

Plan for your retirement lifestyle

Issued by Delaware Life Insurance Company



## **Delaware Life**

Delaware Life is dedicated to supporting you with valuable, straightforward strategies that can help you save today and provide income for tomorrow.

Delaware Life manages approximately 342,000 annuity, life insurance and corporate market insurance policies representing \$36.6 billion in assets under management and \$14.1 billion of invested assets as of September 30, 2017.

The company was established with the purchase by Delaware Life Holdings, LLC (Delaware Life) of domestic U.S. annuity and certain life insurance businesses of Sun Life Financial Inc., whose record includes more than 40 years of experience in the annuity market. In September 2017, Delaware Life Holdings, LLC (Delaware Life) was rebranded as Group One Thousand One.

We are committed to sound financial and risk management practices on behalf of our clients. For the most recent independent credit ratings for Delaware Life Insurance Company, please see www.delawarelife.com/our-company.

Group One Thousand One includes Delaware Life Insurance Company, which is authorized to transact business in all states except New York, as well as in the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

## The Retirement Challenge

Retirement is a time to do the things that you never have a chance to do. When you're working, you may be raising a family and paying a mortgage. So you may put off doing other things. But how can you take advantage of asset growth when market indices rise while reducing the downside risk, so you can look forward to a reliable income stream in retirement?

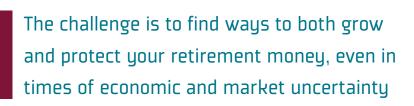
#### Plan for a Longer Retirement

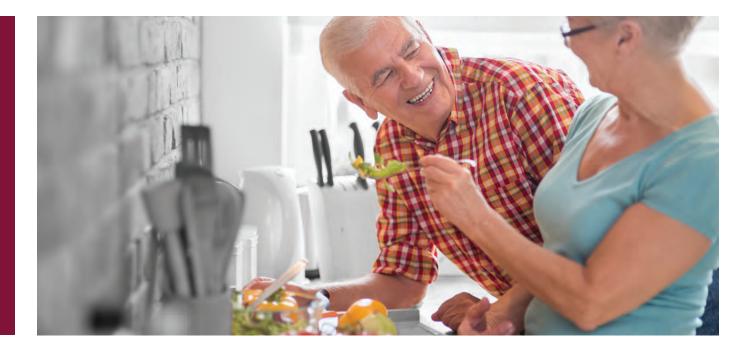
Americans are living longer on average than ever. You may even spend more years in retirement than you have at work. That's time to be with family, travel, do volunteer work. Or even start a new career doing something you love—whatever "retirement" means to you.

But living longer means you may need more financial resources. When it comes to something as important as your retirement assets, you would like to have both growth and protection—remember that there is often a tradeoff, however. Generally, the higher the potential return of an investment, the higher the risk.

#### Look for Growth and Protection

The challenge is to find ways to both grow and protect your retirement money, even in times of economic and market uncertainty. One option is to purchase a fixed index annuity ("FIA"). The FIA is designed to help you accumulate funds for retirement without exposing your hard-earned money to market risk.





## One Option: Fixed Index Annuities

A FIA is a long-term contract with an insurance company, created to help you build assets for retirement. It offers guaranteed principal like a traditional fixed annuity. But a FIA also gives you an opportunity to earn interest based on the performance of a stock market index. (Note: A FIA does not invest directly in securities.) It's a solution designed for use in all the stages of your life. This means growing and protecting your retirement assets during your working life. But it also means making sure you have enough money as long as you live.

## Stage 1: Saving for Your Retirement

#### **Upside Potential Based on Market Performance**

A FIA may credit interest to your account based on the performance of a specific index. Companies that issue FIAs often offer a choice of indexes and methods used to calculate the interest you can earn.

#### **Guaranteed Principal**

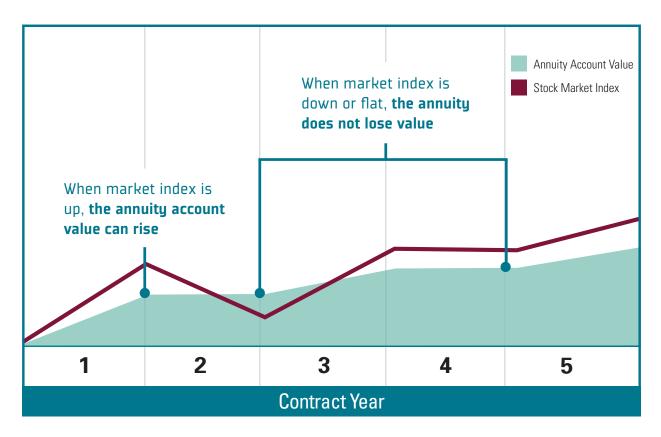
Both your premium payment and any interest locked in at the end of each term are protected from loss by the claims-paying ability and financial strength of the issuing insurance company. Some FIAs have an optional benefit (available for an additional fee) that allows you to get at least your premium payments back at any time, with no surrender charge.

#### Tax Deferred Growth

All your earnings grow 100% tax deferred, until you start taking withdrawals or income payments. In most cases, that will be after retirement, when your tax bracket may be lower. Withdrawals are taxed as ordinary income and if taken prior to 59½, you may have to pay a 10% federal tax penalty.

#### How FIAs Work: Growth Potential, with No Downside Risk

Many FIAs include a feature called an "annual reset," which uses the previous year's ending value as the starting value in the next year. At that point, the earnings are locked in and protected from loss. However, if the market stayed flat or went down during the year, your value does not decrease.



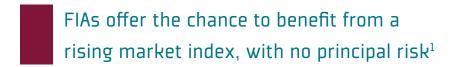
The chart is a hypothetical representation of fixed index annuity growth under varying market/index conditions and is not meant to represent the performance of Delaware Life Retirement Stages 7® Fixed Index Annuity or any other specific product.

## Stage 2: Retirement Income for Life

#### **Options for Lifetime Income**

When you're ready to start drawing on your savings in retirement, FIAs offer a variety of options.

- You can make periodic withdrawals from your cash value as needed. However, withdrawals will reduce your future retirement earnings, may result in a surrender charge and/or a market value adjustment and may impact the available amount of retirement income.
- You can choose to "annuitize" your contract. This provides guaranteed payments for life or for a specified period, for you and (if you purchase a joint contract) your spouse.
- Some FIAs also have optional benefits (available for an additional fee)
  that guarantee a specified level of withdrawals for life—even if your
  account value goes to zero.





<sup>&</sup>lt;sup>1</sup>Withdrawals will reduce your future retirement earnings, and may result in a surrender charge or a market value adjustment.



## Delaware Life Retirement Stages 7<sup>®</sup> at a Glance

### A FIA with Unique Features and Flexibility

Retirement Stages 7<sup>®</sup> is designed to provide a combination of growth potential and principal protection that can help you to reach your long-term retirement income goals. Since you are not invested in any stock or bond, you don't have to worry about whether your retirement money will be lost to market and economic surprises.

You can customize the annuity with index and crediting options to fit your individual needs. But regardless of the index option you choose, you cannot lose money. (But if you make withdrawals or surrender your contract during the first seven years, there is a penalty. Also, you can incur fees related to optional benefits.)

#### Choices to Increase Your Assets

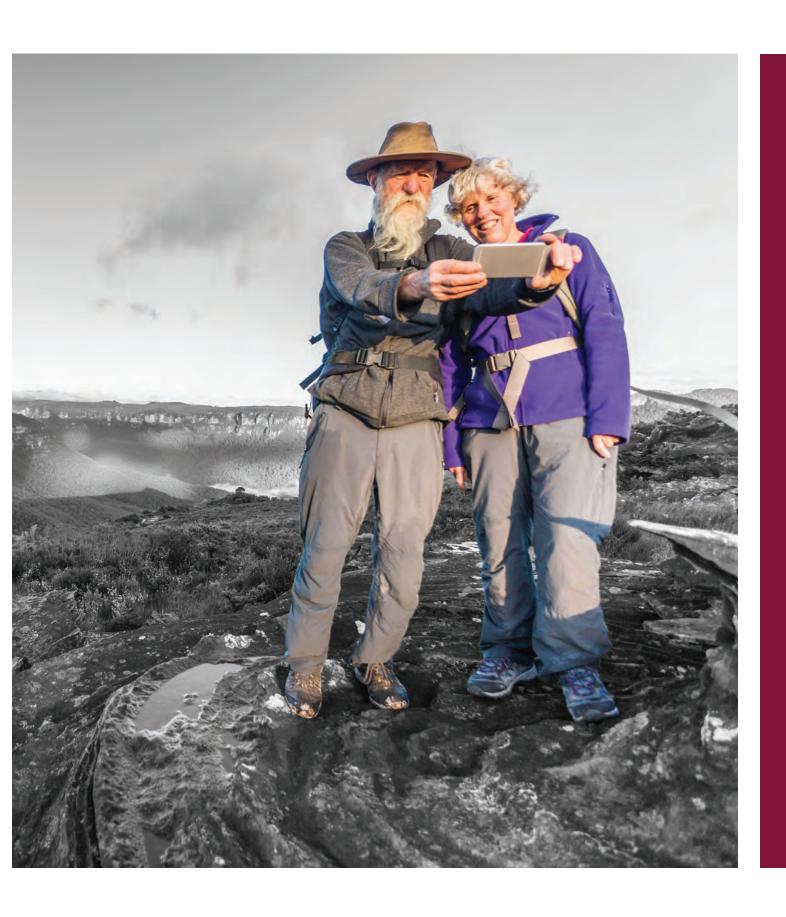
You can choose from a variety of options for earning interest. These include a fixed-rate account that pays a guaranteed rate for a specified period of time, or one or more of three underlying market indexes. How additional interest is calculated will vary with the combination of the index and crediting method (the way your interest is calculated) you choose (and may also be limited by a cap, spread or participation rate—for more information see below).

#### Caps, Participation Rates and Spreads

Crediting methods can have components such as caps, participation rates and spreads that may limit the amount of indexed interest you receive. These components are subject to change (for example, caps may be raised or lowered).

- A cap is the maximum interest rate the FIA can earn.
- A participation rate is the percentage of the gains achieved by the underlying index that will be credited to the FIA.
- A spread will subtract a certain percentage from any gain that the underlying index achieves.







#### Options for Lifetime Income

When you transition to retirement, Retirement Stages 7® gives you the flexibility to take income in one of several ways. You should choose the option that best suits your needs and goals.

- Free withdrawal amounts. After the first contract year, you can withdraw up to the greater
  of 10% of the last anniversary value of your account or required minimum distributions
  (RMDs) with no surrender charges.<sup>1, 2</sup>
- Periodic withdrawals. After the first seven years, you can make withdrawals without surrender charges when you need them, in any amount.<sup>2</sup>
- Annuity payments. For guaranteed income for life or for a specified period, you can choose from among several annuity payment options for you and your spouse (if you purchase a joint contract).
- Guaranteed withdrawals with the optional STAIR® withdrawal benefit, available for an additional fee. You may also opt for guaranteed lifetime income—even if your account value goes to zero—with the optional withdrawal benefit.



<sup>&</sup>lt;sup>1</sup>Charges will apply to the excess amount withdrawn in that contract year. Withdrawals may be subject to a market value adjustment, which may decrease or increase your surrender value depending on how interest rates have changed since you first purchased your annuity (not applicable in every state).

<sup>&</sup>lt;sup>2</sup>Withdrawals are taxed as ordinary income and you may have to pay a 10% federal tax penalty if you are younger than age 59½.

#### Return of Premium Rider

The optional Return of Premium Rider is available for an additional fee. You may surrender at any time prior to the annuity date—without surrender charges—and receive at least 100% of the premiums you paid (minus applicable prior withdrawals including any applicable withdrawal assessments, but not including any withdrawals to pay rider fees.)<sup>3</sup>

#### Death Benefit

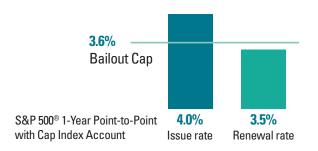
If you die before you begin receiving annuity income payments, Retirement Stages 7® guarantees that your beneficiary will receive at least the account value (including all the interest you've earned) without going through probate.<sup>4</sup>

#### Bailout Endorsement

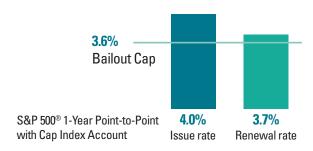
Your annuity comes with a "bailout" provision, that enables you to make full or partial withdrawals from the contract without a surrender charge or market value adjustment if the renewal cap for the S&P 500<sup>®</sup> 1-year point-to-point strategy is below the bailout cap rate. A cap is the maximum interest your FIA can earn in a year. See your disclosure statement for more details. No allocation to the Index account is required to receive this bailout protection. This benefit is provided to the owner at no cost.

#### How It Works

**Example 1: Bailout Triggered** 



Example 2: Bailout NOT Triggered



#### Build Guaranteed Income with the STAIR® Withdrawal Benefit

The optional STAIR® (Stacked Accumulation Income Rider®) is available for an additional fee. It can provide guaranteed lifetime income for you and your spouse, even if your account (cash) value should go to zero.

It also grows your benefit base by a guaranteed 4% per year. The benefit base is the amount on which your lifetime income is calculated. On each contract anniversary,

the benefit adds (or "stacks") that 4% to your benefit base on top of any interest applied to your account value. The benefit base is not a cash or surrender value or death benefit and is not available as a lump sum.

STAIR® can only be elected at the time your contract is issued. Additional premiums will increase both your account value and benefit base.

<sup>&</sup>lt;sup>3</sup>The rider cannot be terminated prior to the end of the surrender charge period. The rider fee will be deducted until the earliest of the end of the surrender charge period, the annuity date, or termination of the contract.

<sup>&</sup>lt;sup>4</sup>The death benefit amount is the greatest of the account value, Enhanced Guaranteed Surrender Value or minimum guaranteed surrender value. The death benefit is subject to adjustments for applicable charges and taxes.

## Four Ways to Earn Interest

## A Choice of Options to Grow Your Retirement Money

To provide diversification and options for a variety of market conditions, Retirement Stages 7® has a broad menu of choices for earning interest. This selection is available exclusively from Delaware Life. You and your financial professional should discuss your goals and decide which options are right for you.

#### Choose Multiple Options, with Flexibility to Switch

To diversify your sources of interest and growth opportunities, you may elect more than one strategy. Since your needs and goals may change over time, you may change your interest options on each contract anniversary. For more detailed information on the indexes and crediting methods available, see the inserts that accompany this brochure. (Please note: You are not actually purchasing shares or investing in any stock or index fund.)

#### Fixed Account

• Amounts allocated to this option will be credited with an interest rate that is current on the date the contract is effective. Each year, Delaware Life will declare new interest rates to reflect current conditions, but never less than the minimum guaranteed rate. For those who want to know at the start of the year how much interest will be credited to your account value, this option may be appropriate.

#### S&P 500® Index

For those who want to earn interest based on the performance of the broad U.S. market, the S&P 500® Index option may be suitable. The Index is widely regarded as a premier benchmark for the domestic stock market. It contains stocks from 500 large, leading companies in various industries.

Crediting methods available: 1-year point-to-point with cap, 1-year point-to-point with participation rate, and 1-year performance trigger

#### **CROCI Sectors III USD 5.5% Volatility Control Index**

This Index is sponsored by Deutsche Bank and allocates across a broad array of global equity markets and selected industry sectors. It is balanced by a cash component to help limit overall volatility. It offers more global equity exposure, as the Index tracks stocks in three major markets: U.S., Europe and Japan.<sup>2</sup>

Crediting method available: 1-year point-to-point with spread

#### **Morgan Stanley Global Opportunities Index**

The Index is sponsored by Morgan Stanley. It is a rules-based multi-asset strategy which uses a trend following methodology to determine allocations to global equities, interest rates, and commodities. The multi-asset approach provides risk diversification designed to balance exposures to various market risk factors and reduce the portfolio's natural volatility. The index is managed to a 5% target volatility over the long term and may also include a cash allocation to reduce overall volatility.

Crediting methods available: 1-year point-to-point with participation rate



#### Access to Indexes Sponsored by Global Leaders

With Retirement Stages 7<sup>®</sup> you can choose to earn interest based on three index options sponsored by notable, global institutions.

#### **Deutsche Bank**

Founded in 1870 and headquartered in Frankfurt am Main, Germany, Deutsche Bank is the largest bank in Germany and one of the largest financial institutions in the world.<sup>3</sup> As of December 2016, the firm had 2.656 branches in 70 countries.<sup>4</sup>

The company also offers the sales, trading and structuring of a wide range of financial markets' products including index-based swaps, notes and certificates.

#### **S&P Dow Jones Indexes**

S&P Dow Jones is a leading global resource for index-based concepts, data and research. Home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average, S&P Dow Jones has over 120 years of experience constructing innovative and transparent solutions that fulfill the needs of institutional and retail investors.

#### **Morgan Stanley**

Morgan Stanley is a leading global financial services firm providing investment banking, securities, wealth management and investment management services. With offices in more than 42 countries, the Firm's employees serve clients worldwide including corporations, governments, institutions and individuals.

<sup>&</sup>lt;sup>1</sup> Factors such as caps, spreads and participation rates will reduce crediting rates relative to the underlying index performance.

<sup>&</sup>lt;sup>2</sup> "Deutsche Bank" means Deutsche Bank AG and its affiliated companies, as context requires. Deutsche Bank does not render legal or tax advice and information in this communication should not be regarded as such. While volatility control may result in less fluctuation in rates of return as compared to indexes without volatility controls, they may also reduce the overall rate of return as compared to products not subject to volatility controls. Obligations to make payments under the annuity are solely the obligation of Delaware Life and are not the responsibility of Deutsche Bank. The selection of an index as a crediting option under the annuity does not obligate Delaware Life or Deutsche Bank to invest annuity payments in the components of any Index.

<sup>&</sup>lt;sup>3</sup> Source: http://www.businessinsider.com/sp-global-biggest-banks-in-europe-2017-4?r=UK&IR=T/#4-deutsche-bank-germany-1676-trillion-19

<sup>&</sup>lt;sup>4</sup>Source: https://www.db.com/company/en/global-network.htm

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#### **Risk Factors:**

There are risks associated with any product linked to this Index:

- Allocation to a crediting method using the Index provides the potential for interest to be credited based in part on the performance of the Index.
- The Index may not increase in value due to a number of factors and as a result there may be no interest credited to the annuity contract.
- Because the Index is managed to a volatility target, the Index performance will not match the performance of the underlying Index components and may dampen the performance of the Index in rising markets
- The Index has a limited performance history and past performance is no indication of future performance.
- The Index may be comprised of a small number of index components at any given time and the performance of the index involves risk associated with international and US equities and bonds, commodities and precious metals, which may impact the Index value and the interest credited to the annuity contract
- Premium allocated to a crediting method using the Index is not a direct investment in the stock markets, bond markets, commodities, precious metals or in the index.
- Purchasers of products linked to the index will have no access to the components underlying the Index.
- The Index is calculated on excess return basis.

# Delaware Life Retirement Stages 7®

Fixed Index Annuity

- Guaranteed Interest Rates
- Protection of Your Principal
- Lifetime Income Options

Ask your financial professional how to get started.

Guarantees are backed by the financial strength and claims-paying ability of Delaware Life Insurance Company (Waltham, MA). Policies and contracts are issued by Delaware Life Insurance Company. For use with base policy forms DLIC-FIA-17 or ICC17-DLIC-FIA-17 and endorsement/rider forms ICC15-DLIC-ROPR-01, ICC15-DLIC-GLWB-01, ICC15-DLIC-NHW-01, ICC16-DLIC-TBOUT and ICC15-DLIC-EGSV. Policy and rider form numbers may vary by state. Products, riders and features may vary by state, and may not be available in all states. This material may not be approved in all states. Ask your financial professional for more information.

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This brochure is a general description of the product. Please read your contract and disclosure statement for definitions and complete terms and conditions, as this is a summary of the annuity's features.

This communication is for informational purposes only. It is not intended to provide, and should not be interpreted as individualized investment, legal or tax advice. To obtain such advice, please consult with your investment, legal or tax professional.



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