

Basic things you should know about *Annuities.*

The primary benefits of Fixed Indexed Annuities

WHAT ARE THE PRIMARY BENEFITS OF FIXED INDEXED ANNUITIES?

Guarantee of Principal:

Like Fixed Annuities, Fixed Indexed Annuities guarantee the safety of your principal regardless of market fluctuations. The annuity's premium payment is protected and does not fluctuate with changes in the value of the index to which it is linked.

The Power of Tax Deferral:

Annuity values accumulate on a tax-deferred basis until they are withdrawn. You may earn interest on both the principal and the accumulated interest, allowing you to accumulate assets more quickly over a shorter period of time.

Liquidity:

Many Fixed Indexed Annuities provide contractholders with penalty-free access to their money should the need arise. (Withdrawals in excess of the "penalty-free" amount, however, will be subject to withdrawal charges and market value adjustment (if any) that apply for a specified period of years (the Term Period) following the initial purchase date.) Typically, contractholders can make penalty-free withdrawals of up to 10% of their contract's full accumulation value once each year after the first contract anniversary. They may also be able to add contract waivers that could potentially increase their contract's liquidity.

Lifetime Income Stream:

At retirement, Fixed Indexed Annuities allow contractholders to select from a variety of income options, including:

- Income payments for a specified number of years, with payments continuing to a spouse or child should the contractholder die prematurely.
- A guaranteed income for the lifetime of the contractholder or for both the contractholder and his or her spouse, regardless of how long either one lives.
- If available, a Guaranteed Lifetime Withdrawal Benefit payment (GLWB) for the lifetime of the contractholder or the contractholder and his or her spouse. The GLWB does not require annuitization and guarantees lifelong income payments, provides flexibility on how you receive those payments, and allows you to enjoy all of the other benefits of your annuity.

Potentially Lower Income Tax Liability:

Income payments from nonqualified Fixed Indexed Annuities (that is, not part of a tax-favored retirement plan), will actually include a portion that is a non-taxable return of premium, thereby reducing your income tax liability. In addition, deferred interest earned inside a Fixed Indexed Annuity is not factored into the calculation of your "provisional income" for the purposes of Social Security taxation, due to the tax deferral. This may result in lower income taxes on your Social Security benefit.

Choice:

Contractholders can elect to earn a traditional declared rate of interest by choosing the fixed strategy. Contractholders can also elect an opportunity to earn higher interest credits without having to worry about loss of principal due to market fluctuations by choosing one or a combination of the indexed interest strategies. This election is made at issue and can be changed upon written request received by the company prior to the end of the Index Term Period.

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Assumptions:

Assuming there are no early withdrawals that exceed the penalty free withdrawal amount. In addition, withdrawals taken from certain interest crediting strategies may forfeit potential interest credits in the contract year or Index Term period in which the withdrawal was made, whichever is applicable. Withdrawals prior to age 59½ may also be subject to a 10% IRS tax penalty. 4If you are considering an annuity for your IRA; purchase the annuity for reasons other than those inherently provided by an IRA such as a death benefit and lifetime income.