

# Broker's Sales Guide

## Total Choice Annuity 3, 5 and 7

Experience the benefits of a tax-deferred annuity



**Standard Insurance Company**  
**Total Choice Annuity**

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# Total Choice Annuity 3, 5 and 7

## A rewarding blend of safety, growth and flexibility

The Total Choice Annuity from The Standard is a single premium deferred annuity offering a multi-year interest rate guarantee period of 3, 5 or 7 years in length. This product is designed to add safety and tax savings to your client's retirement strategy.

The Total Choice Annuity offers a variety of ways to access funds before the end of the surrender-charge period without paying a surrender charge.

### Rate Guarantees - 3, 5, or 7 years

#### Initial Rate Guarantee Period

Your client may choose a 3, 5 or 7-year initial interest rate guarantee period and receive the rate in effect at the time they buy the annuity for the entire length of the guarantee period. Interest is calculated and credited daily.

At the end of the term, they may withdraw their money or automatically start a new guaranteed-rate period.

#### Subsequent Rate Guarantee Period

If your client chooses to continue their annuity, a new interest rate guarantee period and surrender-charge period automatically begins at the end of the initial term, then again at the end of each subsequent term.<sup>1</sup>

All subsequent terms will be for the same duration as their initial guarantee period. For example, if they selected a Total Choice Annuity 3, all subsequent guarantee periods will be 3 years.

During the first 30 days of each subsequent term, your client may withdraw some or all of their funds without a surrender charge.

The Standard sets a new interest rate at the beginning of each subsequent rate guarantee period, and we guarantee the rate for that period. The new rate may be higher or lower than the interest rate of the initial rate guarantee period.

### Optional: Principal Guarantee

Your client must select this option at the time of purchase in order to have this feature. This selection guarantees that after day one, your client's total payout will never be less than the total premium they paid, minus any withdrawals or loans taken.

**Adding this rider will lower the crediting rate and your client must understand this at the time of sale. A Total Choice Annuity with this option will have a lower rate for the life of the contract than will a contract without the feature.**

### Premium Amounts

The minimum premium is \$15,000 and maximum premium is \$1,000,000. Greater amounts may be possible if pre-approved by The Standard before you submit an application.

Once a Total Choice Annuity is established, additional premiums may be added during the first 90 contract days. Any additional premiums received will be credited with the interest rate in effect at the time they are received.

1. Subject to restrictions in Florida to comply with state regulations.

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## Issue Age

- Total Choice Annuity 3 and 5 for owners age 18–93<sup>2</sup> and for annuitants age 0–93<sup>2</sup>
- Total Choice Annuity 7 for owners age 18–90 and for annuitants age 0–90

## Fees

There are no annual contract fees.

## Selling Points

### Competitive Interest Rate Guarantees

The Total Choice Annuity offers growth potential through competitive interest rates. The Standard has a long-standing history of reliable fixed annuity performance.

Whether your client chooses the Total Choice Annuity's 3, 5 or 7-year guarantee option, the initial interest rate is guaranteed to remain level during the initial rate guarantee period. At the end of the term, your client may withdraw their money or automatically start a new guaranteed-rate period.

### Interest Rate Lock

The Total Choice Annuity has an interest rate lock available at the time of purchase. This allows 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.

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 are received within this window, the client receives the greater of the held interest rate or the current interest rate.

If the premium is received after the rate-lock period, it will be credited with the interest rate in effect at the time the premium is received. For more specific information, contact the Annuity sales team.

### Tax-Qualification Options

To start or continue a qualified retirement account, we allow the transfer or rollover of funds from qualified plans such as an IRA, 401(k) or Simplified Employee Pension into a qualified Individual Retirement Annuity.

For non-qualified funds, we allow for 1035 exchanges, direct transfers or lump sum payments to open a non-qualified annuity.

### Advantages of Tax Deferral

Taxes are due only when funds are withdrawn as surrenders or when distributions are made. Most people take these actions during retirement, when they are likely in a lower tax bracket. As a result, interest has been accumulating on principal, earnings and money that would have otherwise been paid in income taxes, and the taxes paid may be at a lower tax rate.

### Time to Reflect on the Purchase

Your client may cancel and return their contract within 30 days after it is delivered. We will refund their premium after a cancellation, minus any withdrawals taken.

2. The purchase of the annuity for those age 91-93 must be for transfer-of-wealth or estate-planning purposes.

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# Total Choice Annuity Key Features

## Surrender-Charge Period

Deferred annuities are designed for long-term retirement savings. Although all or a portion of the funds may be withdrawn at any time, withdrawals and surrenders may face a charge during each surrender-charge period. This is calculated as a percentage of the withdrawal amount.

At the end of each guarantee period, new interest rate guarantee periods and surrender-charge periods automatically begin.<sup>3</sup> During the first 30 days of each subsequent surrender-charge period, your client may withdraw some or all of their funds without a surrender charge.

### Total Choice Annuity 3

Year in Surrender-Charge Period	1	2	3
Surrender Charge	9.4%	8.5%	7.5%

### Total Choice Annuity 5

Year in Surrender-Charge Period	1	2	3	4	5
Surrender Charge	9.4%	8.5%	7.5%	6.5%	5.5%

### Total Choice Annuity 7

Year in Surrender-Charge Period	1	2	3	4	5	6	7
Surrender Charge	9.4%	8.5%	7.5%	6.5%	5.5%	4.5%	3.5%

## Minimum Value Guarantee

During the surrender-charge period and throughout the life of the contract, minimum values of the annuity are guaranteed by law. The owner will never receive less than the minimum contract values over the life of the contract. The annuity contract surrender value is guaranteed to equal, or exceed, the contractual minimum values in the contract.

The Standard applies a formula to ensure that the surrender value meets, or exceeds, these contractual minimum values.

At all times, the owner is guaranteed to receive an annuity value that meets or exceeds minimum required values.

3. Subject to restrictions in Florida to comply with state regulations.

## Access to Funds

While surrenders and withdrawals are discouraged during the surrender-charge periods, there are times when your client may need to access funds. We have created withdrawal options without a surrender charge to help in certain situations. There may be a 10 percent early-withdrawal IRS penalty for surrenders that occur before age 59½. Please consult a tax professional for guidance.

### 30-Day Window

During the first 30 days of each subsequent surrender-charge period, your client can withdraw some or all of their funds without a surrender charge.

### Payments of Interest Earnings

After 30 days your client may schedule withdrawal of earned interest without a surrender charge on a monthly, quarterly, semi-annual or annual basis. Your client may request such withdrawal to include interest earned for the 12 months prior to the request. Electronic Funds Transfer (or “direct deposit”) is available and encouraged.

### Required Minimum Distributions

Surrender-charge-free annuity payments may be scheduled that meet IRS-required minimum distributions for tax-qualified plans.

### Terminal Conditions<sup>4</sup>

After the first year, if your client is diagnosed with a terminal condition with a life expectancy of 12 months or less, they may withdraw, transfer, or surrender funds without a surrender charge. Written documentation is required. State-specific conditions apply to the terminal condition waiver.

### Nursing Home Residency<sup>4</sup>

After the first year, if your client becomes a resident in a nursing home for 30 or more consecutive days, they may withdraw, transfer, or surrender funds without a surrender charge during the period of confinement. Written documentation is required.

### Death Benefits

Upon death of the owner, death benefits are payable and surrender charges will be waived. After the death of an annuitant, the owner may elect a withdrawal within 180 days of the death and surrender charges will be waived.

### Annuitization

Annuitization is the process of changing from accumulating savings to generating a guaranteed income stream. Your client may convert their deferred annuity to a payment stream with The Standard at any time without a surrender charge. They must choose either a lifetime income payment option or a certain period of at least five years.

4. Applies after the first contract year.

## 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.

### Income Options

- 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
- Lump sum

## Suitability Analysis During the Sales Process

### Is This Product Right for Your Client?

In recommending an annuity to a client, state suitability rules require 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

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As a result of a producer's review of the client information 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.

Review our Suitability Guidelines flyer for further details.

## Compensation

### Commission Amounts

Consult your Annuity Commission Schedule for details.

### Commission Chargeback

#### Surrenders

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

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## 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](mailto:annsales@standard.com).

## Forms and Materials

You may find this guide, marketing materials and new business forms at [www.standard.com/annuities](http://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 Submissions

Annuity New Business, P6C  
The Standard  
PO Box 711  
Portland, OR 97207-9971

## Street Address For Overnight Deliveries

Annuity New Business, P6C  
The Standard  
1100 SW Sixth Avenue  
Portland, OR 97204  
800-247-6888

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Annuities are intended as long-term savings vehicles. The Total Choice Annuity is a product of Standard Insurance Company. It may not be available in some states. The annuity is not guaranteed by any bank or credit union and is not insured by the FDIC or any other governmental agency. The purchase of an annuity is not a provision or condition of any bank or credit union activity. Some annuities may go down in value. The guarantees of the annuity are based on the financial strength and claims-paying ability of Standard Insurance Company.

An annuity should not be purchased as a short-term investment.

The Standard is a marketing name for StanCorp Financial Group, Inc. and subsidiaries. Insurance products are offered by Standard Insurance Company of Portland, Oregon in all states except New York. Product features and availability vary by state and are solely the responsibility of Standard Insurance Company.

Policies: ICC17-SPDA (01/17), SPDA (01/17), SPIA (09/06), ICC11-SPIA (2/11).

Riders: ICC17-R-TCB, ICC17-R-NHB, ICC17-R-ANN, ICC17-R-DB, ICC17-R-ANNDW, ICC17-R-EIO, ICC17-R-GOP, ICC17-E-SEPP, ICC17-R-IRA, ICC17-R-Roth IRA, ICC17-R-QPP, R-TCB, R-NHB, R-ANN, R-DB, R-ANNDW, R-EIO, R-GOP, E-SEPP, R-IRA, R-Roth IRA, R-QPP.

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