$ 467	\$ 480
American Nat.	\$ 535	\$ 374	\$ 517	\$ 467	\$ 488	\$ 490	\$ 334	\$ 480	\$ 450	\$ 460
Equitrust Life	\$ 585	N/A	\$ 564	\$ 505	N/A	\$ 536	N/A	\$ 525	\$ 489	N/A
Genworth	N/A	N/A	\$ 531	N/A	\$ 496	N/A	N/A	\$ 504	\$ 467	\$ 479
Integrity Life	\$ 519	\$ 382	\$ 510	\$ 467	\$ 481	\$ 485	\$ 351	\$ 482	\$ 455	\$ 463
Jackson National	\$ 524	\$ 378	\$ 505	\$ 448	\$ 462	\$ 476	\$ 335	\$ 466	\$ 432	\$ 436
Kansas City Life	\$ 555	N/A	\$ 536	\$ 478	\$ 503	\$ 504	N/A	\$ 494	\$ 460	\$ 471
Lafayette Life	\$ 514	N/A	\$ 494	\$ 430	\$ 435	\$ 460	N/A	\$ 450	\$ 412	\$ 409
Lincoln Benefit	\$ 523	\$ 386	\$ 501	\$ 445	\$ 455	\$ 481	\$ 346	\$ 468	\$ 430	\$ 433
 For today's best quotes call 1-800-872-6684										
Mass Mutual Life	\$ 560	\$ 414	\$ 543	\$ 496	\$ 519	\$ 529	\$ 384	\$ 518	\$ 486	\$ 501
MetLife Investors	\$ 518	N/A	\$ 501	\$ 456	\$ 467	\$ 494	N/A	\$ 483	\$ 449	\$ 453
Minnesota Life	\$ 519	N/A	\$ 501	\$ 444	\$ 458	\$ 471	N/A	\$ 461	\$ 427	\$ 431
Nationwide LIC	\$ 540	\$ 401	\$ 521	\$ 471	N/A	\$ 511	\$ 375	\$ 499	\$ 462	N/A
New York Life	\$ 541	\$ 404	\$ 540	\$ 486	\$ 511	\$ 518	\$ 377	\$ 508	\$ 471	\$ 484
No. Amer. Co.	\$ 578	N/A	\$ 556	\$ 492	\$ 523	\$ 525	N/A	\$ 513	\$ 475	\$ 490
Pacific Life	\$ 536	\$ 401	\$ 524	\$ 477	\$ 495	\$ 518	\$ 377	\$ 510	\$ 474	\$ 484
Penn Mutual	\$ 546	\$ 396	\$ 529	\$ 473	\$ 494	\$ 502	\$ 357	\$ 492	\$ 459	\$ 466
Symetra Financial	\$ 522	\$ 382	\$ 505	\$ 454	\$ 467	\$ 484	\$ 347	\$ 474	\$ 442	\$ 448
United Omaha	\$ 525	\$ 392	\$ 516	\$ 464	\$ 481	\$ 489	\$ 357	\$ 484	\$ 453	\$ 461
Average	\$ 536	\$ 389	\$ 520	\$ 467	\$ 481	\$ 497	\$ 356	\$ 488	\$ 454	\$ 459
Quotes as of June 1, 2013 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.										

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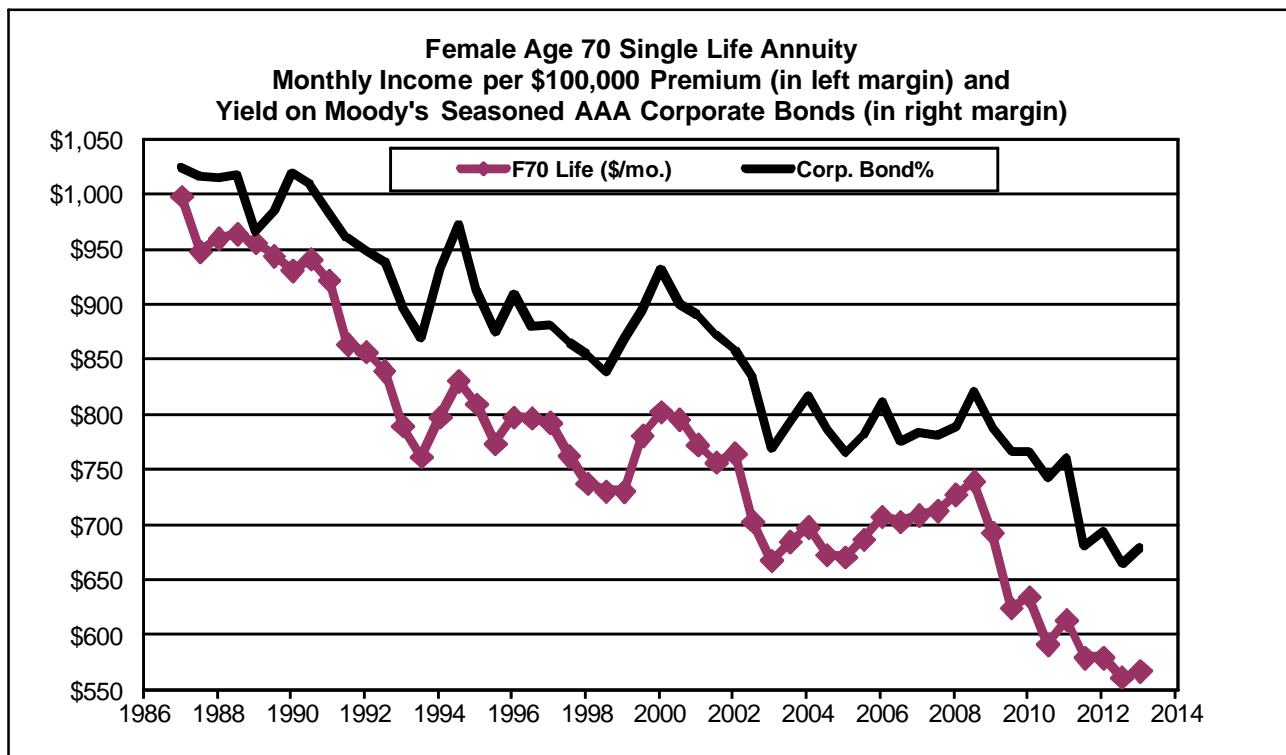
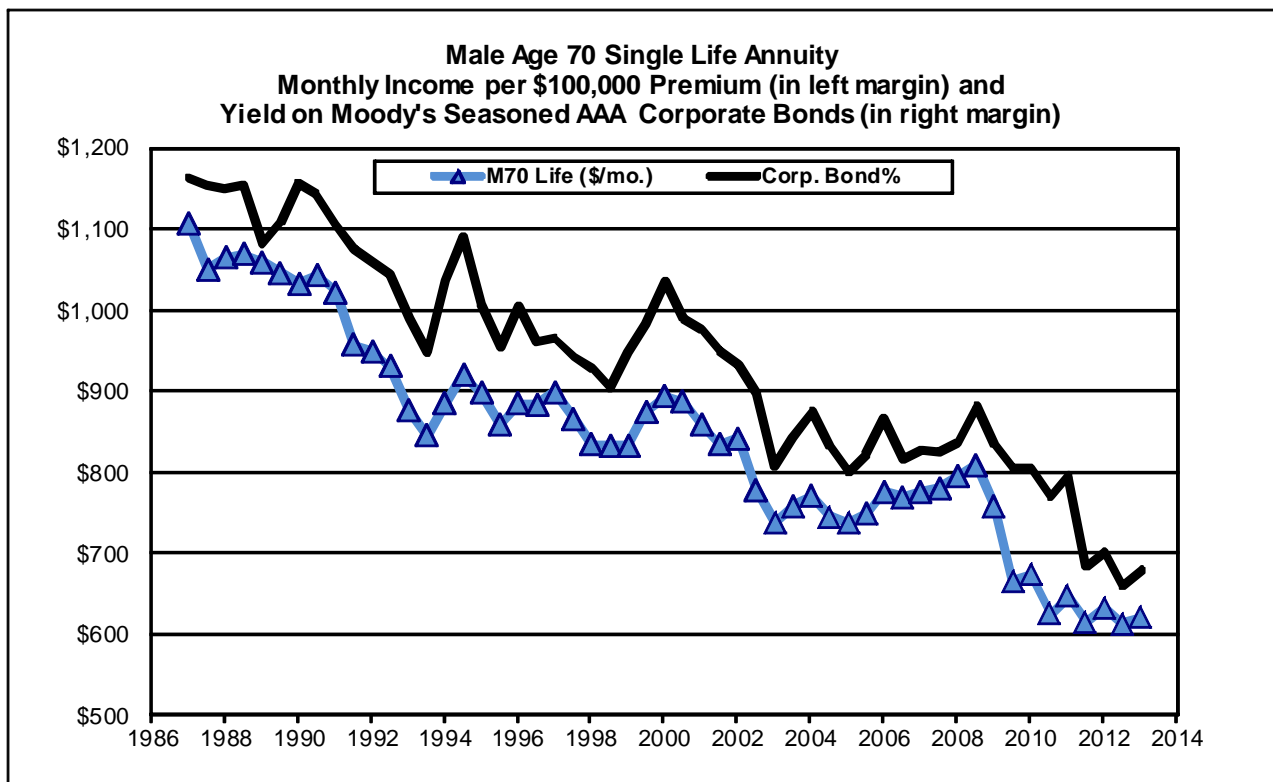
Immediate Annuities Update

Table 6. Single Life Annuities — Age 70

Column Headings: **Life Only:** Pays for the remainder of the annuitant's lifetime. **Life with 3% COLA:** Pays for the remainder of the annuitant's lifetime. Monthly income increases annually by 3% on every policy anniversary date. **Life with 10 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 10 years, payments continue to beneficiaries until the end of the 10th year. **Life with 20 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 20 years, payments continue to beneficiaries until the end of the 20th year. **Life with Installment Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, payments continue to beneficiaries until the total amount paid equals the premium. Quotes shown are per \$100,000 of non-qualified money with monthly income beginning 30 days after purchase.

Insurance Company	Male					Female				
	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund
Allianz	\$ 652	N/A	\$ 602	\$ 501	N/A	\$ 590	N/A	\$ 564	\$ 494	N/A
American Gen.	\$ 601	\$ 472	\$ 572	\$ 499	\$ 546	\$ 571	\$ 443	\$ 549	\$ 490	\$ 526
American Nat.	\$ 625	\$ 460	\$ 586	\$ 496	\$ 549	\$ 565	\$ 408	\$ 545	\$ 484	\$ 517
Equitrust Life	\$ 678	N/A	\$ 633	\$ 531	N/A	\$ 614	N/A	\$ 591	\$ 521	N/A
Genworth	N/A	N/A	\$ 600	\$ 501	\$ 551	N/A	N/A	\$ 567	\$ 495	\$ 529
Integrity Life	\$ 600	\$ 462	\$ 574	\$ 490	\$ 530	\$ 554	\$ 419	\$ 542	\$ 482	\$ 508
Jackson National	\$ 595	\$ 448	\$ 555	\$ 475	\$ 488	\$ 534	\$ 393	\$ 513	\$ 465	\$ 461
Kansas City Life	\$ 648	N/A	\$ 605	\$ 505	\$ 562	\$ 581	N/A	\$ 559	\$ 493	\$ 527
Lafayette Life	\$ 619	N/A	\$ 573	\$ 458	\$ 497	\$ 548	N/A	\$ 525	\$ 447	\$ 467
Lincoln Benefit	\$ 597	\$ 458	\$ 556	\$ 466	\$ 495	\$ 540	\$ 406	\$ 516	\$ 455	\$ 470
 For today's best quotes call 1-800-872-6684										
Mass Mutual Life	\$ 630	\$ 488	\$ 598	\$ 522	\$ 568	\$ 594	\$ 452	\$ 573	\$ 514	\$ 548
MetLife Investors	\$ 607	N/A	\$ 571	\$ 484	\$ 522	\$ 571	N/A	\$ 547	\$ 480	\$ 504
Minnesota Life	\$ 613	N/A	\$ 573	\$ 472	\$ 515	\$ 550	N/A	\$ 530	\$ 461	\$ 486
Nationwide LIC	\$ 626	\$ 486	\$ 586	\$ 496	N/A	\$ 584	\$ 446	\$ 558	\$ 488	N/A
New York Life	\$ 613	\$ 477	\$ 609	\$ 507	\$ 561	\$ 579	\$ 440	\$ 560	\$ 496	\$ 527
No. Amer. Co.	\$ 660	N/A	\$ 614	\$ 520	\$ 566	\$ 591	N/A	\$ 567	\$ 509	\$ 530
Pacific Life	\$ 598	\$ 472	\$ 573	\$ 498	\$ 527	\$ 570	\$ 455	\$ 553	\$ 490	\$ 509
Penn Mutual	\$ 638	\$ 486	\$ 595	\$ 497	\$ 546	\$ 577	\$ 431	\$ 554	\$ 489	\$ 519
Symetra Financial	\$ 603	\$ 461	\$ 566	\$ 476	\$ 513	\$ 552	\$ 415	\$ 532	\$ 469	\$ 491
United Omaha	\$ 611	\$ 474	\$ 581	\$ 482	\$ 526	\$ 559	\$ 427	\$ 544	\$ 475	\$ 503
Average	\$ 621	\$ 468	\$ 585	\$ 492	\$ 530	\$ 568	\$ 425	\$ 548	\$ 483	\$ 505
Quotes as of June 1, 2013 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.										

Immediate Annuities Update



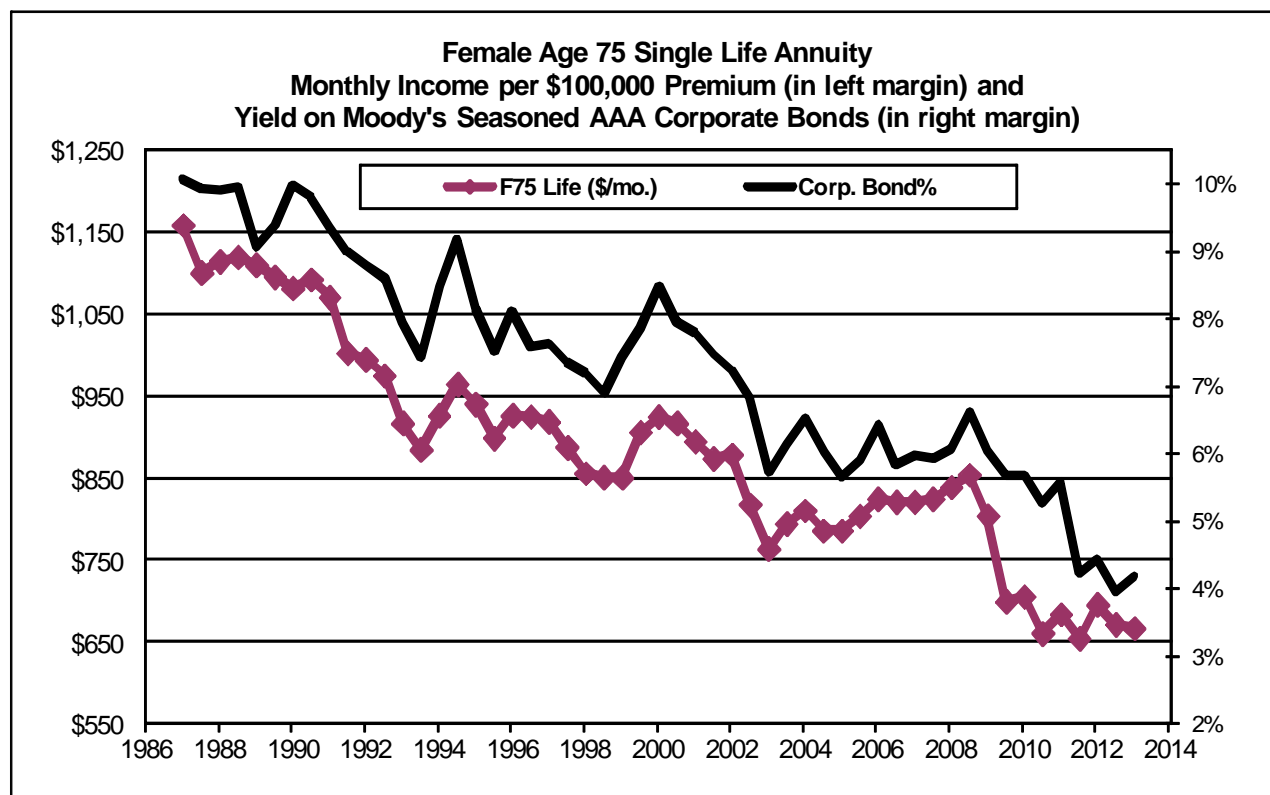
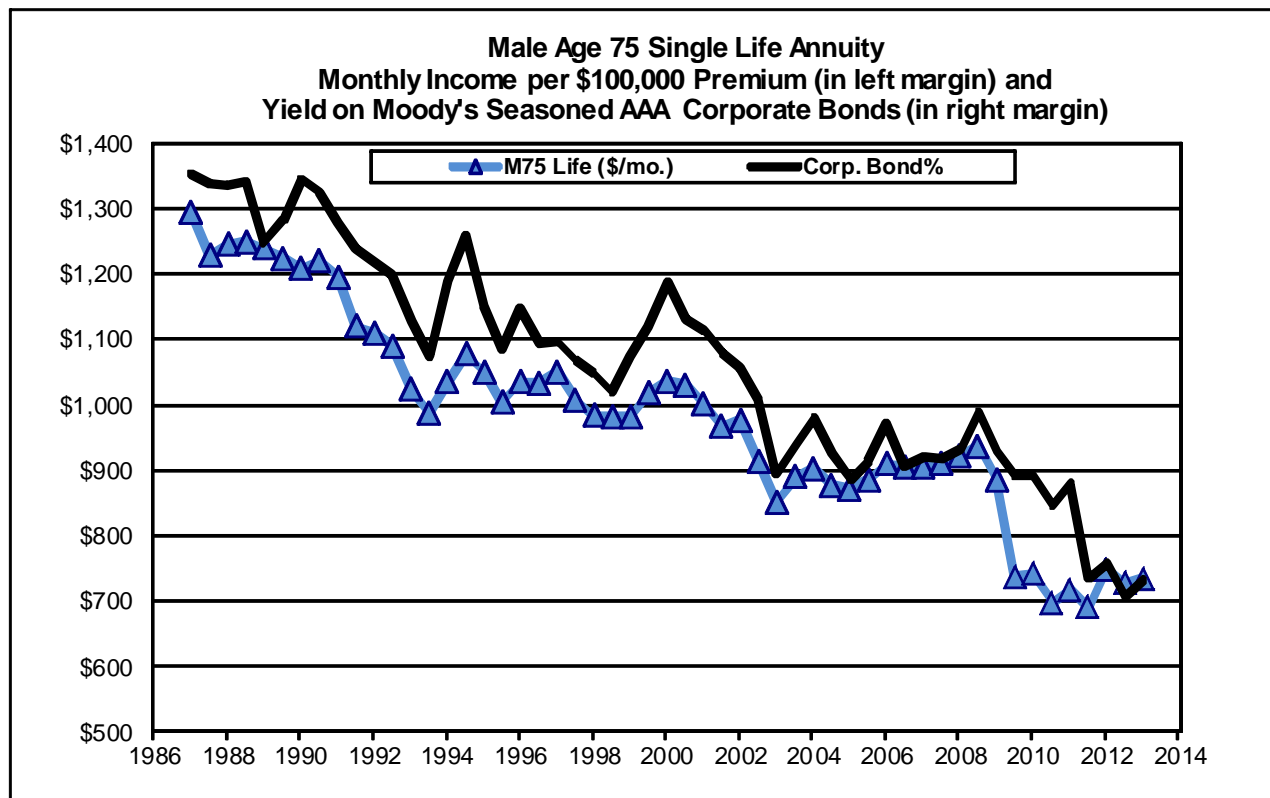
Immediate Annuities Update

Table 7. Single Life Annuities — Age 75

Column Headings: **Life Only:** Pays for the remainder of the annuitant's lifetime. **Life with 3% COLA:** Pays for the remainder of the annuitant's lifetime. Monthly income increases annually by 3% on every policy anniversary date. **Life with 10 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 10 years, payments continue to beneficiaries until the end of the 10th year. **Life with 20 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 20 years, payments continue to beneficiaries until the end of the 20th year. **Life with Installment Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, payments continue to beneficiaries until the total amount paid equals the premium. Quotes shown are per \$100,000 of non-qualified money with monthly income beginning 30 days after purchase.

Insurance Company	Male					Female				
	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund
Allianz	\$ 770	N/A	\$ 664	\$ 514	N/A	\$ 696	N/A	\$ 633	\$ 510	N/A
American Gen.	\$ 699	\$ 574	\$ 644	\$ 518	\$ 602	\$ 658	\$ 533	\$ 616	\$ 512	\$ 575
American Nat.	\$ 750	\$ 580	\$ 667	\$ 519	\$ 628	\$ 677	\$ 516	\$ 628	\$ 513	\$ 593
Equitrust Life	\$ 804	N/A	\$ 712	\$ 550	N/A	\$ 728	N/A	\$ 673	\$ 545	N/A
Genworth	N/A	N/A	\$ 681	\$ 516	\$ 619	N/A	N/A	\$ 647	\$ 514	\$ 595
Integrity Life	\$ 714	\$ 573	\$ 652	\$ 506	\$ 592	\$ 656	\$ 519	\$ 621	\$ 503	\$ 569
Jackson National	\$ 701	\$ 552	\$ 618	\$ 494	\$ 517	\$ 627	\$ 485	\$ 578	\$ 489	\$ 494
Kansas City Life	\$ 776	N/A	\$ 685	\$ 523	\$ 636	\$ 694	N/A	\$ 642	\$ 518	\$ 599
Lafayette Life	N/A	N/A	\$ 646	\$ 461	\$ 539	N/A	N/A	\$ 603	\$ 456	\$ 509
Lincoln Benefit	\$ 698	\$ 559	\$ 624	\$ 481	\$ 547	\$ 623	\$ 489	\$ 580	\$ 475	\$ 519
 For today's best quotes call 1-800-872-6684										
Mass Mutual Life	\$ 739	\$ 597	\$ 675	\$ 549	\$ 640	\$ 694	\$ 552	\$ 650	\$ 544	\$ 619
MetLife Investors	\$ 733	N/A	\$ 650	\$ 503	\$ 575	\$ 683	N/A	\$ 627	\$ 501	\$ 566
Minnesota Life	\$ 743	N/A	\$ 655	\$ 491	\$ 587	\$ 667	N/A	\$ 616	\$ 486	\$ 557
Nationwide LIC	\$ 754	\$ 610	\$ 667	\$ 512	N/A	\$ 694	\$ 554	\$ 634	\$ 508	N/A
New York Life	\$ 715	\$ 580	\$ 682	\$ 521	\$ 626	\$ 668	\$ 529	\$ 628	\$ 514	\$ 582
No. Amer. Co.	\$ 786	N/A	\$ 688	\$ 538	\$ 632	\$ 703	N/A	\$ 646	\$ 534	\$ 595
Pacific Life	\$ 706	\$ 563	\$ 652	\$ 521	\$ 597	\$ 671	\$ 532	\$ 630	\$ 516	\$ 571
Penn Mutual	\$ 751	\$ 598	\$ 671	N/A	\$ 615	\$ 686	\$ 538	\$ 634	N/A	\$ 585
Symetra Financial	\$ 713	\$ 568	\$ 637	\$ 492	\$ 568	\$ 652	\$ 514	\$ 606	\$ 488	\$ 548
United Omaha	\$ 725	\$ 585	\$ 653	\$ 493	\$ 581	\$ 662	\$ 527	\$ 619	\$ 490	\$ 557
Average	\$ 735	\$ 574	\$ 659	\$ 508	\$ 589	\$ 671	\$ 520	\$ 623	\$ 504	\$ 562
Quotes as of June 1, 2013 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.										

Immediate Annuities Update



Immediate Annuities Update

Table 8. Single Life Annuities — Age 80

Column Headings: **Life Only:** Pays for the remainder of the annuitant's lifetime. **Life with 3% COLA:** Pays for the remainder of the annuitant's lifetime. Monthly income increases annually by 3% on every policy anniversary date. **Life with 10 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 10 years, payments continue to beneficiaries until the end of the 10th year. **Life with 20 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 20 years, payments continue to beneficiaries until the end of the 20th year. **Life with Installment Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, payments continue to beneficiaries until the total amount paid equals the premium. Quotes shown are per \$100,000 of non-qualified money with monthly income beginning 30 days after purchase.

Insurance Company	Male					Female				
	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund
Allianz	\$ 938	N/A	\$ 728	\$ 520	N/A	\$ 857	N/A	\$ 708	\$ 519	N/A
American Gen.	\$ 871	\$ 725	\$ 719	\$ 529	\$ 664	\$ 785	\$ 641	\$ 691	\$ 526	\$ 634
American Nat.	\$ 872	\$ 699	\$ 708	\$ 532	\$ 655	\$ 791	\$ 627	\$ 679	\$ 530	\$ 624
Equitrust Life	\$ 980	N/A	\$ 792	\$ 561	N/A	\$ 896	N/A	\$ 765	\$ 559	N/A
Genworth	N/A	N/A	\$ 762	N/A	\$ 706	N/A	N/A	\$ 737	N/A	\$ 681
Integrity Life	\$ 856	\$ 711	\$ 734	\$ 514	\$ 668	\$ 781	\$ 642	\$ 711	\$ 513	\$ 646
Jackson National	\$ 856	\$ 704	\$ 683	N/A	\$ 544	\$ 774	\$ 629	\$ 655	N/A	\$ 527
Kansas City Life	\$ 956	N/A	\$ 767	\$ 533	\$ 731	\$ 861	N/A	\$ 735	\$ 531	\$ 694
Lafayette Life	N/A	N/A	\$ 735	\$ 470	\$ 641	N/A	N/A	\$ 706	\$ 468	\$ 606
Lincoln Benefit	\$ 856	\$ 716	\$ 705	\$ 489	\$ 614	\$ 754	\$ 619	\$ 665	\$ 486	\$ 583
 For today's best quotes call 1-800-872-6684										
Mass Mutual Life	\$ 887	\$ 745	\$ 756	\$ 560	\$ 722	\$ 832	\$ 690	\$ 731	\$ 557	\$ 698
MetLife Investors	\$ 911	N/A	\$ 730	\$ 511	\$ 652	\$ 861	N/A	\$ 724	\$ 520	\$ 656
Minnesota Life	\$ 872	N/A	\$ 698	\$ 499	\$ 589	\$ 789	N/A	\$ 670	\$ 498	\$ 566
Nationwide LIC	\$ 961	\$ 811	\$ 761	\$ 532	N/A	\$ 872	\$ 726	\$ 732	\$ 530	N/A
New York Life	\$ 875	\$ 739	\$ 762	\$ 531	\$ 714	\$ 799	\$ 659	\$ 708	\$ 528	\$ 657
No. Amer. Co.	\$ 968	N/A	\$ 764	\$ 548	\$ 718	\$ 875	N/A	\$ 735	\$ 546	\$ 682
Pacific Life	\$ 844	\$ 705	\$ 728	\$ 532	\$ 662	\$ 798	\$ 658	\$ 703	\$ 529	\$ 646
Penn Mutual	\$ 914	\$ 757	\$ 745	N/A	\$ 695	\$ 837	\$ 686	\$ 720	N/A	\$ 671
Symetra Financial	\$ 867	\$ 719	\$ 712	\$ 500	\$ 637	\$ 801	\$ 659	\$ 691	\$ 498	\$ 619
United Omaha	\$ 895	\$ 751	\$ 728	\$ 499	\$ 650	\$ 823	\$ 682	\$ 705	\$ 498	\$ 629
Average	\$ 897	\$ 728	\$ 733	\$ 518	\$ 658	\$ 820	\$ 657	\$ 707	\$ 517	\$ 633
Quotes as of June 1, 2013 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.										

Immediate Annuities Update

Table 9. Single Life Annuities — Age 85

Column Headings: **Life Only:** Pays for the remainder of the annuitant's lifetime. **Life with 3% COLA:** Pays for the remainder of the annuitant's lifetime. Monthly income increases annually by 3% on every policy anniversary date. **Life with 10 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 10 years, payments continue to beneficiaries until the end of the 10th year. **Life with 20 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 20 years, payments continue to beneficiaries until the end of the 20th year. **Life with Installment Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, payments continue to beneficiaries until the total amount paid equals the premium. Quotes shown are per \$100,000 of non-qualified money with monthly income beginning 30 days after purchase.

Insurance Company	Male					Female				
	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund
Allianz	\$ 1183	N/A	\$ 780	\$ 522	N/A	\$ 1102	N/A	\$ 771	\$ 522	N/A
American Gen.	\$ 1025	\$ 885	\$ 800	\$ 532	\$ 769	\$ 909	\$ 770	\$ 771	\$ 531	\$ 722
American Nat.	\$ 1140	\$ 955	\$ 803	\$ 550	\$ 792	\$ 1060	\$ 882	\$ 788	\$ 549	\$ 765
Equitrust Life	\$ 1219	N/A	\$ 863	\$ 567	N/A	\$ 1142	N/A	\$ 849	\$ 566	N/A
Genworth	N/A	N/A	\$ 824	N/A	\$ 808	N/A	N/A	\$ 811	N/A	\$ 783
Integrity Life	\$ 1082	\$ 931	\$ 795	N/A	\$ 751	\$ 1007	\$ 861	\$ 784	N/A	\$ 732
Jackson National	\$ 1081	\$ 924	\$ 756	N/A	N/A	\$ 1003	\$ 851	\$ 743	N/A	N/A
Kansas City Life	\$ 1210	N/A	\$ 836	\$ 537	\$ 850	\$ 1112	N/A	\$ 819	\$ 536	\$ 816
Lafayette Life	N/A	N/A	\$ 786	\$ 452	\$ 662	N/A	N/A	\$ 773	\$ 452	\$ 653
Lincoln Benefit	\$ 1115	\$ 970	\$ 775	\$ 491	\$ 690	\$ 987	\$ 847	\$ 751	\$ 490	\$ 662



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Mass Mutual Life	\$ 1107	\$ 963	\$ 833	\$ 563	\$ 827	\$ 1035	\$ 890	\$ 809	\$ 562	\$ 794
MetLife Investors	\$ 1161	N/A	\$ 802	\$ 523	\$ 762	\$ 1108	N/A	\$ 796	\$ 523	\$ 757
Minnesota Life	\$ 1072	N/A	\$ 781	N/A	\$ 520	\$ 994	N/A	\$ 768	N/A	\$ 506
Nationwide LIC	\$ 1233	\$ 1074	\$ 823	\$ 535	N/A	\$ 1123	\$ 971	\$ 807	\$ 535	N/A
New York Life	\$ 1115	\$ 976	\$ 821	\$ 534	\$ 807	\$ 978	\$ 836	\$ 779	\$ 533	\$ 738
No. Amer. Co.	\$ 1185	N/A	\$ 839	N/A	\$ 745	\$ 1096	N/A	\$ 825	N/A	\$ 718
Pacific Life	\$ 1050	\$ 905	\$ 805	\$ 535	\$ 770	\$ 996	\$ 843	\$ 778	\$ 534	\$ 719
Penn Mutual	\$ 1154	\$ 992	\$ 809	N/A	\$ 782	\$ 1076	\$ 919	\$ 796	N/A	\$ 764
Symetra Financial	\$ 1080	\$ 927	\$ 777	\$ 501	\$ 716	\$ 1019	\$ 871	\$ 767	\$ 501	\$ 704
United Omaha	\$ 1123	\$ 974	\$ 790	\$ 500	\$ 730	\$ 1056	\$ 911	\$ 779	\$ 500	\$ 714
Average	\$ 1126	\$ 950	\$ 801	\$ 522	\$ 739	\$ 1042	\$ 867	\$ 785	\$ 521	\$ 714

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Guaranteed Rate **Now**. Higher Rate Potential **Later**.

Rick, a 65-year-old, purchased a \$100,000 New Momentum flexible premium deferred annuity¹. The product gave him the flexibility to lock in a guaranteed rate **NOW** and transfer his money to a higher rate **LATER**. Here's how ...

NOW...

At purchase, Rick took advantage of the short-term Quarterly Interest Option (QIO). He locked in the guaranteed QIO rate as a "holding strategy" to wait for potentially higher interest rates later².

LATER ...

Rates rose. At the end of year three, Rick transferred his money into the 7-year Guaranteed Rate Option (GRO) with a higher rate, without a penalty. The chart shows account values after 10 years at different potential rates:



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¹ Single premium deferred annuity in Oregon.
² First-year QIO rate 2.75%, effective 7/19/13. GMIR in years 2 and 3.

Immediate Annuities Update

Table 10. Single Life Annuities — Age 90

Column Headings: **Life Only:** Pays for the remainder of the annuitant's lifetime. **Life with 3% COLA:** Pays for the remainder of the annuitant's lifetime. Monthly income increases annually by 3% on every policy anniversary date. **Life with 10 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 10 years, payments continue to beneficiaries until the end of the 10th year. **Life with 20 Years Guaranteed:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies within the first 20 years, payments continue to beneficiaries until the end of the 20th year. **Life with Installment Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, payments continue to beneficiaries until the total amount paid equals the premium. Quotes shown are per \$100,000 of non-qualified money with monthly income beginning 30 days after purchase.

Insurance Company	Male					Female				
	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Install. Refund
Allianz	\$ 1508	N/A	\$ 817	\$ 523	N/A	\$ 1448	N/A	\$ 812	\$ 523	N/A
American Gen.	\$ 1273	\$ 1140	\$ 864	\$ 532	N/A	\$ 1088	\$ 954	\$ 839	\$ 532	N/A
American Nat.	\$ 1486	\$ 1292	\$ 861	\$ 552	\$ 950	\$ 1426	\$ 1234	\$ 855	\$ 552	\$ 928
Equitrust Life	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Genworth	N/A	N/A	N/A	N/A	\$ 928	N/A	N/A	N/A	N/A	\$ 901
Integrity Life	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jackson National	\$ 1398	\$ 1237	\$ 807	N/A	N/A	\$ 1338	\$ 1179	\$ 801	N/A	N/A
Kansas City Life	\$ 1210	N/A	\$ 836	\$ 537	\$ 850	\$ 1112	N/A	\$ 819	\$ 536	\$ 816
Lafayette Life	N/A	N/A	\$ 833	\$ 452	\$ 783	N/A	N/A	\$ 828	\$ 452	\$ 776
Lincoln Benefit	\$ 1523	\$ 1367	\$ 814	\$ 491	\$ 764	\$ 1372	\$ 1220	\$ 804	\$ 491	\$ 741
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Mass Mutual Life	\$ 1445	\$ 1297	\$ 882	\$ 563	\$ 949	\$ 1310	\$ 1164	\$ 869	\$ 563	\$ 910
MetLife Investors	\$ 1464	N/A	\$ 839	\$ 523	\$ 839	\$ 1433	N/A	\$ 836	\$ 523	\$ 836
Minnesota Life	\$ 1432	N/A	\$ 843	N/A	\$ 664	\$ 1372	N/A	\$ 837	N/A	\$ 648
Nationwide LIC	N/A	N/A	\$ 862	\$ 536	N/A	N/A	N/A	\$ 855	\$ 536	N/A
New York Life	N/A	N/A	\$ 854	\$ 534	\$ 912	N/A	N/A	N/A	\$ 534	\$ 826
No. Amer. Co.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pacific Life	\$ 1372	\$ 1222	\$ 867	\$ 535	\$ 867	\$ 1240	\$ 1086	\$ 841	\$ 535	\$ 841
Penn Mutual	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Symetra Financial	\$ 1368	\$ 1212	\$ 824	\$ 500	\$ 806	\$ 1326	\$ 1172	\$ 819	\$ 500	\$ 794
United Omaha	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average	\$ 1403	\$ 1245	\$ 838	\$ 520	\$ 831	\$ 1315	\$ 1140	\$ 827	\$ 520	\$ 807
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Table 11. Joint & Survivor Annuities — Male Age 65, Female Age 60

Column Headings: **50% J&S:** Pays as long as both annuitants live; upon the death of either annuitant, the survivor's income is reduced to 50%. **100% J&S:** Pays as long as either annuitant lives. **100% J&S with 3% COLA:** Pays as long as either annuitant lives. Monthly income increases annually by 3% on every policy anniversary date. **100% J&S - 10 yr Certain&Continuous:** Pays as long as either annuitant lives; if both annuitants die within the first 10 years, payments continue to beneficiaries until the end of the 10th year. **100% J&S - 20 yr C&C:** Pays as long as either annuitant lives; if both annuitants die within the first 20 years, payments continue to beneficiaries until the end of the 20th year. **100% J&S - Installment Refund:** Pays as long as either annuitant lives; if both annuitants die before receiving an amount equal to the premium, payments continue to beneficiaries until the total amount paid equals the premium. Quotes shown are monthly per \$100,000.

Insurance Company	50% J&S	100% J&S	100% J&S w/ 3% COLA	100% J&S 10 yr C&C	100% J&S 20 yr C&C	100% J&S Install. Rfd.
Allianz	\$ 526	\$ 440	N/A	\$ 439	\$ 433	N/A
American Gen.	\$ 520	\$ 439	\$ 293	\$ 438	\$ 432	\$ 433
American Nat.	\$ 480	\$ 403	\$ 255	\$ 402	\$ 398	N/A
Equitrust Life	\$ 528	\$ 447	N/A	\$ 446	\$ 441	N/A
Genworth	N/A	N/A	N/A	\$ 408	\$ 406	\$ 405
Integrity Life	\$ 480	\$ 418	\$ 286	\$ 418	\$ 415	\$ 415
Jackson National	\$ 466	\$ 388	N/A	\$ 387	\$ 382	N/A
Kansas City Life	\$ 497	\$ 418	N/A	\$ 418	\$ 413	N/A
Lafayette Life	\$ 449	\$ 365	N/A	\$ 365	\$ 359	N/A
Lincoln Benefit	\$ 475	\$ 401	\$ 273	\$ 401	\$ 395	\$ 393



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Mass Mutual Life Ins.	\$ 509	\$ 451	\$ 308	\$ 451	\$ 448	\$ 447
MetLife Investors	\$ 482	\$ 409	N/A	\$ 408	\$ 404	\$ 403
Minnesota Life	\$ 461	\$ 382	N/A	\$ 382	\$ 377	N/A
Nationwide LIC	\$ 507	\$ 440	\$ 306	\$ 439	\$ 434	N/A
New York Life	\$ 512	\$ 440	\$ 302	\$ 440	\$ 435	\$ 437
No. Amer. Co.	\$ 515	\$ 429	N/A	\$ 429	\$ 423	N/A
Pacific Life	\$ 515	\$ 441	\$ 290	\$ 441	\$ 437	\$ 437
Penn Mutual	\$ 494	\$ 411	\$ 272	\$ 412	\$ 407	N/A
Symetra Financial	\$ 471	\$ 403	\$ 271	\$ 402	\$ 398	\$ 397
United Omaha	\$ 490	\$ 423	\$ 296	\$ 424	\$ 417	N/A
Average	\$ 497	\$ 416	\$ 283	\$ 415	\$ 410	\$ 413

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Will Your Finances Leave You Short?



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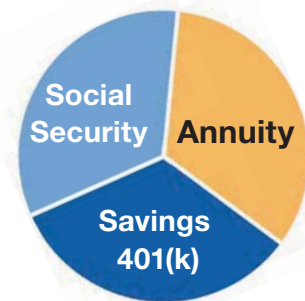
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Ensure you will not outlive your retirement savings with an immediate annuity from The Standard.

“66% of all beneficiaries now rely on Social Security for 50% or more of their income in retirement, while 35% rely on benefits for 90% or more of their income.”¹

Immediate Annuities Update

Table 12. Joint & Survivor Annuities — Male Age 70, Female Age 65

Column Headings: **50% J&S:** Pays as long as both annuitants live; upon the death of either annuitant, the survivor's income is reduced to 50%. **100% J&S:** Pays as long as either annuitant lives. **100% J&S with 3% COLA:** Pays as long as either annuitant lives. Monthly income increases annually by 3% on every policy anniversary date. **100% J&S - 10 yr Certain&Continuous:** Pays as long as either annuitant lives; if both annuitants die within the first 10 years, payments continue to beneficiaries until the end of the 10th year. **100% J&S - 20 yr C&C:** Pays as long as either annuitant lives; if both annuitants die within the first 20 years, payments continue to beneficiaries until the end of the 20th year. **100% J&S – Installment Refund:** Pays as long as either annuitant lives; if both annuitants die before receiving an amount equal to the premium, payments continue to beneficiaries until the total amount paid equals the premium. Quotes shown are monthly per \$100,000.

Insurance Company	50% J&S	100% J&S	100% J&S w/ 3% COLA	100% J&S 10 yr C&C	100% J&S 20 yr C&C	100% J&S Install. Rfd.
Allianz	\$ 590	\$ 477	N/A	\$ 475	\$ 458	N/A
American Gen.	\$ 582	\$ 480	\$ 338	\$ 479	\$ 463	\$ 468
American Nat.	\$ 548	\$ 447	\$ 300	\$ 446	\$ 434	N/A
Equitrust Life	\$ 598	\$ 492	N/A	\$ 490	\$ 475	N/A
Genworth	N/A	N/A	N/A	\$ 443	\$ 435	\$ 437
Integrity Life	\$ 541	\$ 456	\$ 326	\$ 455	\$ 444	\$ 447
Jackson National	\$ 538	\$ 435	N/A	\$ 434	\$ 419	N/A
Kansas City Life	\$ 567	\$ 464	N/A	\$ 463	\$ 449	N/A
Lafayette Life	\$ 528	\$ 419	N/A	\$ 417	\$ 400	N/A
Lincoln Benefit	\$ 532	\$ 437	\$ 311	\$ 436	\$ 421	\$ 422



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Mass Mutual Life Ins.	\$ 565	\$ 489	\$ 350	\$ 488	\$ 481	\$ 481
MetLife Investors	\$ 555	\$ 459	N/A	\$ 458	\$ 444	\$ 447
Minnesota Life	\$ 533	\$ 430	N/A	\$ 429	\$ 414	N/A
Nationwide LIC	\$ 572	\$ 479	\$ 347	\$ 478	\$ 463	N/A
New York Life	\$ 567	\$ 477	\$ 342	\$ 477	\$ 463	\$ 469
No. Amer. Co.	\$ 592	\$ 480	N/A	\$ 479	\$ 462	N/A
Pacific Life	\$ 569	\$ 474	\$ 340	\$ 473	\$ 460	\$ 465
Penn Mutual	\$ 562	\$ 455	\$ 318	\$ 453	\$ 442	N/A
Symetra Financial	\$ 532	\$ 441	\$ 311	\$ 440	\$ 427	\$ 428
United Omaha	\$ 565	\$ 475	\$ 347	\$ 475	\$ 453	N/A
Average	\$ 559	\$ 459	\$ 327	\$ 457	\$ 443	\$ 447

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Table 13. Joint & Survivor Annuities — Male Age 75, Female Age 70

Column Headings: **50% J&S:** Pays as long as both annuitants live; upon the death of either annuitant, the survivor's income is reduced to 50%. **100% J&S:** Pays as long as either annuitant lives. **100% J&S with 3% COLA:** Pays as long as either annuitant lives. Monthly income increases annually by 3% on every policy anniversary date. **100% J&S - 10 yr Certain&Continuous:** Pays as long as either annuitant lives; if both annuitants die within the first 10 years, payments continue to beneficiaries until the end of the 10th year. **100% J&S - 20 yr C&C:** Pays as long as either annuitant lives; if both annuitants die within the first 20 years, payments continue to beneficiaries until the end of the 20th year. **100% J&S – Installment Refund:** Pays as long as either annuitant lives; if both annuitants die before receiving an amount equal to the premium, payments continue to beneficiaries until the total amount paid equals the premium. Quotes shown are monthly per \$100,000.

Insurance Company	50% J&S	100% J&S	100% J&S w/ 3% COLA	100% J&S 10 yr C&C	100% J&S 20 yr C&C	100% J&S Install. Rfd.
Allianz	\$ 680	\$ 532	N/A	\$ 527	\$ 481	N/A
American Gen.	\$ 670	\$ 539	\$ 399	\$ 535	\$ 493	\$ 516
American Nat.	\$ 644	\$ 509	\$ 362	\$ 505	\$ 473	N/A
Equitrust Life	\$ 696	\$ 555	N/A	\$ 550	\$ 511	N/A
Genworth	N/A	N/A	N/A	\$ 492	\$ 468	\$ 478
Integrity Life	\$ 630	\$ 512	\$ 384	\$ 509	\$ 475	\$ 491
Jackson National	\$ 637	\$ 501	N/A	\$ 496	\$ 456	N/A
Kansas City Life	\$ 665	\$ 528	N/A	\$ 523	\$ 485	N/A
Lafayette Life	N/A	N/A	N/A	\$ 472	\$ 424	N/A
Lincoln Benefit	\$ 609	\$ 487	\$ 362	\$ 484	\$ 450	\$ 459



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Mass Mutual Life Ins.	\$ 646	\$ 544	\$ 409	\$ 542	\$ 519	\$ 528
MetLife Investors	\$ 656	\$ 526	N/A	\$ 521	\$ 482	\$ 499
Minnesota Life	\$ 632	\$ 496	N/A	\$ 492	\$ 453	N/A
Nationwide LIC	\$ 667	\$ 538	\$ 408	\$ 533	\$ 493	N/A
New York Life	\$ 647	\$ 529	\$ 397	\$ 529	\$ 492	\$ 513
No. Amer. Co.	\$ 680	\$ 533	N/A	\$ 528	\$ 501	N/A
Pacific Life	\$ 636	\$ 515	\$ 407	\$ 513	\$ 482	\$ 494
Penn Mutual	\$ 653	\$ 511	\$ 376	\$ 511	\$ 479	N/A
Symetra Financial	\$ 616	\$ 496	\$ 368	\$ 492	\$ 458	\$ 470
United Omaha	\$ 663	\$ 538	\$ 410	\$ 533	\$ 476	N/A
Average	\$ 651	\$ 520	\$ 387	\$ 513	\$ 475	\$ 491

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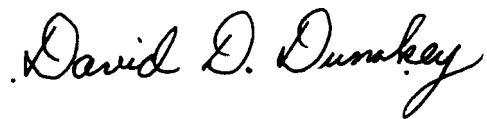
Dear Hersh:

Thank you for providing the WebAnnuities packet and the Annuity Shopper. It is the best source of information I have found on the subject of annuities. And a special thanks for calling and answering my questions.

As an attorney who frequently represents clients regarding investments, retirement and estate planning I will highly recommend you for their annuity needs. As I mentioned I have several annuities now and will continue to add more to my own retirement portfolio.

I have recommended you and your company to other estate planners and financial advisors.

Very truly yours,

A handwritten signature in cursive script that reads "David D. Dunakey". The signature is written in black ink and is positioned above the typed name.

David D. Dunakey

Immediate Annuities Update

Table 14. Joint & Survivor Annuities — Male Age 80, Female Age 75

Column Headings: **50% J&S:** Pays as long as both annuitants live; upon the death of either annuitant, the survivor's income is reduced to 50%. **100% J&S:** Pays as long as either annuitant lives. **100% J&S with 3% COLA:** Pays as long as either annuitant lives. Monthly income increases annually by 3% on every policy anniversary date. **100% J&S - 10 yr Certain&Continuous:** Pays as long as either annuitant lives; if both annuitants die within the first 10 years, payments continue to beneficiaries until the end of the 10th year. **100% J&S - 20 yr C&C:** Pays as long as either annuitant lives; if both annuitants die within the first 20 years, payments continue to beneficiaries until the end of the 20th year. **100% J&S – Installment Refund:** Pays as long as either annuitant lives; if both annuitants die before receiving an amount equal to the premium, payments continue to beneficiaries until the total amount paid equals the premium. Quotes shown are monthly per \$100,000.

Insurance Company	50% J&S	100% J&S	100% J&S w/ 3% COLA	100% J&S 10 yr C&C	100% J&S 20 yr C&C	100% J&S Install. Rfd.
Allianz	\$ 814	\$ 616	N/A	\$ 598	\$ 493	N/A
American Gen.	\$ 799	\$ 624	\$ 486	\$ 610	\$ 514	\$ 578
American Nat.	\$ 781	\$ 599	\$ 450	\$ 586	\$ 508	N/A
Equitrust Life	\$ 833	\$ 644	N/A	\$ 629	\$ 540	N/A
Genworth	N/A	N/A	N/A	\$ 558	N/A	\$ 530
Integrity Life	\$ 743	\$ 574	\$ 448	\$ 586	\$ 500	\$ 550
Jackson National	\$ 779	\$ 594	N/A	\$ 579	N/A	N/A
Kansas City Life	\$ 804	\$ 619	N/A	\$ 604	\$ 514	N/A
Lafayette Life	N/A	N/A	N/A	\$ 564	\$ 454	N/A
Lincoln Benefit	\$ 722	\$ 561	\$ 436	\$ 551	\$ 473	\$ 508



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Mass Mutual Life Ins.	\$ 774	\$ 631	\$ 497	\$ 624	\$ 560	\$ 597
MetLife Investors	\$ 803	\$ 621	N/A	\$ 602	\$ 508	\$ 564
Minnesota Life	\$ 775	\$ 590	N/A	\$ 575	\$ 483	N/A
Nationwide LIC	\$ 810	\$ 628	\$ 498	\$ 610	\$ 517	N/A
New York Life	\$ 763	\$ 605	\$ 475	\$ 602	\$ 515	\$ 570
No. Amer. Co.	\$ 743	\$ 555	N/A	\$ 547	\$ 506	N/A
Pacific Life	\$ 758	\$ 599	\$ 470	\$ 589	\$ 513	\$ 557
Penn Mutual	\$ 784	\$ 593	\$ 459	\$ 586	N/A	N/A
Symetra Financial	\$ 739	\$ 576	\$ 448	\$ 564	\$ 483	\$ 524
United Omaha	\$ 801	\$ 627	\$ 499	\$ 607	\$ 491	N/A
Average	\$ 777	\$ 600	\$ 465	\$ 585	\$ 501	\$ 545

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About Life Expectancy

Understanding Life Expectancy

One of the biggest worries people approaching retirement age have is whether or not they will have sufficient financial resources to support themselves for the rest of their lives. These concerns are heightened as you reach retirement because for most people, once you stop working you no longer are able to add significantly to your existing assets. You rely upon whatever assets you have already accumulated, along with other sources of income which may become available, such as pension plan or Social Security benefits.

When thinking about how much income to plan for in retirement, it is helpful to consider the life expectancy projections for people in your age group.

Life expectancy is a concept which many people refer to but few understand. Technically, it is a statistical projection of a person's life span. It is based on probabilities of mortality, and assumptions about living conditions, medical advances, natural disasters and other factors affecting a group of people of the same age.

The life expectancy tables published in Annuity Shopper show the number of years remaining for persons at different ages, assuming the underlying mortality factors do not change. For example, in the "2001 CSO" table, the life expectancy of a 65-year-old woman (based on 2001 data) is shown as 20.12 years. This means, half the 65-year-old women (in the United States) in 2001, were expected to die before they reached age 85.12, and half were expected to live past age 85.12. However, as a 65-year-old woman becomes one-year older, her *remaining* life expectancy does not decrease by a full year.

In actuarial terms, the older a person is, the more likely she will live beyond what her life expectancy was at an earlier age. While the number of years she is expected to live decreases with age, it does not decrease in direct proportion to the number of years she continues to live.

This notion that life expectancy "expands" as one grows older leads many people to underestimate life expectancy when calculating their financial needs. Others err by using projected life expectancy at birth as their planning target (see *Retirement Planning—The Ongoing Challenge*, LIMRA International, 2003). According to SOA, one-third of retirees and nearly half of pre-retirees assume they will live to a specific age when planning the details of their retirement. These people do not account for the fact that the longer they live the longer they are likely to continue living (see *2003 Risks and Process of Retirement Survey*, Society of Actuaries, 2004).

DISCLAIMER: The information published in Annuity Shopper is not to be considered a recommendation to purchase an annuity nor is it intended to create public interest in the sale of annuities. Before you consider an annuity you should review with your financial planner whether it is a suitable product for your situation.



Life Expectancy Tables

2001 Commissioners' Standard Ordinary Mortality Table ('2001 CSO')
Adopted by the National Association of Insurance Commissioners in 2002

Age	Male Life Exp.	Fem. Life Exp.	Age	Male Life Exp.	Fem. Life Exp.	Age	Male Life Exp.	Fem. Life Exp.
1	75.68	79.81	41	37.39	41.05	81	7.01	9.35
2	74.73	78.86	42	36.46	40.11	82	6.57	8.81
3	73.76	77.90	43	35.53	39.17	83	6.14	8.29
4	72.78	76.93	44	34.61	38.23	84	5.74	7.79
5	71.80	75.95	45	33.69	37.29	85	5.36	7.32
6	70.81	74.97	46	32.78	36.36	86	5.00	6.87
7	69.83	73.98	47	31.87	35.43	87	4.66	6.43
8	68.84	73.00	48	30.97	34.51	88	4.35	6.02
9	67.86	72.02	49	30.07	33.60	89	4.07	5.64
10	66.88	71.03	50	29.18	32.69	90	3.81	5.29
11	65.89	70.05	51	28.28	31.79	91	3.57	4.96
12	64.91	69.07	52	27.40	30.90	92	3.35	4.61
13	63.93	68.08	53	26.52	30.01	93	3.15	4.26
14	62.95	67.10	54	25.65	29.14	94	2.96	3.93
15	61.98	66.13	55	24.79	28.27	95	2.78	3.63
16	61.02	65.15	56	23.94	27.41	96	2.62	3.38
17	60.07	64.17	57	23.10	26.57	97	2.47	3.18
18	59.12	63.20	58	22.27	25.73	98	2.32	3.02
19	58.17	62.23	59	21.45	24.90	99	2.19	2.82
20	57.23	61.26	60	20.64	24.08	100	2.07	2.61
21	56.29	60.28	61	19.85	23.27	101	1.96	2.42
22	55.34	59.31	62	19.06	22.47	102	1.86	2.23
23	54.40	58.34	63	18.29	21.68	103	1.76	2.06
24	53.45	57.37	64	17.54	20.90	104	1.66	1.89
25	52.51	56.40	65	16.80	20.12	105	1.57	1.74
26	51.57	55.43	66	16.08	19.36	106	1.48	1.60
27	50.62	54.46	67	15.37	18.60	107	1.39	1.47
28	49.68	53.49	68	14.68	17.86	108	1.30	1.36
29	48.74	52.53	69	13.99	17.12	109	1.22	1.25
30	47.79	51.56	70	13.32	16.40	110	1.14	1.16
31	46.85	50.60	71	12.66	15.69	111	1.07	1.08
32	45.90	49.63	72	12.01	14.99	112	0.99	1.00
33	44.95	48.67	73	11.39	14.31	113	0.92	0.93
34	44.00	47.71	74	10.78	13.64	114	0.85	0.86
35	43.05	46.75	75	10.18	12.98	115	0.79	0.79
36	42.11	45.80	76	9.61	12.34	116	0.72	0.73
37	41.16	44.84	77	9.05	11.71	117	0.66	0.67
38	40.21	43.89	78	8.50	11.10	118	0.61	0.61
39	39.27	42.94	79	7.98	10.50	119	0.55	0.56
40	38.33	42.00	80	7.49	9.92	120	0.50	0.50

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8-Years: **3.15%**

10-Years: **3.25%**

*Based on the Company's 7/17/13 declared interest rate for the Single Premium Deferred Annuity (Certainty Select Annuity). The initial rate guarantee period is 3, 5, 6, 8 or 10 years. Initial rate subject to change. Surrender charges are in effect for partial withdrawals in excess of the Free Withdrawal Amount or a full surrender before the end of the Guarantee Period. Surrender charges are a percentage of the Accumulation Value, and decline annually: 10, 10, 9, 9, 8, 8, 7, 7, 6, 5%. The Surrender Charge period matches the Guarantee Period. Surrender charges may vary by state or with the Optional Rider. Product features may vary by state. IRAs/qualified plans are already tax deferred; consider other annuity features. Neither the company nor its agents can provide tax, accounting or legal advice, please consult your professional advisor in these areas. Contract issued on Form Series ET-MYG-2000(11-05) or ET-MYG-2000(06-09). Group certificates issued on Form Series ET-MYG-2000C(06-09). EquiTrust Life Insurance Company, West Des Moines, IA. IC13-MYG-1065.

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Tips for Buying a MYGA Annuity

A FIXED DEFERRED MYGA (“MULTIYEAR”) ANNUITY is a tax-favored wealth accumulation contract issued by an insurance company. Its chief advantage over a mutual fund or a bank Certificate of Deposit is that earnings grow in your account on a tax-deferred basis. This means you pay no income taxes until you withdraw money from the account. Because of this, the value of your account is able to increase more quickly since the entire amount of each year’s earnings works to create new earnings. You can fund a deferred annuity with personal savings (“after-tax” or “non-qualified” monies) or with a “rollover” from a qualified account such as an IRA or a lump sum distribution from a qualified pension plan. In this case, there is no tax advantage offered by the deferred annuity over the IRA, since monies in an IRA already grow tax-free.

In addition to compounded tax-deferred earnings, annuities may also offer a high degree of safety. Your premium and earnings are guaranteed by the claims-paying ability of the issuing insurance company. Insurance companies are required by law to set aside assets (known as “reserves”) in order to cover the claims of their policyholders. Companies are also regularly monitored by ratings agencies such as A.M. Best, Standard and Poor’s, and Moody’s. By reviewing the ratings an insurance company receives from the rating agencies you may determine if it is operating on a sound financial footing.

In the remainder of this article, we address the main features and benefits of “fixed interest” multi-year guarantee annuities (“MYGA”). The first thing to note is that so-called “fixed interest” annuities do not offer a selection of accounts (unlike “Variable” annuities, which typically offer a variety of accounts some of whose value can fluctuate up or down depending on the performance of such financial instruments as stocks and bonds). With a fixed interest MYGA, the insurance company credits your account with a fixed interest rate (hence the name) for periods that can range anywhere from three years to ten years.

The most common form of MYGA is a Single Premium (“SP”) annuity. “SPs” accept a one-time-only deposit and accrue interest until the contract is surrendered or annuitized. A Flexible Premium (“FP”) MYGA contract is one which accepts multiple deposits.

Virtually all MYGAs offer the contract holder a high degree of control over his investment. At the outset, there is a “right to examine” or “free look” period (10-20 days in most states) which allows you to return the policy for a full refund for any reason. Afterwards, you can cancel the contract at any time, although doing so will likely cause you to incur a surrender charge and also a market-value adjustment (a plus or minus “MVA”) charge.

Eight Reasons to Consider A Deferred Annuity

1. Gain Compounded Earnings While Deferring Income Taxes

All the earnings in an annuity contract are tax-deferred. This means you don’t pay income taxes on the earnings until you withdraw interest from your account. There are no annual 1099 forms to file or earned-interest entries to make on your 1040. Tax deferral also means that annuity earnings do not offset Social Security benefits as do the earnings from bonds, CDs, and other investments. Even the income generated by tax-exempt municipal bonds (for which no federal income tax is due) must be counted to determine any offset to Social Security benefits. In short, people with large money market or CD balances should consider annuities for the extra earnings benefits which only this kind of tax deferral can provide. Over time, tax-free compounding produces a substantially greater overall return than other investments whose earnings are taxed each year. Studies show that from 15% to 40% more money is available with annuities. By not taking annuity income until you reach retirement age you can also remain in a lower tax bracket, adding further to the overall value of your original investment.

2. Earn Higher Interest Rates

Fixed interest deferred annuities may credit higher interest rates than available from bank CDs. The interest rates on deferred annuities are often closer to those of long-term bonds than short-term money market accounts.

3. Make Unlimited Contributions to Your Tax-Deferred Account

Even if you’ve maximized your yearly IRA and pension contributions, you are still permitted to invest any amount you wish into a tax-deferred annuity. There are no annual contribution limits with an annuity; you can deposit as much as you want and watch it grow tax-deferred, even up to age 90 and older with many insurance companies.

4. Protect Your Principal From Downturns in the Credit Markets

When interest rates trend higher annuity accounts are insulated from the risk of loss of principal which usually impact government bonds and bond mutual funds. Unlike bonds, which lose principal value during periods of rising interest rates, the account value of a fixed annuity is guaranteed. Not only will your principal escape such potential losses, if your annuity has an annually renewing interest rate (which is not true for MYGA annuities discussed here), your account may be credited with a higher declared interest rate which reflects the higher prevailing interest rates available in the bond market. In short, your principal and earnings are protected no matter what direction interest rates take.

(Continued on Page 39)

Let Your Money Work for You with a Deferred Fixed Annuity

If your money is in a taxable investment, part of the interest earned each year will be lost to taxes. When you receive Form 1099, your interest is reported as income even if it's not interest you are spending. This chart helps to compare what you need to earn in a taxable investment to equal the tax-deferred security of a deferred fixed annuity purchased with after-tax dollars.

For example, if your federal tax bracket is 28% and you earn 3.00% in a deferred fixed annuity, you would need to earn a rate of 4.17% in a taxable investment to match the earning of your annuity.

If your federal tax bracket is →	15%	25%	28%	33%	35%
And your deferred fixed annuity rate is:	Comparable annual rate of return of a currently taxable investment would need to be:				
3.50%	4.12%	4.67%	4.86%	5.22%	5.38%
3.25%	3.82%	4.33%	4.51%	4.85%	5.00%
3.00%	3.53%	4.00%	4.17%	4.48%	4.62%
2.75%	3.24%	3.67%	3.82%	4.10%	4.23%
2.50%	2.94%	3.33%	3.47%	3.73%	3.85%
2.25%	2.65%	3.00%	3.13%	3.36%	3.46%
2.00%	2.35%	2.67%	2.78%	2.99%	3.08%
1.75%	2.06%	2.33%	2.43%	2.61%	2.69%
1.50%	1.76%	2.00%	2.08%	2.24%	2.31%

Fixed annuities are taxable, but only when you take a withdrawal or other distribution from your annuity. If you delay taking withdrawals, you may be in a lower tax bracket when you are ready to take income.

The rates above do not indicate the performance of any individual fixed annuity. Annuity withdrawals and other distributions of taxable amounts, including death benefit payouts, will be subject to ordinary income tax. For nonqualified contracts, an additional 3.8% tax may apply on net investment income beginning in 2013. If withdrawals and other distributions are taken prior to age 59½, an additional 10% federal tax may apply. A withdrawal charge and a market value adjustment (MVA) also may apply.

The federal tax brackets used in this illustration are current as of the date of publication and are subject to change due to Congressional legislation.

For More Information Call 1-800-872-6684

Insurance products are issued by Pacific Life Insurance Company in all states except New York and in New York by Pacific Life & Annuity Company. Product availability and features may vary by state.

Tips for Buying a MYGA Annuity

(Continued from page 37)

5. Retire Early Without Penalty

Annuities can offer valuable tax-savings for employees under age 59½ who receive large lump-sum distributions from their 401(k) profit-sharing plans as part of an early retirement or severance package. Such amounts can be “rolled over” into an annuity policy without having to recognize any taxable income. Penalty-free withdrawals can then be taken by setting up a program known as “Substantially Equal Periodic Payments” (SEPP). This exemption to the IRS pre-59½ early-withdrawal penalty allows you to withdraw funds from a tax-deferred account you thought couldn’t be touched until retirement!

6. Satisfy Required Minimum Distributions (RMDs)

Retirees over age 70½ are required to begin taking withdrawals from their IRA or Pension plans. The IRS penalty for not doing so is a substantial 50% of any amount that falls short of the Required Minimum Distribution (MRD). For an IRA which you roll over into a deferred annuity the insurance company will administer for you the proper MRD amount free of charge. This can save you the annual fee that your accountant or attorney would otherwise charge for making these calculations.

7. Retire With Lifetime Income

Retirees concerned about making their profit sharing plan or money market savings last a lifetime can protect themselves with a guaranteed income stream, which pays for no matter how long they live. A healthy male age 65 has a 25% chance of living to age 90, and a 65 year-old woman is likely to live even longer. By “annuitizing” your IRA or deferred annuity, you can convert its value to an “immediate annuity” income stream in any of several forms (see earlier discussion on “Immediate Annuities”). This type of annuity can provide a monthly check which is guaranteed for life, regardless of swings in the economy.

8. Create Probate-Free Inheritance

The legal process of going through probate was established to protect a decedent’s estate and insure that it is distributed according to his wishes. Probate can become a time-consuming and expensive experience for heirs. Purchasing an annuity is one way to protect your beneficiaries from having to undergo this costly delay. Your named beneficiary or beneficiaries are paid directly and promptly, as soon as the insurance company has been notified about your passing.

MYGA Interest Rates

The Initial Interest Rate and the length of time for which this rate is guaranteed (called the “Rate Guarantee Period” or “RGP”) are two of the most important features of a MYG annuity. Most insurance companies credit interest daily, allowing earnings to compound on a basis known as “day of deposit to day of withdrawal.”

Some insurance companies offer “bonus” interest rates, which can tack on as much as 5% to the current first-year’s interest rate, boosting the yield to 9% or higher. As alluring as these bonus rates may seem, they can also be confusing. Some companies only pay the bonus if you eventually annuitize with that company and take your money in monthly installments over a period of at least 10 years. If you want to withdraw your money in a lump sum, the insurer may retroactively subtract the bonus as well as the interest attributable to that bonus.

In a MYG annuity, interest is credited at a declared rate for the full RGP. Some policies credit the same interest rate for the duration of the RGP. Other policies credit a bonus rate in the first year of the RGP and a lower rate for the following years. In either case, however, there is no uncertainty about the interest rate that your account will earn.

Expenses

Fixed annuities have no upfront sales charges. It would also be unusual for fixed annuities to charge maintenance fees. Because of this, 100% of your deposit—without any deductions—goes directly to work for you in your account.

Penalty-free Withdrawals and Surrender Fees

Almost all insurance companies let you withdraw interest as it is earned without having to pay a surrender penalty. Many also allow free withdrawals of up to 10% of your account value (principal plus accumulated earnings) each year. If you want to withdraw more than 10% of your contract value, you are likely be charged an Early Surrender Penalty. This is assessed as a percentage of the amount that exceeds the Penalty-Free Withdrawal amount. In financial services jargon, this is called a “back-end load.” These charges are not the same as the 10% early withdrawal penalty that the IRS imposes when you take funds out of an SPDA before you reach age 59½.

Surrender penalties vary from company to company, but may be as high as 10% in the first contract year. Typically, surrender charges reduce by 1% per year. Such fees are sometimes waived when the contract is “annuitized” under a payment option or in the event of the policyholder’s death. Many policies also waive surrender fees if the annuitant is confined to a nursing home.

MYGAs typically offer a 30-day window at the end of the Rate Guarantee Period (RGP) during which the full account value (principal plus interest) may be withdrawn without penalty. However, if the policy owner does not surrender or exchange or rollover his account during this 30-day period, the annuity is automatically renewed and surrender charges are reset to the same schedule as before.

(Continued on page 40)

Tips for Buying a MYGA Annuity

(Continued from page 39)

Market Value Adjustment ('MVA')

In addition to surrender charges, MYGA policies calculate a "Market Value Adjustment" (MVA), which may increase or decrease the total penalties incurred on "excess" withdrawals or early surrender of the policy. A typical MVA is determined by a formula which compares the base interest rate of the contract at the time it was issued and the base interest rate (of a similar contract) at the time of the withdrawal or surrender of the policy. Generally, if the base interest rate has declined, then the MVA will have a *positive* impact on the value of the policy. It may even offset some or all of the surrender charges. Conversely, if interest rates are higher at the time of withdrawal, the MVA will have a *negative* impact and add to the surrender charges to be deducted from the value of the policy.

Other Withdrawal Options and Annuitization

It's essential to know what withdrawal options are available when your deferred annuity is no longer subject to surrender penalties. You can reinvest your money with the same company at the rate then being offered or switch your account to another insurer (called a "Section 1035 Exchange"). Or, you can simply pull your money out of the annuity in a lump sum, in which case you'll owe federal income tax on ALL the earnings in that single year. And, if you're younger than 59½ at the time of the withdrawal, you'll owe an additional penalty of 10% of the amount that is taxable income.

There are, however, two ways to postpone that tax bite, while still turning your annuity account into a reliable income stream. One is to "annuitize" your policy—which means to convert the accumulated value of your deferred annuity into an "immediate annuity." While your present company will certainly want you to annuitize your account with them, it's a good idea to "shop the market," since there may very well be other companies that offer more generous settlement rates. Settlement rates are the current, guaranteed purchase rates per \$1,000 of account value used to convert deferred annuity cash values into monthly income. These rates move up and down in tandem with fluctuations in the credit markets. If you do find better rates with another company, you can transfer your account balance using a procedure called a "Section 1035" exchange. Section 1035 is the portion of the IRS code that contains the rules governing such a tax-free exchange.

Annuitizing your deferred annuity may also offer a tax advantage, such as letting you postpone paying taxes on some of the earnings you've accrued. However, this is true only for annuities which were originally purchased with so-called "non-qualified" or after-tax dollars (that is, monies which were not previously exempt from taxes). Non-qualified monies include personal savings held in bank CDs or money market accounts, as well as securities and other

investments held in your own name. If your immediate or deferred annuity represents a "qualified" or pre-tax investment—such as an IRA or IRA "rollover" of pension plan funds—then the whole monthly income check will be taxable. Be forewarned, however, that annuitizing a deferred annuity is an irrevocable transaction, meaning that once established it cannot be reversed or cashed in.

An alternative to annuitizing your deferred annuity would be to set up a systematic withdrawal plan. With this method, *you* tell the insurance company how much cash to send you from your account each month. The main advantage of systematic withdrawals is flexibility; you can raise, lower, or stop the payments at any time. And if you choose to do so at a later date, you can always annuitize the balance of your account value. However, unlike the annuitization option, your account could eventually run out of money if you withdraw more than the annual interest earnings each year. What's more, cash paid out in a systematic withdrawal program is usually fully taxable until all the earnings have been withdrawn from the account. Because the tax law governing annuities can be quite complex, you should consult a financial planner or tax adviser before going ahead with either annuitization or the systematic withdrawal option.

Shopping for the Best Deferred Annuity

WebAnnuities.com (parent company of Annuity Shopper Brokerage Service) provides a unique comparison shopping service that closely monitors all the most competitive companies offering fixed deferred annuities. This information is available at no charge with a single, toll-free phone call (866-866-1999). With more than twenty years' experience in consumer and corporate annuity purchases, WebAnnuities is the nation's No. 1 shopping service for fixed deferred annuities.

Important Disclaimer:

The information published in Annuity Shopper is not to be considered a recommendation to purchase an annuity. Before you consider an annuity you should carefully review with your financial planner whether it is a suitable product for your financial situation.



Table 15. MYGA (Multiyear) Guaranteed Deferred Annuities Update

These are fixed annuities which can be cashed in subject to surrender charges & mva ("market value adjustment"), if applicable. You may also withdraw interest monthly and with some companies up to 10% each year. At the end of the rate guarantee period your deposit plus interest can be returned to you in a lump sum. If you have any questions please call Hersh Stern at 866-866-1999.

Int. Rate Guarantee Period	Effective Annual Yield	Company Name	Includes 1-time Bonus of...	1 st Year Rate	2 nd Year and Following Years' Rates	Minimum Premium	Product Name	AM Best	Surrender Charges (%) and mva (if applicable)	Insurance Co. Penalty-free Withdrawals**
10-Yrs	3.60%	Midland Nat'l	-	3.60%	3.60% in yrs. 2-10	\$200,000	Guarantee Ultimate 10	A+	10,10,10,10,10,9,8,6,4,2+mva	DB(AO) INT
	3.50%	North American Co	-	3.50%	3.50% in yrs. 2-10	\$200,000	Guarantee Choice 10	A+	10,10,10,10,10,9,8,6,4,2+mva	DB(AO) INT
9-Yrs	3.05%	Midland Nat'l	-	3.05%	3.05% in yrs. 2-9	\$200,000	Guarantee Ultimate 9	A+	10,10,10,10,10,9,8,6,4+mva	DB(AO) INT
	2.45%	Pacific Life	-	2.45%	2.45% in yrs. 2-9	\$10,000	Pac. Frontiers II 9-yr	A+	7,6,5,4,3,2,1,0+mva	DB
8-Yrs	3.15%	Equitrust Life	-	3.15%	3.15% in yrs. 2-8	\$10,000	Certainty Select 8	B+	9,8,7,6,5,5,4,5,3,5,2,5,+mva	DB(O) INT ^{oo}
	2.85%	Midland Nat'l	-	2.85%	2.85% in yrs. 2-8	\$200,000	Guarantee Ultimate 8	A+	10,10,10,10,10,9,8,6+mva	DB(AO) INT
7-Yrs	3.20%	Sentinel Security LIC	-	3.20%	3.20% in yrs. 2-7	\$2,500	Personal Choice Ann 7	B++	9,8,7,6,5,5,5	DB (A) Int (1), 10% (2)
	2.85%	Genworth LIC	-	2.85%	2.85% in yrs. 2-7	\$250,000	SecureLiving Rate Saver 7	A	9,8,7,6,5,4,3+mva	DB INT
6-Yrs	3.00%	Equitrust Life	-	3.00%	3.00% in yrs. 2-6	\$10,000	Certainty Select 6	B+	9,8,7,6,5,5,5,4,5+mva	DB(O) INT ^{oo}
	2.30%	Midland Nat'l	-	2.30%	2.30% in yrs. 2-6	\$200,000	Guarantee Ultimate 6	A+	10,10,10,10,10,9+mva	DB(AO) INT
5-Yrs	2.80%	Midland Nat'l	-	2.80%	2.80% in yrs. 2-5	\$200,000	Guarantee Ultimate 5	A+	10,10,10,10,10+mva	DB(AO) INT
	2.75%	Sentinel Security LIC	-	2.75%	2.75% in yrs. 2-5	\$2,500	Personal Choice Ann 5	B++	9,8,7,6,5	DB (A) Int (1), 10% (2)
4-Yrs	1.90%	Midland Nat'l	-	1.90%	1.90% in yrs. 2-4	\$200,000	Guarantee Ultimate 4	A+	10,10,10,10+mva	DB(AO) INT
	1.25%	Integrity Life	-	1.25%	1.25% in yrs. 2-4	\$20,000	Multivantage 4	A+	8,8,7,7+mva	DB(A) 10%
3-Yrs	2.00%	Equitrust Life	-	2.00%	2.00% in yrs. 2-3	\$10,000	Certainty Select 3	B+	9,8,7+mva	DB(O) INT ^{oo}

^C = continues to reduce to 0%; does not reset.

^E = Flexible Premium

^{NR} = surrender charges do not reset

^{NY} = available only to New York residents.

^{INT} = Annual interest withdrawals only.

^{10%} = 10% annual penalty free withdrawal

^{Int (1), 10% (2)} = Interest withdrawals only in first year, 10% withdrawal available beginning in year 2

^{DB} = Death Benefit, which is the policy account value, is payable as a lump sum as follows: (A) = Upon death of the annuitant. (O) = Upon death of either annuitant or owner.

(Note: For the Equitrust Certainty Select annuity -choosing the optional rider will limit the death benefit)

^{*}Tactician Plus rates in Texas are 0.10% lower than those shown above.

^{**}Withdrawals may be subject to federal income tax and a 10% federal penalty tax prior to age 59-1/2.

^oCertainty Select not available in CT, IL, IN, MN. In these states, use Certainty only.

^{1st} year premium bonus of .50% for Guar. Period 2-4, premium bonus of 1.00% for Guar. Period 5-10.

This information is not intended to create public interest in the sale of annuities, is only a summary, and is not a complete description. Prior to purchasing any annuity, you should read the specimen contract for complete provisions and details. These annuity contracts are not available in all states. In those states where they are available, provisions may vary or may not be available. Annuities are not FDIC insured and are not obligations of a bank. Neither this company nor its agent can provide tax or legal advice. Please consult your tax advisor or attorney. Guarantees are based on claims paying ability of the insurance companies. IRAs and qualified plans are already tax deferred. Interest rates and AM Best ratings are subject to change without prior notice.

Tips for Buying a Fixed Index Annuity

A FIXED INDEX ANNUITY is a tax-favored accumulation product issued by an insurance company. It shares features with fixed deferred interest rate annuities; however, with an index annuity, the annual growth is benchmarked to a stock market index (e.g., Nasdaq, NYSE, S&P500) rather than an interest rate. An index annuity's growth is subject to rate floors and caps, meaning it will not exceed or fall below the specified return levels even if the underlying stock indices fluctuate outside of those set parameters. In simplest terms, the insurance company bears the risk of a sharp stock market decline with this type of annuity. You cannot lose any of your principal with a fixed index annuity, and your potential gains are usually capped at a rate between 3% and 9%. Many fixed index annuities also offer premium bonuses, but usually at the expense of lower potential gains.

Fixed Index Annuities Offer Tax Deferral

One advantage that a fixed index annuity has over a mutual fund or a bank Certificate of Deposit (CD) is that earnings grow on a tax-deferred basis. This means you pay no income taxes until you withdraw money from the annuity. This is especially important when you buy your index annuity with personal savings (so-called after-tax or "non-qualified" funds). Index annuities can also be purchased using rollover funds, funds transferred from a tax-qualified plan (i.e. IRA), or with a lump sum distribution from a 401k or pension plan. There is no tax advantage

Annuities Offer Guarantees

Fixed index annuities also offer a high degree of safety. Your premium and earnings are guaranteed by the issuing insurance company. Insurance companies are legally required to set aside assets (known as "reserves") to cover potential claims made by their policyholders. Insurance companies are monitored by rating agencies such as A.M. Best, Standard and Poor's, and Moody's. By reviewing the ratings an insurance company receives from these agencies, you may be able to determine if it is operating on a sound financial footing.

In the remainder of this article, we address the primary features and benefits of fixed index annuities ("FIA").

The first thing to note is that many FIAs offer a variety of strategy accounts you can choose from. The insurance company will credit your account with a rate tied to the performance of the particular strategy chosen.

Most FIAs are flexible premium annuities, meaning they accept multiple deposits over time. A single premium FIA contract would be one which only accepted a one-time initial premium.

When you purchase an FIA there is a "free look" period (usually 10-30 days in most states) which gives you the right to return your policy for a full refund for any reason.

Afterwards, you can cancel the contract at any time, although doing so will likely cause you to incur a surrender charge and also a market-value adjustment (a plus or minus "MVA").

Eight Reasons to Consider a Fixed Index Annuity

1. Gain Compounded Earnings While Deferring Income Taxes

Earnings within an annuity contract are tax-deferred. This means you don't pay income taxes on the earnings until you withdraw gains from your account. Therefore, there are no annual 1099 forms to file or earned-interest entries to make on your 1040. Tax deferral also means that annuity earnings do not offset Social Security benefits as with earnings from bonds, CDs, and other investments. Income generated by tax-exempt municipal bonds (for which no federal income tax is due) must be counted to determine any offset to Social Security benefits. Investors with investments currently allocated as "cash" should consider annuities for their tax deferral benefits. Over time, tax-deferred compounding may produce a greater overall return than other non-qualified investments.

2. Earn Higher Interest Rates

Fixed index annuities may credit higher interest rates than bank CDs or fixed interest rate deferred annuities.

3. Make Contributions to Your Tax-Deferred Account

Investors who have maximized contributions to their qualified retirement plans (i.e. 401k, IRAs and pensions) are permitted to contribute without limit to a tax-deferred annuity.

4. Protect Your Principal from Downturns in the Credit Markets

When interest rates trend upward, annuity accounts are insulated from loss of principal; increasing interest rates often negatively impact government bonds and bond mutual funds. Unlike bonds which lose principal value during periods of rising interest rates, the account value of a fixed index annuity is guaranteed. In addition to offering loss protection, if your annuity contract offers annually renewing rates, you may be presented with higher cap rates or participation rates, reflecting increased prevailing interest rates. In short, your principal and earnings are protected no matter what direction interest rates may take.

(Continued on page 44)

GET STOCK-MARKET LINKED GROWTH POTENTIAL WITHOUT



SLEEPLESS NIGHTS.¹

Discover how a Midland National fixed index annuity provides safety of premium and earns tax deferred interest.

EARN UP TO 8% PREMIUM BONUS.^{4,5}

For an additional cost, **ELECT AN OPTIONAL GUARANTEED LIFETIME WITHDRAWAL BENEFIT (GLWB) RIDER** that allows you to receive an income that you cannot outlive.⁶ Enjoy the flexibility of starting and stopping the income payments depending on your needs. Plus, the GLWB rider features the opportunity to earn bonus credits that can help to enhance the growth of your Guaranteed Minimum Withdrawal Benefit (GMWB) rider value!

FEATURE	NON TAX DEFERRED FIXED RATE VEHICLE	FIXED INDEX ANNUITY
TAX DEFERRAL ²		✓
PREMIUM PROTECTION ¹	✓	✓
UPSIDE MARKET POTENTIAL		✓
LIQUIDITY ³		✓
POTENTIAL TO AVOID PROBATE		✓

Call your independent agent to discuss the right fixed index annuities for you.

Hersh Stern
 (800) 872-6684

Annuity products and riders issued by Midland National Life Insurance Company, West Des Moines, Iowa. Products may not be available in all states. 1. Fixed Index Annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. They may not be appropriate for all clients. Note: Please keep in mind that optional rider costs may under certain scenarios result in a loss of premium. 2. Under current law, annuities grow tax deferred. An annuity is not required for tax deferral in qualified plans. Annuities may be subject to taxation during the income or withdrawal phase. Please note that neither Midland National, nor any agents acting on its behalf, should be viewed as providing legal, tax or investment advice. 3. A surrender during the surrender charge period could result in a loss of premium. Withdrawals prior to age 59½ may be subject to IRS penalties. Withdrawals taken during the Surrender Charge Period above the penalty-free amount will be subject to Surrender Charges and Interest Adjustment (See flyer 11327Y for further details). 4. Products that have premium bonuses may offer lower credited interest rates, lower Index Cap Rates, lower Participation Rates and or greater Index Margins than products that don't offer a premium bonus. Over time and under certain scenarios the amount of the premium bonus may be offset by the lower interest rates, lower Index Cap Rates, lower Participation Rates and or greater Index Margins. Premium bonus, up to 8% may vary by annuity product and length of surrender charge period selected. 5. Product may offer a different bonus and rate in the state of California. 6. Retire X-Cel® GMWB Rider, is a guaranteed lifetime withdrawal benefit (GLWB) available for an additional cost issued on form AR202A (rider) and PS202B (spec page) or appropriate state variation by Midland National Life Insurance Company, West Des Moines, IA. This rider may not be appropriate for all clients. Income payments may be reduced if withdrawals taken exceed the rider income payment amounts. Please see Rider brochure for further details.

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Tips for Buying a Fixed Index Annuity

(Continued from page 42)

6. Satisfy Required Minimum Distributions (RMDs)

Retirees over the age of 70½ are required to begin taking withdrawals from their IRA or Pension plans, known as Required Minimum Distributions (RMDs). The IRS penalty for not doing so is a substantial 50% of any amount that falls short of the Required Minimum Distribution. IRA funds rolled over into a fixed index annuity will be monitored for RMD amounts by the insurance company free of charge. This can save you the annual fee that your accountant or attorney would otherwise charge for making these calculations.

7. Retire With Lifetime Income

Today, a healthy 65 year old male has a 25% chance of living to age 90; a 65 year-old woman is likely to live even longer. Retirees concerned about outliving their investments can protect themselves by creating a guaranteed lifetime income stream. By “annuitizing” your IRA or fixed index annuity, you can exchange its value for an “immediate annuity” income stream in any of several forms (see earlier discussion on “Immediate Annuities”). Many FIAs offer optional income riders which provide withdrawal benefits similar to immediate annuities. This type of annuity provides you with a monthly check, guaranteed to remain constant over the duration of your lifetime.

8. Create Probate-Free Inheritance

The legal process of going through probate was established to protect a decedent’s estate and to insure its proper distribution to designated heirs. Probate can be a time-consuming and expensive experience for heirs to endure. Purchasing an annuity is one way to protect your beneficiaries from having to undergo this costly delay in estate distribution. Your named beneficiary or beneficiaries are paid directly and promptly, as soon as the insurance company has been notified about your passing.

FIA Interest Crediting

Fixed index annuities credit interest based upon the performance of a benchmark stock market index (S&P 500, Dow Jones, NASDAQ). There is zero downside risk in negative stock market years. In return for that safety, your potential gains are normally “capped” (i.e., determined by a cap rate or participation rate).

Cap Rates

A cap rate is the highest percentage gain that the insurance company will credit to your account during the specified period. Currently, cap rates range between 3% and 9%, depending on the duration of your annuity. This means that if your annuity has a cap rate of 6% and the benchmark S&P stock index goes up 12%, you will be credited with 6% interest.

Participation Rates

A participation rate refers to the percentage of the benchmark index gain the insurance company will credit to your annuity for a specified period. For example, if the participation rate is 25% and the stock market index goes up 12%, you will be credited with 3% interest (i.e., 25% of the stock market index’s gain).

Premium Bonus

Many fixed index annuities offer premium bonuses, which are credited to your annuity at the moment premiums are added. Currently, premium bonuses range from 4% to 12%, depending on the duration of the annuity. As alluring as these premium bonuses may seem, they usually come with trade-offs. FIAs with premium bonuses generally offer lower cap rates and participation rates than FIAs without bonuses. Additionally, some companies only pay the bonus if you annuitize with that company at some point in the future. If you choose to withdraw your money in a lump sum before the surrender fee period is over, the insurer may retroactively remove a portion of your premium bonus.

Expenses

Fixed index annuities do not have upfront sales charges. It would also be unusual for FIAs to charge maintenance fees. Because of this, 100% of your premium—without any deductions—goes directly to work for you in your account. Fees will only be applied if you surrender the annuity early, or if you purchase riders (i.e. income rider).

Penalty-free Withdrawals and Surrender Fees

Most insurance companies allow you to withdraw earned interest without having triggering a surrender fee. Some allow penalty-free withdrawals up to 10% of your account value (principal plus accumulated earnings) each year after the first year. If you want to withdraw more than 10% of your contract value, you will likely be charged an Early Surrender Penalty. This is assessed as a percentage of the amount that exceeds the Penalty-Free Withdrawal amount. In financial services jargon, this is called a “back-end load.” These charges should not be confused with the 10% early withdrawal penalty the IRS imposes if you withdrawal funds from an FIA before you reach the age of 59½.

Surrender penalties vary amongst insurance companies, but may be as high as 15% in the first contract year. Typically, surrender charges reduce by 1% per year. Such fees are sometimes waived when the contract is “annuitized” under a payment option or in the event of the policyholder’s death. Many policies also waive surrender fees if the annuitant is confined to a nursing home.

(Continued on page 46)

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In addition, this single premium annuity gives you the power of **choice**, **index-linked earnings**, **tax deferral**, **underlying guarantees** and **access to your money**.

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Surrender of the single premium deferred annuity contract may be subject to surrender charge and Market Value Adjustment. Underlying guarantees are subject to the claims-paying ability of EquiTrust Life Insurance Company. Neither the company nor its producers give tax or legal advice. Clients should consult their tax advisor or attorney on such matters. Withdrawals before age 59 ½ may result in a 10% IRS penalty. Withdrawals do not participate in index growth. Product not available in all states. EquiTrust Life Insurance Company, West Des Moines, Iowa. Contract issued on Contract Form Series ET-MPP-2000(02-05) with Rider ET-AVBR(06-09) and ET-IMVA(07-09). Group Certificates issued on Form Series ET-MPP-2000C(01-07) with Rider ET-AVBRC(06-09) and ET-IMVAC(07-09). Riders may not be available in all states.

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Tips for Buying a Fixed Index Annuity

(Continued from page 44)

FIA's typically offer a 30-day window at the end of the Rate Guarantee Period (RGP) during which the full account value (principal plus interest) may be withdrawn without penalty. However, if the policy owner does not surrender, exchange or rollover his account during this 30-day period, the annuity is automatically renewed and surrender charges are reset to the previous schedule.

Market Value Adjustment ('MVA')

An early withdrawal from an FIA may trigger a "Market Value Adjustment" (MVA) which may increase or decrease total penalties incurred on "excess" withdrawals or an early surrender from your contract. A typical MVA is determined using a formula comparing the base interest rate of the contract at issued with the interest rate (of a similar contract) when a withdrawal or surrender is requested. If the interest rate has declined during the period, the MVA will have a *positive* impact on the value of the policy. This means the MAV may offset some or all of the surrender charges. Conversely, if interest rates are higher at the time of the proposed withdrawal, the MVA will have a *negative* impact and add additional charges to the surrender fees deducted from the value of the policy.

Other Withdrawal Options and Annuitization

It's essential to know what withdrawal options are available when your fixed index annuity is no longer subject to surrender penalties. You can reinvest your money with the same company at the current rate or switch your account to another insurer (called a "Section 1035 Exchange"). Or, you can simply withdraw your money from the annuity in a lump sum, in which case you'll owe federal income tax on ALL the earnings in that single year. Additionally if you're younger than 59½ at the time of the withdrawal, you'll owe an additional penalty of 10% of the amount that is taxable income.

There are three ways to postpone this potential tax bite while turning your annuity into a reliable income stream. One way is to "annuitize" your policy—exchange the accumulated value of your fixed index annuity into an "immediate annuity." While your present insurance company will certainly want you to annuitize your account with them, it's a good idea to "shop the market," since there may very well be other companies that offer more generous settlement rates. Settlement rates are the current, guaranteed purchase rates per \$1,000 of account value used to exchange deferred annuity cash values into monthly income. These rates move up and down in tandem with interest rate fluctuations in bond markets. If you do find better rates with another insurance company, you can transfer your account balance using a procedure called a "Section 1035" exchange. Section 1035 is the portion of the IRS code that contains the rules governing such a tax-free exchange.

Annuitizing your fixed index annuity may also offer a tax advantage, such as letting you postpone paying taxes on some of the earnings you've accrued. However, this is true only for annuities which were originally purchased with "non-qualified" or after-tax dollars (that is, monies which were not previously exempt from taxes). Non-qualified monies include personal savings held in bank CDs or money market accounts, as well as securities and other investments held in your own name. If your immediate or deferred annuity represents a "qualified" or pre-tax investment—such as an IRA or IRA "rollover" of pension plan funds—then the entire monthly income check will be taxable. Be forewarned, however, that annuitizing a deferred annuity is an irrevocable transaction, meaning that once established it cannot be reversed or cashed in.

Similar to annuitization, many index annuities offer "income riders." For an additional annual fee, an income rider can be added to your annuity in order to provide a lifetime income stream that you can turn on in the future. Most income riders will grow at a rate specified in your annuity contract. Currently this "rollup" rate is usually between 5% and 10% per year. "Rollup" periods range anywhere from 7 to 20 years.

It is important to note that the "rollup" amount cannot be withdrawn as a lump sum or 1035-exchanged to another insurance company. It is only used to generate lifetime income payments with the same insurance company.

An alternative to annuitizing your fixed index annuity would be to set up a systematic withdrawal plan. With this method, *you* tell the insurance company how much cash to send you from your account monthly. The primary advantage of systematic withdrawals is flexibility; you can increase, lower, or stop the payments at any time. If you choose to at a later date, you can always annuitize the balance of your account value. However, unlike the annuitization option, your account could eventually run out of money if you withdraw more than the annual interest earnings each year. What's more, cash paid out in a systematic withdrawal program is usually fully taxable until all the earnings have been withdrawn from the account. Because tax law governing annuities can be quite complex, you should consult with a financial planner or tax adviser before going ahead with either annuitization or systematic withdrawal options.

(Continued on page 48)

In the volatile economic environment we've been through in the past few years, many individuals are asking good questions about their finances and hoping for even better answers.

- › Will I have retirement income that lasts my lifetime?
- › How much money can I live on?
- › How safe are my retirement assets?
- › What happens if I become ill – will I be a financial burden to my family?



Fortunately, there's great news for today's retirees with the exciting Secure Income Annuity!

Call Hersh Stern

at 1-800-872-6684 today

to see if the Secure Income Annuity is right for you!



SECURITY BENEFITSM

To and Through Retirement
Secure Income Annuity

Tips for Buying a Fixed Index Annuity

(Continue d from page 48)

Frequently Asked Questions about Fixed Index Annuities

Q. What's the difference between a fixed index annuity and a variable annuity?

A. The premium you pay to buy a fixed index annuity is not invested in stocks funds or bond funds as is true with a variable annuity. Rather your returns depend on the performance of a benchmark index. This means that on the anniversary date of your annuity, the insurance company will typically credit gains to your account based on the gains in an underlying benchmark index (e.g., S&P 500, Nasdaq, or Dow Jones Industrials). The amount credited to your annuity will be determined by a cap rate or participation rate as outlined in the contract documents (see below). The good news is that even if the underlying stock index experiences a 40% loss in a given year (as in 2008), your fixed annuity account balance will not suffer a loss. Even during a year in which the stock market tanks, your account simply receives a 0% credit, but no loss.

Q. How does the insurance company determine the amount of interest to credit to my annuity?

A. Fixed index annuities provide total protection against losses in years that the stock market drops. To provide this protection, the insurance company must retain some of the gains in years in which stocks move up. So in up years the insurance company credits you with only a percentage of the overall market gains. While in bad market years you never lose. The two most common methods for figuring this out are called the "cap rate" method and "participation rate" method.

Q. What is a cap rate?

A. A cap rate is the highest percentage gain that the insurance company will credit to your annuity in any period. For example, if your annuity has an annual cap rate of 7% and the underlying benchmark index grows by 10% that year; your annuity will be credited with a maximum of 7%. If the market only grew 4% that year, your annuity would be credited with 4%. You would receive gains up to the maximum percent limited by the cap rate.

Q. Which benchmark indices does this company offer?

A. The most common stock market index to be offered is the S&P 500. Some insurance companies also offer indices such as the Dow Jones Industrials, Nasdaq or Euro Stoxx 50.

Q. Does this annuity provide a Guaranteed Minimum Accumulation Value?

A. Some indexed annuities offer a guaranteed minimum accumulation value, which will be applied each year regardless of the benchmark performance over the life of the contract. For example, an index annuity might guarantee 107% of your initial premium, even if the benchmark index decreases year after year throughout your contract. (I.e.,

100% of your initial premium plus a guaranteed minimum of 7% interest credits.)

Q. What fees will be charged for surrendering the contract and over what time period?

A. Most fixed index annuity contracts have pre-set, declining surrender fees that range in terms of time horizon (5-20 years). This means that if you make a withdrawal greater than the penalty-free amount (usually 10% annually), then you will be charged a surrender fee.

Q. Can I make penalty-free withdrawals?

A. Most insurance companies permit early withdrawals within certain guidelines that don't trigger surrender fees. For example, 10% of the contract value may be withdrawn annually without charges being applied. Most contracts also allow you to withdraw Required Minimum Distributions free of surrender fees.

Q. What options do I have for generating income payments from my annuity?

A. The two methods for generating income payments are "income riders" and "annuitization." Adding an income rider to your fixed index annuity will allow you to decide when you would like to begin receiving income payments for life. Generally, your income rider will grow at a rate specified in your contract (currently between 5-10% annually). This rate is often referred to as a "rollup rate." Important to note is that income riders often come with an annual fee (usually between 0.50 and 1.00% annually).

The term "annuitization" refers to converting your fixed index annuity to an immediate annuity. This opens up a variety of payout options, such as income over a single lifetime, joint lifetime, or for a specified period of years. Many fixed index annuities permit you to annuitize your contract after the first contract year.

Q. Will I be charged any fees for this annuity?

A. Most fixed index annuities come free of any fees. However, if you add certain income or withdrawal riders an annual fee will be deducted from your interest credits. Be sure to review the expenses and fees described in the contract.

Shopping for the Best Fixed Index Annuity

Our company provides a unique comparison shopping service that closely monitors the most competitive companies offering fixed index annuities. This information is available at no cost with a single, toll-free phone call to 800-872-6684. With more than thirty years of experience in consumer and corporate annuity purchases, our company is the nation's leading shopping service for fixed index annuities.

Table 16. Fixed Index Annuities Update

These are fixed index annuities which can be cashed in subject to surrender charges & mva ("market value adjustment"), if applicable. Most index annuities will allow you to withdraw 10% penalty-free each year. At the end of the rate guarantee period your deposit plus interest can be returned to you in a lump sum. If you have any questions please call Hersh Stern at 866-866-1999.

Company Name	Product Name	Bonus	Cap Rate*	Income Rider**	Surrender Fee Period	Minimum Premium	AM Best	Penalty-Free Withdrawals***
HIGHEST PREMIUM BONUS ANNUITIES								
EquiTrust Life	MarketTwelve Bonus Index	12.00%	3.00%	6.5% for 15 years	14 yrs.	\$30,000	B++	10% each yr. after the first contract yr.
Allianz American Equity	MasterDex 10 Plus	10.00%	3.25%	Interest withdrawals or annuitization	N/A	\$15,000	A	10% each yr. after the first contract yr.
	Bonus Gold	10.00%	2.75%	6.5% for 20 years	16 yrs.	\$5,000	A-	Interest after 30 days, 10% after first yr.
Midland Nat'l	Endeavor 12 Plus	9.00%	3.85%	6.5% for 10 years	12 yrs.	\$10,000	A+	10% each yr. after the first contract yr.
Genworth	SecureLiving Index 10 Plus * with bailout *	4.00%	4.70%	8% for 10 years	10 yrs.	\$25,000	A	10% each yr. after the first contract yr.
HIGHEST CAP RATE ANNUITIES								
Midland Nat'l	Select Series 14	-	8.70%	6.5% for 10 years	14 yrs.	\$10,000	A+	10% each yr. after the first contract yr.
Midland Nat'l	MNL Endeavor 12	-	6.65%	6.5% for 10 years	12 yrs.	\$10,000	A+	10% each yr. after the first contract yr.
Genworth	SecureLiving Index 7 * with bailout *	-	5.95%	8% for 10 years	7 yrs.	\$25,000	A	10% each yr. after the first contract yr.
Great American	Safe Outlook * with bailout *	-	5.50%	10% for 7 years	6 yrs.	\$10,000	A	10% each year, starting at issue
Genworth	SecureLiving Index 5 * with bailout *	-	4.70%	8% for 10 years	5 yrs.	\$25,000	A	10% each yr. after the first contract yr.
BEST INCOME RIDER ANNUITIES								
Security Benefit	Secure Income	8.00%	2.75%	7% for 20 years	10 yrs.	\$25,000	B++	10% each yr. after the first contract yr.
Midland Nat'l	IncomeVantage 14	5.00%	3.65%	5% for 20 years, plus interest credits	14 yrs.	\$10,000	A+	10% each yr. after the first contract yr.
American Equity	Bonus Gold	10.00%	2.75%	6.5% for 20 years	16 yrs.	\$5,000	A-	Interest after 30 days, 10% after first yr.
Genworth	SecureLiving Index 10 Plus * with bailout *	4.00%	4.70%	8% for 10 years	10 yrs.	\$25,000	A	10% each yr. after the first contract yr.

* Annual point-to-point cap rates

** Income riders usually come with an annual fee between 0.50-1.00%.

*** Withdrawals may be subject to federal income tax and a 10% federal penalty tax prior to age 59-1/2.

This information is not intended to create public interest in the sale of annuities, is only a summary, and is not a complete description. Prior to purchasing any annuity, you should read the specimen contract for complete provisions and details. These annuity contracts are not available in all states. In those states where they are available, provisions may vary or may not be available. Annuities are not FDIC insured and are not obligations of a bank. Neither this company nor its agent can provide tax or legal advice. Please consult your tax advisor or attorney. Guarantees are based on claims paying ability of the insurance companies. IRAs and qualified plans are already tax deferred. Interest rates and AM Best ratings are subject to change without prior notice.

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- ◆ Indexed strategies that earn interest tied to gains in the S&P 500;
- ◆ Income you cannot outlive;
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Contract form number P1077409NW and waiver form numbers R6025809NW and R6026109NW. Contract and waiver form numbers may vary by state. "Standard & Poor's®", "S&P®", "S&P 500®" and "Standard & Poor's 500™" are trademarks of Standard & Poor's Financial Services LLC ("Standard & Poor's") and have been licensed for use by Great American Life Insurance Company. The Safe Outlook is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of purchasing the Safe Outlook. Contract and riders not available in all states. Contract form numbers, product features, limitations and availability may vary by state. Withdrawals and loans impact benefits provided and contract value. Guarantees provided in this rider are subject to the claims-paying ability of the issuing insurance company. Taxable amounts withdrawn prior to age 59½ may be subject to a penalty tax in addition to ordinary income tax.



CHRIS VAN MIERLO
*Chief Marketing Officer
Senior Vice President, Sales
Retirement Solutions Division*

April 13, 2012

Hersh Stern
Producer Alliance
28 Harrison Ave Ste 908
Englishtown NJ 07726-1564

Dear Hersh:

It is with great pleasure that I extend my personal congratulations on your selection to the Pacific Life Advisory Council.

At Pacific Life, we know that our success depends on mutually beneficial relationships with the best and brightest financial professionals in the industry. That's why we established the Pacific Life Advisory Council. It's our way of recognizing and applauding outstanding professionals like you--individuals who share our commitment to service excellence and deliver on it every day.

Along with my best wishes, we're sending you the enclosed personalized plaque to commemorate your accomplishment. We hope you display it with pride and, in the years to come, we look forward to your continued participation in this elite group.

As always, we very much appreciate your hard work and support of Pacific Life. Rest assured that we place tremendous value on our business relationship with you, and congratulations once again on achieving this distinction. Here's to even greater success in the future.

Best personal regards,

Chris van Mierlo

**PACIFIC LIFE INSURANCE COMPANY
RETIREMENT SOLUTIONS DIVISION**

Tips for Buying a Deferred Income Annuity

A DEFERRED INCOME ANNUITY (also known as a *Longevity* annuity or an *Advanced Life Income* annuity) is a newer type of annuity contract that allows you to guarantee a future income stream many years in advance of retirement. You can purchase a deferred income annuity with either a lump sum premium payment or with multiple payments over time (so-called flexible premium purchase). At the time of application the insurance company guarantees a specific income amount for life or for a specified period of time to begin at a pre-determined date you select.

Many deferred income annuities (DIA) are flexible premium annuities, meaning they accept multiple deposits over time. A single premium DIA contract would be one which only accepted a one-time initial premium. While most deferred income annuity contracts permit subsequent deposits (so-called "flexible premium" contracts) it is important to review the company's rules about how often you can contribute additional funds and how the company calculates the additional income that is purchased from these later premium deposits.

Most deferred income annuities guarantee income payments for the duration of the buyer's lifetime. Some companies also offer joint-life, period certain, and installment or cash refund payout options. Joint-life income options provide guaranteed income payments to you for life or for the life of the named survivor, whichever is longer. Period certain provides guaranteed income for a specified time frame. Should you die during this specified time the remaining income payments will be paid to your named beneficiaries.

Benefits

Why are investors drawn to deferred income annuities? First and foremost, by delaying the start date these annuities provide you a higher income payment than immediate annuities for the same premium deposit. The amount of income guaranteed is based on the premium amount invested, current interest rates, the length of the delay (deferral) period, and the particular payout income options chosen (period certain or lifetime).

Most deferred income annuity contracts offer an optional feature which increases your income stream each year by changes in the Consumer Price Index or by a pre-determined cost of living adjustment. Since your payments will begin years in the future an inflation protection rider may be worth consideration. With this rider, your guaranteed income payments will increase annually based upon the CPI or the percentage rate selected (1% to 6%) at the time of application.

Another popular rider option provides for a death benefit payment to named beneficiaries should you die before the payments begin (i.e., before the deferral period ends). This allows for either a lump-sum return of the initial premium or a guaranteed income stream until the full premium has been returned. Without such a rider, your premium would be forfeited in the event of your untimely death prior to the time your income payments begin.

Considerations

As with any annuity type, there are advantages and considerations to evaluate prior to purchase. Deferred income annuities are considered illiquid investments, meaning they do not, generally, offer a cash-out option. While most companies treat the initial premium deposit as forfeited, meaning you cannot recover those funds in a lump sum or partial lump sum, some companies do provide limited liquidity or accelerated withdrawal options.

Guarantees

Guaranteed future income payments are the primary draw of a deferred income annuity. As with any investment option, it is important to consider your personal financial situation prior to purchasing an annuity to ensure that the contract is the right fit for your given needs and goals.

Deferred income annuities offer a high degree of safety. Your premium is guaranteed by the issuing insurance company. Insurance companies are monitored by rating agencies such as A.M. Best, Standard and Poor's, and Moody's. By reviewing the ratings an insurance company receives from these agencies, you may be able to determine if it is operating on a sound financial footing.

For quotes and answers to your annuity questions call 800-872-6684.



Deferred Income ('Longevity') Annuities Update

Table 17. Deferred Income ('Longevity') Annuities

This annuity is purchased at your present age and starts making payments for your lifetime beginning at the deferred ages shown below. Quotes shown are based on a \$100,000 purchase.

Insurance Company	Male Pays \$100,000 at Age 45 and Receives \$xx,xxx Annually for Life Starting at...					Female Pays \$100,000 at Age 45 and Receives \$xx,xxx Annually for Life Starting at...				
	Age 65	Age70	Age 75	Age 80	Age 85	Age 65	Age70	Age 75	Age 80	Age 85
American Gen.	\$ 17,899	\$ 25,549	\$ 41,846	\$ 72,076	\$ 143,357	\$16,231	\$ 23,642	\$ 36,440	\$ 61,123	\$ 116,589
Guardian Life	\$ 16,000	\$ 22,976	\$ 34,872	\$ 56,258	\$ 99,834	\$ 15,212	\$ 20,703	\$ 30,877	\$ 55,875	\$ 102,894
Mass Mutual	\$ 17,718	\$ 26,316	\$ 40,212	N/A	N/A	\$ 16,164	\$ 23,468	\$ 35,018	N/A	N/A
MetLife	\$ 15,684	\$ 23,248	\$ 36,249	\$ 60,654	\$ 112,690	\$ 14,854	\$ 21,722	\$ 33,380	\$ 54,887	\$ 100,244
New York Life	\$ 16,634	\$ 23,365	\$ 35,913	\$ 59,911	\$ 115,042	\$ 14,547	\$ 20,649	\$ 30,654	\$ 48,799	\$ 87,465
Symetra	\$ 16,018	\$ 23,048	\$ 35,160	\$ 56,826	\$ 100,527	\$ 15,160	\$ 20,469	\$ 30,343	\$ 47,721	\$ 82,673



For today's best quotes call 1-800-872-6684

Insurance Company	Male Pays \$100,000 at Age 55 and Receives \$xx,xxx Annually for Life Starting at...					Female Pays \$100,000 at Age 55 and Receives \$xx,xxx Annually for Life Starting at...				
	Age 65	Age70	Age 75	Age 80	Age 85	Age 65	Age70	Age 75	Age 80	Age 85
American Gen.	\$ 11,250	\$ 16,746	\$ 26,398	\$ 45,452	\$ 90,370	\$ 10,480	\$ 15,309	\$ 23,549	\$ 39,562	\$ 75,435
Guardian Life	\$ 10,019	\$ 15,954	\$ 25,526	\$ 39,565	\$ 62,347	\$ 9,544	\$ 13,822	\$ 20,348	\$ 33,298	\$ 60,258
Mass Mutual	\$ 10,991	\$ 16,112	\$ 24,829	\$ 41,506	\$ 78,047	\$ 10,215	\$ 14,722	\$ 22,187	\$ 36,129	\$ 64,795
MetLife	\$ 9,738	\$ 13,982	\$ 21,123	\$ 34,058	\$ 59,546	\$ 9,210	\$ 13,085	\$ 19,601	\$ 31,385	\$ 54,948
New York Life	\$ 10,728	\$ 16,037	\$ 25,254	\$ 43,479	\$ 86,324	\$ 9,727	\$ 14,080	\$ 21,282	\$ 34,680	\$ 63,619
Symetra	\$ 10,722	\$ 16,271	\$ 26,367	\$ 44,920	\$ 88,691	\$ 9,852	\$ 14,532	\$ 22,750	\$ 37,391	\$ 71,663



For today's best quotes call 1-800-872-6684

Insurance Company	Male Pays \$100,000 at Age 65 and Receives \$xx,xxx Annually for Life Starting at...					Female Pays \$100,000 at Age 65 and Receives \$xx,xxx Annually for Life Starting at...				
	Age 65	Age70	Age 75	Age 80	Age 85	Age 65	Age70	Age 75	Age 80	Age 85
American Gen.	N/A	\$ 9,950	\$ 16,080	\$ 28,143	\$ 56,073	N/A	\$ 9,346	\$ 14,736	\$ 25,081	\$ 47,907
Guardian Life	N/A	\$ 8,655	\$ 12,476	\$ 19,923	\$ 30,978	N/A	\$ 8,199	\$ 11,994	\$ 18,004	\$ 29,478
Mass Mutual	N/A	\$ 9,637	\$ 14,708	\$ 23,866	\$ 42,906	N/A	\$ 9,017	\$ 13,568	\$ 21,647	\$ 38,202
MetLife	N/A	\$ 8,890	\$ 13,135	\$ 20,061	\$ 32,247	N/A	\$ 8,300	\$ 12,210	\$ 18,692	\$ 30,747
New York Life	N/A	\$ 9,866	\$ 16,277	\$ 29,082	\$ 60,022	N/A	\$ 8,792	\$ 13,827	\$ 23,168	\$ 43,686
Symetra	N/A	\$ 9,485	\$ 15,386	\$ 27,339	\$ 55,148	N/A	\$ 8,647	\$ 13,525	\$ 23,041	\$ 44,708

Quotes as of August 22, 2013 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.

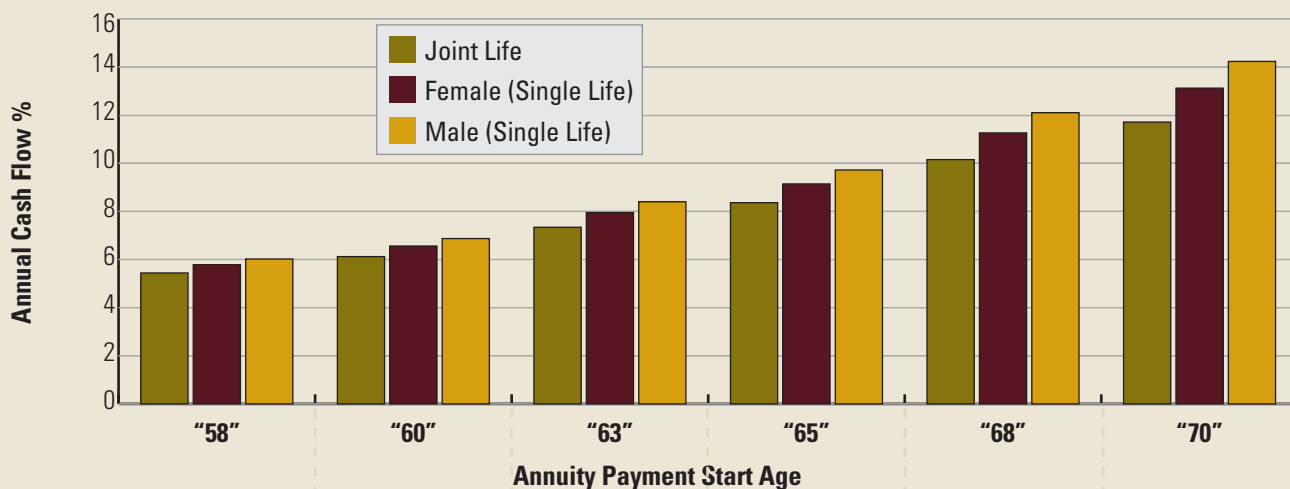
Secure your future – with MassMutual RetireEase ChoiceSM



A MassMutual RetireEase Choice deferred income annuity can help you establish a guaranteed income stream that begins at a future time you choose, and lasts a lifetime. What's more, you'll have the peace of mind that comes from knowing exactly how much that guaranteed income will be.

Choosing the length of your deferral period is an important decision. In addition to determining when your future income stream will start, the length of the deferral period also affects the amount of your income. A longer deferral period will result in higher annuity payments.

MassMutual RetireEase Choice Annual Cash Flows



Joint Life	5.44%	6.12%	7.34%	8.36%	10.15%	11.71%
Female	5.78%	6.56%	7.95%	9.14%	11.26%	13.12%
Male	6.02%	6.87%	8.40%	9.72%	12.10%	14.23%

This hypothetical example is for illustrative purposes only.

Assumptions:

Male: Life – Cash Refund Annuity

Female: Life – Cash Refund Annuity

Joint Life: Life – Cash Refund Annuity

Lump sum purchase payment: \$100,000

Purchase age for all scenarios is 55.

Annual Cash Flow %: The sum of 12 monthly deferred income annuity payments expressed as a percentage of the original \$100,000 purchase payment. Annual cash flow percentages are based on the length of the deferral period and assume the contract was purchased at age 55.

Annuity payments are based on rates effective May 1, 2013. Rates are subject to change. Actual payments will vary based upon your age, gender and rates in effect when purchase payment(s) are made. Other annuity options are available.



We'll help you get there.®

Call Hersh Stern
Mass Mutual Agent
(800) 872-6684

State Guaranty Associations (SGAs)

What happens when an insurance company becomes insolvent?

When an insurance company is declared insolvent the State Guaranty Associations ("SGAs") may become active in providing some policyholder protections. The existence of the SGAs, however, should not be a substitute for selecting an insurance company which is well-managed and financially stable. Additionally, insurance agents are prohibited from using the existence of the SGAs as an inducement to sell you insurance or annuities. Further information about the SGAs is available at www.nolhga.com or at the links below.

State	SGA Phone Number	SGA Web Address
Alabama	(205) 879-2202	http://www.allifega.org/fagprint.cfm
Alaska	(907) 243-2311	http://www.aklifega.org/fagprint.cfm
Arizona	(602) 364-3863	http://www.id.state.az.us/index.html
Arkansas	(501) 375-9151	http://www.arlifega.org/fagprint.cfm
California	(323) 782-0182	http://www.califega.org/fagprint.cfm
Colorado	(303) 292-5022	http://colorado.lhiga.com/Home/FAQs.aspx
Connecticut	(860) 647-1054	http://www.ctlifega.org/fagprint.cfm
Delaware	(302) 456-3656	http://www.delifega.org/fagprint.cfm
Dist. of Col.	(202) 434-8771	http://www.dclifega.org/fagprint.cfm
Florida	(904) 398-3644	http://www.flahiga.org/fagprint.cfm
Georgia	(770) 621-9835	http://www.gaiga.org/fagprint.cfm
Hawaii	(808) 528-5400	http://www.hilifega.org/fagprint.cfm
Idaho	(208) 378-9510	http://www.idlifega.org/fagprint.cfm
Illinois	(773) 714-8050	http://www.ilhiga.org/fagprint.cfm
Indiana	(317) 636-8204	http://www.inlifega.org/fagprint.cfm
Iowa	(515) 248-5712	http://www.ialifega.org/fagprint.cfm
Kansas	(785) 271-1199	http://www.kslifega.org/fagprint.cfm
Kentucky	(502) 895-5915	http://www.klhiga.org/fagprint.cfm
Louisiana	(225) 381-0656	http://www.lalifega.org/fagprint.cfm
Maine	(207) 633-1090	http://www.melifega.org/fagprint.cfm
Maryland	(410) 998-3907	http://www.mdlifega.org/fagprint.cfm
Massachusetts	(413) 744-8483	http://www.malifega.org/fagprint.cfm
Michigan	(517) 339-1755	http://www.milifega.org/fagprint.cfm
Minnesota	(651) 407-3149	http://www.mnlifega.org/fagprint.cfm
Mississippi	(601) 981-0755	http://www.mslifega.org/fagprint.cfm
Missouri	(573) 634-8455	http://www.mo-iga.org/forms/lnh.aspx
Montana	(262) 965-5761	http://www.mtlifega.org/fagprint.cfm
Nebraska	(402) 474-6900	http://www.nelifega.org/fag.htm
Nevada	(775) 329-6171	http://www.nvlifega.org/fagprint.cfm
New Hampshire	(603) 472-3734	http://www.nhlifega.org/fagprint.cfm
New Jersey	(732) 345-5200	http://www.njlifega.org/fagprint.cfm
New Mexico	(505) 820-7355	http://www.nmlifega.org/fagprint.cfm
New York	(212) 202-4243	http://www.nylifega.org/fagprint.cfm
No. Carolina	(919) 833-6838	http://www.nclifega.org/fagprint.cfm
North Dakota	(701) 235-4108	http://www.ndlifega.org/fagprint.cfm
Ohio	(614) 442-6601	http://www.olhiga.org/Frequently%20Asked%20Questions.htm
Oklahoma	(405) 272-9221	http://www.oklifega.org/fagprint.cfm
Oregon	(503) 588-1974	http://www.orlifega.org/fagprint.cfm
Pennsylvania	(610) 975-0572	http://www.palifega.org/fagprint.cfm
Rhode Island	(401) 273-2921	http://www.rilifega.org/fagprint.cfm
So. Carolina	(803) 276-0271	http://www.sclifega.org/fag.php
South Dakota	(605) 336-0177	http://www.sdlifega.org/fagprint.cfm
Tennessee	(615) 242-8758	http://www.tnlifega.org/fagprint.cfm
Texas	(512) 476-5101	http://www.txlifega.org/?page_id=94
Utah	(801) 320-9955	http://www.utlifega.org/fagprint.cfm
Vermont	(802) 229-3553	http://www.vtlifega.org/fagprint.cfm
Virginia	(804) 282-2240	http://www.valifega.org/fagprint.cfm
Washington	(360) 426-6744	http://www.walifega.org/fagprint.cfm
West Virginia	(304) 733-6904	http://www.wvlifega.org/fagprint.cfm
Wisconsin	(608) 242-9473	http://www.wilifega.org/fagprint.cfm
Wyoming	(303) 292-5022	http://wyoming.lhiga.com/Home/FAQ.aspx

You Don't Have to Wait for Interest Rates to Rise

Taking action today doesn't mean you have to miss out on higher interest rates in the future.

John, 65 years old, needs \$6,000 in additional annual income to cover his expenses. He understands that a New York Life Guaranteed Lifetime Income Annuity¹ is a terrific way to generate more retirement income. He can buy one now, but feels more comfortable postponing because he thinks rates are going to increase, giving him more income.

**Call an
Independent
Agent Today:
800-872-6684**



¹ Issued by New York Life Insurance and Annuity Corporation (a Delaware Corporation), a wholly owned subsidiary of New York Life Insurance Company, 51 Madison Ave., NY, NY 10010. Guarantees are based on the claims-paying ability of the issuer. Product and features not available in all jurisdictions.

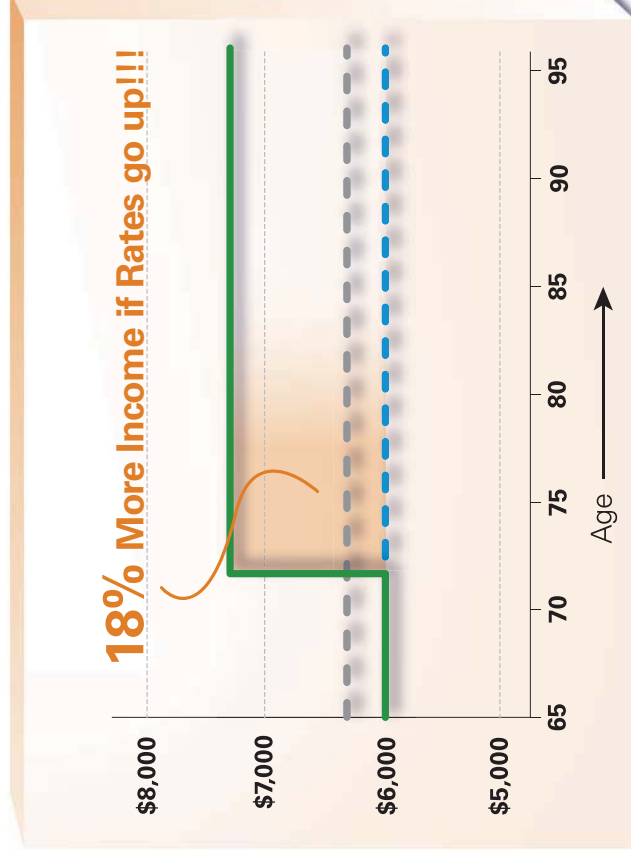
A Guaranteed Lifetime Income Annuity can provide more opportunity than you might think...

John may be able to hedge interest rate risk immediately by purchasing a Guaranteed Lifetime Income Annuity and selecting the Income Enhancement Option (IEO).² If John selects the IEO and rates are higher on the 5th policy anniversary, John will receive the higher annual income and, therefore, can mitigate interest rate risk.

By purchasing a Guaranteed Lifetime Income Annuity for \$100,000,³ John is guaranteed \$6,000 annually for the rest of his life, and also has the opportunity to benefit from higher rates in the future.

While his initial income may be lower than that of the Guaranteed Lifetime Income Annuity without the IEO, if interest rates increase in the coming years, as John believes they will, his future income will be significantly higher and the annuity will pay out a much greater sum in the long run.

**Call an Independent
Agent Today:
800-872-6684**



Income After IEO Increase: \$7,422

Income With No Option: \$6,357
Income Before IEO Increase: \$6,000

- 2 Available on Non-qualified policies only. The policy owner must be at least age 59 1/2 at the time of the first payment. The annuitant must be age 75 or younger at the time the policy is issued. IEO is not available if Changing Needs Option or Inflation Protection is elected. Policy issued and 10 year Constant Maturity Treasury rate (CMT) is recorded. In this example, client receives an annualized income of \$6,000 for 5 years. On the 5th policy anniversary in the third full week of the calendar month immediately preceding this anniversary the current CMT is compared to the CMT in the third full week of the calendar month immediately preceding the policy date. If the difference in the CMT on the 5th policy anniversary and the CMT at issue is **2% or MORE**, the client's annualized income increases to \$7,422 (18% more) for life. If the difference in the CMT on the 5th policy anniversary and the CMT at issue is **LESS than 2%**, the client's annualized income remains at \$6,000 for life.
- 3 Based on a male age 65, Life Only Option, with IEO. Rates in effect on 10/01/2012. Payout rates are subject to change and may vary depending on premium amount, age, gender, income option selected and interest rates in effect at policy issue.

For most jurisdictions, the policy form number for a Guaranteed Lifetime Income Annuity is ICC11-P102. State variations may apply.



New York Life Insurance Company
51 Madison Avenue, New York, NY 10010
www.newyorklife.com

14527 (10/12) SMRU 461649CV
Exp. 10/01/2013

Insurance Company Ratings

Fixed annuity premiums are invested by insurance companies in a so-called “General Account.” An annuity is, therefore, only as secure as the investments in a company’s General Account. An annuity is not insured by the FDIC. It may be covered by a state guaranty fund, but that coverage can fall short if the amount of premium in an annuity is greater than the fund’s limits of coverage.

Insurance companies are graded by rating agencies (e.g., Standard & Poors, Moodys). These rating opinions are based on such factors as an insurance company’s ability to pay claims, quality of its investments, ability to withstand economic downturns, and similar financial criteria. Rating agencies’ assessments of the same company may differ. Analysts may disagree, for instance, about how much is too much when it comes to certain types of bonds, mortgages or real estate. Ratings are also subject to frequent change without notice. While we publish some ratings here, you are strongly urged to confirm the ratings on your own. We cannot be held responsible for the accuracy of any published ratings. You are strongly advised to call your state’s insurance department for information on the solvency of an insurer operating in your state.

The rating agencies assign alphabetical grades to the insurance companies they rate. Comparing these grades can be confusing. For example, a company rated A+ by A.M. Best has received that agency’s second highest grade. However, with Standard & Poors, an “A+” grade is its 5th highest rank and denotes a much weaker rating than it does for A.M. Best. We help you to compare the different grades by listing their position in the Distribution of Ratings table below.

Distribution of Insurance Company Ratings (Rating Scales)					
A.M. Best		S & P		Moody’s	
Category	Description	Category	Description	Category	Description
A++	Superior	AAA	Extremely Strong	Aaa	Exceptional
A+	Superior	AA+	Very Strong	Aa1	Excellent
A	Excellent	AA	Very Strong	Aa2	Excellent
A-	Excellent	AA-	Very Strong	Aa3	Excellent
B++	Good	A+	Strong	A1	Good
B+	Good	A	Strong	A2	Good
B	Fair	A-	Strong	A3	Good
B-	Fair	BBB+	Good	Baa1	Adequate
C++	Marginal	BBB	Good	Baa2	Adequate
C+	Marginal	BBB-	Good	Baa3	Adequate
C	Weak	BB	Marginal	Ba1	Questionable
C-	Weak	B	Weak		
		CCC	Very Weak		

Insurance Company Ratings

Insurance Company	NAIC#	Assets in \$Billions	A.M. Best	S & P	Moody's
Allianz LIC of N. America	90611	\$ 94.3	A	AA	A2
American Equity Investment Life Ins. Co.	92738	\$ 28.0	A-	BBB+	-
American General LIC (AIG)	60488	\$ 149.6	A	A+	A2
American National LIC	60739	\$ 17.8	A	A	-
ELCO Mutual Life & Annuity	84174	\$ 0.55	B+	BBB+	-
Equitrust LIC	62510	\$ 11.4	B++	BBB+	-
Fidelity & Gurantee LIC	63274	\$ 16.7	B++	-	Ba1
Fidelity & Gurantee LIC (NYS only)	69434	\$.47	B++	-	Ba1
First MetLife Inv. IC (NYS only)	60992	\$ 5.5	A+	AA-	-
First Symetra National Life Ins. NY	78417	\$.72	A	A	-
Genworth Life Insurance Co.	70025	\$ 36.7	A	A	A2
Genworth Life Ins. Co. NY (NYS only)	72990	\$ 7.8	A	A	A2
Great American LIC	63312	\$ 13.9	A	A+	
Guardian Life	78778	\$ 12.0	A++	AA+	Aa2
Guggenheim Life & Annuity Co.	83607	\$ 9.1	B++	-	-
ING USA Annuity & LIC	80942	\$ 68.1	A	A-	A3
Integrity LIC	74780	\$ 6.0	A+	AA+	Aa3
Jackson National Life	65056	\$ 136.8	A+	AA	A1
Jackson National Life NY	60140	\$ 6.3	A+	AA	A1
Kansas City Life	65129	\$ 3.3	A	-	-
Lafayette Life	65242	\$ 3.3	A+	AA+	-
Lincoln Benefit Life	65595	\$ 2.0	A+	A+	A1
Mass Mutual Life Ins.	65935	\$155.6	A++	AA+	Aa2
MetLife Investors Ins. Co.	61050	\$ 86.0	A+	AA-	Aa3
Metropolitan LIC	65978	\$ 360.5	A+	AA-	Aa3
Midland National Life	66044	\$ 32.8	A+	A+	-
Minnesota LIC	66168	\$ 28.4	A+	A+	Aa3
National Integrity LIC (NYS only)	75264	\$ 4.7	A+	AA+	Aa3

Insurance Company Ratings

Insurance Company	NAIC#	Assets in \$Billions	A.M. Best	S & P	Moody's
Nationwide Life	66869	\$ 106.5	A+	A+	A1
New York Life I&A	91596	\$ 109.5	A++	AA+	Aaa
No. Am. Co. Life & Health (NACOLAH)	66974	\$ 13.0	A+	A+	-
Pacific Life & Annuity Co.	97268	\$ 5.3	A+	A+	A1
Penn Mutual LIC	67644	\$ 14.3	A+	AA-	Aa3
Protective LIC	70335	\$ 36.3	A+	AA-	A2
Security Benefit Life	68675	\$ 10.5	B++	A-	-
Sentinel Security LIC	68802	\$.38	B++	-	-
Standard Insurance Co.	69019	\$ 17.2	A	A-	-
Symetra Financial	68608	\$ 25.4	A	A	A3
United of Omaha	96868	\$ 16.7	A+	A+	A1
U.S. Life Ins. NY (AIG) (NYS Res. Only)	70106	\$ 24.5	A+	A+	A1

Legend:

Company Names: Insurance companies are listed according to legally registered names. Many companies are part of a larger group affiliation, which may include subsidiaries with similar-sounding names. .

NAIC #: An identifying number issued by the National Association of Insurance Commissioners to licensed and affiliated insurance companies. The NAIC is an organization that helps in the creation of similar or uniform policies across various insurance companies and organizations.

Admitted Assets \$ Billions: is the dollar value of all assets reported in a company's statutory annual statement and admitted or accepted by state regulators. Includes invested assets plus amounts receivable and separate account assets.

- ("dash") in rating columns: Company may not be rated by that agency. Insurance companies must pay to be rated by the rating agencies. Some insurers decline to pay and therefore are not rated.

Disclaimer: While we attempt to list the ratings currently in effect, we are not to be held liable for the reliability of this information. You are strongly advised to directly contact the rating agencies and insurance companies for verification of ratings and additional details.



About the Rating Agencies

A.M. Best Company

A. M. Best Co. is the oldest insurance rating agency in the world and has been reporting on the financial condition of insurance companies since 1899. It has been assigning an alphabetic rating scale to insurance companies since 1976. Best's evaluates a company's Relative Financial Strength and overall performance in comparison with others. Best's ratings should not be taken as a guaranty of any insurer's current or future ability to meet its contractual obligations.

A. M. Best's rating is assigned after evaluating a company's financial condition and operating performance both in qualitative and quantitative terms. Quantitative evaluation examines (1) profitability, (2) leverage, (3) liquidity, (4) reserve adequacy, and (5) reinsurance. Qualitative evaluation is based on (1) spread of risk, (2) soundness and appropriateness of reinsurance, (3) quality and diversification of assets, (4) adequacy of policy reserves, and (5) adequacy of surplus, (6) capital structure, and (7) management experience. Ratings are reviewed both on an annual and a quarterly basis.

The rating scale uses letter grades ranging from A++ (Superior), the highest, to F (In Liquidation), the lowest. The letter grade can also have a modifier that qualifies it. The A++ highest rating is based on a company's favorable comparison of profitability, leverage, and liquidity with industry norms; favorable experience from mortality, lapses, and expenses; quality and diversification of investment portfolio; strong policy reserves and a surplus to risk ratio that is above that for the average life insurance company. Also examined are the amount and soundness of its reinsurance and the competence and experience of management.

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The rating categories and modifiers are as follows:

Rating Categories

A++, A+	Superior
A, A-	Excellent
B++, B+	Good
B, B-	Fair
C++, C+	Marginal
C, C-	Weak
D	Poor
E	Under Regulatory Supervision
F	In Liquidation
S	Suspended

Rating Modifiers

u	Under Review
pd	Public Data
s	Syndicate

"Not Rated" Designation

NR	Assigned to companies that are not rated by A.M. Best.
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Standard & Poor's

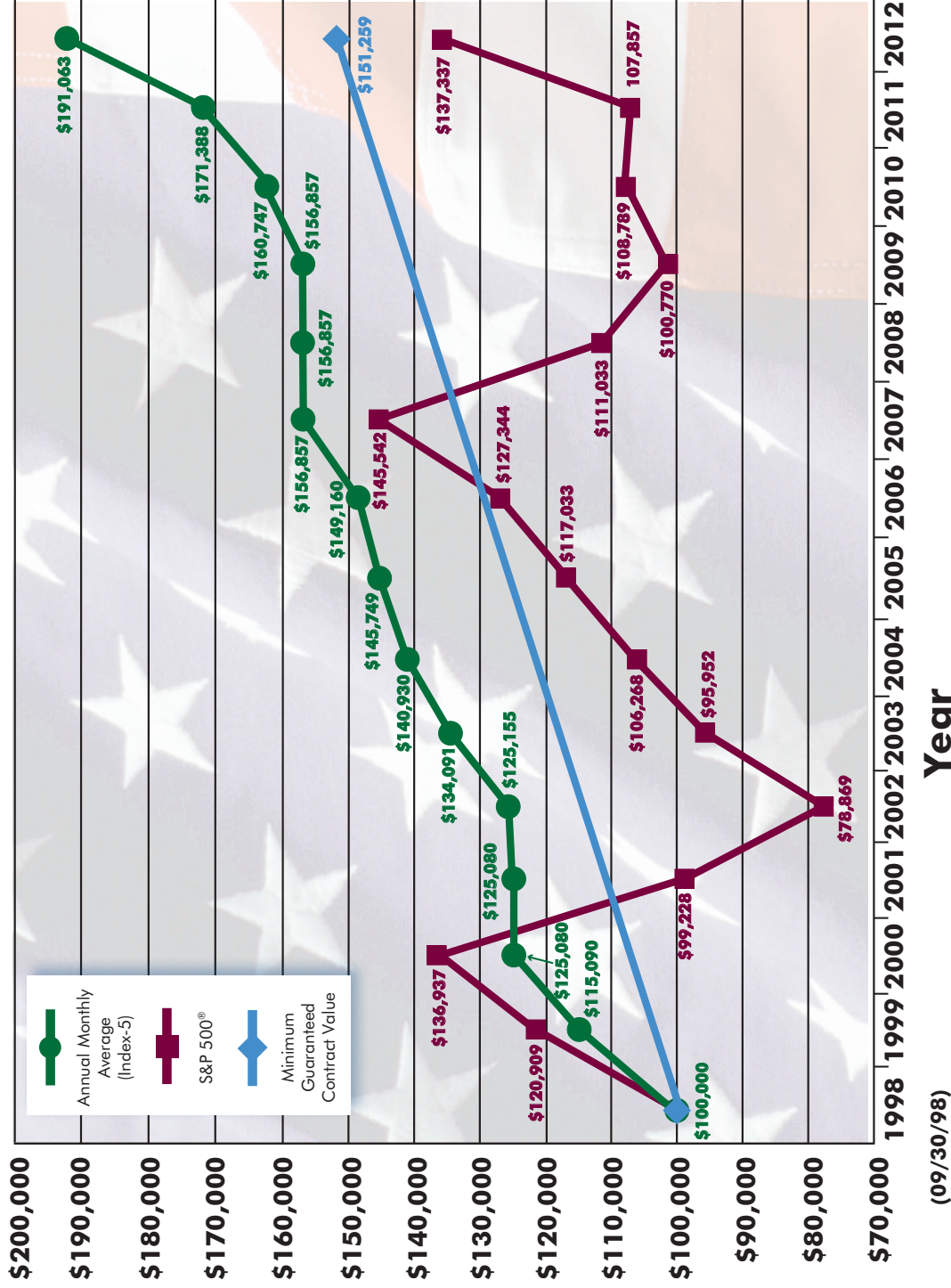
Standard and Poor's, which began companies in the mid 1980s, assesses a company's Claims-Paying Ability—that is, its financial capacity to meet its insurance obligations. S&P forms its opinion by examining industry-specific risk, management factors, operating performance and capitalization. Industry-specific risk addresses the inherent risk in and diversity of the insurance business being underwritten. Management factors include how management defines its corporate strategy and the effectiveness of its operations and financial controls. Operating performance focuses on a company's trend for current and future earnings. For capitalization, S&P looks at the company's capital structure, its ability to raise capital, liquidity, and cash flow.

S&P charges an insurer between \$15,000 and \$28,000 to receive a claims-paying ability rating. (Contact: Standard and Poor's, 25 Broadway, New York, NY 10004.) S&P's rating scheme uses a letter grade scale that ranges from AAA (highest) to R (lowest), (ie., AAA, AA, A, BBB, BB, B, CCC, R). The "AAA" rating, for example, represents a company's extremely strong capacity to honor its obligations and to remain so over a long period of time. "AAA" companies offer superior financial security on both an absolute and relative basis. They possess the highest safety and have an overwhelming capacity to meet policyholder obligations.

(Continued on page 63)

The "REAL BENEFITS" of Indexed Annuities with the Annual Reset Design

A history of American Equity's Index-5* (9/30/98 - 9/30/12)



*This graph is based on actual credited rates for the period shown on the Index-5 product which is no longer available for sale.

Past performance is not an indication of future results. Please call your American Equity Agent for new product information. Check out product disclosures for product specific information.



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West Des Moines, IA 50266

We're the One! People Service Future

13-AE-1155

Insurance Products offered by American Equity Investment Life Insurance Company.

This is not an illustration. This is a depiction of an actual policyholder's INDEX-5 annuity.

These results should not be an indication that Indexed Annuities will outperform the S&P 500®. This simply demonstrates the powerful benefits of Indexed Annuities with the annual reset interest crediting design. All of American Equity's current products offer annual reset design.

About the Rating Agencies

(Continued from page 61)

As a group, the claims-paying ability ratings are divided into two broad classifications. Rating categories from 'AAA' to 'BBB' are classified as "secure" and indicate insurers whose financial capacity to meet policyholder obligations is viewed on balance as sound. Ratings categories from 'BB' to 'CCC' are classified as "vulnerable" and indicate insurers whose financial capacity to meet policyholders obligations is viewed as vulnerable to adverse economic and underwriting conditions. Plus (+) and minus (-) signs show relative standing within a category; they do not suggest likely upgrades or downgrades.

For certain companies, the S&P rating includes a 'q' subscript, which indicates that the rating is based solely on quantitative analysis of publicly available financial data. In the case of claims-paying ability ratings, this is the statutory financial data filed with the National Association of Insurance Commissioners. *Annuity Shopper* does not include the 'q' subscript rating.

Rating Categories

Secure Range:

- AAA Superior financial security. Highest safety.
- AA Excellent financial security. Highly safe.
- A Good financial security. More susceptible to economic change than highly rated companies.
- BBB Adequate financial security. More vulnerable to economic changes than highly rated companies.

Vulnerable Range:

- BB Financial security may be adequate, but capacity to meet long-term policies is vulnerable.
- B Vulnerable financial security.
- CCC Extremely vulnerable financial security. Questionable ability to meet obligations unless favorable conditions prevail.
- R Regulatory action. Placed under an order of rehabilitation and liquidation.

S & P ratings for individual companies are available at no charge. Financial reports are \$25 each. Write to Standard & Poor's Corporation; 55 Water St.; New York, NY 10041. Or call (212) 438-2400.

Moody's

Moody's Insurance Financial Strength Ratings are opinions of the relative strength or weakness of insurance companies. Specifically, they summarize the likelihood that a company will be able to meet its senior policyholder obligations.

Moody's considers both quantitative and qualitative factors in the following areas: product lines, industry competitive positions, markets, distribution systems, organizational structure, earnings trends and profitability, performance and quality of investments, asset/liability management and liquidity, surplus position relative to risk profile and affiliated companies.

A very important part of the evaluation is understanding management's philosophy and the company's strategic direction. The rating, therefore, involves judgments about the future and includes assessments on how management and companies will respond to worst case scenarios. Moody's annual fee for a rating is \$25,000. (Contact: Moody's Investors Service, 99 Church Street, New York, NY 10007.)

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Rating Categories

- Aaa Exceptional security. Unlikely to be affected by change.
- Aa Excellent security. Lower than Aaa because long-term risks appear some-what larger.
- A Good Security. Possibly susceptible to future impairment.
- Baa Adequate security. Certain protective to future impairment.
- Ba Questionable security. Ability to meet obligations may be moderate.
- B Poor security. Assurance of punctual payment of obligations is small over the long run.
- Caa Very poor security. There may be elements of danger regarding the pay-ment of obligations.
- Ca Extremely poor security. Companies are often in default.
- C Lowest security. Extremely poor prospects of offering financial security.

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