



Henderson Hall | 9062 BNMXCRBGCU St, Arlington, VA 22204  
Phone: 800-628-6011 | Fax: 703-945-1441  
[newbusiness@navymutual.org](mailto:newbusiness@navymutual.org)

DAVID PALMER  
74 RIVER STREET  
25 MAIN STREET  
NORFOLK, VA 23503

May 5, 2025

Re: Benefit Plan 425000292

Dear David Palmer,

Congratulations! We are pleased that you have chosen Navy Mutual Aid Association for your Deferred Fixed Annuity investment. We are certain that you will be most pleased with your decision. Our documented history of financial strength and integrity has engendered member satisfaction for over a century.

Your enclosed annuity Policy Number 425000292, and attached documents describe in detail the specific terms and conditions of your annuity contract. The Single Premium Deferred Annuity (SPDA 7-Year Lock) you have selected accumulates interest at 5.60% until the end of the lock-in period. At the end of the Initial Lock-In Period, you may select one of the payout options available under this contract or surrender your contract. If you do not select a payout option or surrender your contract by the end of the Lock-In Period, we will continue your contract at the declared annuity rate in effect at that time, which may vary throughout the year as determined by the Association in response to changes in the market. If no option is selected, the existing contract will continue on a year to year basis.

To help us serve you better, please keep your beneficiary and contact information current.

Please contact us at 1-800-628-6011 if we may be of further assistance. Thank you for your support. We look forward to serving you.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian E Luther".

Brian E Luther  
Rear Admiral, USN (Ret)  
President - CEO

Enc. Contract  
SPDA-V3.4.2020



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## Navy Mutual Aid Association

### Membership Certificate

#### *Single Premium Deferred Annuity*

**Annuity** # 425000292

**Certificate Effective Date:** May 5, 2025

**Member:** David Palmer

**Owner:** David Palmer

**Annuitant:** David Palmer

**Annuitant DOB:** October 15, 1960

**Single Premium Amount:** \$50,000.00

**Initial Guaranteed Interest Rate:** 5.60%

**Initial Interest Rate Lock-in Period:** SPDA 7 Year Lock

**Premium Bonus:** \$500.00

**Guaranteed Minimum Interest Rate:** 1.00%

**Beneficiary(ies)** As named in the application or subsequent written designation

This is a fixed annuity product. Navy Mutual Aid Association has issued this annuity contract to you, the Owner. This annuity is subject to the terms and conditions of the Bylaws of the Association which are in force on the Certificate Effective Date and those which may be adopted by the Association thereafter.

There may be significant tax consequences associated with various transactions to include: assignments, early withdrawals, payments upon death, and/or termination prior to the end of the Interest Rate Lock-In Period. We strongly encourage you to consult with your tax advisor if you consider taking any such action after the effective date of this contract.

This Certificate, any notes and attachments, and annuity provisions version 'V3.4.2020', constitute a legal contract between the annuity owner and the Association, it may be surrendered within thirty days after the Certificate Effective Date for a full refund of all premiums paid, without interest. **Please read it carefully.**

Signed for Navy Mutual Aid Association in Arlington, VA

A handwritten signature in black ink, appearing to read "Brian E. Hunter".

**AUTHORIZED SIGNATURE**



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Phone: 800-628-6011 | Fax: 703-945-1441  
[newbusiness@navymutual.org](mailto:newbusiness@navymutual.org)

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## **Terms Used in This Certificate and Attachments**

"Annuitant" is the person whose age and sex will be used to compute any annuity settlement option payment.

"Annuity Starting Date" is the first day of the first period for which an annuity payment is received under this contract.

"Assignee" means an assigned Owner. (See "Assignment.") An Assignee does not become a Member merely as a result of an absolute assignment, unless the Assignee meets the requirements of a Member under the Association's Bylaws.

"Age" means the Annuitant's age on his/her birthday nearest to the effective date of the payout election.

"Certificate" is the Membership Certificate and any endorsements attached to it.

"Certificate Date" is the effective date of this Certificate, when we have received the application and premium payment. It is the date from which Certificate Anniversaries, years, months and days are determined.

"Guaranteed Payment Period" is the amount of time for which annuity payments are guaranteed to be paid, even if the Annuitant dies prior to the end of the period.

"Initial Interest Rate" is the interest rate specified on the Certificate that will be credited to the Total Accumulated Value during the Initial Lock-In Period.

"Initial Lock-In Period" is the number of years specified on the cover page during which the Initial Interest Rate will be credited to the Total Accumulated Value.

"Market Value Adjustment" is the adjustment that may be made to the Total Accumulated Value if you surrender all or part of your contract, or exercise certain annuity payout options, during the lifetime of the Annuitant and before the expiration of the Initial Lock-In Period.

"Member" is the person who meets eligibility requirements under the Association's Bylaws and who is named on the cover page of the Membership Certificate.

"Minimum Interest Rate" is the minimum interest rate we may credit after the Initial Lock-In Period.

"Owner" refers to the person who owns the annuity and may exercise all rights under the Membership Certificate.

"Payee" is each person receiving payments under the Membership Certificate.

"Total Accumulated Value" is the Single Premium Amount specified on the cover page of the Membership Certificate, plus the amount of any Premium Bonus, less any partial surrenders (prior to the application of any Market Value Adjustments), accumulated at the Initial Interest Rate in effect during the applicable Lock-In Period.

"We" "our" "us" and "Association" refer to the Navy Mutual Aid Association.

"You" and "your" refer to the Owner of the Membership Certificate.

### **Entire Contract Statement**

This Membership Certificate is issued by the Navy Mutual Aid Association in consideration of the application and the receipt of the premium payment. This Certificate, together with any riders or endorsements attached to it, and the application, a copy of which is attached, constitute the entire contract between the Owner and us.

### **Annuity Contract Description**

This annuity is a nonqualified fixed annuity contract purchased with a single premium deposit. If the contract is annuitized at a future date, payments are made in the amounts and at the intervals selected by the Owner at the time of annuitization.

### **Free Look Period**

At any time within thirty (30) calendar days of the Certificate Effective Date, the owner may cancel and return this Certificate to Navy Mutual for a full refund of all premiums paid.

### **Contract Ownership**

The Member will be the Owner of any annuity unless other ownership is established at contract initiation. The Owner of this annuity is listed on the Certificate. The Owner may or may not be the Annuitant.

Ownership may be assigned to another as set forth in the Assignment Provision of this contract. The naming of a new Owner will revoke the ownership rights of any previously named Owner.

Only the Owner of this annuity can exercise the following ownership rights:

- (a) The right to name the beneficiary and to change the beneficiary at any time;
- (b) The right to request information about this annuity and to request contract changes within the scope of these provisions;
- (c) The right to terminate the annuity;
- (d) The right to assign ownership of this annuity to another. (Thereafter, these rights would be exercisable by the Assignee, who would become the new Owner); and
- (e) The right to choose the Annuitant at such time as the contract is annuitized.

### **Assignment Provision**

An absolute assignment of an annuity will be permitted and recognized to an individual or individuals, any legal entity, including but not limited to a trust or an insurance company, or as directed by a court order. We will not be bound by an assignment unless we have received it in writing. We assume no responsibility for the legal validity of an assignment.

The Assignee by absolute assignment may exercise ownership rights set forth above but may not exercise other Membership rights unless the Assignee is also a Member.

### **Beneficiary Designation**

The designation of the beneficiary of any benefits payable under this Certificate will be as specified by the Owner in the application or as subsequently modified in writing by the Owner or an Assignee. Benefits are payable only to the primary and contingent beneficiary or beneficiaries recorded on the books of the Association. Unless an irrevocable beneficiary has been named, the Owner may change a beneficiary by written request to us while the Annuitant is alive. If there is no beneficiary surviving the death of an Owner to whom benefits may be payable, the benefits are payable to the estate of the deceased Owner. No revocable beneficiary has or may obtain any vested interest in the benefits expressed in this Certificate until benefits have become due and payable under the terms hereof.

Notwithstanding anything to the contrary in the Certificate and its attachments, an Owner's previous designation of a spouse as a beneficiary may be impacted following divorce or annulment. In such event, Owner is encouraged to review their designation(s) and update as necessary.

### **Trust as Beneficiary**

If a trust is named as a beneficiary and the trust is not in existence at the time proceeds are to be paid to the beneficiary, that beneficiary's interest will pass to any other beneficiaries according to their respective interests (or to the Owner's estate or the Owner's legal successors, if no other beneficiaries), unless proof of the existence of such trust is provided within six months of the Annuitant's death.

### **Notice of Change of Owner or Beneficiary**

The Owner may name a new Owner by assignment or name a beneficiary or contingent beneficiary of this annuity at any time by written notice to us. If a new Owner is named, any earlier choice of a beneficiary, contingent beneficiary, or an optional income plan will not automatically be canceled, unless the Owner specifies otherwise. No change, including an assignment, will take effect unless received and recorded by us. Once recorded, the change will take effect as of the date the written request for such change was signed. The change will not apply to any payment made by us before we recorded the request. We may require the Membership Certificate be returned before recording the change.

### **Misstatement of Age or Sex**

If the age or sex of the Annuitant has been misstated in the application, any benefits will be those that would have been payable at the correct age or sex.

**Proof of Living**

We may require proof that the Annuitant is alive on the date each annuity payment is due.

**Initial Interest Rate**

The Initial Interest Rate is the rate of interest that is guaranteed for the Initial Lock-In Period. That interest rate is stated on the cover page of the Membership Certificate.

**Initial Lock-In Period**

We will credit the Initial Interest Rate to determine the Total Accumulated Value during the Initial Lock-In Period. If the Owner does not select a settlement option or surrender the Certificate by the end of the Initial Lock-In Period, we will continue the contract at the declared annuity rate in effect at that time, which may vary throughout the year as determined by the Association in response to changes in the market.

**Maximum Contract Contribution**

Deposits will be limited to a maximum of \$5,000,000 in total contributions.

**Surrender Charges**

We assess no surrender charges under the Membership Certificate, but a Market Value Adjustment may apply, and any Premium Bonus may be forfeited. (See "Market Value Adjustment" and "Premium Bonus").

**Payment of Proceeds**

- (a) **Annuity Benefit:** Prior to the death of the Annuitant, we will apply the Total Accumulated Value, less any applicable Market Value Adjustment or forfeiture of the Premium Bonus, to the annuity payout option selected at the time of payment. (See "Settlement Options - Annuity Payout Options.")
- (b) **Death Benefit:** We will pay a death benefit if the Annuitant dies while the Membership Certificate is in force and before any monthly annuity payments have been paid. The death benefit will equal the Total Accumulated Value of the Certificate.

We will pay the death benefit upon receipt of the following in a form satisfactory to us:

- (a) Proof that death of the Annuitant occurred while the Membership Certificate was in force;
- (b) Our claim form, properly completed; and
- (c) A certified death certificate and any other document required by law.

If the Annuitant is the Owner, and the Annuitant/Owner dies, and unless you have directed us to do otherwise before you die, the named primary beneficiaries will share the death benefit proceeds equally. If there is no living primary beneficiary at the death of an Annuitant who is the Owner, the named contingent beneficiaries will share the proceeds equally. If no primary beneficiary or contingent beneficiary is named, or none is alive when the Owner who also is the Annuitant dies, we will pay the proceeds to the Owner's personal representative.

If an Owner dies before the Annuitant and before any monthly annuity payments have been paid, ownership rights will pass to the contingent Owner (named in the application), if living, unless the Owner has subsequently assigned ownership rights in accordance with the Assignment Provision or has notified the Association in writing of the designation of a contingent Owner. If there is no contingent Owner, ownership will pass to the Annuitant. Please be advised that a minor cannot be an Owner.

**Surrender:** Before the death of the Annuitant, but after expiration of the free look period, the Owner may surrender all or part of the annuity. We may defer payment of the surrender amount for no more than six months. A Market Value Adjustment may apply, and the Premium Bonus may be forfeited from the surrender amount.

**Withdrawals:** Withdrawals can be taken at any time after the expiration of the free look period; however, withdrawals may be subject to an MVA (see "Market Value Adjustment" page 4). Withdrawal requests in excess of four (4) within any one contract year will be subject to a withdrawal administrative fee. There may be significant income tax consequences as a result of withdrawing funds from this annuity contract. The Owner is advised to consult a professional tax advisor prior to requesting a withdrawal.

**Market Value Adjustment**

We will apply a Market Value Adjustment ("MVA") to certain partial withdrawals or full surrenders, or if certain

annuitization options are exercised, before the end of the Initial Lock-In Period shown on the Membership Certificate. An MVA may be a positive or negative adjustment.

The following amounts will not be subject to an MVA:

- (a) Any amount withdrawn or surrendered after the end of the Initial Lock-In Period
- (b) Amounts withdrawn or surrendered after the first Certificate Year, but before the end of the Initial Lock-In Period, where the cumulative amount of Total Accumulated Value withdrawn or surrendered during a Certificate Year does not exceed 10% of the Total Accumulated Value as of the end of the previous Certificate Year
- (c) Any amount withdrawn or surrendered after we receive proof that the Owner was confined to a nursing home or has been diagnosed with a terminal illness at the time of withdrawal or surrender
- (d) Any amount applied to the exercise of annuity payout option B, C, or D. (See "Settlement Options - Annuity Payout Options.")

The following amounts will be subject to an MVA:

- (a) Any amount withdrawn or surrendered during the first Certificate Year, unless exception (c) or (d) above applies
- (b) Any portion of the Total Accumulated Value withdrawn or surrendered during any Certificate Year after the first Certificate Year, but before the end of the Initial Lock-In Period, to the extent the cumulative amount of Total Accumulated Value withdrawn or surrendered during that Certificate Year exceeds 10% of the Total Accumulated Value as of the end of the previous Certificate Year
- (c) Any amount exercised under Annuity Payout Option A, to the extent it would have been subject to an MVA if withdrawn or surrendered (See (a) and (b) immediately above.)

If you make a withdrawal or surrender which is subject to an MVA, you will forfeit any Premium Bonus. (See "Premium Bonus.") The forfeiture of the Premium Bonus is not an MVA.

The Market Value Adjustment equals the portion of the Total Accumulated Value being withdrawn, multiplied by the following factor:

$$\text{MVA Factor} = \{(1+i)/(1+j)\}^{(n/365)} - 1,$$

where i = Initial Interest Rate,

j = Current Initial Interest Rate for new certificates issued for the same Initial Lock-In period at the time of the Market Value Adjustment,

n = Number of days remaining in the Initial Lock-In period.

If, at the time of surrender, we are no longer issuing this annuity or one similar to it, the factor "Current Initial Interest Rate for new certificates" will be determined based on the yield on seven-year United States Treasury STRIPS then being issued.

The amount paid to you from a withdrawal or surrender, or the amount exercised under an Annuity Option, will be adjusted by the amount of the MVA, reflecting the sign of the MVA. That is, if the MVA is positive, the amount paid to you, or applied to the Annuity Option, will be increased. If the MVA is negative, the amount paid to you, or applied to the Annuity Option, will be decreased.

There will be an MVA calculated for each withdrawal, surrender, or exercise of an Annuity Option which is subject to an MVA under the terms of this Certificate. The absolute value of the cumulative amount of all MVA's applied under this contract, reflecting the signs of the MVA's, will never be greater than 12.5% times the Single Premium Amount. That is, the cumulative impact of the MVA's will never increase the cumulative amounts paid or exercised under this Certificate by more than 12.5% times the Single Premium Amount, nor will the cumulative impact of the MVA's ever reduce the cumulative amounts paid or exercised under this Certificate by more than 12.5% times the Single Premium Amount. This limit applies only cumulatively. The absolute value of any single MVA may be greater than 12.5% times the Single Premium Amount.

#### **Premium Bonus**

The amount of any Premium Bonus credited to the annuity will be stated on the Certificate. The amount of any Premium Bonus will be added to the Single Premium Amount listed on the cover page of your Certificate and becomes part of your Total Accumulated Value. If you withdraw or surrender any portion of your Total Accumulated Value which is subject to an MVA, the first time you make such a withdrawal or surrender we will deduct the Premium Bonus and all accumulated interest thereon from the Total Accumulated Value as of the date of the withdrawal or surrender, before determining the amount to be paid as a withdrawal or surrender (see "Market Value

Adjustment").

### **Settlement Options – General**

**Availability of Options: A settlement option may be elected only if:**

- (a) The proceeds to which the option applies are payable to a natural person in his or her own right; and
- (b) The payments under that option are to be made to such person.

With our approval, the Total Accumulated Value of this annuity may be divided and applied under more than one settlement option.

Subject to our administrative guidelines:

- (a) Payments under the settlement options elected may start on the same or different dates; and
- (b) The Owner may elect monthly, quarterly, semi-annual or annual payments. The amount of such payments will be furnished upon request. All annuity payout options are made in equal installments.

**Spendthrift Provision:** No Payee shall have the right to assign or transfer any future payments under any of the settlement options except as provided in the election or by law. The right to commute any payments under annuity payout Option B or C below can be reserved only with our approval.

**Election by Owner:** During the lifetime of the Annuitant, the Owner may elect:

- (a) To have payments made to the Annuitant under any of the settlement options; or
- (b) That settlement with a beneficiary be made under any of the settlement options.

If an Owner, or a beneficiary if the Owner is the Annuitant, is a natural person entitled to a lump sum payment at the Annuitant's death, he or she may elect to receive payment under a settlement option.

### **Settlement Options - Annuity Payout Options**

The Total Accumulated Value, less any applicable MVA and any applicable forfeiture of the Premium Bonus, may be paid out at any time utilizing any one of the following options.

We reserve the right to offer additional annuity payout options. We also reserve the right to increase guaranteed annuity payments from time to time.

The monthly payment amounts calculated under these options will always be at least as favorable to you as those calculated using the 2012 Individual Annuity Mortality Table with Projection Scale G2, if applicable, and the Minimum Interest Rate.

The monthly payment amounts to be offered under these options will always be at least as favorable to you as those we are offering for sale for comparable benefits at the time of exercise of the option.

#### **OPTION A – PAYMENTS FOR A FIXED PERIOD**

Monthly payment may be made for a fixed period from one to thirty years. We will determine the amount of each payment at the time the option is elected.

#### **OPTION B – LIFE ANNUITY**

Monthly payments will be made for the lifetime of the Annuitant. All payments will cease with the last payment due before the Annuitant's death. We will determine the amount of each payment at the time the Owner elects the option. If the Annuitant is not alive on the Annuity Start Date, no amounts will be payable under this option.

#### **OPTION C – LIFE ANNUITY WITH A GUARANTEED PAYOUT PERIOD**

Monthly payments will be made for the lifetime of the Annuitant, but for at least a guaranteed payout period of 5 years, 10 years, 15 years, 20 years, or any other duration we agree to - as you elect.

#### **OPTION D – JOINT AND LAST SURVIVOR LIFE ANNUITY**

Monthly payments will be made during the joint lifetime of two persons and in an equal amount during the remaining lifetime of the survivor. Payments under this option depend on the age and sex of each Annuitant on the date the first payment is due. The amount of each payment will be determined by us at the time the option is elected. The

payments for other ages will be computed on the same basis and will be furnished on request. Payment also may be made to the survivor in an amount equal to 2/3 or 1/2 of the original payment. These rates will be computed on the same basis as the other rates under this policy. If one of the Annuitants named in an election of this option dies before the date the first payment is due, payment will be made to the surviving Annuitant under Option B or Option C.

## **ADMINISTRATIVE PROVISIONS**

Proof of age and sex may be required before the first payment under Options B, C or D is made.

### **Payments on Death**

**Death of the Annuitant:** If the Annuitant dies after annuity payments have begun, but before all annuity payments have been made for any guaranteed payout period elected by the Owner, we will continue annuity payments to the Owner, as such payments fall due, for the remainder of the guaranteed payment period. Payments will be made upon our receipt of the following in a form satisfactory to us:

- (a) Our claim form, properly completed;
- (b) A certified death certificate and any other document required by law; and
- (c) Proof that the Annuitant died while the Certificate was in force.

**Death of the Beneficiary:** At the death of the last surviving Payee under Option A and C, we will pay the present value of any remaining income payments for fixed or guaranteed periods. We will compute the present value using the interest rate used to compute the annuity payments under the annuity payout option the Owner has selected. Unless otherwise provided in the annuity payout option the Owner elects, we will pay proceeds to the estate of the last surviving Payee.

**Section 72(s) - Death of the Owner Before the Annuity Starting Date:** This plan is intended to comply with Section 72(s) of the Internal Revenue Code (IRC), and provisions of Section 72(s) shall apply even if they are inconsistent with any part of this Certificate.

If any Owner of this plan dies before the Annuity Starting Date, the following applies:

- (a) If the deceased Owner's spouse is the beneficiary and becomes the new Owner, this annuity will continue and, if the deceased Owner was also the Annuitant, the deceased Owner's spouse will also be the Annuitant.
- (b) If the deceased Owner's spouse does not become the new Owner, the entire interest in the annuity must be distributed to the non-spousal beneficiary, or to the estate of the deceased Owner, if there is no beneficiary: (i) within 5 years of the deceased Owner's death; or (ii) over the life of the beneficiary or over a period not extending beyond the life expectancy of the beneficiary, as determined by appropriate United States Internal Revenue Service Mortality tables, as long as payments begin within one year of the deceased Owner's death.

If the deceased Owner was also the Annuitant and (a) above does not apply, then any joint Owner will be the Owner, or if there is no joint Owner, the beneficiary will be the Owner.

If the deceased Owner was also the Annuitant, IRC Section 72(s) - "Death of Owner" provision shall apply in lieu of any provision providing payment under the Certificate when the Annuitant dies before the Annuity Starting Date.

If any Owner dies on or after the Annuity Starting Date, but before all proceeds payable under this Certificate have been distributed, we will continue payments to the beneficiary under the payment method in effect at the time of the deceased Owner's death.

For purposes of this section, if any Owner of this annuity is not an individual, the death or change of any Annuitant shall be treated as the death of an Owner.

### **Addresses of Members, Owners, Annuitants, and Beneficiaries**

Members and Owners are required to keep the Association fully advised of their addresses, the addresses of Annuitants, beneficiaries and, where necessary, the address of the agent designated to pay their contract and annuity premiums.

Final Application

Sales Representative Doc

Annuity Questionnaire