

Focused Growth Annuity 5, 6, 7 And 10

The Broker's Sales Guide To An Individual Fixed Annuity From The Standard

**With a Focused Growth Annuity
you'll find a rewarding combination
of tax deferral and choice.**



Focused Growth Annuity

The Focused Growth Annuity from The Standard is a single premium deferred annuity offering a multi-year interest rate guarantee period of five, six, seven or ten years in length as well as a number of withdrawal options. This product is designed to optimize the growth potential of your client's retirement savings while preserving capital and without most risks associated with the investment markets. In addition, this product allows for one annuitant, and can only accommodate joint owners in the case of a 1035 exchange in which there is a joint ownership at the carrier.

Your client may choose a five, six, seven or ten year initial interest rate guarantee period and receive the current rate for the length of the guarantee period. At the end of the guarantee period, your client will benefit from competitive renewal rates based on the current interest rate environment and current market conditions. There is no surrender charge after the end of the initial interest rate guarantee period. This means your customer will be spared the hassle of a 30- or 60-day window at the end of the guarantee period, during which time contract owners are generally required to make a decision prior to the start of a new surrender period.

The Focused Growth Annuity offers a variety of ways for your client to access funds before the end of the surrender-charge period without paying a surrender charge. Withdrawal methods include payments of scheduled interest earnings, IRS Required Minimum Distributions from qualified plans, annuitization, as well as nursing home and terminal condition waivers. Details of these withdrawal features follow.

Issue Ages

The maximum issue age of an owner or annuitant for the Focused Growth Annuity 5, 6 and 7 is 90. For the Focused Growth Annuity 10, the maximum issue age is 80.

Single Annuitant And Single Owner

The Focused Growth Annuity series contract language does not allow for joint annuitants or joint owners. In the case of a 1035 exchange we will facilitate a joint owner. If one of the owners dies, the death benefit will be payable.

Initial Premium

\$15,000 is the minimum initial premium necessary to establish the contract. \$1,000,000 is the maximum initial premium allowed for establishing a Focused Growth Annuity; higher amounts may be permitted with prior approval from the home office.

Additional Premiums

Once a Focused Growth Annuity is established, your client may pay additional premiums during the first 90 contract days. Any additional premiums received will be credited with the interest rate in effect at the time of the premium payment.

Selling Points

Competitive Interest Rate Guarantees

The Focused Growth Annuity offers growth potential through competitive interest rates. The Standard has a long-standing history of reliable fixed annuity performance and competitive renewal rates.

Whether your client chooses the Focused Growth Annuity's five, six, seven or ten-year guarantee option, the initial interest rate is guaranteed to remain level during the initial rate guarantee period. After the guaranteed rate period, your client will then enjoy competitive renewal rates based on current market conditions.

Interest Rate Lock

The Focused Growth Annuity may make an interest rate lock available. If available at the time of purchase, this would allow The Standard to hold a rate for a set time period from the home-office receipt of a request for a rollover, transfer or exchange time period. In order to hold a rate a complete application packet along with rollover, transfer or exchange paperwork must be received in the home office during a specific period of time. If the funds were to be received within this window, the client would receive the greater of the held interest rate or the current interest rate. If the premium is received after the rate-lock period, it would be credited the interest rate in effect at the time the premium is received. For more specific information, contact the sales team.

Tax Advantages

Unlike many other savings and investment products, income taxes on Focused Growth Annuity funds are due only when your client makes withdrawals or begins taking regular distributions — generally at retirement, when the tax bracket may be lower. As a result, interest accumulates on principal, on earnings and on money otherwise paid in income taxes.

Five, Six, Seven And Ten-Year Guarantee Period

The interest crediting rate will be guaranteed for the period elected. It is a level-rate guarantee and does not include a first-year rate bonus. After the end of the guarantee period, your client will receive renewal interest rates based on current market conditions, and the interest rate is guaranteed to never go below the contractual minimum guaranteed rate. Because the Focused Growth Annuity is specifically designed to perform over the long term, if a client needs access to funds during the surrender period (in excess of any free withdrawal provisions), a surrender charge will be assessed according to the tables below.

Surrender-Charge Schedules

Contract Year	1	2	3	4	5	6	7	8	9	10
FGA 5	8%	7%	6%	5%	4%					
FGA 6	8%	7%	6%	5%	4%	3%				
FGA 7	8%	7%	6%	5%	4%	3%	2%			
FGA 10	8%	7%	6%	5%	4%	3%	2%	1%	.9%	

Market Value Adjustment (MVA) Feature

During the initial interest rate guarantee period, an MVA is applied to withdrawals or surrenders that are subject to surrender charges. On the FGA 5, 6, and 7, both the surrender charge period and MVA period match the rate guarantee period of 5, 6 or 7 years respectively. On the FGA 10, the surrender charge period is nine years. However, the MVA is in effect for ten years. The MVA is based on changes in the prescribed index, and may increase or decrease the annuity's surrender value. Generally, if interest rates have risen since the purchase, the adjustment will decrease the surrender value. Conversely, if interest rates have fallen since the purchase, the MVA will increase the surrender value.

The MVA is a key design feature that helps optimize the growth potential of the Focused Growth Annuity over the long term. The presence of an MVA helps protect the insurance company against early withdrawals from the annuity, and in turn, the MVA allows the insurance company to credit a higher interest rate to the annuity contract. For those clients who do not plan on taking distributions beyond the penalty-free withdrawals allowed during the surrender period, the MVA can work to their advantage by helping them receive a more competitive interest rate.

Market Value Adjustment Examples

The examples on the following page illustrate the effects of possible MVA adjustments on a withdrawal from a Focused Growth Annuity. Consider the combined charges for early surrender when rates increase or decrease. The sample calculations on the following page assume the index tracked is 3.00% at issue and either rises to 5.00% or drops to 1.00%. The numbers are for illustration purposes only; results may vary.

Combined Surrender Charge And Market Value Adjustment

Focused Growth Annuity 5			
End of Year	Unchanged at 3.00%	Increased at 5.00%	Decreased at 1.00%
1	8.00%	13.82%	2.18%
2	7.00%	12.35%	1.20%
3	6.00%	9.69%	2.08%
4	5.00%	6.96%	2.96%
5	4.00%	4.15%	3.84%
6	0.00%	0.00%	0.00%
7	0.00%	0.00%	0.00%

Focused Growth Annuity 6			
End of Year	Unchanged at 3.00%	Increased at 5.00%	Decreased at 1.00%
1	8.00%	13.90%	2.10%
2	7.00%	14.02%	-0.75%
3	6.00%	11.41%	0.14%
4	5.00%	8.73%	1.04%
5	4.00%	5.98%	1.94%
6	3.00%	3.16%	2.84%
7	0.00%	0.00%	0.00%

Focused Growth Annuity 7			
End of Year	Unchanged at 3.00%	Increased at 5.00%	Decreased at 1.00%
1	8.00%	14.07%	1.93%
2	7.00%	15.61%	-1.61%
3	6.00%	13.10%	-1.84%
4	5.00%	10.47%	-0.92%
5	4.00%	7.77%	0.00%
6	3.00%	5.00%	0.92%
7	2.00%	2.16%	1.84%
8	0.00%	0.00%	0.00%
9	0.00%	0.00%	0.00%
10	0.00%	0.00%	0.00%
11	0.00%	0.00%	0.00%

Focused Growth Annuity 10			
End of Year	Unchanged at 3.00%	Increased at 5.00%	Decreased at 1.00%
1	8.00%	14.11%	1.89%
2	7.00%	15.69%	-1.69%
3	6.00%	17.24%	-5.24%
4	5.00%	15.49%	-7.04%
5	4.00%	12.94%	-6.06%
6	3.00%	10.33%	-5.09%
7	2.00%	7.64%	-4.11%
8	1.00%	4.89%	-3.13%
9	0.90%	2.94%	-1.23%
10	0.00%	0.16%	-0.16%
11	0.00%	0.00%	0.00%

Surrender And MVA Free Withdrawals

Scheduled Payments Of Interest Earnings

Scheduled payments of earned interest are available after the contract has been in force for 30 days. Your client may choose to receive monthly, quarterly, semiannual or annual interest payments. Payments cannot be less than \$100. Electronic Funds Transfer (or “direct deposit”) is available and encouraged.

IRS Required Minimum Distributions

The Focused Growth Annuity is available for purchase as an IRA, 403(b) Tax-Sheltered Annuity or other tax-qualified plan. If purchased as a tax-qualified contract, the IRS Required Minimum Distributions (RMDs) attributable to the account value of the annuity will be distributed without the assessment of a surrender charge or application of a market value adjustment. The Standard guarantees its calculation of RMDs and will pay any fines or penalties associated with an incorrect amount that is calculated by The Standard. However, The Standard will not be responsible for incorrect calculations due to incorrect information provided by the contract owner. This guarantee is limited to calculations made on accounts administered by The Standard.

Annuitization

Your client may convert the Focused Growth Annuity into an income annuity with The Standard at any time. Your client must choose a Lifetime Income option or a Period Certain option of five years or longer.

Nursing Home Benefit

After the first contract year, if your client becomes a nursing home resident for 30 or more consecutive days, The Standard will waive surrender charges and market value adjustments on all withdrawals, transfers and surrenders during the period of confinement. Written documentation is required. The nursing home waiver is not available in Massachusetts.

Terminal Condition Benefit

If your client is diagnosed with a terminal condition after the first contract year, The Standard will waive surrender charges and market value adjustments on all withdrawals, transfers and surrenders. Written documentation is required. State-specific conditions apply to the terminal condition waiver.

Out Of Surrender

After the end of the surrender period, your client may withdraw some or all of the Focused Growth Annuity funds without surrender charges. Please note that the MVA period for the FGA 10 does extend through the 10th contract year even though the surrender period is nine years.

Accommodating Income Options

When it's time to switch from the accumulation phase to the income phase, you'll want several payment options to present to your client. Some retirees prefer regular installment payments for a specific period; others want a predictable, guaranteed lifetime income. The Standard has a variety of options for your client's long-term goals and financial needs.

- Life Income
- Life Income with Installment Refund
- Life Income with Certain Period
- Joint and Survivor Life Income
- Joint and Survivor Life Income with Installment Refund
- Joint and Survivor Life Income with Certain Period
- Joint and Contingent Survivor Life Income
- Certain Period – 5 years or longer

Death Benefits

The full accumulation value is paid to the beneficiary if the owner or annuitant dies, even during the surrender charge and/or MVA period.

Suitability Analysis During The Sales Process

Is This Product Right For Your Client?

In recommending an annuity to a client, the NAIC's suitability regulation requires a producer to have "reasonable grounds" to believe the recommended annuity is suitable for that particular client on the basis of facts disclosed by the client during the sales process. A producer should obtain and analyze the client's:

- Age
- Annual income
- Financial situation and needs, including financial resources used for the funding of the annuity
- Financial experience
- Financial objectives
- Intended use of the annuity
- Financial time horizon
- Existing assets, including investment and life insurance holdings
- Liquidity needs
- Liquid net worth
- Risk tolerance
- Tax status

As a result of a producer's review of the client information noted on the previous page, and analysis to determine suitability, the producer must have a "reasonable basis to believe:"

- The client has been "reasonably informed of the various features of the annuity" — this includes the surrender charge period and surrender charge amounts; potential tax penalties associated with the sale, exchange, surrender or annuitization of the annuity; mortality, expenses and investment advisory fees; potential charges for and features of riders; limitations on interest returns; insurance and investment components and market risk;
- The client would benefit from certain features of the annuity, such as tax-deferred growth, annuitization, death benefits or living benefits;
- The particular annuity as a whole, any index accounts to which funds are allocated at the time of purchase or exchange of the annuity, and any riders and similar product enhancements, are suitable for the client based on his/her suitability information; and
- (If applicable) an exchange or replacement is suitable, taking into consideration whether the client:
 - Will incur a surrender charge, be subject to the commencement of a new surrender period, lose existing benefits (such as death, living or other contractual benefits), or be subject to increased fees, investment advisory fees or charges for riders and similar product enhancements;
 - Would benefit from product enhancements and improvements; and
 - Has had another annuity exchange or replacement and, in particular, an exchange or replacement within the preceding 36 months.

Compensation

Commission Amounts

Consult your Annuity Commission Schedule for details.

Commission Chargeback

Surrenders

- 100% of the commission will be recaptured on contracts surrendered in the first six contract months
- 50% of commission will be recaptured on contracts surrendered in the seventh to twelfth contract months

Death

There is no chargeback on death of an owner or annuitant except in those cases where the deceased was age 86 or older at contract issue, in which case:

- 100% of the commission will be recaptured on death in the first six contract months
- 50% of commission will be recaptured on death in the seventh to twelfth contract months

Sales Support

For additional information, please contact your National Marketing Organization or our sales team at (800) 378-4578. You can also email our sales team at annsales@standard.com.

Marketing Materials

www.standard.com/annuities

New Business Forms

www.standard.com/annuities

Forms And Materials

You may find all these and others at www.standard.com/annuities. Be sure to check product availability and revision dates to ensure you're using all the correct forms and materials for your state.

New Business Submission

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Street Address For Overnight Deliveries

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www.standard.com/annuities