

ANNUITY SHOPPER

BUYER'S GUIDE

July 2015
Published
Regularly
Since 1986

→ 17 TIPS FOR BUYING A TOP RATED ANNUITY

Inside:

1,079

Current Rates for
**IMMEDIATE
DEFERRED
INDEX &
MULTIYEAR
ANNUITIES**



PLUS... COMPANY RATINGS, LIFE EXPECTANCY TABLES, AND MUCH MORE...

**July
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Annuity Shopper

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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.

There are many types of annuities and they can accomplish different goals. An annuity, for example, may provide tax-deferred growth, immediate income, or income at a future date. An annuity may guarantee a steady income for life or the income can be limited to a specified period of time. Some annuities even combine growth and income features.

The annuities covered in this buyer's guide include: Immediate annuities, Multiyear Fixed Interest annuities, Indexed annuities, Secondary Market annuities, and Deferred Income annuities. If you are new to annuities, may I suggest you read the "Tips for Buying..." section for each type of annuity.

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

Does the *Annuity Shopper Buyer's Guide* recommend that you buy an annuity? No. To determine whether an annuity is recommended or suitable for your financial situation, you should consult with a competent financial planner. Neither the Annuity Shopper Buyer's Guide, Hersh Stern, WebAnnuities, its employees, or web sites make recommendations to buy an annuity.

I welcome your questions and suggestions. To reach me by phone call **800-872-6684**.



Hersh L. Stern
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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.

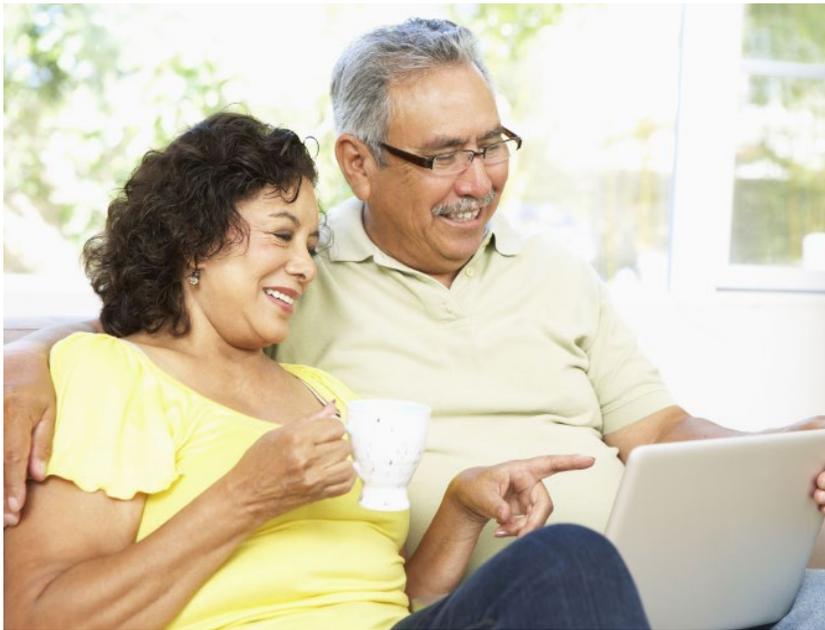
17 Tips for Buying a Top Rated Annuity

Chances are good that you have a very simple goal in mind when shopping for your annuity: to make the right choice at the right price and rest assured you've done the right thing.

Sounds easy enough, but for many consumers the annuity shopping process can feel quite overwhelming.

To help you get organized I've broken it down into 17 key tips. By tending to each of these, you will be well on your way to making an informed and successful annuity decision.

Your "Before" Strategy. This is the "getting started" phase



and includes ways to help ensure your annuity shopping is off to a good start.

Tip #1 — Take your time. An annuity purchase is a big decision. Be sure you have a good reason to buy, and then avoid anything that feels like pressure to rush. Planning for your retirement takes patience and a carefully executed strategy. We understand that it may take months or years to move from your first contact to being ready to sign an application.

Tip #2 — Shop around. The first annuity you see may not be the annuity you buy. We'll explain to you how to compare the various types of annuities and their options (and be sure that you're comparing "apples to apples"). We can also point you in the direction of the "top contenders" and break down the differences to help you hone in your buying decision. Then take your time to investigate the marketplace.

ANNUITY SHOPPER BUYER'S GUIDE

Featured Articles

- 3 [17 Tips for Buying a Top Rated Annuity](#)
- 6 [Tips for Buying an Immediate Annuity](#)
- 8 [Immediate Annuities \('SPIA'\) Rates Update](#)
- 11 [Rated Age Annuities](#)
- 29 [IRA and 401k Rollovers](#)
- 31 [Life Expectancy Tables](#)
- 33 [Tips for Buying a MYGA Annuity \('MYGA'\)](#)
- 39 [Multiyear Annuity \('MYGA'\) Rates Update](#)
- 40 [Tips for Buying a Fixed Index Annuity \('FIA'\)](#)
- 48 [Fixed Index Annuity \('FIA'\) Rates Update](#)
- 51 [Tips for Buying a Deferred Income Annuity \('DIA'\)](#)
- 53 [Deferred Income Annuity \('DIA'\) Rates Update](#)
- 54 [Tips for Buying a Secondary Market Annuity \('SMA'\)](#)
- 56 [State Guarantee Associations](#)
- 58 [Insurance Company Ratings](#)

Tip #3 — Consult with your Spouse and/or Beneficiaries. This is a significant decision, and it's usually wise to include family members in the conversation. Some people find that retirement and estate planning details are uncomfortable to discuss, but your family may be relieved to understand exactly what you're thinking of buying and how it will work. What's more, they may have insights and ideas that you may not have considered.

Tip #4 — Work with a professional. Don't go it alone or hesitate about asking any questions. We can help you evaluate whether an annuity meets your needs better than alternative investments. We'll never say to you that an annuity is the "only way to go." Nowadays, insurance companies and agents are obliged by law to recommend only products that are suitable for their customers' financial situations. That determination should always be made on an individual, case-by-case basis.

Tip #5 — Don't put everything into an annuity. An annuity can be right for a portion of your savings – but not all of it. You want to be sure to have "emergency funds" on hand that you can access at any time. Consider any other expenses that you can anticipate that would require extra cash. These could include a dream vacation, for example, or helping a family member pay for education.

Tip #6 — Diversify your purchases. Hopefully you will look to highly-rated insurance companies for your annuity purchase – and 99% of these have performed impeccably over the years through all kinds of economic ups and downs. Nevertheless, your investment is not FDIC insured and can be vulnerable in the unlikely event that the insurance company goes bankrupt. For this reason, it is wise to spread your investment across two or three different companies and reduce your exposure in the unlikely event one company should fail.

Tip #7 — Don't believe everything in the media. All writers have a point of view, and this is certainly true of financial writers. While some may have a goal of helping the consumer, many other stories you encounter will be sponsored by someone who is looking to sell a certain type of investment or even a specific company. Sad as it is to say, some may even have a goal of scaring investors into or away from particular products. Take any ideas and concerns you may have to your advisor.



Questions to Ask. As you get closer to a plan to purchase an annuity, you will likely have lots of questions. I have clients come to me with a list of them. Do not hesitate to get the answers you need. Some of the more important questions to cover include:

Tip #8 — What type of annuity is right for me? There are a number of different types of annuities, and each is designed for a very specific purpose. Be sure you understand how they compare, and understand the reasons for choosing yours. The various types include Single Premium Immediate Annuities (SPIA), Deferred Multiyear Annuities, Deferred Income (Longevity) Annuities and Fixed Index Annuities.

Tip #9 — How will the premium work? Is it a single or a flexible premium? Which is best for me? Typically, immediate annuities are single premium purchases. However, you can buy a series of these annuities over time which would replicate flexible premium purchases.



Tip #10 — What is the initial interest rate and how long is it guaranteed? Interest rates are structured very differently across the various types of annuities. Be sure you are clear on what you are buying and about all the different ways it can change across the life of the contract. With an immediate annuity you generally lock in today's rate for life. A few companies, however, will let you revisit the rate under certain conditions.

Tip #11 — Will my beneficiaries receive a benefit in the event of my death? This is a critical question. When choosing to provide for beneficiaries, some build this into an annuity, others choose an annuity that does not include a death benefit but use other types of investments to provide for beneficiaries.

Tip #12 — What are the withdrawal rules and surrender fees? Simply put, understand what will happen if you choose to get out of your annuity. Immediate annuities are typically irrevocable purchases and offer very

limited liquidity besides your regular monthly payments.

Tip #13 — How will the interest earnings from the annuity be taxed? Of course, your accountant is the best person to ask for tax advice and to help you understand this piece of annuity-buying strategy. Ask us and we'll lay out the differences between the various annuities. That'll get you started for your meeting with a CPA.

Tip #14 — How are the companies I am considering rated? You should buy from a company with high financial ratings. This will help ensure that your money is safe and that your investment will continue to provide for you.

The “after” list. Once you've purchased an annuity, your work is almost done. But here are a few more important things to remember:

Tip #15 — Your annuity policy offers a limited time money back guarantee. If you have “buyer's remorse” for any reason, you have 10 to 30 days (depending on the contract and your state of residence) to change your mind. This is called a “free look” period and it is backed up by state law. Most annuities offer a full refund during this period.

Tip #16 — Understand your contract. Before you sign a delivery receipt, be sure you read and understand absolutely everything about your annuity. If there are sections that are not clear to you, ask us to explain them or have another person you trust help you review them. Be sure that the contract reflects your expectations about the annuity you are buying.

Tip #17 — Review your annuity annually. Often, you can exchange your annuity if you are not happy with its performance or if circumstances in your life change. While there may be fees or tax consequences associated with this, there are times when making a switch can be the best choice. After your purchase, mark your calendar to contact us for a yearly review.

Many people have found that owning an annuity provides a more secure financial future. But, as with any major purchase, you need to thoroughly understand what you're about to buy. I'm here to educate you and to help you be a more informed consumer. Please feel free to call me with any questions or even to chat about your goals for this annuity (800-872-6684). I'm happy to listen.

Hersh Stern

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

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.

Shopping for the Best Rate

We offer a comparison shopping service which closely monitors the interest rates of all the most competitive companies, and provides this information at no charge with a single, toll-free phone call (800-872-6684). With more than thirty years' experience in this specialized field, we are the nation's leading shopping service for immediate income annuities.

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 affects 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.

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
American General (AIG)	\$ 1678	\$ 912	\$ 655	\$ 534	\$ 459	\$ 409
American National	N/A	\$ 896	\$ 646	\$ 539	\$ 486	\$ 434
Equitrust Life	\$ 1673	\$ 903	\$ 662	\$ 546	N/A	N/A
Genworth	\$ 1667	\$ 899	\$ 647	\$ 526	\$ 457	\$ 413
Guardian Life Ins.	\$ 1683	\$ 894	\$ 641	\$ 522	\$ 441	\$ 387
Integrity Life	N/A	\$ 901	\$ 653	\$ 531	\$ 462	\$ 419
Jackson National	N/A	\$ 846	\$ 611	\$ 509	\$ 432	\$ 381
Kansas City Life	\$ 1677	\$ 886	\$ 609	\$ 470	\$ 387	\$ 332
Mass Mutual Life Ins.	\$ 1683	\$ 897	\$ 654	\$ 533	\$ 463	\$ 418
MetLife Investors	N/A	\$ 896	\$ 645	\$ 531	\$ 476	\$ 442
 For today's best quotes call 1-800-872-6684 						
Minnesota Life	N/A	\$ 885	\$ 649	\$ 518	\$ 440	\$ 389
Nationwide LIC	\$ 1670	\$ 900	\$ 659	\$ 540	\$ 474	\$ 433
New York Life	\$ 1696	\$ 913	\$ 638	\$ 501	\$ 424	\$ 374
No. Amer. Co. Life & Health	\$ 1668	\$ 900	\$ 646	\$ 533	N/A	N/A
Pacific Life & Annuity Co.	N/A	\$ 898	\$ 654	\$ 540	\$ 490	\$ 438
Penn Mutual	\$ 1668	\$ 892	\$ 646	\$ 530	\$ 461	\$ 417
Principal Financial	\$ 1680	\$ 903	\$ 657	\$ 541	\$ 492	\$ 448
Symetra Financial	\$ 1692	\$ 910	\$ 655	\$ 529	\$ 457	\$ 413
United Omaha	\$ 1666	\$ 864	\$ 618	\$ 500	N/A	N/A
VOYA (ING)	\$ 1679	\$ 900	\$ 652	\$ 531	\$ 457	\$ 410
Average	\$ 1677	\$ 894	\$ 644	\$ 525	\$ 456	\$ 409
Quotes as of June 1, 2015 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.						

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 Cash 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/ Cash Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Cash Refund
American Gen.	\$ 411	\$ 256	\$ 411	\$ 396	\$ 389	\$ 390	\$ 238	\$ 392	\$ 383	\$ 378
American Nat.	\$ 441	\$ 217	\$ 440	\$ 432	\$ 428	\$ 427	\$ 205	\$ 426	\$ 421	\$ 420
Equitrust Life	\$ 414	N/A	\$ 411	\$ 401	N/A	\$ 390	N/A	\$ 389	\$ 383	N/A
Genworth	N/A	N/A	\$ 393	\$ 385	\$ 379	N/A	N/A	\$ 383	\$ 377	\$ 373
Guardian Life Ins	\$ 422	N/A	\$ 420	\$ 412	\$ 409	\$ 404	N/A	\$ 403	\$ 398	\$ 396
Integrity Life	\$ 415	N/A	\$ 418	\$ 411	\$ 408	\$ 399	N/A	\$ 403	\$ 399	\$ 397
Jackson National	\$ 370	\$ 228	\$ 367	\$ 358	\$ 350	\$ 347	\$ 206	\$ 346	\$ 341	\$ 334
Kansas City Life	\$ 382	N/A	\$ 379	\$ 370	N/A	\$ 358	N/A	\$ 357	\$ 352	N/A
Mass Mutual Life	\$ 383	\$ 235	\$ 382	\$ 376	\$ 372	\$ 373	\$ 225	\$ 372	\$ 369	\$ 366
MetLife Investors	\$ 415	N/A	\$ 412	\$ 404	\$ 400	\$ 408	N/A	\$ 406	\$ 400	\$ 397
 For today's best quotes call 1-800-872-6684 										
Minnesota Life	\$ 381	N/A	\$ 378	\$ 368	\$ 362	\$ 356	N/A	\$ 355	\$ 350	\$ 345
Nationwide LIC	\$ 421	\$ 274	\$ 424	\$ 414	N/A	\$ 407	\$ 261	\$ 410	\$ 404	\$ 402
New York Life	\$ 368	N/A	\$ 368	\$ 368	\$ 365	\$ 366	N/A	\$ 364	\$ 359	\$ 356
No. Amer. Co.	\$ 389	N/A	\$ 386	\$ 376	\$ 369	\$ 363	N/A	\$ 361	\$ 356	\$ 351
Pacific Life	\$ 410	N/A	\$ 408	\$ 401	\$ 398	\$ 399	N/A	\$ 398	\$ 394	\$ 391
Penn Mutual	\$ 402	\$ 245	\$ 400	\$ 394	N/A	\$ 391	\$ 234	\$ 390	\$ 386	N/A
Principal	\$ 426	\$ 266	\$ 423	\$ 414	\$ 411	\$ 408	\$ 250	\$ 407	\$ 402	\$ 400
Symetra Financial	\$ 397	\$ 248	\$ 394	\$ 385	\$ 380	\$ 379	\$ 232	\$ 377	\$ 373	\$ 369
United Omaha	\$ 397	\$ 261	\$ 395	\$ 386	N/A	\$ 376	\$ 241	\$ 376	\$ 372	N/A
VOYA (ING)	\$ 401	\$ 254	\$ 398	\$ 391	\$ 387	\$ 386	\$ 239	\$ 384	\$ 379	\$ 377
Average	\$ 402	\$ 248	\$ 400	\$ 392	\$ 387	\$ 385	\$ 233	\$ 384	\$ 379	\$ 378

Quotes as of June 1, 2015 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.

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 (800) 872-6684. We would be glad to help in any way we can.

Alzheimer's

Alcoholism

ALS (Lou Gehrig's Disease)

Angioplasty or Heart Surgery

Cancer (except for basal cell)

Congestive Heart Failure

Cirrhosis of the Liver

Emphysema/COPD

Heart Attack or Angina

Heart Valve Disease

Hodgkin's Disease

Injury from Falls or Imbalance

Leukemia

Lymphoma

Mental Illness

Multiple Sclerosis

Muscular Dystrophy

Organic Brain Syndrome

Paraplegia or Quadriplegia

Stroke

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)

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 Cash Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, a lump sum payment is made to the beneficiaries equal to the remaining 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/ Cash Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Cash Refund
American Gen.	\$ 441	\$ 289	\$ 439	\$ 418	\$ 412	\$ 420	\$ 270	\$ 421	\$ 407	\$ 401
American Nat.	\$ 466	\$ 250	\$ 463	\$ 449	\$ 446	\$ 452	\$ 235	\$ 450	\$ 440	\$ 441
Equitrust Life	\$ 450	N/A	\$ 445	\$ 428	N/A	\$ 421	N/A	\$ 418	\$ 408	N/A
Genworth	N/A	N/A	\$ 425	\$ 410	\$ 404	N/A	N/A	\$ 411	\$ 401	\$ 396
Guardian Life Ins	\$ 456	N/A	\$ 451	\$ 437	\$ 435	\$ 434	N/A	\$ 431	\$ 422	\$ 420
Integrity Life	\$ 445	N/A	\$ 446	\$ 434	\$ 431	\$ 425	N/A	\$ 428	\$ 420	\$ 418
Jackson National	\$ 407	\$ 264	\$ 403	\$ 386	\$ 377	\$ 378	\$ 238	\$ 375	\$ 366	\$ 359
Kansas City Life	\$ 419	N/A	\$ 414	\$ 398	N/A	\$ 388	N/A	\$ 385	\$ 377	N/A
Mass Mutual Life	\$ 411	\$ 265	\$ 408	\$ 399	\$ 394	\$ 398	\$ 253	\$ 396	\$ 390	\$ 386
MetLife Investors	\$ 449	N/A	\$ 444	\$ 430	\$ 426	\$ 439	N/A	\$ 436	\$ 426	\$ 422
 For today's best quotes call 1-800-872-6684 										
Minnesota Life	\$ 418	N/A	\$ 413	\$ 396	\$ 390	\$ 388	N/A	\$ 386	\$ 377	\$ 371
Nationwide LIC	\$ 451	\$ 306	\$ 453	\$ 437	\$ 434	\$ 434	\$ 290	\$ 436	\$ 425	\$ 422
New York Life	\$ 405	N/A	\$ 404	\$ 398	\$ 393	\$ 398	N/A	\$ 395	\$ 386	\$ 382
No. Amer. Co.	\$ 429	N/A	\$ 423	\$ 405	\$ 400	\$ 397	N/A	\$ 394	\$ 384	\$ 379
Pacific Life	\$ 443	\$ 281	\$ 439	\$ 427	\$ 425	\$ 430	\$ 268	\$ 427	\$ 418	\$ 416
Penn Mutual	\$ 432	\$ 277	\$ 428	\$ 418	N/A	\$ 418	\$ 263	\$ 416	\$ 408	N/A
Principal	\$ 458	\$ 301	\$ 453	\$ 439	\$ 436	\$ 436	\$ 280	\$ 433	\$ 424	\$ 422
Symetra Financial	\$ 431	\$ 283	\$ 426	\$ 411	\$ 406	\$ 408	\$ 263	\$ 405	\$ 397	\$ 393
United Omaha	\$ 426	\$ 292	\$ 423	\$ 407	N/A	\$ 401	\$ 268	\$ 400	\$ 391	N/A
VOYA (ING)	\$ 434	\$ 289	\$ 429	\$ 416	\$ 413	\$ 415	\$ 270	\$ 412	\$ 403	\$ 401
Average	\$ 435	\$ 281	\$ 431	\$ 417	\$ 413	\$ 414	\$ 263	\$ 412	\$ 403	\$ 401

Quotes as of June 1, 2015 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.

More than just 'death and taxes.'

Your retirement deserves guarantees
worth looking forward to.



Guarantees matter.

Some folks say, "The only guarantees in life are death and taxes." While that saying has been around for a while, it isn't entirely accurate. In fact, there are some guarantees that can make you feel confident about your future, especially when it comes to your retirement.*

Planning for retirement is one of the most important things you will ever do, so it's critical to include guarantees in your plan where possible. Guarantees matter because they can help you live the retirement you really want.

Guarantees may help you:

- Live a more robust retirement
- Retire sooner than you otherwise might
- Invest more confidently
- Enjoy greater peace of mind

I can help.

No two retirements are alike. Not all guarantees are alike either, so it's important to understand the options available to you and to identify what, in your own retirement, you want to guarantee. Let's meet.

Call me to discuss how you can benefit from having more guarantees in your retirement.

Hersh Stern
(800) 872-6684

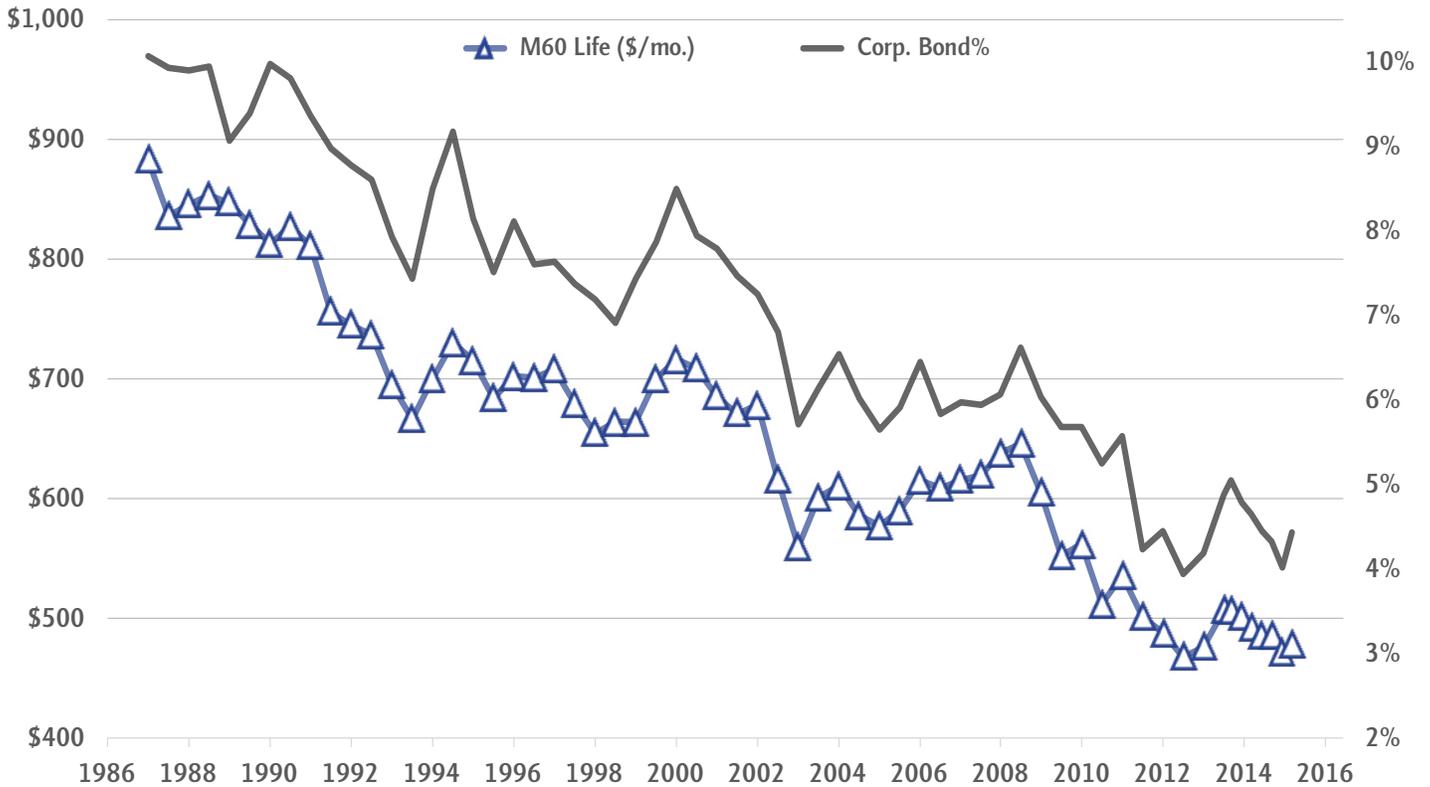
*Refers to certain annuities issued by New York Life Insurance and Annuity Corporation, a wholly owned subsidiary of New York Life Insurance Company. 51 Madison Avenue, New York, NY 10010. Guarantees are based on the claims-paying ability of the issuer.

Annuities | Not FDIC/NCUA Insured | Not a Deposit | May Lose Value | No Bank Guarantee | Not Insured by Any Federal Government Agency
AR07106B_012015 SMRU1629378 (Exp. 11.20.2016)



The Company You Keep®

Male Age 60 Single Life Annuity
 Monthly Income per \$100,000 Premium (in left margin) and
 Yield on Moody's Seasoned AAA Corporate Bonds (in right margin)



Female Age 60 Single Life Annuity
 Monthly Income per \$100,000 Premium (in left margin) and
 Yield on Moody's Seasoned AAA Corporate Bonds (in right margin)

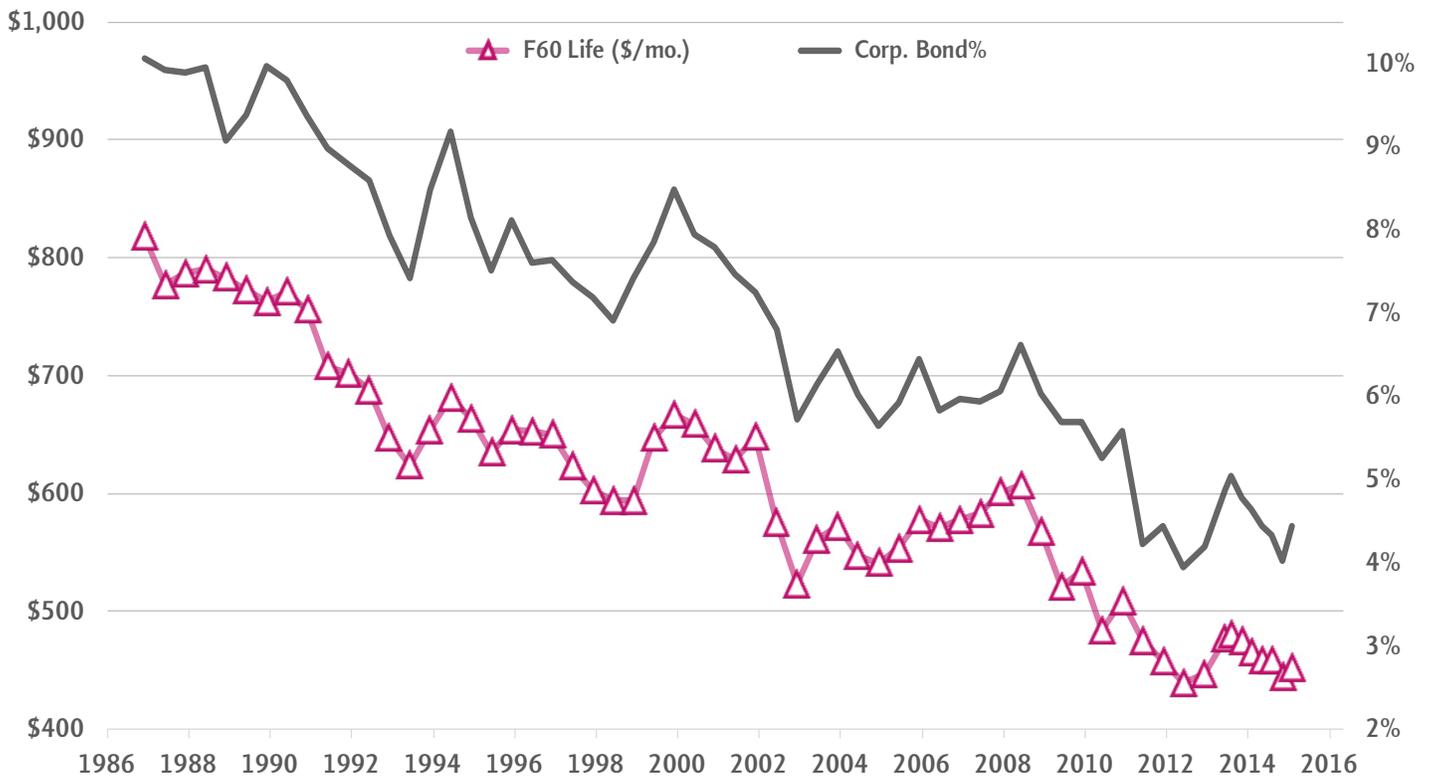
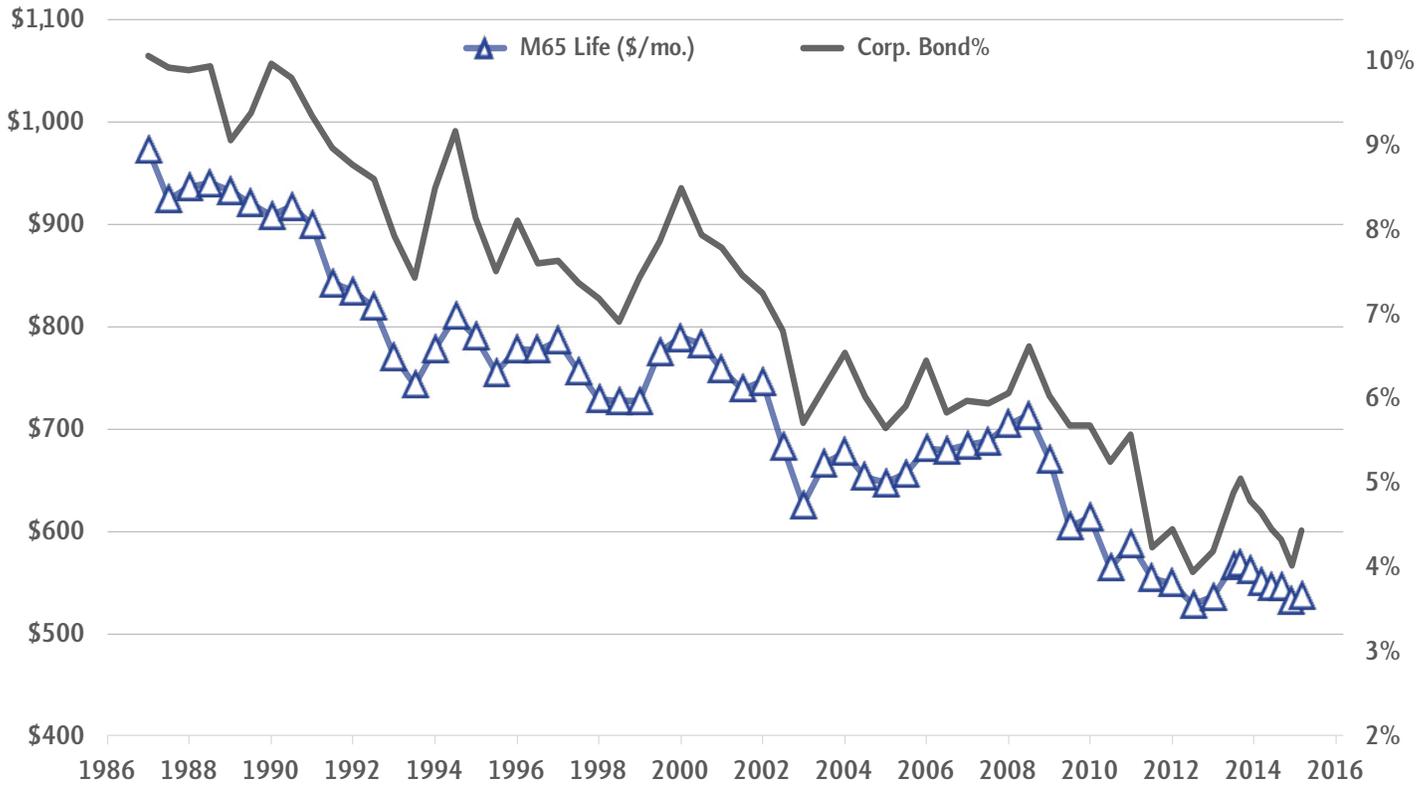


Table 4. Single Life Annuities - Age 60

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 Cash Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, a lump sum payment is made to the beneficiaries equal to the remaining 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/ Cash Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Cash Refund
American Gen.	\$ 483	\$ 332	\$ 478	\$ 446	\$ 443	\$ 461	\$ 311	\$ 458	\$ 434	\$ 431
American Nat.	\$ 483	\$ 284	\$ 480	\$ 454	\$ 452	\$ 461	\$ 266	\$ 457	\$ 440	\$ 442
Equitrust Life	\$ 499	N/A	\$ 489	\$ 457	N/A	\$ 462	N/A	\$ 456	\$ 438	N/A
Genworth	N/A	N/A	\$ 467	\$ 440	\$ 436	N/A	N/A	\$ 448	\$ 429	\$ 425
Guardian Life Ins	\$ 499	\$ 338	\$ 492	\$ 466	\$ 468	\$ 472	\$ 313	\$ 467	\$ 451	\$ 451
Integrity Life	\$ 486	\$ 342	\$ 484	\$ 460	\$ 461	\$ 459	\$ 317	\$ 460	\$ 447	\$ 446
Jackson National	\$ 456	\$ 312	\$ 447	\$ 417	\$ 410	\$ 420	\$ 279	\$ 415	\$ 398	\$ 390
Kansas City Life	\$ 466	N/A	\$ 457	\$ 428	N/A	\$ 428	N/A	\$ 424	\$ 407	N/A
Mass Mutual Life	\$ 448	\$ 304	\$ 442	\$ 427	\$ 422	\$ 432	\$ 289	\$ 428	\$ 416	\$ 412
MetLife Investors	\$ 492	\$ 348	\$ 483	\$ 458	\$ 456	\$ 478	\$ 336	\$ 472	\$ 452	\$ 451
 For today's best quotes call 1-800-872-6684 										
Minnesota Life	\$ 467	N/A	\$ 458	\$ 427	\$ 424	\$ 430	N/A	\$ 425	\$ 408	\$ 403
Nationwide LIC	\$ 488	\$ 346	\$ 489	\$ 463	N/A	\$ 468	\$ 326	\$ 470	\$ 451	\$ 449
New York Life	\$ 459	\$ 318	\$ 457	\$ 435	\$ 462	\$ 444	\$ 299	\$ 439	\$ 421	\$ 419
No. Amer. Co.	\$ 482	N/A	\$ 472	\$ 438	\$ 438	\$ 441	N/A	\$ 436	\$ 417	\$ 414
Pacific Life	\$ 487	\$ 325	\$ 480	\$ 459	\$ 459	\$ 469	\$ 309	\$ 464	\$ 449	\$ 448
Penn Mutual	\$ 474	\$ 321	\$ 468	\$ 448	N/A	\$ 455	\$ 302	\$ 450	\$ 437	N/A
Principal	\$ 498	\$ 344	\$ 489	\$ 465	\$ 465	\$ 470	\$ 317	\$ 464	\$ 449	\$ 447
Symetra Financial	\$ 475	\$ 328	\$ 467	\$ 439	\$ 437	\$ 445	\$ 302	\$ 441	\$ 424	\$ 421
United Omaha	\$ 465	\$ 332	\$ 459	\$ 429	N/A	\$ 434	\$ 302	\$ 431	\$ 414	N/A
VOYA (ING)	\$ 477	\$ 334	\$ 468	\$ 445	\$ 445	\$ 454	\$ 311	\$ 448	\$ 431	\$ 430
Average	\$ 478	\$ 327	\$ 471	\$ 445	\$ 445	\$ 451	\$ 305	\$ 447	\$ 430	\$ 429
Quotes as of June 1, 2015 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.										

Male Age 65 Single Life Annuity
 Monthly Income per \$100,000 Premium (in left margin) and
 Yield on Moody's Seasoned AAA Corporate Bonds (in right margin)



Female Age 65 Single Life Annuity
 Monthly Income per \$100,000 Premium (in left margin) and
 Yield on Moody's Seasoned AAA Corporate Bonds (in right margin)

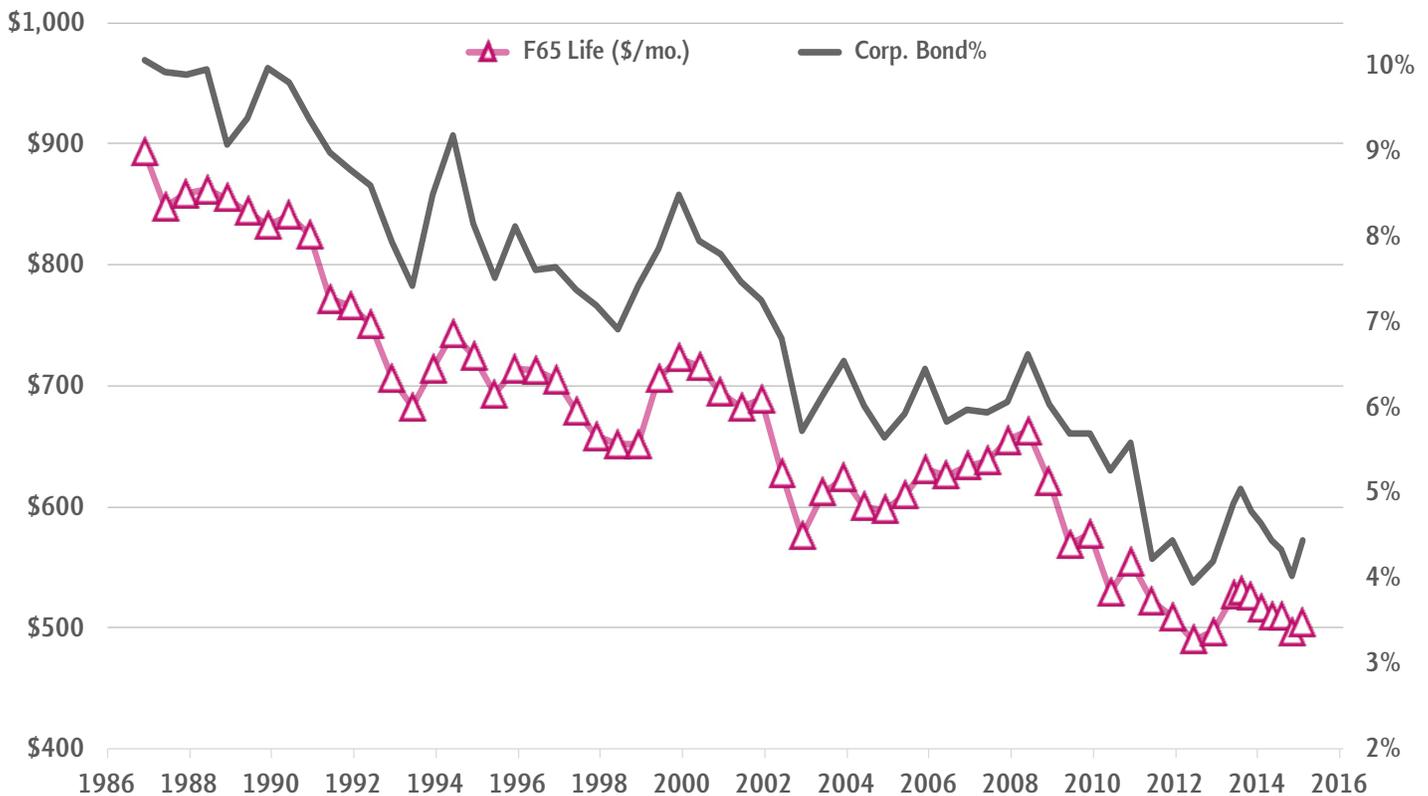


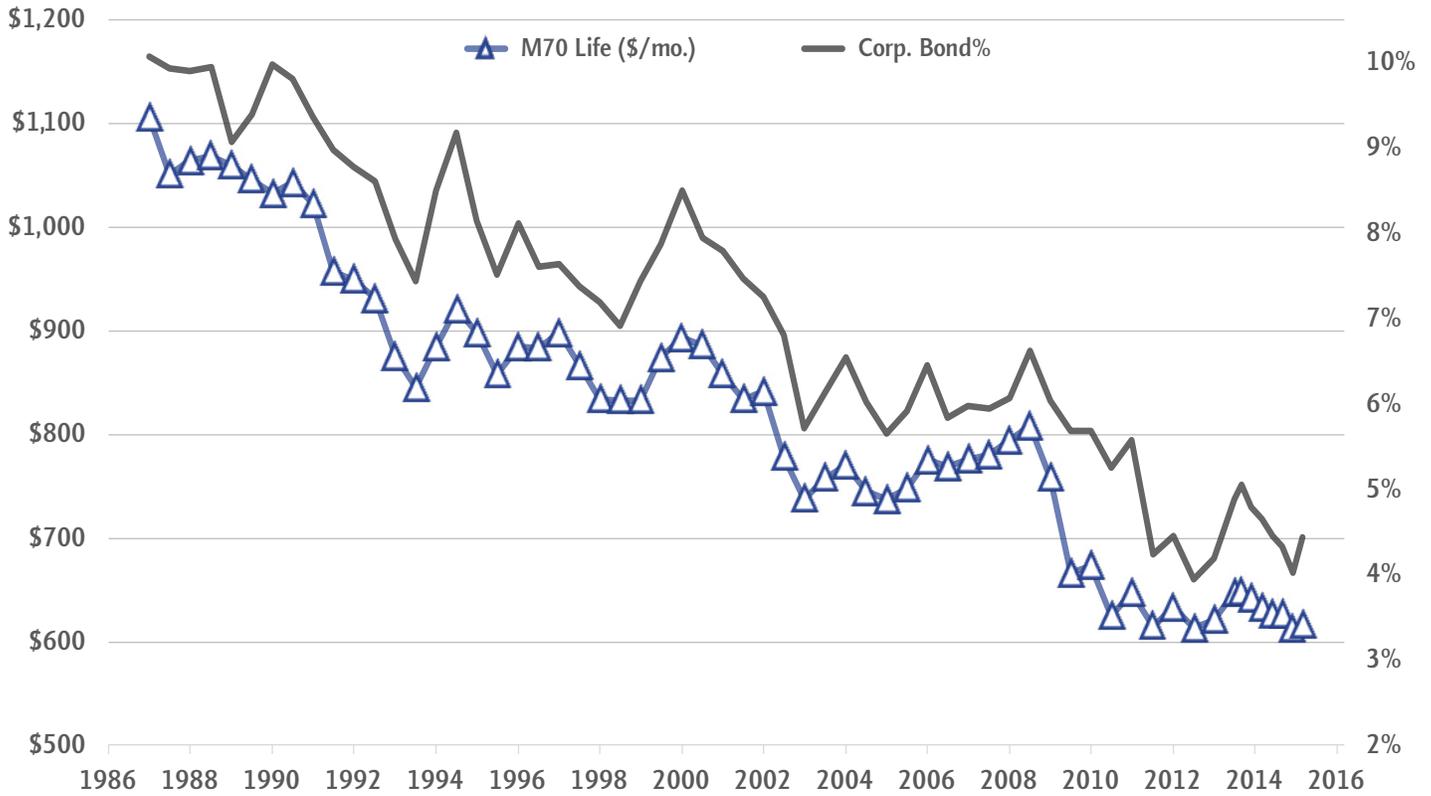
Table 5. Single Life Annuities - Age 65

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 Cash Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, a lump sum payment is made to the beneficiaries equal to the remaining 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/ Cash Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Cash Refund
American Gen.	\$ 538	\$ 389	\$ 527	\$ 473	\$ 481	\$ 512	\$ 364	\$ 505	\$ 463	\$ 467
American Nat.	\$ 550	\$ 362	\$ 541	\$ 492	\$ 501	\$ 517	\$ 338	\$ 507	\$ 476	\$ 487
Equitrust Life	\$ 565	N/A	\$ 545	\$ 488	N/A	\$ 517	N/A	\$ 506	\$ 471	N/A
Genworth	N/A	N/A	\$ 523	\$ 470	\$ 476	N/A	N/A	\$ 497	\$ 460	\$ 462
Guardian Life Ins	\$ 559	\$ 397	\$ 543	\$ 496	\$ 509	\$ 524	\$ 366	\$ 515	\$ 483	\$ 490
Integrity Life	\$ 544	\$ 401	\$ 534	\$ 489	\$ 500	\$ 508	\$ 368	\$ 505	\$ 477	\$ 482
Jackson National	\$ 524	\$ 378	\$ 505	\$ 448	\$ 451	\$ 476	\$ 335	\$ 466	\$ 432	\$ 429
Kansas City Life	\$ 534	N/A	\$ 515	\$ 458	N/A	\$ 483	N/A	\$ 473	\$ 441	N/A
Mass Mutual Life	\$ 498	\$ 357	\$ 488	\$ 460	\$ 459	\$ 477	\$ 336	\$ 469	\$ 448	\$ 446
MetLife Investors	\$ 550	\$ 408	\$ 533	\$ 485	\$ 491	\$ 528	N/A	\$ 516	\$ 480	\$ 484
 For today's best quotes call 1-800-872-6684 										
Minnesota Life	\$ 535	N/A	\$ 516	\$ 459	\$ 468	\$ 487	N/A	\$ 477	\$ 442	\$ 444
Nationwide LIC	\$ 539	\$ 399	\$ 538	\$ 489	N/A	\$ 513	\$ 374	\$ 514	\$ 479	\$ 483
New York Life	\$ 527	\$ 386	\$ 523	\$ 473	\$ 484	\$ 503	\$ 358	\$ 494	\$ 460	\$ 464
No. Amer. Co.	\$ 555	N/A	\$ 534	\$ 472	\$ 486	\$ 502	N/A	\$ 492	\$ 454	\$ 459
Pacific Life	\$ 531	\$ 385	\$ 518	\$ 481	\$ 489	\$ 512	\$ 362	\$ 503	\$ 475	\$ 479
Penn Mutual	\$ 531	\$ 379	\$ 519	\$ 487	N/A	\$ 509	\$ 357	\$ 500	\$ 473	N/A
Principal	\$ 552	\$ 401	\$ 536	\$ 493	\$ 503	\$ 515	\$ 365	\$ 505	\$ 476	\$ 479
Symetra Financial	\$ 535	\$ 388	\$ 519	\$ 468	\$ 475	\$ 497	\$ 354	\$ 488	\$ 455	\$ 458
United Omaha	\$ 522	\$ 389	\$ 513	\$ 461	N/A	\$ 486	\$ 354	\$ 481	\$ 450	N/A
VOYA (ING)	\$ 533	\$ 393	\$ 517	\$ 476	\$ 486	\$ 505	\$ 364	\$ 493	\$ 462	\$ 468
Average	\$ 538	\$ 387	\$ 524	\$ 475	\$ 483	\$ 503	\$ 356	\$ 495	\$ 462	\$ 467

Quotes as of June 1, 2015 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.

Male Age 70 Single Life Annuity
 Monthly Income per \$100,000 Premium (in left margin) and
 Yield on Moody's Seasoned AAA Corporate Bonds (in right margin)



Female Age 70 Single Life Annuity
 Monthly Income per \$100,000 Premium (in left margin) and
 Yield on Moody's Seasoned AAA Corporate Bonds (in right margin)

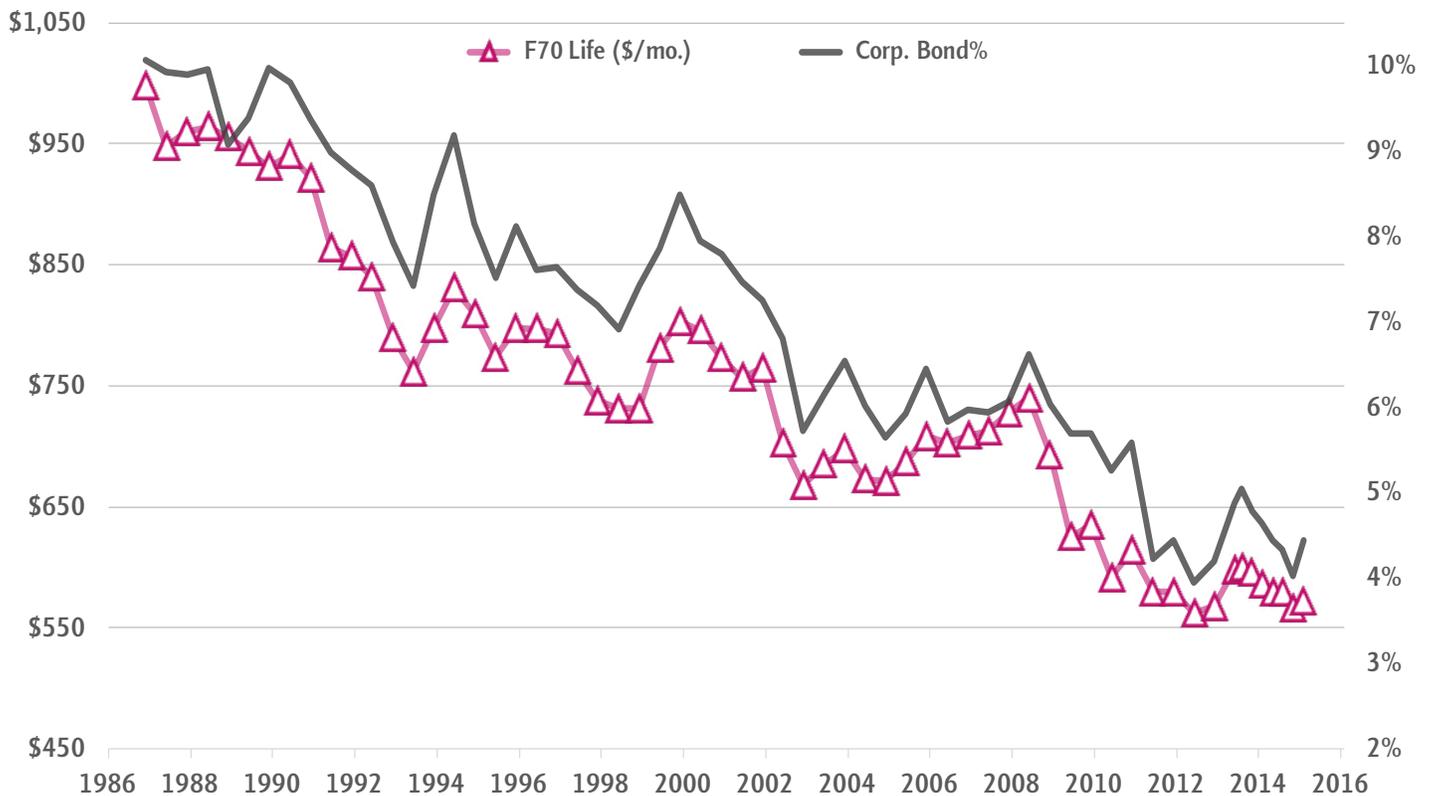


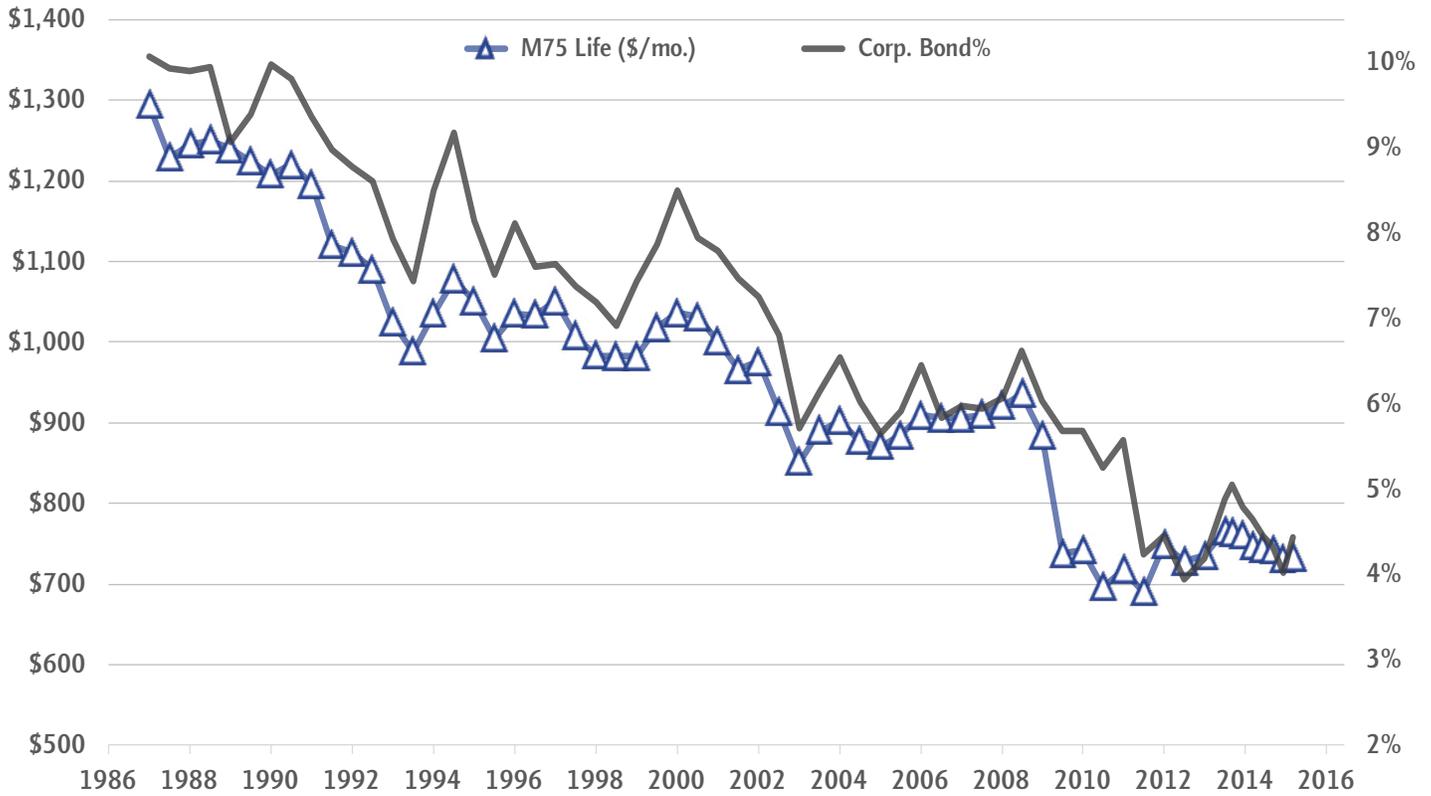
Table 6. Single Life Annuities - Age 70

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 Cash Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, a lump sum payment is made to the beneficiaries equal to the remaining 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/ Cash Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Cash Refund
American Gen.	\$ 608	\$ 462	\$ 585	\$ 498	\$ 526	\$ 578	\$ 432	\$ 562	\$ 490	\$ 508
American Nat.	\$ 626	\$ 446	\$ 607	\$ 518	\$ 543	\$ 584	\$ 410	\$ 570	\$ 506	\$ 533
Equitrust Life	\$ 658	N/A	\$ 615	\$ 514	N/A	\$ 595	N/A	\$ 572	\$ 503	N/A
Genworth	N/A	N/A	\$ 595	\$ 496	\$ 525	N/A	N/A	\$ 562	\$ 489	\$ 510
Guardian Life Ins	\$ 640	\$ 476	\$ 607	\$ 521	\$ 558	\$ 595	\$ 436	\$ 576	\$ 511	\$ 538
Integrity Life	\$ 628	\$ 484	\$ 602	\$ 514	\$ 550	\$ 581	\$ 440	\$ 568	\$ 506	\$ 531
Jackson National	\$ 595	\$ 448	\$ 555	\$ 475	\$ 470	\$ 534	\$ 393	\$ 513	\$ 465	\$ 451
Kansas City Life	\$ 627	N/A	\$ 585	\$ 486	N/A	\$ 559	N/A	\$ 540	\$ 473	N/A
Mass Mutual Life	\$ 569	\$ 430	\$ 550	\$ 493	\$ 508	\$ 540	\$ 400	\$ 526	\$ 482	\$ 491
MetLife Investors	\$ 633	\$ 492	\$ 597	\$ 507	\$ 533	\$ 599	N/A	\$ 575	\$ 502	\$ 525
 For today's best quotes call 1-800-872-6684 										
Minnesota Life	\$ 630	N/A	\$ 588	\$ 486	\$ 521	\$ 567	N/A	\$ 545	\$ 476	\$ 496
Nationwide LIC	\$ 612	\$ 474	\$ 605	\$ 517	N/A	\$ 578	\$ 441	\$ 575	\$ 508	N/A
New York Life	\$ 607	\$ 467	\$ 596	\$ 496	\$ 532	\$ 571	\$ 428	\$ 554	\$ 487	\$ 509
No. Amer. Co.	\$ 633	N/A	\$ 589	\$ 500	\$ 517	\$ 565	N/A	\$ 543	\$ 489	\$ 489
Pacific Life	\$ 594	\$ 461	\$ 571	\$ 510	\$ 528	\$ 567	\$ 438	\$ 550	\$ 499	\$ 514
Penn Mutual	\$ 607	\$ 457	\$ 580	\$ 520	N/A	\$ 575	\$ 424	\$ 556	\$ 509	\$ 521
Principal	\$ 632	\$ 482	\$ 599	\$ 517	\$ 551	\$ 578	\$ 430	\$ 558	\$ 502	\$ 521
Symetra Financial	\$ 619	\$ 471	\$ 584	\$ 494	\$ 521	\$ 569	\$ 425	\$ 549	\$ 486	\$ 504
United Omaha	\$ 608	\$ 472	\$ 579	\$ 480	N/A	\$ 557	\$ 424	\$ 542	\$ 473	N/A
VOYA (ING)	\$ 613	\$ 473	\$ 582	\$ 504	\$ 539	\$ 574	\$ 435	\$ 552	\$ 493	\$ 516
Average	\$ 617	\$ 466	\$ 588	\$ 502	\$ 528	\$ 571	\$ 425	\$ 554	\$ 492	\$ 509

Quotes as of June 1, 2015 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.

Male Age 75 Single Life Annuity
 Monthly Income per \$100,000 Premium (in left margin) and
 Yield on Moody's Seasoned AAA Corporate Bonds (in right margin)



Female Age 75 Single Life Annuity
 Monthly Income per \$100,000 Premium (in left margin) and
 Yield on Moody's Seasoned AAA Corporate Bonds (in right margin)

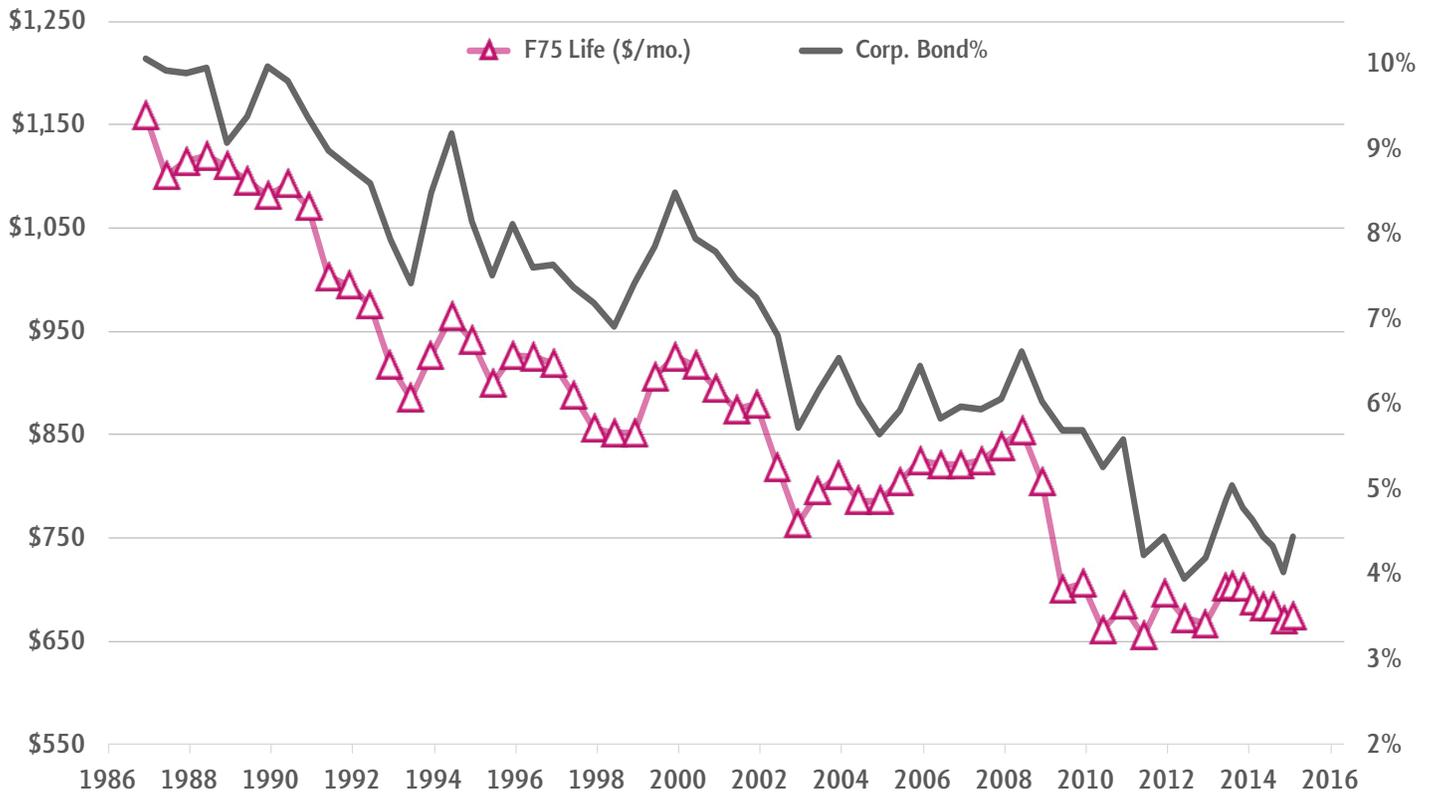


Table 7. Single Life Annuities - Age 75

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 Cash Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, a lump sum payment is made to the beneficiaries equal to the remaining 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/ Cash Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Cash Refund
American Gen.	\$ 711	\$ 566	\$ 655	\$ 521	\$ 571	\$ 670	\$ 525	\$ 627	\$ 514	\$ 547
American Nat.	\$ 733	\$ 563	\$ 684	\$ 534	\$ 598	\$ 685	\$ 516	\$ 652	\$ 531	\$ 596
Equitrust Life	\$ 784	N/A	\$ 694	\$ 533	N/A	\$ 708	N/A	\$ 655	\$ 528	N/A
Genworth	N/A	N/A	\$ 679	\$ 512	\$ 585	N/A	N/A	\$ 645	\$ 509	\$ 571
Guardian Life Ins	\$ 747	\$ 580	\$ 680	\$ 541	\$ 613	\$ 696	\$ 535	\$ 651	\$ 536	\$ 592
Integrity Life	\$ 748	\$ 602	\$ 684	\$ 531	\$ 612	\$ 687	\$ 545	\$ 652	\$ 528	\$ 593
Jackson National	\$ 701	\$ 552	\$ 618	\$ 494	\$ 490	\$ 627	\$ 485	\$ 578	\$ 489	\$ 476
Kansas City Life	\$ 754	N/A	\$ 665	\$ 504	N/A	\$ 672	N/A	\$ 623	\$ 499	N/A
Mass Mutual Life	\$ 684	\$ 543	\$ 638	\$ 525	\$ 581	\$ 639	\$ 499	\$ 608	\$ 517	\$ 558
MetLife Investors	\$ 756	\$ 575	\$ 676	\$ 522	\$ 585	\$ 709	N/A	\$ 653	\$ 521	\$ 575
 For today's best quotes call 1-800-872-6684 										
Minnesota Life	\$ 760	N/A	\$ 670	\$ 505	\$ 587	\$ 683	N/A	\$ 631	\$ 500	\$ 563
Nationwide LIC	\$ 712	\$ 575	\$ 683	\$ 532	N/A	\$ 672	\$ 535	\$ 653	\$ 527	N/A
New York Life	\$ 727	\$ 588	\$ 680	\$ 508	\$ 594	\$ 672	\$ 530	\$ 633	\$ 506	\$ 567
No. Amer. Co.	\$ 756	N/A	\$ 662	\$ 519	\$ 567	\$ 674	N/A	\$ 619	\$ 514	\$ 540
Pacific Life	\$ 707	\$ 568	\$ 654	\$ 538	\$ 593	\$ 665	\$ 527	\$ 627	\$ 530	\$ 572
Penn Mutual	\$ 721	\$ 570	\$ 653	\$ 545	N/A	\$ 674	\$ 524	\$ 624	\$ 538	N/A
Principal	\$ 761	\$ 610	\$ 686	\$ 532	\$ 619	\$ 681	\$ 534	\$ 637	\$ 523	\$ 581
Symetra Financial	\$ 732	\$ 582	\$ 659	\$ 512	\$ 577	\$ 673	\$ 528	\$ 628	\$ 508	\$ 562
United Omaha	\$ 723	\$ 583	\$ 651	\$ 491	N/A	\$ 660	\$ 525	\$ 617	\$ 488	N/A
VOYA (ING)	\$ 733	\$ 594	\$ 662	\$ 523	\$ 607	\$ 676	\$ 537	\$ 627	\$ 516	\$ 578
Average	\$ 734	\$ 576	\$ 666	\$ 521	\$ 585	\$ 674	\$ 524	\$ 632	\$ 516	\$ 564

Quotes as of June 1, 2015 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.

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 Cash Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, a lump sum payment is made to the beneficiaries equal to the remaining 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/ Cash Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Cash Refund
American Gen.	\$ 884	\$ 736	\$ 738	\$ 532	\$ 603	\$ 797	\$ 652	\$ 710	\$ 528	\$ 570
American Nat.	\$ 869	\$ 695	\$ 724	\$ 536	\$ 648	\$ 802	\$ 633	\$ 699	\$ 536	\$ 637
Equitrust Life	\$ 958	N/A	\$ 775	\$ 544	N/A	\$ 875	N/A	\$ 748	\$ 542	N/A
Genworth	N/A	N/A	\$ 764	N/A	\$ 651	N/A	N/A	\$ 739	N/A	\$ 645
Guardian Life Ins	\$ 877	\$ 709	\$ 750	\$ 555	\$ 687	\$ 823	\$ 660	\$ 727	\$ 553	\$ 668
Integrity Life	\$ 896	\$ 746	\$ 770	\$ 540	\$ 680	\$ 818	\$ 674	\$ 737	\$ 539	\$ 666
Jackson National	\$ 856	\$ 704	\$ 683	N/A	\$ 498	\$ 774	\$ 629	\$ 655	N/A	\$ 492
Kansas City Life	\$ 933	N/A	\$ 748	\$ 514	N/A	\$ 839	N/A	\$ 717	\$ 512	N/A
Mass Mutual Life	\$ 844	\$ 702	\$ 733	\$ 537	\$ 662	\$ 780	\$ 638	\$ 699	\$ 534	\$ 631
MetLife Investors	\$ 935	N/A	\$ 759	N/A	\$ 649	\$ 878	N/A	\$ 744	N/A	\$ 638
 For today's best quotes call 1-800-872-6684 										
Minnesota Life	\$ 909	N/A	\$ 728	\$ 513	\$ 617	\$ 825	N/A	\$ 701	\$ 511	\$ 601
Nationwide LIC	\$ 869	\$ 732	\$ 780	\$ 538	\$ 690	\$ 813	\$ 675	\$ 749	\$ 537	\$ 664
New York Life	\$ 915	\$ 774	\$ 773	N/A	\$ 678	\$ 829	\$ 686	\$ 731	N/A	\$ 649
No. Amer. Co.	\$ 933	N/A	\$ 736	\$ 528	\$ 630	\$ 841	N/A	\$ 707	\$ 527	\$ 606
Pacific Life	\$ 885	\$ 735	\$ 751	\$ 550	\$ 682	\$ 815	\$ 666	\$ 715	\$ 547	\$ 641
Penn Mutual	\$ 875	\$ 724	\$ 740	N/A	N/A	\$ 809	\$ 659	\$ 708	N/A	N/A
Principal	N/A	N/A	\$ 777	\$ 528	\$ 701	N/A	N/A	\$ 729	\$ 525	\$ 654
Symetra Financial	\$ 890	\$ 736	\$ 738	\$ 521	\$ 642	\$ 825	\$ 678	\$ 717	\$ 520	\$ 633
United Omaha	\$ 894	\$ 749	\$ 727	\$ 497	N/A	\$ 821	\$ 681	\$ 703	\$ 496	N/A
VOYA (ING)	\$ 919	\$ 777	\$ 748	\$ 531	\$ 695	\$ 835	\$ 694	\$ 714	\$ 529	\$ 657
Average	\$ 896	\$ 732	\$ 747	\$ 530	\$ 650	\$ 822	\$ 663	\$ 717	\$ 529	\$ 628

Quotes as of June 1, 2015 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.

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 Cash Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, a lump sum payment is made to the beneficiaries equal to the remaining 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/ Cash Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Cash Refund
American Gen.	\$ 1058	\$ 916	\$ 818	\$ 534	\$ 662	\$ 942	\$ 801	\$ 789	\$ 533	\$ 612
American Nat.	\$ 1157	\$ 970	\$ 822	\$ 541	\$ 823	\$ 1078	\$ 897	\$ 807	\$ 544	\$ 796
Equitrust Life	\$ 1197	N/A	\$ 846	\$ 550	N/A	\$ 1120	N/A	\$ 832	N/A	N/A
Genworth	N/A	N/A	\$ 830	N/A	\$ 716	N/A	N/A	\$ 817	N/A	\$ 718
Guardian Life Ins	\$ 1074	\$ 903	\$ 829	N/A	\$ 785	\$ 1018	\$ 851	\$ 815	N/A	\$ 768
Integrity Life	\$ 1129	\$ 974	\$ 834	N/A	\$ 748	\$ 1052	\$ 901	\$ 822	N/A	\$ 739
Jackson National	\$ 1081	\$ 924	\$ 756	N/A	\$ 424	\$ 1003	\$ 851	\$ 743	N/A	\$ 442
Kansas City Life	\$ 1185	N/A	\$ 818	\$ 518	N/A	\$ 1089	N/A	\$ 802	\$ 518	N/A
Mass Mutual Life	\$ 1083	\$ 938	\$ 819	\$ 540	\$ 756	\$ 986	\$ 841	\$ 789	\$ 539	\$ 717
MetLife Investors	\$ 1181	N/A	\$ 829	N/A	\$ 723	\$ 1132	N/A	\$ 822	N/A	\$ 698
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Minnesota Life	\$ 1114	N/A	\$ 811	N/A	\$ 612	\$ 1035	N/A	\$ 797	N/A	\$ 601
Nationwide LIC	\$ 1093	\$ 955	\$ 845	\$ 541	\$ 755	\$ 1018	\$ 878	\$ 826	\$ 541	N/A
New York Life	\$ 1199	\$ 1054	\$ 842	N/A	\$ 763	\$ 1064	\$ 918	\$ 818	N/A	\$ 745
No. Amer. Co.	\$ 1150	N/A	\$ 812	\$ 636	\$ 622	\$ 1062	N/A	\$ 798	\$ 633	\$ 604
Pacific Life	\$ 1166	\$ 1015	\$ 842	\$ 553	\$ 783	\$ 1066	\$ 904	\$ 810	\$ 552	\$ 750
Penn Mutual	\$ 1144	\$ 988	\$ 825	N/A	N/A	\$ 1032	\$ 878	\$ 795	N/A	N/A
Principal	N/A	N/A	\$ 833	\$ 501	\$ 755	N/A	N/A	\$ 799	\$ 501	\$ 704
Symetra Financial	\$ 1105	\$ 948	\$ 807	\$ 525	\$ 711	\$ 1046	\$ 894	\$ 797	\$ 524	\$ 707
United Omaha	\$ 1121	\$ 973	\$ 789	\$ 499	N/A	\$ 1055	\$ 909	\$ 778	\$ 499	N/A
VOYA (ING)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average	\$ 1131	\$ 963	\$ 821	\$ 539	\$ 709	\$ 1046	\$ 876	\$ 802	\$ 538	\$ 685

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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 Cash Refund:** Pays for the remainder of the annuitant's lifetime; if the annuitant dies before receiving an amount equal to the premium, a lump sum payment is made to the beneficiaries equal to the remaining 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/ Cash Refund	Life Only	Life with 3% COLA	Life w/ 10 years Guar.	Life w/ 20 years Guar.	Life w/ Cash Refund
American Gen.	\$ 1312	\$ 1177	\$ 881	\$ 534	\$ 795	\$ 1127	\$ 991	\$ 856	\$ 534	\$ 709
American Nat.	\$ 1496	\$ 1301	\$ 880	\$ 543	\$ 1001	\$ 1438	\$ 1245	\$ 874	\$ 546	\$ 973
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	N/A	N/A	N/A	N/A	N/A	N/A
Guardian Life Ins	N/A	N/A	\$ 866	N/A	\$ 849	N/A	N/A	\$ 858	N/A	\$ 833
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	\$ 1185	N/A	\$ 818	\$ 518	N/A	\$ 1089	N/A	\$ 802	\$ 518	N/A
Mass Mutual Life	\$ 1426	\$ 1276	\$ 874	\$ 540	\$ 842	\$ 1267	\$ 1120	\$ 856	\$ 540	\$ 808
MetLife Investors	\$ 1492	N/A	\$ 872	N/A	\$ 816	\$ 1464	N/A	\$ 869	\$ 542	\$ 772
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Minnesota Life	\$ 1477	N/A	\$ 871	N/A	\$ 763	\$ 1416	N/A	\$ 866	N/A	\$ 741
Nationwide LIC	N/A	N/A	\$ 882	\$ 542	N/A	N/A	N/A	\$ 874	\$ 542	N/A
New York Life	N/A	N/A	\$ 874	N/A	\$ 801	N/A	N/A	N/A	N/A	\$ 834
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	\$ 1608	\$ 1446	\$ 897	\$ 553	\$ 791	\$ 1393	\$ 1235	\$ 880	\$ 553	\$ 742
Penn Mutual	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Principal	N/A	N/A	\$ 863	\$ 488	\$ 791	N/A	N/A	\$ 849	\$ 488	\$ 763
Symetra Financial	\$ 1396	\$ 1236	\$ 857	\$ 524	\$ 780	\$ 1356	\$ 1198	\$ 853	\$ 524	\$ 774
United Omaha	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
VOYA (ING)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average	\$ 1421	\$ 1278	\$ 864	\$ 530	\$ 822	\$ 1320	\$ 1161	\$ 853	\$ 531	\$ 794

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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 - Cash Refund**: Pays as long as either annuitant lives; if both annuitants die before receiving an amount equal to the premium, a lump sum payment is made to the beneficiaries equal to the remaining 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 Cash Rfd.
American Gen.	\$ 511	\$ 430	\$ 286	\$ 429	\$ 423	\$ 423
American Nat.	\$ 500	\$ 429	\$ 238	\$ 428	\$ 424	N/A
Equitrust Life	\$ 508	\$ 428	N/A	\$ 427	\$ 422	N/A
Genworth	N/A	N/A	N/A	\$ 406	\$ 404	\$ 403
Guardian Life Ins.	\$ 510	\$ 442	\$ 288	\$ 442	\$ 437	N/A
Integrity Life	\$ 514	\$ 448	\$ 307	\$ 448	\$ 444	\$ 445
Jackson National	\$ 466	\$ 388	N/A	\$ 387	\$ 382	N/A
Kansas City Life	\$ 475	\$ 398	N/A	\$ 397	\$ 393	N/A
Mass Mutual Life Ins.	\$ 466	\$ 407	\$ 268	\$ 407	\$ 405	\$ 404
MetLife Investors	\$ 512	\$ 444	\$ 307	\$ 444	\$ 439	\$ 439
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Minnesota Life	\$ 477	\$ 398	N/A	\$ 397	\$ 392	N/A
Nationwide LIC	\$ 494	\$ 435	\$ 299	\$ 439	\$ 433	N/A
New York Life	\$ 493	\$ 419	\$ 280	\$ 410	\$ 405	\$ 404
No. Amer. Co.	\$ 492	\$ 407	N/A	\$ 407	\$ 401	N/A
Pacific Life	\$ 505	\$ 435	\$ 282	\$ 435	\$ 432	\$ 432
Penn Mutual	\$ 484	\$ 424	\$ 276	\$ 419	\$ 419	N/A
Principal	\$ 515	\$ 443	\$ 295	\$ 442	\$ 439	\$ 439
Symetra Financial	\$ 499	\$ 424	\$ 282	\$ 424	\$ 420	\$ 419
United Omaha	\$ 469	\$ 406	\$ 278	\$ 406	\$ 403	N/A
VOYA (ING)	\$ 490	\$ 421	\$ 284	\$ 421	\$ 417	N/A
Average	\$ 493	\$ 422	\$ 283	\$ 420	\$ 416	\$ 423
Quotes as of June 1, 2015 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.						

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 - Cash Refund**: Pays as long as either annuitant lives; if both annuitants die before receiving an amount equal to the premium, a lump sum payment is made to the beneficiaries equal to the remaining 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 Cash Rfd.
American Gen.	\$ 575	\$ 474	\$ 333	\$ 472	\$ 456	\$ 460
American Nat.	\$ 575	\$ 473	\$ 303	\$ 472	\$ 460	N/A
Equitrust Life	\$ 578	\$ 473	N/A	\$ 472	\$ 457	N/A
Genworth	N/A	N/A	N/A	\$ 442	\$ 434	\$ 434
Guardian Life Ins.	\$ 568	\$ 478	\$ 329	\$ 479	\$ 469	N/A
Integrity Life	\$ 577	\$ 488	\$ 350	\$ 487	\$ 476	\$ 481
Jackson National	\$ 538	\$ 435	N/A	\$ 434	\$ 419	N/A
Kansas City Life	\$ 545	\$ 444	N/A	\$ 442	\$ 429	N/A
Mass Mutual Life Ins.	\$ 523	\$ 447	\$ 311	\$ 446	\$ 439	\$ 440
MetLife Investors	\$ 578	\$ 485	\$ 352	\$ 484	\$ 469	\$ 473
 For today's best quotes call 1-800-872-6684 						
Minnesota Life	\$ 549	\$ 445	N/A	\$ 444	\$ 429	N/A
Nationwide LIC	\$ 552	\$ 474	\$ 341	\$ 480	\$ 466	N/A
New York Life	\$ 567	\$ 470	\$ 332	\$ 459	\$ 445	\$ 448
No. Amer. Co.	\$ 459	\$ 569	N/A	\$ 457	\$ 441	N/A
Pacific Life	\$ 561	\$ 471	\$ 329	\$ 470	\$ 461	\$ 464
Penn Mutual	\$ 552	\$ 469	\$ 325	\$ 461	\$ 457	N/A
Principal	\$ 577	\$ 482	\$ 338	\$ 481	\$ 471	\$ 474
Symetra Financial	\$ 565	\$ 468	\$ 328	\$ 467	\$ 455	\$ 458
United Omaha	\$ 540	\$ 454	\$ 327	\$ 454	\$ 441	N/A
VOYA (ING)	\$ 554	\$ 464	\$ 330	\$ 463	\$ 452	N/A
Average	\$ 554	\$ 471	\$ 330	\$ 463	\$ 451	\$ 459

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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 - Cash Refund**: Pays as long as either annuitant lives; if both annuitants die before receiving an amount equal to the premium, a lump sum payment is made to the beneficiaries equal to the remaining 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 Cash Rfd.
American Gen.	\$ 663	\$ 532	\$ 394	\$ 528	\$ 491	\$ 506
American Nat.	\$ 656	\$ 533	\$ 367	\$ 530	\$ 498	N/A
Equitrust Life	\$ 675	\$ 536	N/A	\$ 532	\$ 493	N/A
Genworth	N/A	N/A	N/A	\$ 491	\$ 468	\$ 475
Guardian Life Ins.	\$ 652	\$ 531	\$ 385	\$ 531	\$ 504	N/A
Integrity Life	\$ 671	\$ 548	\$ 412	\$ 545	\$ 509	\$ 529
Jackson National	\$ 637	\$ 501	N/A	\$ 496	\$ 456	N/A
Kansas City Life	\$ 642	\$ 507	N/A	\$ 503	\$ 466	N/A
Mass Mutual Life Ins.	\$ 602	\$ 501	\$ 368	\$ 499	\$ 476	\$ 486
MetLife Investors	\$ 673	\$ 544	N/A	\$ 539	\$ 498	\$ 516
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Minnesota Life	\$ 649	\$ 511	N/A	\$ 507	\$ 467	N/A
Nationwide LIC	\$ 630	\$ 526	\$ 396	\$ 533	\$ 497	\$ 512
New York Life	\$ 656	\$ 527	\$ 393	\$ 514	\$ 475	\$ 491
No. Amer. Co.	\$ 653	\$ 509	N/A	\$ 504	\$ 480	N/A
Pacific Life	\$ 637	\$ 517	\$ 396	\$ 515	\$ 491	\$ 500
Penn Mutual	\$ 634	\$ 516	\$ 376	\$ 505	\$ 488	N/A
Principal	\$ 671	\$ 541	\$ 400	\$ 538	\$ 506	\$ 523
Symetra Financial	\$ 655	\$ 529	\$ 391	\$ 525	\$ 491	\$ 506
United Omaha	\$ 629	\$ 511	\$ 384	\$ 509	\$ 468	N/A
VOYA (ING)	\$ 644	\$ 524	\$ 393	\$ 520	\$ 487	N/A
Average	\$ 648	\$ 523	\$ 388	\$ 518	\$ 485	\$ 504

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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 - Cash Refund**: Pays as long as either annuitant lives; if both annuitants die before receiving an amount equal to the premium, a lump sum payment is made to the beneficiaries equal to the remaining 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 Cash Rfd.
American Gen.	\$ 785	\$ 611	\$ 475	\$ 597	\$ 520	\$ 556
American Nat.	\$ 776	\$ 619	\$ 458	\$ 609	\$ 532	N/A
Equitrust Life	\$ 813	\$ 626	N/A	\$ 611	\$ 522	N/A
Genworth	N/A	N/A	N/A	\$ 559	N/A	\$ 526
Guardian Life Ins.	\$ 774	\$ 605	\$ 463	\$ 601	\$ 533	N/A
Integrity Life	\$ 818	\$ 639	\$ 504	\$ 625	\$ 535	\$ 592
Jackson National	\$ 779	\$ 594	N/A	\$ 579	N/A	N/A
Kansas City Life	\$ 782	\$ 599	N/A	\$ 584	\$ 495	N/A
Mass Mutual Life Ins.	\$ 729	\$ 588	\$ 455	\$ 581	\$ 517	\$ 555
MetLife Investors	\$ 818	\$ 634	N/A	\$ 616	N/A	\$ 573
 For today's best quotes call 1-800-872-6684 						
Minnesota Life	\$ 792	\$ 606	N/A	\$ 590	\$ 497	N/A
Nationwide LIC	\$ 750	\$ 607	\$ 479	\$ 619	\$ 522	N/A
New York Life	\$ 788	\$ 614	\$ 482	\$ 591	\$ 497	\$ 546
No. Amer. Co.	\$ 789	\$ 595	N/A	\$ 578	\$ 511	N/A
Pacific Life	\$ 768	\$ 602	\$ 473	\$ 592	\$ 528	\$ 561
Penn Mutual	\$ 756	\$ 590	\$ 454	\$ 579	N/A	N/A
Principal	\$ 812	\$ 629	\$ 491	\$ 616	\$ 529	\$ 586
Symetra Financial	\$ 782	\$ 613	\$ 477	\$ 601	\$ 520	\$ 568
United Omaha	\$ 759	\$ 595	\$ 467	\$ 582	\$ 487	N/A
VOYA (ING)	\$ 779	\$ 611	\$ 482	\$ 598	\$ 515	N/A
Average	\$ 781	\$ 609	\$ 473	\$ 595	\$ 516	\$ 562

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IRA and 401k Rollovers

Take Advantage of the Tax-Free Rollover Rules to Move Your IRA or 401k into an Annuity

Q. Is it possible to roll over my retirements savings, such as my 401k, IRA, or 403(b) accounts into an annuity without paying taxes?

A. YES. You can roll over your IRA, 401(k), 403(b), or lump sum pension payment into an annuity tax-free. Annuities funded with an IRA or 401(k) rollover are "qualified" plans, enabling an insurance company to create an "IRA annuity", into which you can deposit your retirement funds directly. Additionally, you can have your employer roll over your 401(k) funds into an annuity without withholding any taxes since no mandatory withholding requirements pertain to funds directly transferred into an annuity by an employer.

Q. If I decide to roll over my IRA, 401(k), or lump sum pension payment into an immediate annuity, will I be hit with distribution taxes?

A. NO. While pension and other pre-tax distributions can be subject to taxation when withdrawn, by federal law, you are permitted to roll over such payments into an immediate annuity tax-free because the insurance company automatically creates an IRA account into which your monies are transferred. So essentially these transactions become either "direct transfers" or "direct rollovers" which are tax-free. Taxes will need to be paid on the monthly distributions you receive from the immediate annuity.

Q. Is an "immediate annuity" available for tax-



free IRA or 401(k) rollovers?

A. YES, so long as you satisfy the rollover rules described in the previous paragraphs. As its name suggests, an immediate annuity will begin making monthly payments to you on a regular basis shortly after purchase. Immediate annuities payments are determined by a number of factors, including your gender, your age, and your payment option choice.

Q. How can I find and purchase an IRA annuity?

A. Locating and purchasing an IRA annuity is easy if you take advantage of the tools we have to offer. Your first step is to review the annuity rates located on our web site. Then select your preferred insurance company, and we will send you

both your chosen company's annuity application and a direct transfer authorization form, enabling you to begin the roll-over process immediately. We will assist you in completing the necessary forms, after which the insurance company will complete the transfer. The services we offer are free of charge.

Q. My retirement funds are currently residing in a 401(k) account, held with my employer. How do I roll over these funds to an insurer?

A. Depending on your employer, you will encounter different roll-over rules and procedures for cash release. Your best bet, as a first step, is to contact your human resources department. You might need to fill out employer-specific forms and waivers as many companies will not release your funds based only on the insurer's paperwork. Also, while the most efficient way of handling a rollover is to request that your employer make out the roll-over check to the insurer and send it directly via overnight mail, in many cases, em-

ployers will only send the roll-over check to the employee's home address. If you are faced with the latter situation, request that the check be sent to you overnight so that it can be forwarded to the insurer as soon as possible.

Q. The lump sum pension distribution check I received from my employer is made out to me rather than to the insurance company. Will I still be able to avoid taxation on the distribution?

A. YES. To avoid taxation on your distribution, you will need to roll over the funds into a 401(k) annuity within 60 days. If your distribution is not settled into an annuity within this time period, you will owe taxes on the distribution. To expedite this process, check with your insurance company to see if it is one of the many that will accept a check made out to you but endorsed to it.

Q. I am under age 59 1/2. What tax penalties will apply to me?

A. If you are thinking of making withdrawals from your IRA or 401(k) but you are not yet age 59 1/2 you can avoid the 10% federal penalty tax by transferring your IRA or 401(k) into an immediate annuity with a "life contingent" payment option. If you receive the income periodically over your lifetime you may avoid the 10% penalty tax on the money you receive. Remember, that you must choose an annuity which will pay you over the course of your (or your and your spouse's) lifetime(s) and not an annuity which only makes payments for a limited period or term certain (for a specified number of years).



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 ex-

pected 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	77.9	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	71.8	75.95	45	33.69	37.29	85	5.36	7.32
6	70.81	74.97	46	32.78	36.36	86	5	6.87
7	69.83	73.98	47	31.87	35.43	87	4.66	6.43
8	68.84	73	48	30.97	34.51	88	4.35	6.02
9	67.86	72.02	49	30.07	33.6	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	27.4	30.9	92	3.35	4.61
13	63.93	68.08	53	26.52	30.01	93	3.15	4.26
14	62.95	67.1	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	23.1	26.57	97	2.47	3.18
18	59.12	63.2	58	22.27	25.73	98	2.32	3.02
19	58.17	62.23	59	21.45	24.9	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	54.4	58.34	63	18.29	21.68	103	1.76	2.06
24	53.45	57.37	64	17.54	20.9	104	1.66	1.89
25	52.51	56.4	65	16.8	20.12	105	1.57	1.74
26	51.57	55.43	66	16.08	19.36	106	1.48	1.6
27	50.62	54.46	67	15.37	18.6	107	1.39	1.47
28	49.68	53.49	68	14.68	17.86	108	1.3	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	16.4	110	1.14	1.16
31	46.85	50.6	71	12.66	15.69	111	1.07	1.08
32	45.9	49.63	72	12.01	14.99	112	0.99	1
33	44.95	48.67	73	11.39	14.31	113	0.92	0.93
34	44	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	45.8	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	8.5	11.1	118	0.61	0.61
39	39.27	42.94	79	7.98	10.5	119	0.55	0.56
40	38.33	42	80	7.49	9.92	120	0.5	0.5

Tips for Buying a MYGA Annuity

A FIXED DEFERRED MYGA (“MULTI-YEAR”) 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 “nonqualified” 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.

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.

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 com-

panies 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.

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). Nonqualified 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 in-

vestment—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 (800-872-6684). 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.

Understanding the Taxation of Fixed Index Annuities and Multi-Year Deferred Annuities

Annuities grow tax-deferred. When you begin withdrawing money from your fixed index or multi-year annuity, taxes become due on the earnings portion of the withdrawal. How withdrawals are treated for tax purposes will depend upon the tax-status of the premium payment you used to purchase the annuity as well as what methods you elect to receive the withdrawals.

Tax Treatment of Annuity Withdrawals

In general, gains (or earnings) which are withdrawn from fixed index or multi-year annuities are taxed as ordinary income, not as capital gains. If your annuity is invested with qualified funds, such as monies rolled over from a 401k or IRA, then the full amount withdrawn will be subject to ordinary income tax. If your annuity was funded with Roth IRA monies, and you have adhered to the requirements as set out by the IRS (maintaining the account for a minimum of 5 years and you have attained age 59-1/2), then all withdrawals are taken tax-free.

Examining Basic Annuity Withdrawal Strategies

When and how you take withdrawals from your fixed index or multi-year annuity contract will directly affect not only how those dollars are taxed, but the amount of lifetime income received.

If you have invested after-tax dollars into a so-called non-qualified annuity, the manner in which you take withdrawals can impact the total amount received from the contract. When you annuitize a non-qualified annuity contract, a portion of each income payment is considered return of principal by the IRS and is thus, not taxed. The remaining portion of each income payment will be taxed as earnings. When you annuitize a contract, your principal will be returned to you pro-rata in equal payments over the chosen payout period. For example, if you chose a life annuity with period certain income payments, your payout period will be calculated assuming the current IRS's life expectancy figure for someone of your gender and age. If you live beyond the assumed life expectancy figure, you will be taxed on 100% of the income received beyond that point.

If you choose to receive income payments periodically rather than to annuitize your contract, all initial



payments will be considered taxable earnings. Subsequent income payments will be considered return of principal and as such, will be received on a tax-free basis.

If you withdrawal your annuity's cash value as a lump sum, you will be taxed on the difference between your original premium payments and the amount received.

Should Qualified Dollars be Deposited within Annuity Contracts?

One of the fundamental benefits inherent within an annuity contract is tax-deferral. Investments that grow on a tax-deferred basis appreciate at a greater rate than those invested in traditional non-qualified accounts. Does it make sense to deposit premiums into a qualified annuity? Conventional advice suggests that the answer to this question is, 'no' as you would already be receiving the tax deferral benefit in the qualified account. However, current trends show that many people are investing into annuities for their lifetime income benefits, not solely to receive tax deferred growth. As such, the answer to whether it makes sense to invest qualified dollars into an annuity can in many cases be 'yes'.

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 800-872-6684.

Int. Rate Guarantee Period	Effective Annual Yield	Company Name	1st Year Rate	Incl. 1-time bonus of..	2nd Year and Following Years' Rates	Minimum Premium	Product Name	AM Best	Surrender Charges (%) and mva (if applicable)	Death Benefit	Insurance Co. Penalty-free Withdrawals**
10 Yrs	3.40%	Sentinel Sec. LIC	3.40%	-	3.40% in yrs 2-10	\$2,500	Personal Choice Annuity 10	B++	9,8,7,6,5,5,5,5,5 +mva	DB(AO)	INT (1) 10% (2)
	3.25%	Delaware Life	3.25%	-	3.25% in yrs 2-10	\$10,000	Pinnacle MYGA 10	A-	7,6,5,4,3,2,1,1,1,75 +mva	DB(AO)	10% (2)
9 Yrs	3.15%	Oxford Life	3.15%	-	3.15% in yrs 2-10	\$20,000	Multi-Select 9	A-	10,9,8,7,6,5,4,3,2 +mva	DB(AO)	INT (1), 10% (2)
	3.00%	Guggenheim Life	3.00%	-	3.00% in yrs 2-9	\$249,999	Preserve MYGA 9	B++	7,6,5,4,3,2,1,1 +mva	DB(AO)	10% (2)
8 Yrs	3.10%	Oxford Life	3.10%	-	3.10% in yrs 2-8	\$20,000	Multi-Select 8	A-	10,9,8,7,6,5,4,3 +mva	DB(AO)	INT (1) 10% (2)
	2.90%	Guggenheim Life	2.90%	-	2.90% in yrs 2-8	\$249,999	Preserve MYGA 8	B++	7,6,5,4,3,2,1,1 +mva	DB(AO)	10% (2)
7 Yrs	3.25%	Sentinel Sec. LIC	3.25%	-	3.25% in yrs 2-7	\$2,500	Personal Choice Ann 7	B++	9,8,7,6,5,5,5 +mva	DB(A)	INT (1), 10% (2)
	3.05%	Oxford Life	3.05%	-	3.05% in yrs 2-7	\$20,000	Multi-Select 7	A-	10,9,8,7,6,5,4 +mva	DB(AO)	INT (1) 10% (2)
6 Yrs	2.75%	Oxford Life	2.75%	-	2.375 in yrs 2-6	\$20,000	Multi-Select 4	A-	10,9,8,7,6,5 +mva	DB(AO)	INT (1) 10% (2)
	2.70%	Guggenheim Life	2.70%	-	2.70% in yrs 2-6	\$249,999	Preserve MYGA 6	B++	7,6,5,4,3,2 +mva	DB(AO)	10% (2)
5 Yrs	3.10%	Sentinel Sec. LIC	3.10%	-	3.10% in yrs 2-5	\$2,500	Personal Choice Ann 5	B++	9,8,7,6,5 +mva	DB(A)	INT (1), 10% (2)
	2.60%	Oxford Life	2.60%	-	2.60% in yrs 2-5	\$20,000	Multi-Select 5	A-	10,9,8,7,6 +mva	DB(AO)	INT (1) 10% (2)
4 Yrs	2.10%	Guggenheim Life	2.10%	-	2.10% in yrs 2-4	\$249,999	Preserve MYGA 4	B++	7,6,5,4 +mva	DB(AO)	10% (2)
	2.05%	Oxford Life	2.05%	-	2.05% in yrs 2-4	\$20,000	Multi-Select 4	A-	10,9,8,7 +mva	DB(AO)	INT (1) 10% (2)
3 Yrs	1.75%	Oxford Life	1.75%	-	1.75% in yrs 2-3	\$20,000	Multi-Select 3	A-	10,9,8 +mva	DB(AO)	INT (1) 10% (2)

C = continues to reduce to 0%; does not reset. F = 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. (AO) = Upon death of either annuitant or owner. (O) = Upon the death of the 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. °Certainty Select not available in CT, IL, IN, MN. In these states, use Certainty only. °°10% withdrawal available only when optional rider is selected (optional rider limits the death benefit) ^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 taxqualified 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 policy holders. 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.

5. Retire Early Without Penalty

Annuities can offer valuable tax-savings for employees under the age of 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 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 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 withdraw 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.

FIAs 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.

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.

How a Fixed Index Annuity Guarantees Inflation-Protected Income in Retirement

One of the single greatest fears current retirees face is the prospect of outliving their retirement income and savings.

One popular strategy to help stretch a retiree's income during retirement is known as Bengen's Four-Percent (4%) Drawdown Rule. The premise, born in 1994, contends that retirees can safely withdraw 4% from a balanced stock (50%) and bond (50%) portfolio for 30 years while annually raising the withdrawal for inflation adjustments. By limiting annual withdrawals from a retirement portfolio to less than 4%, this theory suggests that a retirement portfolio should produce income over the course of an individual's lifetime. While this concept has become the practicing standard of many financial professionals over the past two decades, it isn't entirely foolproof.

In 2008, Nobel Laureate William Sharpe reported that the 4% Rule isn't without flaws. If the current economic climate was considered in the equation, approximately 57% of today's retirees would be at-risk for outliving their assets.

Fast forward to 2013 and this may no longer be the answer for new retirees. In two white papers by Dr. Wade Pfau "Breaking Free from the Safe Withdrawal Rate Paradigm: Extending the Efficient Frontier for Retirement Income" and "Mitigating the Four Major Risks of Sustainable Inflation-Adjusted Retirement Income" the case is made that the 4% rule may need to be adjusted for today's interest rate environment.

Dr. Pfau plotted 1001 different financial product allocations, evaluating what the likely end value of each mix would be and the probability of the asset producing sustainable income for life. Surprisingly, the study's findings suggested the traditional mix of stocks and bonds produced one of the poorest levels of results. The combination found to produce the best results was comprised of traditional stocks and fixed SPIAs (Single Premium Immediate Annuities). Pfau's second study further examined fixed income annuities, focusing particular attention to those offering fixed indexed components. This

paper's findings suggest that fixed index annuities (FIAs) produce the best outcomes in terms of ongoing income and longevity protection for current and future retirees. Pfau concludes that a portfolio utilizing the 4% rule has a high probability to fail but through changing the bond portion to a fixed index annuity and a 30-year inflation income rider of 4%, there's a high chance of success. (See examples of fixed index annuities in the table below.)

The reason for Pfau's conclusions are that while traditional stocks and bonds have provided strong returns over time in previous decades, the current era's market volatility has weakened actual annual portfolio performances. To help mitigate the potential eroding power of inflation, products such as fixed indexed annuities with inflation protection added should be considered by current and future retirees.



Table 16. Fixed Index Annuity (FIA) Rates 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 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 800-872-6684.

Company Name	Product Name	Bonus	Cap Rate*	Income Rider**	Surrender Fee Period	Minimum Premium	AM Best	Penalty-Free Withdrawals**
HIGHEST CAP RATE ANNUITIES								
Midland Nat'l	Select Series 14	N/A	6.05%	6.75% for 10 yrs	14 yrs	\$10,000	A+	10% each yr after the first contract yr
Symetra	Edge Pro 7	N/A	5.00%	N/A	7 yrs	\$10,000	A	10% each year starting at issue
Great American	American Legend III	N/A	5.00%	9% for 7 yrs	7 yrs	\$10,000	A	10% each year starting at issue
Protective	Indexed Annuity II 7	N/A	4.80%	N/A	7 yrs	\$10,000	A-	10% each year starting at issue
Protective	Indexed Annuity II 5	N/A	4.80%	N/A	5 yrs	\$10,000	A-	10% each year starting at issue
HIGHEST PREMIUM BONUS ANNUITIES								
Equitrust	MarketTwelve Bonus Index	12.00%	3.00%	6.50% for 10 yrs	14 yrs	\$30,000	B++	10% each yr after the first contract yr
American Equity	Bonus Gold	10.00%	2.50%	6.50% for 20 yrs	16 yrs	\$5,000	A-	10% each yr after the first contract yr
Midland Nat'l	Capstone 14	8.00%	2.50%	6.75% for 10 yrs	14 yrs	\$10,000	A+	10% each yr after the first contract yr
Midland Nat'l	Endeavor 12 Plus	7.00%	2.90%	6.75% for 10 yrs	12 yrs	\$10,000	A+	10% each yr after the first contract yr
Genworth	SecureLiving Index 10 Plus	4.00%	3.20%	8% for 10 yrs	10 yrs	\$25,000	A-	10% each yr after the first contract yr
OUR BEST HYBRID INDEX ANNUITIES								
Midland Nat'l	Capstone 14	8.00%	2.50%	6.75% for 10 yrs	14 yrs	\$10,000	A+	10% each yr after the first contract yr
Midland Nat'l	Income Vantage 14	N/A	3.70%	4% for 20 yrs, plus interest credits	14 yrs	\$10,000	A+	5% each yr after the first contract yr
American Equity	Bonus Gold	10.00%	2.50%	6.50% for 20 yrs	16 yrs	\$5,000	A-	10% each yr after the first contract yr
Equitrust	MarketTwelve Bonus Index	12.00%	3.00%	6.50% for 10 yrs	14 yrs	\$30,000	B++	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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A guaranteed lifetime income option		●
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Hersh Stern

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The MNL Guarantee Ultimate® is issued on AC/AS130A (certificate/contract), AR157A-1, AR159A, AR194A, AR208A and AR209A (endorsements/riders) or appropriate state variations by Midland National® Life Insurance Company, West Des Moines, IA. This product and its features may not be available in all states. 1. Other surrender charge/guarantee periods are available. Surrender charges and Interest Adjustments will reset for subsequent guarantee periods. See product brochure and disclosure statement for complete information on re-entry, Interest Adjustment and other product features. 2. The 3 times is the increase between the average of CD rates paid throughout 2014 by U.S. depository institutions as calculated by the FDIC (fdic.gov) and Midland National's Guarantee Ultimate 5-Year MYGA high band rates (\$200,000 and over) throughout 2014. The calculation for the Guarantee Ultimate low band rates (less than \$200,000) would be more than 3 times. 3. Annuities are not deposits of or guaranteed by any bank and are not insured by the FDIC or any other agency of the U.S. All guarantees are subject to the financial strength of Midland National Life Insurance Company. 4. Assumes no withdrawals. Please note: A surrender during the surrender charge period could result in a loss of premium. 5. 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. 6. 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 possibly an Interest Adjustment (also known as Market Value Adjustment, see flyer 18810Y for further details).

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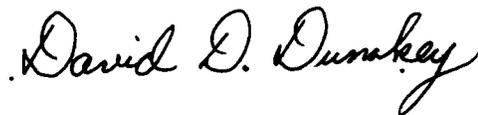
Dear Hersh:

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,



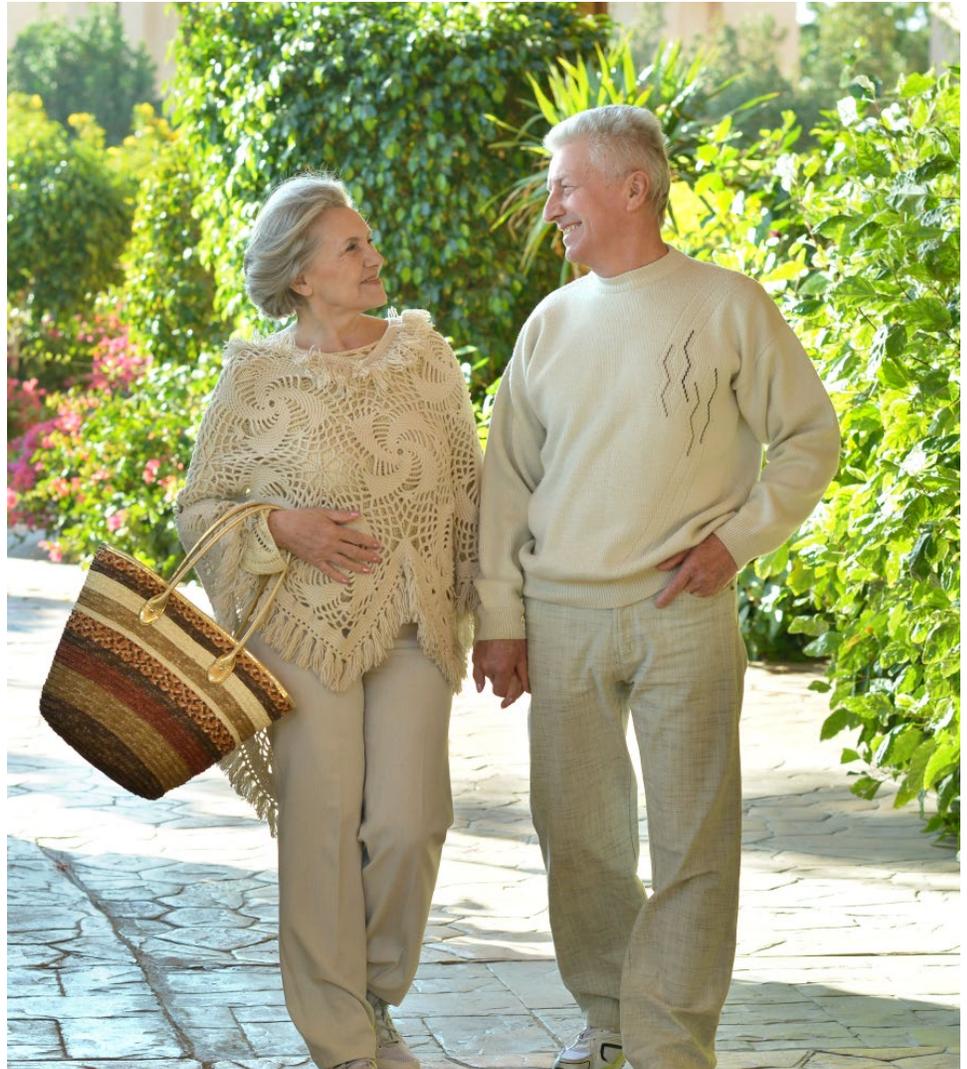
David D. Dunakey

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 predetermined 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**.

Table 17. Deferred Income Annuity (DIA) Rates Update

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	Age 70	Age 75	Age 80	Age 85	Age 65	Age 70	Age 75	Age 80	Age 85
American Gen.	\$ 13,929	\$ 20,031	\$ 30,616	\$ 45,134	\$ 98,542	\$ 12,585	\$ 17,776	\$ 26,573	\$ 43,213	\$ 79,839
Guardian Life	\$ 13,816	\$ 19,437	\$ 28,464	\$ 44,955	\$ 79,215	\$ 13,091	\$ 18,194	\$ 26,198	\$ 40,385	\$ 68,612
Mass Mutual	\$ 11,847	\$ 16,425	N/A	N/A	N/A	\$ 11,243	\$ 15,405	N/A	N/A	N/A
Metlife	\$ 14,058	\$ 19,882	\$ 29,573	N/A	N/A	\$ 13,108	\$ 18,243	\$ 26,609	N/A	N/A
New York Life	\$ 13,956	\$ 19,890	\$ 29,644	\$ 47,752	\$ 88,362	\$ 13,584	\$ 18,847	\$ 27,160	\$ 41,823	\$ 72,405
Symetra	\$ 13,012	\$ 17,118	\$ 25,213	\$ 40,086	\$ 70,368	\$ 11,857	\$ 15,245	\$ 21,876	\$ 33,904	\$ 58,371
 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	Age 70	Age 75	Age 80	Age 85	Age 65	Age 70	Age 75	Age 80	Age 85
American Gen.	\$ 9,585	\$ 13,721	\$ 20,966	\$ 34,889	\$ 67,164	\$ 8,897	\$ 12,500	\$ 18,677	\$ 30,260	\$ 55,847
Guardian Life	\$ 9,649	\$ 13,958	\$ 20,081	\$ 32,431	\$ 58,533	\$ 9,142	\$ 13,042	\$ 18,386	\$ 28,876	\$ 50,008
Mass Mutual	\$ 8,613	\$ 12,083	\$ 17,128	\$ 27,125	N/A	\$ 8,195	\$ 11,338	\$ 15,740	\$ 24,234	N/A
Metlife	\$ 9,853	\$ 14,117	\$ 21,355	\$ 34,961	N/A	\$ 9,196	\$ 12,918	\$ 19,073	\$ 30,362	N/A
New York Life	\$ 9,825	\$ 14,306	\$ 22,320	\$ 37,594	\$ 72,207	\$ 9,562	\$ 13,503	\$ 20,227	\$ 32,278	\$ 57,409
Symetra	\$ 9,497	\$ 13,719	\$ 20,942	\$ 33,482	\$ 63,048	\$ 8,699	\$ 12,235	\$ 18,099	\$ 28,023	\$ 51,378
 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	Age 70	Age 75	Age 80	Age 85	Age 65	Age 70	Age 75	Age 80	Age 85
American Gen.	N/A	\$ 9,035	\$ 13,848	\$ 22,953	\$ 44,071	N/A	\$ 8,460	\$ 12,646	\$ 20,372	\$ 37,486
Guardian Life	N/A	\$ 8,834	\$ 13,571	\$ 22,709	\$ 41,127	N/A	\$ 8,285	\$ 12,450	\$ 20,179	\$ 34,857
Mass Mutual	N/A	N/A	\$ 12,192	\$ 19,677	\$ 35,073	N/A	N/A	\$ 11,257	\$ 17,583	\$ 29,845
Metlife	N/A	\$ 9,418	\$ 14,820	\$ 24,836	N/A	N/A	\$ 8,683	\$ 13,227	\$ 21,408	N/A
New York Life	N/A	\$ 9,574	\$ 15,010	\$ 25,956	\$ 53,192	N/A	\$ 9,146	\$ 13,723	\$ 22,341	\$ 41,886
Symetra	N/A	\$ 8,948	\$ 13,980	\$ 23,616	\$ 44,563	N/A	\$ 8,148	\$ 12,294	\$ 19,970	\$ 36,381
Quotes as of June 1, 2015 - Quotes change frequently and without notice - Call 800-872-6684 for current quotations.										

Tips for Buying a Secondary Market Annuity



Q. What is a secondary market annuity?

A. A secondary market annuity (SMA) refers to a transaction in which the current owner of an income annuity sells his future income stream to a third-party in exchange for a lump-sum payment. Annuity income streams most commonly originate from lawsuit structured settlements, lottery prizes, or immediate annuities.

Q. Why are the interest rates on secondary market annuities so high?

A. The yields on a secondary market annuity are often higher than the interest rates on an immediate annuity because the current owner of the SMA is willing to sell his income stream at a discount to receive quick cash today.

Q. If I buy an SMA is my interest rate guaranteed?

A. The SMA income stream is guaranteed by the financial strength of the insurance company or state lottery commission that originally issued the annuity.

Q. How is the yield on a secondary market annuity determined?

A. The yields on the secondary market annuities on this web site are shown next to each SMA offering. The yields typically depend on when the particular SMA makes its first payment and the length of time during which the income stream continues to be paid. In most cases, SMAs with deferred (delayed) starting dates and longer payment periods offer greater yields.

Q. What are the typical terms and purchase amounts for an SMA?

A. The average present value of SMAs range between \$50,000 and \$500,000, but can be higher or lower. The purchase amount is determined by what the current annuity owner will accept as payment and what a buyer is willing to pay. The term can range between 1 and 35 years, but averages between 5 and 20 years.

Q. Who are the parties to an SMA transaction?

A. The following parties are typically involved in an SMA transaction: the insurance company or state lottery commission which originally issued the annuity, the present owner of the annuity ("Seller"), and the payee ("Buyer"). The buyer becomes the assignee of the Seller.

Q. Who governs SMA transactions?

A. An SMA transaction is usually governed by state laws and requires approval by a state court. A judge usually reviews the proposed transaction and grants approval when he believes it is in the best interests of the current owner.

Q. Who pays me the promised income?

A. In most cases, ongoing income payments will be handled by the insurance company which issued the annuity contract. If the income stream being purchased was originally a lottery payout, then the state lottery commission will continue payments to the buyer.

Q. Can I transfer or sell these payments later on?

A. The new buyer's rights in the SMA are typically not transferrable, meaning once the first sale has been completed, the new owner must retain the contract for the duration of the income stream.

Q. Are SMAs considered safe investments?

A. SMAs are financial obligations of the issuing insurance company. Continued payments are under court order and failure to continue payments is deemed contempt of court.

Q. What documents do I receive as an SMA buyer?

A. When an SMA transaction is settled the buyer typically receives the following documents: a letter of benefits from the seller demonstrating that the seller has the right to sell the annuity; a due diligence document proving that no other financial claims exist to that income stream; an official court order and acknowledgment letter

demonstrating that the income stream has been transferred to the buyer.

Q. Who is a typical SMA investor?

A. Investors seeking above average returns with limited portfolio risk are ideal SMA investors. SMAs are excellent alternatives to bank issued CDs and other traditional fixed income investments. SMA investors should also have a strong financial position and sufficient liquidity to be able to invest a suitable portion of their net worth into this type of illiquid investment.

Q. Can I purchase an SMA with IRA monies?

A. Self-directed IRAs provide a platform for investors to diversify their portfolio into traditional and non-traditional assets. Currently, self-directed IRA funds may be utilized to invest into SMAs. When completing this transaction type using qualified funds, it is essential that it is conducted properly in order to maintain IRA status.

Q. If I die before an SMA runs out how would my beneficiary (I have an adult son) get the remaining payments?

A. You won't be able to name a beneficiary on the annuity however, the annuity is a period certain obligation and will continue to your estate.

Q. If I buy an SMA with IRA monies how is the annual IRA RMD (after age 70 1/2) calculated especially on a deferred SMA?

A. In order to direct the payout check to the IRA, the IRA is named in the court order for the benefit of the investor. We are not tax experts and can't comment on the RMD. To establish a cost basis, an amortization schedule is provided for your records.

Q. Is an SMA covered by the state guaranty association if the primary insurer goes out of business?

A. No. You are well-advised to invest only in offers underwritten by insurance companies with strong claims paying ability.

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/faqprint.cfm
Alaska	(907) 243-2311	http://www.aklifega.org/faqprint.cfm
Arizona	(602) 364-3863	https://insurance.az.gov/
Arkansas	(501) 375-9151	http://www.arlifega.org/faqprint.cfm
California	(323) 782-0182	http://www.califega.org/faqprint.cfm
Colorado	(303) 292-5022	http://colorado.lhiga.com/Home/FAQs.aspx
Connecticut	(860) 647-1054	http://www.ctlifega.org/faqprint.cfm
Delaware	(302) 456-3656	http://www.delifega.org/faqprint.cfm
District of Columbia	(202) 434-8771	http://www.dclifega.org/faqprint.cfm
Florida	(904) 398-3644	http://www.flahiga.org/faqprint.cfm
Georgia	(770) 621-9835	http://www.gaiga.org/faqprint.cfm
Hawaii	(808) 528-5400	http://www.hilifega.org/faqprint.cfm
Idaho	(208) 378-9510	http://www.idlifega.org/faqprint.cfm
Illinois	(773) 714-8050	http://www.ilhiga.org/faqprint.cfm
Indiana	(317) 636-8204	http://www.inlifega.org/faqprint.cfm
Iowa	(515) 248-5712	http://www.ialifega.org/faqprint.cfm
Kansas	(785) 271-1199	http://www.kslifega.org/faqprint.cfm
Kentucky	(502) 895-5915	http://www.klhiga.org/faqprint.cfm
Louisiana	(225) 381-0656	http://www.lalifega.org/faqprint.cfm
Maine	(207) 633-1090	http://www.melifega.org/faqprint.cfm
Maryland	(410) 998-3907	http://www.mdlifega.org/faqprint.cfm
Massachusetts	(413) 744-8483	http://www.malifega.org/faqprint.cfm

State	SGA Phone Number	SGA Web Address
Michigan	(517) 339-1755	http://www.milifega.org/faqprint.cfm
Minnesota	(651) 407-3149	http://www.mnlifega.org/faqprint.cfm
Mississippi	(601) 981-0755	http://www.mslifega.org/faqprint.cfm
Missouri	(573) 634-8455	http://www.mo-iga.org/forms/lnh.aspx
Montana	(262) 965-5761	http://www.mtlifega.org/faqprint.cfm
Nebraska	(402) 474-6900	http://www.nelifega.org/faq.htm
Nevada	(775) 329-6171	http://www.nvlifega.org/faqprint.cfm
New Hampshire	(603) 472-3734	http://www.nhlifega.org/faqprint.cfm
New Jersey	(732) 345-5200	http://www.njlifega.org/faqprint.cfm
New Mexico	(505) 820-7355	http://www.nmlifega.org/faqprint.cfm
New York	(212)202-4243	http://www.nylifega.org/faqprint.cfm
North Carolina	(919) 833-6838	http://www.nclifega.org/faqprint.cfm
North Dakota	(701) 235-4108	http://www.ndlifega.org/faqprint.cfm
Ohio	(614) 442-6601	http://www.olhiga.org/Frequently%20Asked%20Questions.htm
Oklahoma	(405) 272-9221	http://www.oklifega.org/faqprint.cfm
Oregon	(503) 588-1974	http://www.orlifega.org/faqprint.cfm
Pennsylvania	(610) 975-0572	http://www.palifega.org/faqprint.cfm
Rhode Island	(401) 273-2921	http://www.rilifega.org/faqprint.cfm
South Carolina	(803) 276-0271	http://www.sclifega.org/faq.php
South Dakota	(605) 336-0177	http://www.sdlifega.org/faqprint.cfm
Tennessee	(615) 242-8758	http://www.tnlifega.org/faqprint.cfm
Texas	(512) 476-5101	http://www.txlifega.org/?page_id=94
Utah	(801) 320-9955	http://www.utlifega.org/faqprint.cfm
Vermont	(802) 229-3553	http://www.vtlifega.org/faqprint.cfm
Virginia	(804) 282-2240	http://www.valifega.org/faqprint.cfm
Washington	(360) 426-6744	http://www.walifega.org/faqprint.cfm
West Virginia	(304) 733-6904	http://www.wvlifega.org/faqprint.cfm
Wisconsin	(608) 242-9473	http://www.wilifega.org/faqprint.cfm
Wyoming	(303) 292-5022	http://wyoming.lhiga.com/Home/FAQ.aspx

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	NAIC #	Assets in \$ Billions	A.M. Best	S & P	Moody's
Allianz LIC of N. America	90611	\$ 116.2	A	AA	A2
American Equity Investment Life Ins. Co.	92738	\$ 36.1	A-	BBB+	-
American General LIC (AIG)	60488	\$ 161.8	A	A+	A2
American National Insurance Co.	60739	\$ 18.1	A	A	-
ELCO Mutual Life & Annuity	84174	\$.52	B	BBB+	-
Equitrust LIC	62510	\$ 14.4	B++	BBB+	-
Fidelity & Guranty LIC	63274	\$ 18.9	B++	BBB-	Baa3
Fidelity & Guranty LIC (NYS only)	69434	\$.52	B++	BBB-	Baa3
First MetLife Inv. IC (NYS only)	60992	\$ 6.5	A+	AA-	-
First Symetra National Life Ins. NY	78417	\$.96	A	A	-
Genworth Life Insurance Co.	70025	\$ 38.1	A-	BBB-	Baa1
Genworth Life Ins. Co. NY (NYS only)	72990	\$ 8.4	A-	BBB-	Baa1
Great American LIC	63312	\$ 22.7	A	A+	A2
Guardian Insurance & Annuity Co., Inc.	78778	\$ 15.6	A++	AA+	Aa2
Guggenheim Life & Annuity Co.	83607	\$ 12.8	B++	-	-
Integrity LIC	74780	\$ 6.1	A+	AA	Aa3
Jackson National Life	65056	\$ 180.8	A+	AA	A1
Jackson National Life NY	60140	\$ 9.6	A+	AA	A1
Kansas City LIC	65129	\$ 3.4	A	-	-
Lafayette LIC	65242	\$ 4.0	A+	AA	Aa3
Lincoln Benefit Life	65595	\$ 12.6	A+	BBB+	-
Mass Mutual Life Ins.	65935	\$ 197.1	A++	AA+	Aa2
MetLife Insurance Co. USA	61050	\$ 174.6	A+	AA-	Aa3
Metropolitan LIC	65978	\$ 391.9	A+	AA-	Aa3
Midland National Life	66044	\$ 41.1	A+	A+	-
Minnesota LIC	66168	\$ 35.7	A+	A+	Aa3
National Integrity LIC (NYS only)	75264	\$ 4.7	A+	AA	Aa3
Nationwide Life	66869	\$ 128.5	A+	A+	A1
New York Life I&A	91596	\$ 146.2	A++	AA+	Aaa

Insurance Company	NAIC #	Assets in \$ Billions	A.M. Best	S & P	Moody's
No. Am. Co. Life & Health (NACOLAH)	66974	\$ 16.9	A+	A+	-
Pacific Life & Annuity Co.	97268	\$ 6.1	A+	A+	A1
Penn Mutual LIC	67644	\$ 17.2	A+	A+	Aa3
Principal Financial	61271	\$ 154.0	A+	A+	A1
Protective LIC	70335	\$ 41.2	A+	AA-	A2
Security Benefit Life	68675	\$ 24.9	B++	A-	-
Sentinel Security LIC	68802	\$.48	B++	-	-
Standard Insurance Co.	69019	\$ 20.3	A	A+	A2
Symetra Financial	68608	\$ 29.1	A	A	A3
United of Omaha	96868	\$ 18.7	A+	AA-	A1
U.S. Life Ins. NY (AIG) (NYS Res. Only)	70106	\$ 27.9	A	A+	A2
VOYA	80942	\$ 66.7	A	A-	A2

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.

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 appropriates 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 raated 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.

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.

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.)

Moody's uses a letter grade scale that ranges from Aaa ("Exceptional") for the highest rating to C ("Lowest") for the least favorable rating (ie., Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C). For classes Aa to B, Moody's adds a numerical modifier, from 1 (at high end of category) to 3 (at the lower end) to indicate the approximate ranking of a company in the particular classification.

Secure Range

AAA	Exceptional security. Unlikely to be affected by change.
AA	Excellent security. Lower than Aaa because long-term risks appear somewhat 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 payment of obligations.
Ca	Extremely poor security. Companies are often in default.
C	Lowest security. Extremely poor prospects of offering financial security.

Moody's provides a range of financial analysis reports and ratings. For further information, write to Moody's Investors Service; 99 Church Street; New York, NY 10007; or telephone (212) 553-1658.

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