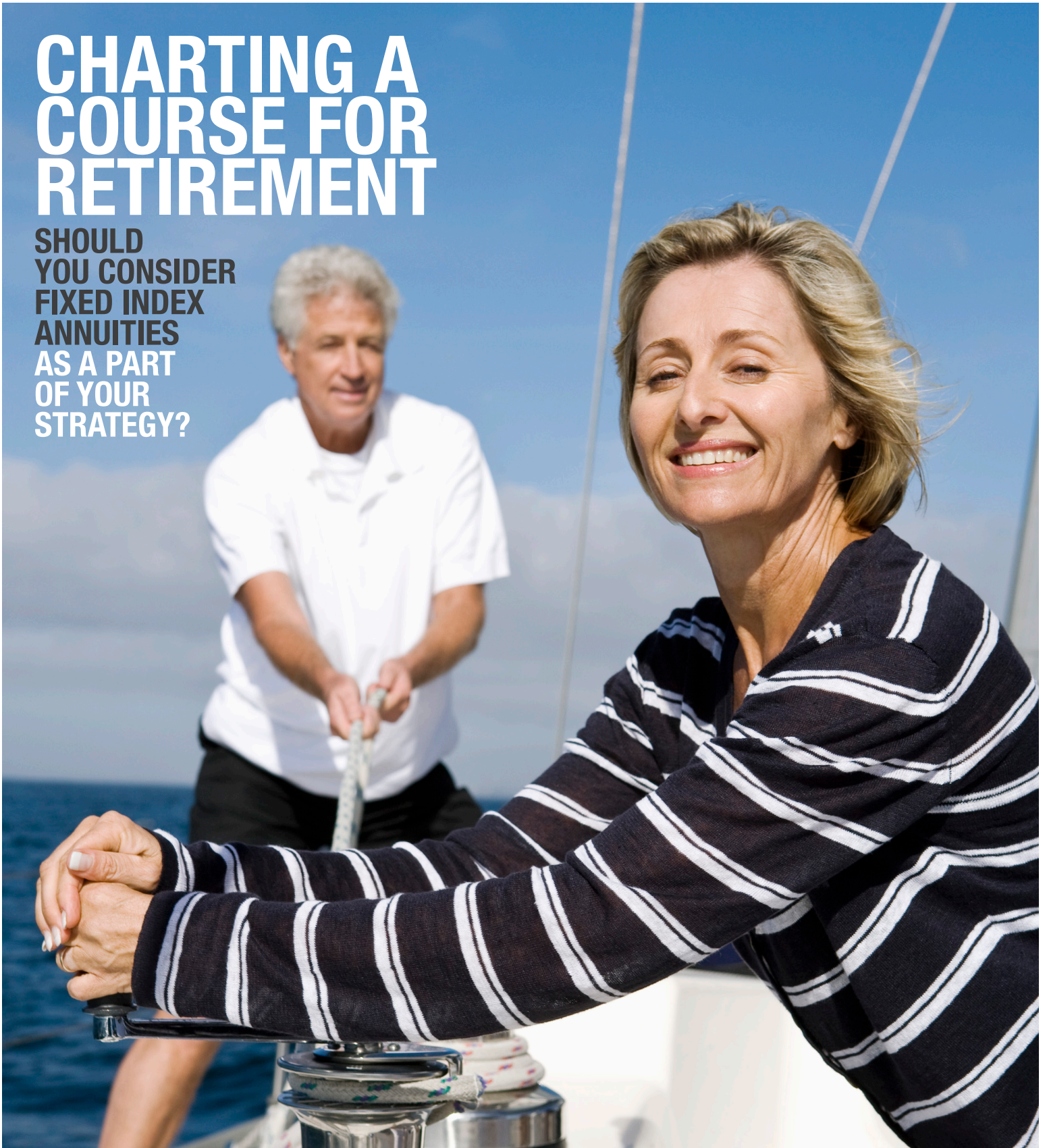


CHARTING A COURSE FOR RETIREMENT

SHOULD
YOU CONSIDER
FIXED INDEX
ANNUITIES
AS A PART
OF YOUR
STRATEGY?





IMPORTANT FEATURES OF AN FIA

- Guaranteed Protection of Principal & Any Credited Interest
- Tax Deferral
- Various Income Options
- Death Benefit
- Bonus Potential

With extended life expectancies, rising healthcare costs, and more of a demand being placed on personal savings to fund retirement, it's no wonder that so many Americans are worried about outliving their income in retirement. To help address these concerns, let's explore a financial product that has gained popularity over the years designed *exclusively* for retirement income – **the Fixed Index Annuity**.

SO WHAT IS A FIXED INDEX ANNUITY?

A Fixed Index Annuity, or FIA, is a financial product that is set up as a contract between a contract owner (the buyer) and an insurance company (the seller). FIAs offer a unique combination of benefits that can help achieve long-term retirement goals. No other product offers the tax deferral, indexed interest potential, and optional benefits to protect your retirement assets and income.

A set premium, either a one-time payment or a series of payments determined by the individual contract, is paid to an insurance company who in turn guarantees to pay no less than a minimum rate of interest either starting

immediately or at some time in the future. During the payout period, the amount of each income payment is generally set when the payments start and are based on the life expectancy of the annuitant (the person who buys the FIA).

Today's Fixed Index Annuities offer a range of features and benefits that can help accumulate assets for retirement, preserve assets saved, turn those assets into a guaranteed stream of income for life, and help to provide a financial legacy to loved ones through the death benefit offered with most fixed annuities.

Do I have enough income for my retirement?

Factors to Consider:

- Inflation
- Healthcare Costs
- Potential Changes to Social Security Benefits
- Taxation Modifications
- Additional Travel, Entertainment, and Hobby Expenses



HOW DOES IT WORK?

Fixed Index Annuities can receive credited interest when the chosen external index has a positive change. The actual amount of interest received, if any, depends on the specific features of the annuity. If the value of the index goes down, no interest will be credited, however, the principal and all the previously credited indexed interest is guaranteed and cannot be lost due to market index volatility.

Other factors determined by the insurance carrier, such as caps, spreads and participation rates, play into how much interest the contract will be credited. A cap sets a maximum rate of interest that can be earned in a particular amount of time. A spread is a preset deduction percentage of the interest earned. And lastly, the participation rate is the percentage of any interest earned that will be credited to the contract's accumulation value.

Some Fixed Index Annuities provide a premium or interest bonus to help bolster the value of the annuity at the end of the contract period. In most cases, the bonus is forfeited if the contract is surrendered prior to the end of the stated surrender period. Bonus annuities may include higher surrender charges, longer surrender periods, annuitization requirements, lower caps, higher spreads, or other restrictions that are not included in similar annuities that

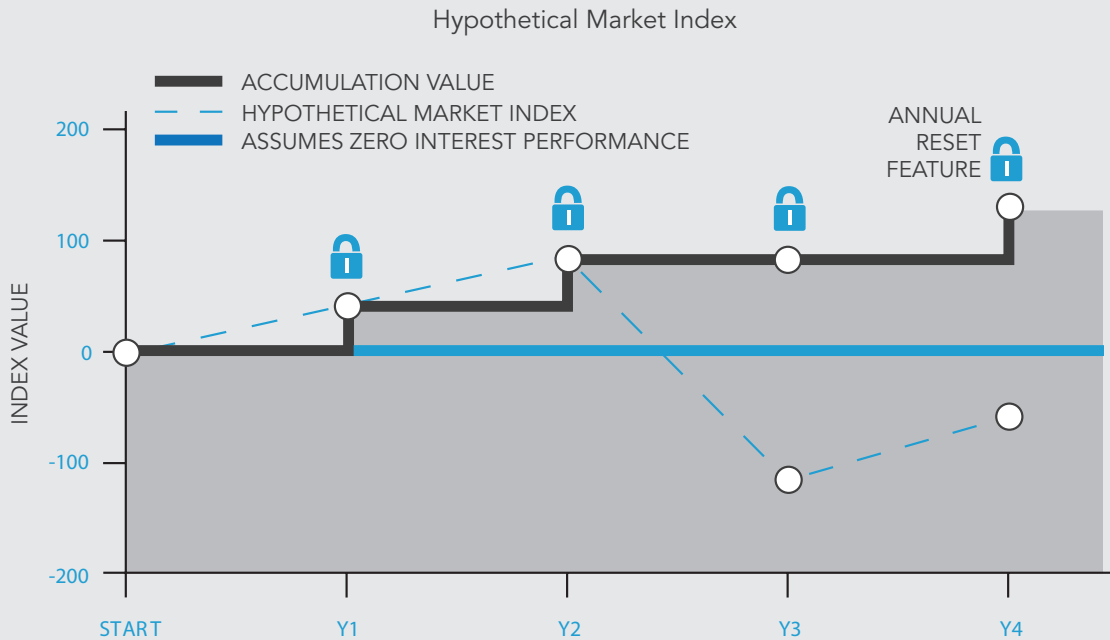
do not offer a bonus. FIAs that offer a bonus can be very beneficial in bolstering the overall value of the annuity at the end of the surrender period, which helps with a higher income payment throughout the retirement years.

FIAs enjoy tax-deferral on any interest earned. This means ordinary income taxes are not due until the distribution phase of the annuity when income is distributed to the buyer, or annuitant. Tax-deferred growth during the accumulation period, compounded over time, may increase the amount of savings and income the annuity generates during the distribution phase. Additionally, all premiums paid into the fixed index annuity and all interest credited to the contract are fully protected from market volatility. Even when the stock market takes a dip, because the annuity is not directly tied to the stock market, the value of the annuity is protected in its entirety.

THE POWER OF THE ANNUAL RESET

Annual reset is a common FIA feature. At the end of each contract year, your annuity's index values are automatically reset. This year's ending value becomes next year's starting value and any interest credited to your contract is locked in and cannot be lost due to index volatility. The hypothetical illustration below shows an example of how annual reset works. As you can see, when the market index (dashed

line) drops, the FIA contract value (dark line) holds steady. The following year shows a positive change in the market index. The index does not have to make up previous losses in order for the annuity to earn additional interest. The annuity can earn interest in any year in which a positive market index change takes place, thanks to annual reset.



With the purchase of any additional-cost riders, the contract's values will be reduced by the cost of the rider. This may result in a reduction of principal in any year in which the contract does not earn interest or earns interest in an amount less than the rider charge. This illustration does not take into account surrender charges, which may apply to early withdrawals.

This hypothetical market index is provided for illustrative purposes only, using one type of interest calculation method. It is not intended to represent the performance of any specific product. No one crediting method credits the most interest in all market scenarios. Actual results would be subject to caps, spreads, participation rates, or other limiting factors.

Although an external index or indices may affect contract values, the contract does not directly participate in any stock or equity investments. You are not buying shares of any stock or index.

CAN I ACCESS MY MONEY?

Many FIAs today have surrender periods that are less than 10 years. Some even have surrender periods as low as 5 years or less. Along with that, most annuities also have a limited "free withdrawal" provision. This lets you (the buyer) make one or more withdrawals without charge each year. The amount of the free withdrawal is limited to a set percentage of your annuity's guaranteed or accumulated value, generally 10% per year. Some annuities waive penalties if you are confined to a nursing home or diagnosed with a terminal illness. You may, however, still lose credited interest on withdrawals.

Withdrawals will reduce the contract value and the value of any protection benefits. Additional withdrawals taken over and above your annuity's "free withdrawal" provision will be subject to a withdrawal charge. Because this is considered a distribution, all withdrawals are subject to ordinary income tax and, if taken prior to age 59 ½, may be subject to an additional 10% federal tax. You may also lose credited interest on amounts you withdraw.



WHY IS THIS IMPORTANT?

With the economic uncertainty of financial markets today, it's not an unreasonable expectation for those nearing retirement to consider this protection from market volatility as one of many important features for the security of their retirement assets saved over a lifetime.

COULD A FIXED INDEX ANNUITY BE RIGHT FOR YOU?

Between the flexibility of options you have to access your money plus the opportunity for bonuses, you might just find that a Fixed Index Annuity is right for you. Building a retirement income strategy starts with a realistic view of retirement goals and the income needed to support a desired lifestyle. As such, it's imperative to take into account the potential retirement challenges that could affect

retirement income in the future: longevity, inflation and market volatility. To help ensure that your income lasts throughout retirement, it's more important today than ever before to consider the benefits and features that a Fixed Index Annuity can provide. Think about your current strategy and then speak with a qualified insurance professional to help answer your questions and review any concerns.

Fixed Index Annuities are designed to meet long-term needs for retirement income. They provide guarantees against the loss of principal and credited interest, and offer the reassurance of a death benefit for your beneficiaries. Early withdrawals may result in loss of principal and credited interest due to surrender charges. Any distributions may be subject to ordinary income tax and, if taken prior to age 59 ½, an additional 10% federal tax. Terms and conditions vary by Carrier, product and state.

Guarantees are backed by the financial strength and claims-paying ability of the issuing insurance company.