



# The Standard<sup>®</sup>

## Standard Insurance Company

Individual Annuities 800.247.6888 Tel 971.321.5742 Fax

Email: annuityservices@standard.com

1100 SW Sixth Avenue Portland OR 97204-1093 [www.standard.com](http://www.standard.com)

## Individual Deferred Index Annuity Application

Upon written request by the owner, Standard Insurance Company will provide reasonable factual information about the contract benefits and provisions within a reasonable time. The owner may cancel and return the contract for any reason within thirty (30) days after it is received.

### 1 Purchase

Index Select Annuity	<input type="checkbox"/> ISA 5	<input type="checkbox"/> ISA 7	<input type="checkbox"/> ISA 10
Strategic Choice Annuity	<input type="checkbox"/> SCA 7		
Other	<input type="checkbox"/>		
Send the contract to	<input type="checkbox"/> Broker	<input type="checkbox"/> Applicant	

### 2 Owner(s) Please Print

PRIMARY FULL LEGAL NAME/TRUST NAME		
TRUSTEE NAME (IF APPLICABLE)		
SSN OR TIN	BIRTH DATE/TRUST DATE	
BUSINESS/MAILING ADDRESS		
CITY	STATE	ZIP CODE
RESIDENCE ADDRESS		
CITY	STATE	ZIP CODE
GENDER <input type="checkbox"/> Female <input type="checkbox"/> Male <input type="checkbox"/> Not Applicable	PHONE	
E-MAIL ADDRESS		

### Available for Non-Qualified Annuities only.

JOINT FULL LEGAL NAME		
SSN OR TIN	BIRTH DATE	
BUSINESS/MAILING ADDRESS		
CITY	STATE	ZIP CODE
RESIDENCE ADDRESS		
CITY	STATE	ZIP CODE
GENDER <input type="checkbox"/> Female <input type="checkbox"/> Male	PHONE	
E-MAIL ADDRESS		

**3 Annuitant(s) (Please Print)**

PRIMARY FULL LEGAL NAME		
SSN OR TIN	BIRTH DATE	
BUSINESS/MAILING ADDRESS		
CITY	STATE	ZIP CODE
RESIDENCE ADDRESS		
CITY	STATE	ZIP CODE
GENDER <input type="checkbox"/> Female <input type="checkbox"/> Male	PHONE	
E-MAIL ADDRESS		

JOINT FULL LEGAL NAME		
SSN OR TIN	BIRTH DATE	
BUSINESS/MAILING ADDRESS		
CITY	STATE	ZIP CODE
RESIDENCE ADDRESS		
CITY	STATE	ZIP CODE
GENDER <input type="checkbox"/> Female <input type="checkbox"/> Male	PHONE	
E-MAIL ADDRESS		

**4 Premium**

AMOUNT ATTACHED	ESTIMATED AMOUNT(S) FORTHCOMING	TOTAL AMOUNT EXPECTED
PLANNED AMOUNT PREMIUM (IF APPLICABLE)		

**5 Allocation Direction: total must equal 100%**

INDEX INTEREST ACCOUNT - INDEX RATE CAP	%
INDEX INTEREST ACCOUNT - PARTICIPATION RATE	%
FIXED INTEREST ACCOUNT	%

**6 Source of Funds (select as many that apply)**

For Transfer, Rollover or 1035 Exchange, include form 12213			
<input type="checkbox"/> New Investment	<input type="checkbox"/> 1035 Exchange	<input type="checkbox"/> Transfer	<input type="checkbox"/> Rollover

**7 Contract type (select one)**

<input type="checkbox"/> Non-Qualified	
<input type="checkbox"/> Inherited IRA (Include form 13668)	
<input type="checkbox"/> Traditional IRA	
<input type="checkbox"/> Roth IRA	
<input type="checkbox"/> Simplified Employee Pension (SEP) IRA	
<input type="checkbox"/> Qualified Pension Plan type (select one)	
<input type="checkbox"/> Transfer	<input type="checkbox"/> Defined Contribution Plan
Plan Year End month/date	

## 8 Beneficiary Designation

<input type="checkbox"/> Primary <input type="checkbox"/> Contingent <input type="checkbox"/> Revocable <input type="checkbox"/> Irrevocable		
FULL LEGAL NAME/TRUST NAME		
TRUSTEE NAME		
SSN OR TIN	BIRTH DATE/TRUST DATE	
RELATIONSHIP	PERCENTAGE	
BUSINESS/MAILING ADDRESS		
CITY	STATE	ZIP CODE
PHONE	E-MAIL ADDRESS	

<input type="checkbox"/> Primary <input type="checkbox"/> Contingent <input type="checkbox"/> Revocable <input type="checkbox"/> Irrevocable		
FULL LEGAL NAME/TRUST NAME		
TRUSTEE NAME		
SSN OR TIN	BIRTH DATE/TRUST DATE	
RELATIONSHIP	PERCENTAGE	
BUSINESS/MAILING ADDRESS		
CITY	STATE	ZIP CODE
PHONE	E-MAIL ADDRESS	

<input type="checkbox"/> Primary <input type="checkbox"/> Contingent <input type="checkbox"/> Revocable <input type="checkbox"/> Irrevocable		
FULL LEGAL NAME/TRUST NAME		
TRUSTEE NAME		
SSN OR TIN	BIRTH DATE/TRUST DATE	
RELATIONSHIP	PERCENTAGE	
BUSINESS/MAILING ADDRESS		
CITY	STATE	ZIP CODE
PHONE	E-MAIL ADDRESS	

<input type="checkbox"/> Primary <input type="checkbox"/> Contingent <input type="checkbox"/> Revocable <input type="checkbox"/> Irrevocable		
FULL LEGAL NAME/TRUST NAME		
TRUSTEE NAME		
SSN OR TIN	BIRTH DATE/TRUST DATE	
RELATIONSHIP	PERCENTAGE	
BUSINESS/MAILING ADDRESS		
CITY	STATE	ZIP CODE
PHONE	E-MAIL ADDRESS	

9 Owner, Annuitant and Broker Remarks (If additional remarks are attached to this application, be sure to sign and date.)

10 Notices and Disclosures

**Contract Return**

If the contract is returned during the free look period, Standard Insurance Company will: (a) cancel the contract form from the beginning; and (b) promptly refund any premium paid by the owner, less any prior partial withdrawals.

**Applies if the annuity is purchased through a bank or credit union.**

The annuity is not a deposit. The annuity is not guaranteed by any bank or credit union. The annuity is not insured by the FDIC or by any other governmental agency. The purchase of an annuity is not a provision or condition of bank or credit union activity. Some annuities are subject to investment risk and may go down in value.

**Fraud Notice**

Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

**Privacy Statement**

I understand that, in the course of processing my application, Standard Insurance Company may collect personal information about: (a) me; and (b) others I have identified in this application, e.g. beneficiaries, policy owners and annuitants. I understand that the personal information may include information about my: (a) age; (b) occupation; (c) income; (d) finances; and (e) other insurance. Standard Insurance Company may obtain personal information from: (a) this application; (b) other forms I submit to Standard Insurance Company; (c) an employer; (d) an insurance sales representative; (e) other insurance companies; (f) Standard Insurance Company's web sites; and (g) any other person, organization or institution having records or knowledge of me that are necessary to process this transaction. In the course of processing this transaction there may be circumstances in which Standard Insurance Company discloses to other parties the information collected about me. I authorize Standard Insurance Company to disclose personal information to: (a) an employer (e.g. name, employment status and Social Security number); (b) organizations or persons, including insurance sales representatives that perform services or functions necessary to process this transaction; and (c) other insurance companies. No other disclosure may be made without my further authorization except: (a) to the extent necessary for the conduct of Standard Insurance Company's business; or (b) as permitted or required by law. I understand that failure to sign the authorization may: (a) impair the ability to process my application; and (b) be the basis for denying my application. I understand that this authorization: (a) will automatically expire 24 months following the date of my signature below; (b) may be revoked by me at any time by sending a written request for revocation to Standard Insurance Company at the address above; and (c) such revocation may be the basis for denying my application. I also understand that: (a) I (or my authorized representative) have the right to request a copy of my authorization and to learn the nature and substance of any personal information about me in Standard Insurance Company's file; (b) I (or my authorized representative) have the right to ask Standard Insurance Company to correct or amend such information, if necessary; and (c) Standard Insurance Company will carefully review my request and, where appropriate, make the necessary change. To obtain further information about these rights and information practices, I have been informed that I may request a copy of the Privacy Notice by contacting Standard Insurance Company at the address above.

## 11. Applicant and Insurance Broker Declarations

The signatories of this application represent that all statements and information contained herein are true and complete to the best of their belief and knowledge. The insurance broker declares that all answers and information in this application have been truly and accurately recorded as provided by the applicant. The insurance broker declares that the identity of the applicant has been verified by reviewing a government-issued photo identification. The insurance broker also declares that with respect to the suitability of this sales recommendation, the applicable state requirements have been met. The signatories of this application also declare that this application was signed by the applicant after all answers and information were recorded herein. Additionally, the signatories of this application declare and certify the following:

- A.** The applicant has existing life insurance policies or annuity contracts.  
**Insurance Broker:** ☐ Yes ☐ No **Applicant:** ☐ Yes ☐ No
- B.** The contract applied for will replace an existing life insurance policy or annuity contract.  
If yes, the insurance broker has left all materials used in the sales presentation with the applicant. The insurance broker has gone through the applicable replacement form with the applicant and it has been completed and enclosed with this application.  
**Insurance Broker:** ☐ Yes ☐ No **Applicant:** ☐ Yes ☐ No
- C.** The insurance broker has delivered and the applicant has received *The Buyer's Guide to Deferred Annuities*.  
**Insurance Broker:** ☐ Yes ☐ No **Applicant:** ☐ Yes ☐ No
- D.** The signatories to this application have read through the applicable product disclosure, and the insurance broker has explained and the applicant understands the various product features, including but not limited to: (a) surrenders and withdrawals; (b) surrender charges; (c) surrender charge period; (d) early withdrawal tax penalty; and (e) annuitization.  
A signed product disclosure is enclosed with this application.  
**Insurance Broker:** ☐ Yes ☐ No **Applicant:** ☐ Yes ☐ No
- E.** The applicant is a full-time, active-duty member of the US Armed Forces (includes a reserve unit serving under published orders for training).  
If yes, the applicable form has been completed, signed, and enclosed with this application.  
**Insurance Broker:** ☐ Yes ☐ No **Applicant:** ☐ Yes ☐ No
- F.** The applicant is purchasing an annuity that includes a market value adjustment feature.  
If yes, the insurance broker has explained and the applicant understands that during the market value adjustment period: (a) any amount surrendered or used to provide annuity benefit payments may be subject to a market value adjustment; and (b) the adjustment may increase or decrease amounts payable under the contract. The insurance broker has explained and the applicant understands that: (a) if interest rates rise after the contract effective date, the market value adjustment will generally decrease the surrender value; and (b) if interest rates fall after the contract effective date, the market value adjustment will generally increase the surrender value.  
**Insurance Broker:** ☐ Yes ☐ No **Applicant:** ☐ Yes ☐ No
- G.** The insurance broker has explained and the applicant understands that The Standard does not offer legal, financial, tax, investment or estate-planning advice. The applicant has had the opportunity to seek such advice from the proper sources before purchasing this annuity.  
**Insurance Broker:** ☐ Yes ☐ No **Applicant:** ☐ Yes ☐ No
- H.** The insurance broker and the applicant agree that the purchase of this annuity is appropriate to the applicant's particular legal, financial, tax, investment, estate-planning goals and other circumstances.  
The insurance broker and the applicant have gone through and completed suitability forms, as applicable. The completed and signed original of that form is enclosed with this application, a copy has been left with the applicant, and a copy has been retained and is on file with the insurance broker.  
**Insurance Broker:** ☐ Yes ☐ No **Applicant:** ☐ Yes ☐ No

INSURANCE BROKER FULL LEGAL NAME		
BROKERAGE	PHONE	
BUSINESS OR INSTITUTION NAME		
COMMISSION PAYMENT OPTION <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C		
BUSINESS/MAILING ADDRESS		
CITY	STATE	ZIP CODE
E-MAIL ADDRESS		

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Owner Signature

Date (MM/DD/YYYY)  
Signed at (City, State)

Owner Signing as:

☐ Self ☐ Trustee

☐ Attorney in Fact

(Include certified Power of Attorney and form 14389)

☐ Other

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Joint Owner Signature

Date (MM/DD/YYYY)  
Signed at (City, State)

Joint Owner Signing as:

☐ Self ☐ Trustee

☐ Attorney in Fact

(Include certified Power of Attorney and form 14389)

☐ Other

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Annuitant Signature

Date (MM/DD/YYYY)  
Signed at (City, State)

Annuitant Signing as:

☐ Self

☐ Attorney in Fact

(Include certified Power of Attorney and form 14389)

☐ Other

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Joint Annuitant Signature

Date (MM/DD/YYYY)  
Signed at (City, State)

Joint Annuitant Signing as:

☐ Self

☐ Attorney in Fact

(Include certified Power of Attorney and form 14389)

☐ Other

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Insurance Broker Signature

Date (MM/DD/YYYY)  
Signed at (City, State)



**Please check the appropriate box:**

☐ Qualified Annuity

☐ Non-qualified Annuity

This Disclosure summarizes important points for you to consider before you purchase Standard Insurance Company's (The Standard's) Index Select Annuity.

The Index Select Annuity (ISA) is a single-premium deferred index annuity. You purchase the annuity with one premium payment, but premiums are accepted during the first 90 contract days to accommodate multiple roll-overs, transfers and exchanges. The ISA is an individual fixed deferred index annuity which means interest is earned during the accumulation phase and annuity benefit payments are deferred until the annuity date or upon annuitization. The ISA is an index annuity that offers annuity account allocation options: (a) fixed interest account; and (b) index interest account(s). You may allocate premium among the accounts. Under current tax law: (a) the principal and earnings are not subject to income taxes until funds are withdrawn or distributed; and (b) a 10% IRS early-withdrawal penalty may apply to withdrawals or distributions prior to age 59½. Tax law is subject to change. Please see your financial or tax professional for any exceptions to the early-withdrawal penalty.

The main purposes of a deferred annuity are: (a) to save money for retirement; and (b) to receive retirement income for life. It is not meant for short-term financial goals.

**If you have any questions about the ISA, please ask your broker or financial advisor. You may also contact us at the phone number shown above.**

**THE ANNUITY CONTRACT.** *How will the value of my annuity grow?*

**Annuity.** An annuity allows you to pay a premium for the contract and interest will be earned on a tax-deferred basis. The premium and interest earnings are not subject to income taxes until the funds are withdrawn or distributed.

**Owner.** The owner is the person or entity who has purchased the contract and to whom the contract is issued.

**Annuitant.** The annuitant is the person on whose life the amount and duration of annuity benefit payments are based.

**Issue Age.** An ISA5 will be issued to owners age 18-93 and annuitants age 0-93. (Note: Ages 91-93 must be for transfer of wealth or estate-planning purposes.) The ISA7 will be issued to owners age 18-90 and annuitants age 0-90. The ISA10 will be issued to owners age 18-80 and annuitants age 0-80.

**Contract Effective Date.** The contract effective date is the date premium is received in The Standard's home office. The effective date is shown on the contract cover.

**Premium.** An ISA may be established with an initial premium of \$15,000 to \$1,000,000 (or more with prior home-office approval). Additional premium payments may be made during the first 90 days of the contract. This generally allows for multiple roll-overs, transfers and exchanges. Premium is allocated among the fixed interest account and the index interest account(s) as you have indicated on the application. You must allocate a total of at least 15% of your premium to the index account(s), and no less than \$2,000 to any account to which you have allocated premium.

**Annuity Fund.** The annuity fund is the amount available to provide annuity benefit payments, surrender benefits and death benefits. The value of the annuity fund is: (a) premium plus credited interest; plus (b) the guaranteed minimum accumulation benefit; minus (c) net amounts surrendered, surrender charges and associated market value adjustments; minus (d) premium tax, if any.

**Expense Charges.** There are no expense charges under the contract. There are surrender charges, market value adjustments and premium tax in those states that require premium tax.

**Safety and Guarantees.** The Standard guarantees that the owner will never receive less than: (a) 87½% of the total premium payments, net of any withdrawals taken; accumulated at (b) an annual interest rate no less than 1.00%.

**Interest Rates.**

**Fixed Interest Account.** The portion of the initial premium allocated to the fixed interest account will receive the interest rate in effect as of the date the application and premium are received in the home office. Additional premium allocated to the fixed interest account received during the first 90 days of the contract will receive the interest rate in effect at the time it is received in the home office.

Premium payments are credited with a guaranteed interest rate for 1 year. Thereafter, the credited interest rate on the fixed interest account may change.

Interest compounds daily.

**Index Interest Account(s).** The portion of initial premium allocated to the index interest account(s) is credited with interest at the end of the applicable index term. The interest credited is based on the index change of the applicable index over the index term, subject to the index account's participation rate and index rate cap for the index term.

No interest will be credited or deducted if the index change is zero or less.

**Index Term.** An index term is the time period over which an index change is measured to determine the interest to be credited to funds in the index interest account. The initial index term begins on the day funds are first allocated to the index interest account(s). The index term is:

Participation Rate Index Interest Account: 1 year

Index Rate Cap Index Interest Account: 1 year

**Participation Rate.** The participation rate is the percentage of the index change that will be used to calculate the interest credited at the end of each index term. The interest credited to the fund will never be negative. After each index term a new participation rate will be declared. The participation rate is guaranteed for each index term for which it is declared.

**Index Rate Cap.** The index rate cap is the maximum interest rate that will be used to calculate the interest credited at the end of each index term. The interest credited to the fund will never be negative. After each index term a new index rate cap will be declared. The index rate cap is guaranteed for each index term for which it is declared.

**Guaranteed Minimum Accumulation Benefit.** If at the end of the surrender charge period the value of the annuity fund is less than the guaranteed minimum accumulation value, the contract will be credited with a one-time payment of a guaranteed minimum accumulation benefit (GMAB). The GMAB is equal to the difference between the guaranteed minimum accumulation value and the value of the annuity fund. The GMAB will be credited to each account in the proportion each account has to the value of the annuity fund as of the day immediately preceding the guaranteed minimum accumulation benefit eligibility date.



**INDEX INTEREST ACCOUNT GROWTH.** *How is the growth of funds in the Index Interest Account(s) determined?*

Interest is credited at the end of the index term for funds in the index interest account(s). For example, assume the following:

- The index term is one year.
- The participation rate in the Participation Rate index interest account for the annual index term is 40%.
- The index rate cap in the Index Rate Cap index interest account for the annual index term is 5.00%.

The index growth rate equals: (a) the index at the end of the annual index term; minus (b) the index at the beginning of the annual index term; divided by (c) the index at the beginning of the annual index term. For example, if the index at the beginning of the annual index term is 1000 and the index at the end of the annual index term is 1100, the index growth rate is:

$$(1100 - 1000) / 1000 = 10.00\%$$

For the Participation Rate index interest account, the index growth rate is multiplied by the participation rate:

$$10.00\% * 40\% = 4.00\%$$

For the Index Rate Cap index interest account, the index growth rate is compared to the index rate cap:

$$\text{The lesser of } 10.00\% \text{ and } 5.00\% = 5.00\%$$

The interest credited to each account will never be less than zero. Assuming each index interest account begins with \$20,000 in premium, the following table shows the percentage and dollar amount of interest credited after one year given various index growth rates:

Index Growth Rate	<u>-5.0%</u>	<u>3.0%</u>	<u>10.0%</u>	<u>20.0%</u>
Participation Rate index interest account	0.0% / \$0	1.2% / \$240	4.0% / \$800	8.0% / \$1,600
Index Rate Cap index interest account	0.0% / \$0	3.0% / \$600	5.0% / \$1,000	5.0% / \$1,000

**SURRENDER BENEFITS.** *May I take money out of my annuity?*

You may take money out of your annuity any time before annuity benefit payments begin. You may take out all of your annuity's fund value (**full surrender**) or part of it (**partial surrender**). Withdrawals must be \$500 or more. At least \$2,000 must remain in the annuity fund for the contract to remain in force. A 10% IRS penalty may apply to withdrawals made before you reach age 59½.

A surrender charge will be assessed on amounts you withdraw during the surrender charge period, as follows:

**ISA 10**

Contract Year	1	2	3	4	5	6	7	8	9	10
Surrender Charge	9.4%	8.5%	7.5%	6.5%	5.5%	4.5%	3.5%	2.5%	1.5%	0.5%

**ISA 7**

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

**ISA 5**

Contract Year	1	2	3	4	5
Surrender Charge	9.4%	8.5%	7.5%	6.5%	5.5%

**Example:** If you withdrew \$5,000 during the first contract year, a 9.4% surrender charge would apply.  $\$5,000 \times .094 = \$470$ . A \$470 surrender charge would be deducted from the \$5,000 withdrawal amount, i.e.  $\$5,000 - \$470 = \$4,530$ . The resulting \$4,530 is then subject to a market value adjustment.

**MARKET VALUE ADJUSTMENT.** *How does the market value adjustment work?*

**Market Value Adjustment.** The Index Select Annuity includes a market value adjustment feature. During the market value adjustment period, any amount surrendered is subject to a market value adjustment (MVA). The MVA may increase or decrease the amounts payable. Generally, if interest rates rise after the beginning of the market value adjustment period, the MVA will decrease the surrender value; and, if interest rates fall, the MVA will increase the surrender value. The MVA is waived for any surrender or benefit payment for which surrender charges are waived.

**Market Value Adjustment Period.** The Market Value Adjustment Period begins on the date the Surrender Charge Period begins and runs concurrently with the Surrender Charge Period.

**Example.** Consider the combined charges for an early surrender when the MVA index rates increase or decrease. The examples below assume the index is 3.00% as of the contract effective date, then either rises to 5.00% or drops to 1.00%. This is for example purposes only. Actual results may vary.

**ISA 10**

End of MVA Period Year	1	2	3	4	5	6	7	8	9	10
Unchanged at 3.00%	9.4%	8.5%	7.5%	6.5%	5.5%	4.5%	3.5%	2.5%	1.5%	0.5%
Increased to 5.00%	13.9%	15.3%	16.7%	16.8%	14.3%	11.7%	9.1%	6.3%	3.5%	0.7%
Decreased to 1.00%	4.9%	1.7%	-1.7%	-5.0%	-4.4%	-3.5%	-2.5%	-1.6%	-0.6%	0.3%

**ISA 7**

End of MVA Period Year	1	2	3	4	5	6	7
Unchanged at 3.00%	9.4%	8.5%	7.5%	6.5%	5.5%	4.5%	3.5%
Increased to 5.00%	13.9%	15.2%	14.5%	11.9%	9.2%	6.5%	3.7%
Decreased to 1.00%	4.9%	1.8%	-0.2%	0.7%	1.6%	2.4%	3.3%

**ISA 5**

End of MVA Period Year	1	2	3	4	5
Unchanged at 3.00%	9.4%	8.5%	7.5%	6.5%	5.5%
Increased to 5.00%	13.8%	13.8%	11.1%	8.4%	5.7%
Decreased to 1.00%	5.0%	2.8%	3.6%	4.5%	5.3%

**ANNUITY BENEFITS.** *What payment options are available under my annuity?*

**Annuity Date.** The annuity date is: (a) the contract anniversary coinciding with or next following the date the (older) annuitant's 115<sup>th</sup> birthday; or (b) the 10<sup>th</sup> contract year; whichever is later. The contract will automatically annuitize and begin its payout phase, unless otherwise directed.

**Payout Options.** You may choose from the following payment options:

Life Income – A guaranteed income for as long as the annuitant lives.

Joint & Survivor Life Income – A guaranteed income for as long as one of the annuitants lives.

Certain Period – A guaranteed income for your chosen time period, e.g. 5, 10, 15 or 20 years.

Life Income with Certain Period – A guaranteed income for your minimum chosen time period. If the annuitant is still living at the end of that period, payments continue as long as the annuitant lives.

Lump Sum – One lump-sum payment of the annuity fund.

If a payment option is not chosen, we will automatically pay under the 10-year certain and life payment option.

**Annuitization.** The annuity may be converted into an income annuity with The Standard at any time. No surrender charges will apply if you choose a life income or at least a 5-year certain period payment option. If your state imposes a premium tax, it will be deducted from your annuitized payments.

**Annuity Benefit Payments.** The contract may not be surrendered once annuity benefit payments have begun.

**ACCESSING FUNDS.** *Are there ways to access funds without incurring a surrender charge?*

Your annuity offers a number of ways to access funds without incurring a surrender charge. There are no surrender fees associated with the following options, but an IRS early-withdrawal penalty may apply to withdrawals before you reach age 59½.

Terminal condition of the owner.

Nursing home confinement of the owner.

Annual withdrawals after the first contract year of up to 10% of the annuity fund (inclusive of all other partial withdrawals).

Annuitization.

Death of Annuitant.

Waiver of Surrender Charge.

IRS Required Minimum Distributions.

Out-of-surrender-charge-period withdrawals.

**DEATH BENEFITS.** *What happens to my annuity if I die?*

The death benefit is paid to the beneficiary if the owner dies before the annuity date, with a choice of payment options. The death benefit is equal to: (a) the value of the annuity fund as of the date of death; or (b) the minimum nonforfeiture value as of the date of death (the regulatory guaranteed minimum); whichever is greater. The death benefit will be credited with its pro-rata share of interest, subject to any applicable participation rate or index rate cap. Death benefits must begin within one year of the date of death and may not extend beyond the beneficiary's life expectancy. If the surviving beneficiary is the spouse as recognized under federal law, that spouse does not need to have death benefits paid. Rather, that spouse may continue the contract as though that spouse were the original owner.

**PARTIAL INDEX INTEREST CREDIT.** *Are there instances in which I will get a partial index credit?*

Generally, interest is credited to the index interest account(s) at the end of an index term. However, for surrender benefits associated with nursing home confinement or terminal condition, for death benefits and for annuity benefits, a pro-rata share of interest will be credited to the benefit payment attributable to the index interest account(s). The pro-rata share for each index interest account is subject to any applicable participation rate and index rate cap.

**ADVANTAGES OF TAX DEFERRAL UNDER CURRENT TAX LAW.** *How will payouts and withdrawals from my annuity be taxed?*

Your annuity grows tax deferred. Taxes will be due only when withdrawals or distributions are paid from the annuity. As a result, interest accumulates on the principal, earnings and on money that otherwise would be paid in income taxes (often referred to as triple-compounding). An IRS early-withdrawal penalty may also apply to payouts and withdrawals paid before you reach age 59½. A tax-deferred annuity may be exchanged for another tax-deferred annuity without being assessed income tax on the earnings. There are no additional tax advantages to purchasing an annuity as part of a qualified plan other than those provided by the qualified plan itself. Please consult your broker or financial advisor.

**OTHER INFORMATION.** *What else do I need to know about my annuity?*

**Free Look.** You have 30 days to look over the annuity contract. You may return the contract to the agent who sold it or to our home office within that 30 days. Any premium paid, including any contract fees or other charges, will be refunded, less any benefits paid. The contract will be void and considered never in force.

**Commission.** We pay a commission to the agent, broker or firm selling you the annuity.

**OWNER ACKNOWLEDGEMENT**

I affirm that I am purchasing an Index Select Annuity from Standard Insurance Company. I understand the ISA product features to the extent summarized in this disclosure. I understand that the contract is intended as a long-term savings vehicle and, as such, may have substantial penalties for early surrenders. I understand and acknowledge that The Standard does not offer legal, financial, tax, investment or estate planning advice. I affirm that I have sought such advice from the proper sources before purchasing the annuity contract. I acknowledge and represent that the purchase of this annuity is suitable given my particular legal, financial, tax, investment, estate planning or other goals or circumstances. I further understand that annuities are not: (a) insured by the FDIC or any federal government agency; (b) deposits of or guaranteed by any bank or credit union; (c) provision or conditions of any bank or credit union activity. Some annuities are subject to investment risk and may lose value. I certify that: (a) I have read and understand the ISA product brochure, the application and this disclosure statement; (b) I have retained a copy of all solicitation materials and this disclosure used during the course of the sale; and (c) I understand that this disclosure is not part of the contract.

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(Owner Signature)

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(Owner Printed Name)

Date:

Signed at City, State:

Email Address:

---

(Joint Owner Signature, if any)

---

(Joint Owner Printed Name, if any)

Date:

Signed at City, State:

Email Address:

---

(Annuitant Signature, if other than Owner)

---

(Annuitant Printed Name, if other than Owner)

Date:

Signed at City, State:

Email Address:

---

(Joint Annuitant Signature, if any)

---

(Joint Annuitant Printed Name, if any)

Date:

Signed at City, State:

Email Address:

**BROKER ACKNOWLEDGEMENT**

I certify that I have read and fully understand the Index Select Annuity Broker Sales Guide and all consumer materials for The Standard's Index Select Annuity. I have provided the applicant(s) with the consumer materials used during the course of the sales presentation, the application and the ISA disclosure document. I have informed the applicant(s) of the various features of the Index Select Annuity and believe the applicant(s) has been reasonably informed of those features. I further certify that I have made no statements, representations or promises about product features and future rate performance that are in any way inconsistent with those materials.

---

(Insurance Broker Signature)

---

(Insurance Broker Printed Name)

Date:

Signed at City, State:

Email Address:

**Return the signed original of this disclosure together with the application and leave a copy with the applicant.**

**Keep a copy for your records.**



The purpose of this profile is to help your insurance broker determine if the annuity product you are purchasing from The Standard is suitable based on your financial situation and goals. You must complete this profile in its entirety and submit it with your application for The Standard to proceed with your purchase.

**CHECK HERE IF A MEDICAID SPIA** ☐

**A. OWNER INFORMATION**

Full Legal Name \_\_\_\_\_ Birth Date \_\_\_\_\_

Are you actively employed? ☐ Yes ☐ No Anticipated Retirement Age \_\_\_\_\_

**B. FINANCIAL GOALS AND OBJECTIVES**

1. Why are you considering purchasing this annuity?  
(check all that apply).....
  - ☐ Immediate Income
  - ☐ Long-Term or Lifetime Income
  - ☐ Tax Deferral
  - ☐ Assets for Beneficiaries
  - ☐ Estate Planning
  - ☐ Retirement
  - ☐ Safety of Funds
  - ☐ Other \_\_\_\_\_
2. What is your financial time horizon for achieving this annuity's goals?
  - ☐ Less than one year
  - ☐ 1-5 years
  - ☐ 6-10 years
  - ☐ Longer than 10 years
3. How long do you plan to keep this annuity?  
\_\_\_\_\_ years
4. Which financial products do you own or have you previously owned? (check all that apply)
  - ☐ Deferred Annuities
  - ☐ Immediate Annuities
  - ☐ Life Insurance
  - ☐ Certificates of Deposit
  - ☐ Stocks/Bonds/Mutual Funds
  - ☐ Other \_\_\_\_\_
5. What sources of funds will be used for the purchase of this annuity? (check all that apply)
  - ☐ Other Annuities
  - ☐ Life Insurance
  - ☐ Savings/Checking
  - ☐ Certificates of Deposit
  - ☐ Money Market
  - ☐ Stocks/Bonds/Mutual Funds
  - ☐ Loan
  - ☐ IRA or Retirement Plan
  - ☐ Reverse Mortgage
  - ☐ Other \_\_\_\_\_
6. Is the source of funds a life insurance policy or annuity contract? ..... ☐ Yes ☐ No  
If yes:
  - a. Will you incur a surrender charge by exchanging your old policy? ..... ☐ Yes ☐ No  
If so, what is the surrender charge (including, if applicable, MVA or other adjustments) on each policy being replaced? ....
    - Policy 1: \_\_\_\_\_%
    - Policy 2: \_\_\_\_\_%
    - Policy 3: \_\_\_\_\_%
    - Policy 4: \_\_\_\_\_%
  - b. Will a market value adjustment reduce the value of the replaced contract? ..... ☐ Yes ☐ No
  - c. Will you lose existing benefits by surrendering your existing policy? (check all that apply).....
    - ☐ Yes ☐ No
    - ☐ Death Benefit
    - ☐ Living Benefit
    - ☐ Interest Bonus
    - ☐ Persistency Bonus
    - ☐ Higher Guaranteed Interest Rate
    - ☐ Other \_\_\_\_\_

**Submit original with application. Leave copy with applicant. Keep copy in producer file.**

Incomplete without all pages and signatures

**B. FINANCIAL GOALS AND OBJECTIVES (cont.)**

- d. By proceeding with the proposed exchange or replacement, will you be subject to increased fees, investment advisory fees, or charges for riders and similar product enhancement?..... ☐ Yes ☐ No
- e. Have you had another policy exchange or replacement within the past 36 months? ..... ☐ Yes ☐ No
- f. How does this annuity better meet your financial goals? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**C. FINANCIAL INFORMATION**

1. What is your federal income tax bracket?..... ☐ 10% ☐ 15% ☐ 25% ☐ 28% ☐ 33% ☐ 35%
2. What will be your annual gross income after this proposed annuity purchase? ..... \$ \_\_\_\_\_
3. What are your annual living expenses, including annual debt payments? ..... \$ \_\_\_\_\_
4. After the purchase of this annuity, will you have sufficient income to meet your expenses?..... ☐ Yes ☐ No
5. Do you anticipate significantly higher expenses during the proposed annuity surrender period including medical expenses? ..... ☐ Yes ☐ No  
What is the highest level of reoccurring annual expenses expected during the surrender charge period? ..... \$ \_\_\_\_\_
6. Do you anticipate significantly lower income during the proposed annuity surrender period?..... ☐ Yes ☐ No  
What is the lowest level of reoccurring annual income expected during the surrender charge period? ..... \$ \_\_\_\_\_
7. What are your total liquid assets before the proposed annuity purchase? ..... \$ \_\_\_\_\_  
Liquid assets may be:  
• Savings/Checking/CDs • Stocks/Bonds/Mutual Funds  
• Retirement Plan Funds • Life Insurance  
• Cash Value of Annuities
8. What percentage of your liquid assets will the proposed annuity purchase be? (*Annuity purchase amount ÷ Line 7*)..... \_\_\_\_\_ %
9. Do you anticipate changes in your out-of-pocket medical expenses during the proposed annuity's surrender period?..... ☐ Yes ☐ No
10. Is your income sufficient to cover future changes in your household or medical expenses during the proposed annuity's surrender period?..... ☐ Yes ☐ No
11. Do you have an emergency fund for unexpected expenses? ..... ☐ Yes ☐ No
12. If you answered yes to questions 5, 6 or 9, or no to questions 4, 10 or 11, please explain. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
13. Do you intend to apply for means-tested government benefits, including but not limited to, Medi-Cal or the veterans' aid and attendance benefit?..... ☐ Yes ☐ No

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**D. OTHER CONSIDERATIONS**

1. Do you anticipate a need to withdraw more than a penalty-free amount from this annuity during the surrender period? ..... ☐ Yes ☐ No
2. Do you understand that if you withdraw more than a penalty-free amount from this annuity during the surrender period, you will incur a surrender charge? ..... ☐ Yes ☐ No
3. What distributions do you anticipate from this annuity?  
(check all that apply) ..... ☐ Annuitization ☐ Immediate income  
☐ Substantially Equal Periodic Payments  
☐ Required minimum distributions ☐ Full surrender  
☐ Partial withdrawals ☐ Interest-only payments
4. When do you anticipate taking your first distribution from this annuity? (choose one) ..... ☐ 1 year ☐ 2-5 years ☐ 6-7 years  
☐ 8-10 years ☐ Longer than 10 years
5. Do you understand that you may incur a 10% federal tax penalty for withdrawals before age 59½? ..... ☐ Yes ☐ No
6. Does the owner currently reside in a nursing home or assisted living facility? ..... ☐ Yes ☐ No
7. Describe your risk tolerance:  
☐ Conservative: I want to preserve my initial principal with minimal risk, even if that means the account does not generate significant income or returns and may not keep pace with inflation.  
☐ Moderate: I am willing to accept some risk to my initial principal and tolerate some volatility to seek higher returns, and understand I could lose a portion of money invested.  
☐ Aggressive: I am willing to accept maximum risk to my initial principal to aggressively seek maximum returns, and I understand I could lose most, or all, of the money invested.
8. Which of the following best describes your financial experience?  
☐ Very experienced: Good understanding of financial products, own a broad range of financial products, confident about financial decisions.  
☐ Moderate experience: General understanding of some financial products, own some financial products, willing to make some financial decisions.  
☐ Limited experience: Primary savings in certificates of deposit, savings/checking, money market funds; nervous about financial decisions.
9. What additional information should your insurance producer know before making a final annuity purchase recommendation?  
(Examples: expected major life changes, beneficiary needs, etc.)  


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## E. OWNER DECLARATIONS AND ACKNOWLEDGMENT

Please initial each statement if it is true:

- \_\_\_\_\_ I represent that all statements and information provided herein are true and complete to the best of my belief and knowledge.
- \_\_\_\_\_ I understand that should I provide incomplete or inaccurate information, I will limit the protection afforded to me by state law regarding the suitability of this purchase.
- \_\_\_\_\_ I have reviewed the product-specific disclosure with my insurance broker, and I understand the costs and features of the annuity I am purchasing.
- \_\_\_\_\_ I understand and acknowledge that The Standard and its representative do not offer legal, financial, tax, investment or estate-planning advice and I have had the opportunity to seek such advice from the proper sources before purchasing this annuity.
- \_\_\_\_\_ I believe that the purchase of this annuity is appropriate to my particular legal, financial, tax, investment, and estate-planning goals, and other insurance needs.

Owner Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Signed In (city/state): \_\_\_\_\_

## F. INSURANCE BROKER DECLARATIONS AND ACKNOWLEDGMENT

I have recommended the purchase of this annuity. (If applicable, I have also recommended replacing or exchanging existing annuities.)

The basis for my recommendation is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I declare that I have truly and accurately recorded on this form all of the information provided by the Purchaser(s). I have verified the identity of the Purchaser(s) with government-issued photo identification, and I believe the identity information provided to me is true and accurate. I have informed the Purchaser(s) of the various features of the annuity including tax penalties and fees. I believe that the Purchaser(s) will benefit from the annuity's features. Based on the facts disclosed to me by the Purchaser(s), and based on all circumstances known to me at the time the recommendation was made, I declare that this annuity purchase as a whole is suitable to the insurance needs and financial objectives of the Purchaser(s).

Insurance Broker Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Insurance License Number: \_\_\_\_\_

Standard Insurance Company Producer Identification No: \_\_\_\_\_

**Submit original with application. Leave copy with applicant. Keep copy in producer file.**

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# TheStandard®

Standard Insurance Company  
Individual Annuities 800.247.6888 Tel 800.378.4570 Fax  
1100 SW Sixth Avenue Portland OR 97204-1093 [www.standard.com](http://www.standard.com)

## Notice of Replacement of Life Insurance or Annuities

### 1 Important Notice: Replacement of Life Insurance or Annuities

(This notice must be signed by the applicant(s) and broker, with the original sent to Standard Insurance Company and a copy left with the applicant(s).)

You are contemplating the purchase of a life insurance policy or annuity contract. In some cases this purchase may involve discontinuing or changing an existing policy or contract. If so, a replacement is occurring. Financed purchases are also considered replacements.

A replacement occurs when a new policy or contract is purchased and, in connection with the sale, you discontinue making premium payments on the existing policy or contract, or an existing policy or contract is surrendered, forfeited, assigned to the replacing insurer, or otherwise terminated or used in a financial purchase.

A financed purchase occurs when the purchase of a new life insurance policy involves the use of funds obtained by the withdrawal or surrender of or by borrowing some or all of the policy values, including accumulated dividends, of an existing policy or contract to pay all or part of any premium or payment due on the new policy. A financed purchase is a replacement.

You should carefully consider whether a replacement is in your best interests. You will pay acquisition costs and there may be surrender costs deducted from your policy or contract. You may be able to make changes to your existing policy or contract to meet your insurance needs at less cost. A financed purchase will reduce the value of your existing policy and may reduce the amount paid upon the death of the insured individual.

We want you to understand the effects of replacements before you make your purchase decision and ask that you answer the following questions and consider the questions on page 2 of this form.

- A. Are you considering discontinuing making premium payments, surrendering, forfeiting, assigning to the insurer or otherwise terminating your existing policy or contract? ☐ Yes ☐ No
- B. Are you considering using funds from your existing policies or contracts to pay premiums due on the new policy or contract? ☐ Yes ☐ No
- C. If you answered "Yes" to either of the above questions, list each existing policy or contract you are contemplating replacing (include the name of the insurer, the insured or annuitant, and the policy or contract number, if available) and whether each policy or contract will be replaced or used as a source of financing:

INSURER NAME	CONTRACT/POLICY NUMBER	NAME OF INSURED OR ANNUITANT	REPLACED ( R ) OR FINANCING ( F )
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Make sure you know the facts. Contact your existing company or its agent for information about the old policy or contract. If you request, an in force illustration, policy summary or available disclosure documents must be sent to you by the existing insurer. Ask for and retain all sales material used by the agent in the sales presentation. Be sure that you are making an informed decision.

- D. The existing policy or contract is being replaced because \_\_\_\_\_  
REASON FOR REPLACEMENT

### 2 Acknowledgement

OWNER NAME(S)

I(We) certify that the responses herein are, to the best of my(our) knowledge, accurate.

\_\_\_\_\_  
OWNER SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
OWNER SIGNATURE

\_\_\_\_\_  
DATE

I(We) do not want this notice read aloud to me(us): \_\_\_\_\_ (Applicants must initial only if they do *not* want the notice read aloud.)  
INITIALS

### 3 Important Replacement Issues

A replacement may not be in your best interest, or your decision could be a good one. You should make a careful comparison of the costs and benefits of your existing policy or contract and the proposed policy or contract. One way to do this is to ask the company or agent that sold you your existing policy or contract to provide you with information concerning your existing policy or contract. This may include an illustration of how your existing policy or contract is working now and how it would perform in the future based on certain assumptions. Illustrations should not, however, be used as a sole basis to compare policies or contracts. You should discuss the following with your agent to determine whether replacement or financing your purchase makes sense.

#### Premiums

- Are they affordable?
- Could they change?
- You're older -- are premiums higher for the proposed new policy?
- How long will you have to pay premiums on the new policy? On the old policy?

#### Policy Value

- Acquisition costs for the old policy may have been paid, and you may incur costs for the new one.
- What surrender charges do the policies have?
- What expense and sales charges will you pay on the new policy?
- Does the new policy provide more insurance coverage?

#### Insurability

- If your health has changed since you bought your old policy, the new one could cost you more, or you could be turned down.
- You may need a medical exam for a new policy.
- Claims on most new policies for up to the first two years can be denied based on inaccurate statements.
- Suicide limitations may begin anew on the new coverage.

#### If you are keeping the old policy as well as the new policy

- How are premiums for both policies being paid?
- How will the premiums on your existing policy be affected?
- Will a loan be deducted from death benefits?
- What values from the old policy are being used to pay premiums?

#### If you are surrendering an annuity or interest sensitive life product

- Will you pay surrender charges on your old contract?
- What are the interest rate guarantees for the new contract?
- Have you compared the contract charges or other policy expenses?

#### Other issues to consider for all transactions

- What are the tax consequences of buying the new policy?
- Is this a tax-free exchange? (See your tax advisor.)
- Is there a benefit from favorable "grandfathered" treatment of the old policy under the federal tax code?
- Will the existing insurer be willing to modify the old policy?
- How does the quality and financial stability of the new company compare with your existing company?

### 4 Broker

NAME

Copies of any and all "individualized" sales materials, including illustrations related to the specific annuity contract, used in the presentation must be provided to Standard Insurance Company.

I certify that: (a) the responses herein are, to the best of my knowledge, accurate; (b) I have left with the applicant(s) copies of all sales materials used in my presentation; and (c) the following preprinted or electronically presented carrier-approved materials were used in my presentation (please list by title and form number):

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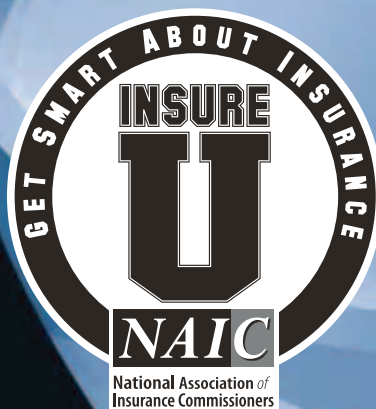
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BROKER SIGNATURE

DATE

# Buyer's Guide for Deferred Annuities

*Fixed*



Prepared by the

**NAIC**

**National Association of Insurance Commissioners**

The National Association of Insurance Commissioners is an association of state insurance regulatory officials. This association helps the various insurance departments to coordinate insurance laws for the benefit of all consumers.

This guide does not endorse any company or policy.

Reprinted by ...

# NAIC Buyer's Guide for Fixed Deferred Annuities

It's important that you understand how annuities can be different from each other so you can choose the type of annuity that's best for you. The purpose of this Buyer's Guide is to help you do that. This Buyer's Guide isn't meant to offer legal, financial, or tax advice. You may want to consult independent advisors that specialize in these areas.

**This Buyer's Guide is about fixed deferred annuities in general and some of their most common features. It's not about any particular annuity product.** The annuity you select may have unique features this Guide doesn't describe. It's important for you to carefully read the material you're given or ask your annuity salesperson, especially if you're interested in a particular annuity or specific annuity features.

This Buyer's Guide includes questions you should ask the insurance company or the annuity salesperson (the agent, producer, broker, or advisor). Be sure you're satisfied with the answers before you buy an annuity.

**Revised 2013**

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## What Is an Annuity?

An annuity is a contract with an insurance company. All annuities have one feature in common, and it makes annuities different from other financial products. *With an annuity, the insurance company promises to pay you income on a regular basis for a period of time you choose—including the rest of your life.*

### When Annuities Start to Make Income Payments

Some annuities begin paying income to you soon after you buy it (an **immediate** annuity). Others begin at some later date you choose (a **deferred** annuity).

### How Deferred Annuities Are Alike

There are ways that *most* deferred annuities are alike.

- They have an **accumulation** period and a **payout** period. During the accumulation period, the value of your annuity changes based on the type of annuity. During the payout period, the annuity makes income payments to you.
- They offer a basic death benefit. If you die during the accumulation period, a deferred annuity with a basic death benefit pays some or all of the annuity's value to your survivors (called beneficiaries) either in one payment or multiple payments over time. The amount is usually the greater of the annuity account value or the minimum guaranteed surrender value. If you die after you begin to receive income payments (**annuitize**), your chosen survivors may not receive anything *unless*: 1) your annuity guarantees to pay out at least as much as you paid into the annuity, or 2) you chose a payout option that continues to make payments after your death. For an extra cost, you may be able to choose enhanced death benefits that increase the value of the basic death benefit.

#### Sources of Information

**Contract:** *The legal document between you and the insurance company that binds both of you to the terms of the agreement.*

**Disclosure:** *A document that describes the key features of your annuity, including what is guaranteed and what isn't, and your annuity's fees and charges. If you buy a variable annuity, you'll receive a prospectus that includes detailed information about investment objectives, risks, charges, and expenses.*

**Illustration:** *A personalized document that shows how your annuity features might work. Ask what is guaranteed and what isn't and what assumptions were made to create the illustration.*

- You usually have to pay a charge (called a **surrender** or **withdrawal charge**) if you take some or all of your money out too early (usually before a set time period ends). Some annuities may not charge if you withdraw small amounts (for example, 10% or less of the account value) each year.
- Any money your annuity earns is **tax deferred**. That means you won't pay income tax on earnings until you take them out of the annuity.
- You can add features (called **riders**) to many annuities, usually at an extra cost.
- An annuity salesperson must be licensed by your state insurance department. A person selling a variable annuity also must be registered with FINRA<sup>1</sup> as a representative of a broker/dealer that's a FINRA member. In some states, the state securities department also must license a person selling a variable annuity.

1. FINRA (Financial Industry Regulatory Authority) regulates the companies and salespeople who sell variable annuities.

- Insurance companies sell annuities. You want to buy from an insurance company that's financially sound. There are various ways you can research an insurance company's financial strength. You can visit the insurance company's website or ask your annuity salesperson for more information. You also can review an insurance company's rating from an independent rating agency. Four main firms currently rate insurance companies. They are A.M. Best Company, Standard and Poor's Corporation, Moody's Investors Service, and Fitch Ratings. Your insurance department may have more information about insurance companies. An easy way to find contact information for your insurance department is to visit [www.naic.org](http://www.naic.org) and click on "States and Jurisdictions Map."
- Insurance companies usually pay the annuity salesperson after the sale, but the payment doesn't reduce the amount you pay into the annuity. You can ask your salesperson how they earn money from the sale.

## How Deferred Annuities Are Different

There are differences among deferred annuities. Some of the differences are:

- Whether you pay for the annuity with one or more than one payment (called a **premium**).
- The types and amounts of the **fees, charges, and adjustments**. While almost all annuities have *some* fees and charges that could reduce your account value, the types and amounts can be different among annuities. *Read the Fees, Charges, and Adjustments section in this Buyer's Guide for more information.*
- Whether the annuity is a **fixed** annuity or a **variable** annuity. How the value of an annuity changes is different depending on whether the annuity is fixed or variable.

**Fixed annuities** guarantee your money will earn at least a minimum interest rate. Fixed annuities may earn interest at a rate higher than the minimum but only the minimum rate is guaranteed. The insurance company sets the rates.

**Fixed indexed annuities** are a type of fixed annuity that earns interest based on changes in a market index, which measures how the market or part of the market performs. The interest rate is guaranteed to never be less than zero, even if the market goes down.

**Variable annuities** earn investment returns based on the performance of the investment portfolios, known as "subaccounts," where you choose to put your money. The return earned in a variable annuity isn't guaranteed. The value of the subaccounts you choose could go up or down. If they go up, you could make money. But, if the value of these subaccounts goes down, you could lose money. Also, income payments to you could be less than you expected.

- Some annuities offer a **premium bonus**, which usually is a lump sum amount the insurance company adds to your annuity when you buy it or when you add money. It's usually a set percentage of the amount you put into the annuity. Other annuities offer an **interest bonus**, which is an amount the insurance company adds to your annuity when you earn interest. It's usually a set percentage of the interest earned. You may not be able to withdraw some or all of your premium bonus for a set period of time. *Also, you could lose the bonus if you take some or all of the money out of your annuity within a set period of time.*

What Is an Annuity?

## How Does the Value of a Deferred Annuity Change?

### Fixed Annuities

Money in a fixed deferred annuity earns interest at a rate the insurer sets. The rate is **fixed** (won't change) for some period, usually a year. After that rate period ends, the insurance company will set another fixed interest rate for the next rate period. *That rate could be higher or lower than the earlier rate.*

Fixed deferred annuities *do* have a guaranteed minimum interest rate—the lowest rate the annuity can earn. It's stated in your contract and disclosure and can't change as long as you own the annuity. Ask about:

- The *initial interest* rate – What is the rate? How long until it will change?
- The *renewal interest* rate – When will it be announced? How will the insurance company tell you what the new rate will be?

### Fixed Indexed Annuities

Money in a fixed indexed annuity earns interest based on changes in an index. Some indexes are measures of how the overall financial markets perform (such as the S&P 500 Index or Dow Jones Industrial Average) during a set period of time (called the **index term**). Others measure how a specific financial market performs (such as the Nasdaq) during the term. The insurance company uses a formula to determine how a change in the index affects the amount of interest to add to your annuity at the *end of each index term*. Once interest is added to your annuity for an index term, those earnings usually are locked in and changes in the index in the next index term don't affect them. If you take money from an indexed annuity before an index term ends, *the annuity may not add all of the index-linked interest for that term to your account.*

Insurance companies use different formulas to calculate the interest to add to your annuity. They look at changes in the index over a period of time. See the box "*Fixed Deferred Indexed Formulas*" that describes how changes in an index are used to calculate interest.

The formulas insurance companies use often mean that interest added to your annuity is based on only *part* of a change in an index over a set period of time. **Participation rates, cap rates, and spread rates** (sometimes called margin or asset fees) all are terms that describe ways the amount of interest added to your annuity may not reflect the full change in the index. But *if the index goes down over that period, zero interest is added to your annuity.* Then your annuity value won't go down as long as you don't withdraw the money.

When you buy an indexed annuity, you aren't investing directly in the market or the index. Some indexed annuities offer you more than one index choice. Many indexed annuities also offer the choice to put part of your money in a fixed interest rate account, with a rate that won't change for a set period.

#### Fixed Deferred Indexed Formulas

**Annual Point-to-Point** – Change in index calculated using two dates one year apart.

**Multi-Year Point-to-Point** – Change in index calculated using two dates more than one year apart.

**Monthly or Daily Averaging** – Change in index calculated using multiple dates (one day of every month for monthly averaging, every day the market is open for daily averaging). The average of these values is compared with the index value at the start of the index term.

**Monthly Point-to-Point** – Change in index calculated for each month during the index term. Each monthly change is limited to the "cap rate" for positive changes, but not when the change is negative. At the end of the index term, all monthly changes (positive and negative) are added. If the result is positive, interest is added to the annuity. If the result is negative or zero, no interest (0%) is added.

## What Other Information Should You Consider?

### *Fees, Charges, and Adjustments*

Fees and charges reduce the value of your annuity. They help cover the insurer's costs to sell and manage the annuity and pay benefits. The insurer may subtract these costs directly from your annuity's value. Most annuities have fees and charges but they can be different for different annuities. Read the contract and disclosure or prospectus carefully and ask the annuity salesperson to describe these costs.

A **surrender or withdrawal charge** is a charge if you take part or all of the money out of your annuity during a set period of time. The charge is a percentage of the amount you take out of the annuity. The percentage usually goes down each year until the surrender charge period ends. Look at the contract and the disclosure or prospectus for details about the charge. Also look for any waivers for events (such as a death) or the right to take out a small amount (usually up to 10%) each year without paying the charge. If you take all of your money out of an annuity, you've surrendered it and no longer have any right to future income payments.

#### How Insurers Determine Indexed Interest

**Participation Rate** – *Determines how much of the increase in the index is used to calculate index-linked interest. A participation rate usually is for a set period. The period can be from one year to the entire term. Some companies guarantee the rate can never be lower (higher) than a set minimum (maximum). Participation rates are often less than 100%, particularly when there's no cap rate.*

**Cap Rate** – *Typically, the maximum rate of interest the annuity will earn during the index term. Some annuities guarantee that the cap rate will never be lower (higher) than a set minimum (maximum). Companies often use a cap rate, especially if the participation rate is 100%.*

**Spread Rate** – *A set percentage the insurer subtracts from any change in the index. Also called a "margin or asset fee." Companies may use this instead of or in addition to a participation or cap rate.*

Some annuities have a **Market Value Adjustment (MVA)**. An MVA could increase or decrease your annuity's account value, cash surrender value, and/or death benefit value if you withdraw money from your account. In general, if interest rates are *lower* when you withdraw money than they were when you bought the annuity, the MVA could *increase* the amount you could take from your annuity. If interest rates are *higher* than when you bought the annuity, the MVA could *reduce* the amount you could take from your annuity. Every MVA calculation is different. Check your contract and disclosure or prospectus for details.

### *How Annuities Make Payments*

#### **Annuitize**

At some future time, you can choose to **annuitize** your annuity and start to receive guaranteed fixed income payments for life or a period of time you choose. After payments begin, you can't take any other money out of the annuity. You also usually can't change the amount of your payments. For more information, see "**Payout Options**" in this Buyer's Guide. If you die before the payment period ends, your survivors may not receive any payments, depending on the payout option you choose.

#### **Full Withdrawal**

You can withdraw the cash surrender value of the annuity in a lump sum payment and end your annuity. *You'll likely pay a charge to do this if it's during the surrender charge period.* If you withdraw your annuity's cash surrender value, your annuity is cancelled. Once that happens, you can't start or continue to receive regular income payments from the annuity.

## Partial Withdrawal

You may be able to withdraw *some* of the money from the annuity's cash surrender value without ending the annuity. Most annuities with surrender charges let you take out a certain amount (usually up to 10%) each year without paying surrender charges on that amount. Check your contract and disclosure or prospectus. Ask your annuity salesperson about other ways you can take money from the annuity without paying charges.

## Living Benefits for Fixed Annuities

Some fixed annuities, especially fixed indexed annuities, offer a **guaranteed living benefits** rider, usually at an extra cost. A common type is called a guaranteed lifetime withdrawal benefit that guarantees to make income payments you can't outlive. While you get payments, the money still in your annuity continues to earn interest. You can choose to stop and restart the payments or you might be able to take extra money from your annuity. Even if the payments reduce the annuity's value to zero at some point, you'll continue to get payments for the rest of your life. If you die while receiving payments, your survivors may get some or all of the money left in your annuity.

## How Annuities Are Taxed

Ask a tax professional about your individual situation. The information below is general and should not be considered tax advice.

Current federal law gives annuities special tax treatment. Income tax on annuities is deferred. That means you aren't taxed on any interest or investment returns while your money is in the annuity. This isn't the same as tax-free. You'll pay ordinary income tax when you take a withdrawal, receive an income stream, or receive each annuity payment. When you die, your survivors will typically owe income taxes on any death benefit they receive from an annuity.

There are other ways to save that offer tax advantages, including Individual Retirement Accounts (IRAs). You can buy an annuity to fund an IRA, *but you also can fund your IRA other ways and get the same tax advantages.* When you take a withdrawal or receive payments, you'll pay ordinary income tax on all of the money you receive (not just the interest or the investment return). You also may have to pay a 10% tax penalty if you withdraw money before you're age 59½.

### Annuity Fees and Charges

**Contract fee** – A flat dollar amount or percentage charged once or annually.

**Percentage of purchase payment** – A front-end sales load or other charge deducted from each premium paid. The percentage may vary over time.

**Premium tax** – A tax some states charge on annuities. The insurer may subtract the amount of the tax when you pay your premium, when you withdraw your contract value, when you start to receive income payments, or when it pays a death benefit to your beneficiary.

**Transaction fee** – A charge for certain transactions, such as transfers or withdrawals.

### Payout Options

*You'll have a choice about how to receive income payments. These choices usually include:*

- For your lifetime
- For the longer of your lifetime or your spouse's lifetime
- For a set time period
- For the longer of your lifetime or a set time period



## ***Finding an Annuity That's Right for You***

An annuity salesperson who suggests an annuity must choose one that they think is right for you, based on information from you. They need complete information about your life and financial situation to make a suitable recommendation. Expect a salesperson to ask about your age; your financial situation (assets, debts, income, tax status, how you plan to pay for the annuity); your tolerance for risk; your financial objectives and experience; your family circumstances; and how you plan to use the annuity. If you aren't comfortable with the annuity, ask your annuity salesperson to explain why they recommended it. Don't buy an annuity you don't understand or that doesn't seem right for you.

Within each annuity, the insurer *may* guarantee some values but not others. Some guarantees may be only for a year or less while others could be longer. Ask about risks and decide if you can accept them. For example, it's possible you won't get all of your money back *or* the return on your annuity may be lower than you expected. It's also possible you won't be able to withdraw money you need from your annuity without paying fees *or* the annuity payments may not be as much as you need to reach your goals. These risks vary with the type of annuity you buy. All product guarantees depend on the insurance company's financial strength and claims-paying ability.

## ***Questions You Should Ask***

- Do I understand the risks of an annuity? Am I comfortable with them?
- How will this annuity help me meet my overall financial objectives and time horizon?
- Will I use the annuity for a long-term goal such as retirement? If so, how could I achieve that goal if the income from the annuity isn't as much as I expected it to be?
- What features and benefits in the annuity, other than tax deferral, make it appropriate for me?
- Does my annuity offer a guaranteed minimum interest rate? If so, what is it?
- If the annuity includes riders, do I understand how they work?
- Am I taking full advantage of all of my other tax-deferred opportunities, such as 401(k)s, 403(b)s, and IRAs?
- Do I understand all of the annuity's fees, charges, and adjustments?
- Is there a limit on how much I can take out of my annuity each year without paying a surrender charge? Is there a limit on the *total* amount I can withdraw during the surrender charge period?
- Do I intend to keep my money in the annuity long enough to avoid paying any surrender charges?
- Have I consulted a tax advisor and/or considered how buying an annuity will affect my tax liability?
- How do I make sure my chosen survivors (beneficiaries) will receive any payment from my annuity if I die?

*If you don't know the answers or have other questions, ask your annuity salesperson for help.*

## ***When You Receive Your Annuity Contract***

When you receive your annuity contract, carefully review it. Be sure it matches your understanding. Also, read the disclosure or prospectus and other materials from the insurance company. Ask your annuity salesperson to explain anything you don't understand. In many states, a law gives you a set number of days (usually 10 to 30 days) to change your mind about buying an annuity after you receive it. This often is called a **free look** or **right to return** period. Your contract and disclosure or prospectus should prominently state your free look period. If you decide during that time that you don't want the annuity, you can contact the insurance company and return the contract. Depending on the state, you'll either get back all of your money or your current account value.



ANB-LE





# The Standard<sup>®</sup>

Standard Insurance Company  
Individual Annuities 800.247.6888 Tel 800.378.4570 Fax  
1100 SW Sixth Avenue Portland OR 97204-1093 [www.standard.com](http://www.standard.com)

## Request for Rollover, Transfer or Exchange

### 1 Transferring Institution

COMPANY OR CUSTODIAN		PHONE	
STREET ADDRESS (NOT A POST OFFICE BOX)	CITY	STATE	ZIP CODE

### 2 Existing Policy or Account

OWNER(S)	OWNER SSNs (or TINs)		
ADDRESS	CITY	STATE	ZIP CODE
ANNUITANT(S), INSURED(S) OR PARTICIPANT	ANNUITANT, INSURED(S) OR PARTICIPANT SSNs (or TINs)		
BENEFICIARY (IF PARTICIPANT IS DECEASED)	BENEFICIARY SSN (or TIN)		
INVESTMENT VEHICLE <input type="checkbox"/> CD <input type="checkbox"/> Life Insurance <input type="checkbox"/> Annuity <input type="checkbox"/> Custodial Account <input type="checkbox"/> Other _____		ACCOUNT OR CONTRACT NUMBER(S)	

### 3 Transaction Type (Complete section A or B.)

#### A Qualified Funds

(For rollover, transfer or exchange into a 403(b) Tax-Sheltered Annuity, use form **12213-TSA-A.**)

Funds From	Funds To												
<input type="checkbox"/> Traditional IRA <input type="checkbox"/> Inherited IRA <input type="checkbox"/> Roth IRA <input type="checkbox"/> SEP IRA <input type="checkbox"/> 403(b) TSA <input type="checkbox"/> Qualified Pension or Profit Sharing Plan <input type="checkbox"/> Other: _____	<table border="0"><tr><td>Initiated by Participant</td><td>Initiated by Beneficiary</td></tr><tr><td><input type="checkbox"/> Traditional IRA</td><td><input type="checkbox"/> Inherited IRA (Attach form 13668.)</td></tr><tr><td><input type="checkbox"/> Roth IRA</td><td></td></tr><tr><td><input type="checkbox"/> SEP IRA</td><td></td></tr><tr><td><input type="checkbox"/> Qualified Pension or Profit Sharing Plan</td><td></td></tr><tr><td><input type="checkbox"/> Other: _____</td><td></td></tr></table>	Initiated by Participant	Initiated by Beneficiary	<input type="checkbox"/> Traditional IRA	<input type="checkbox"/> Inherited IRA (Attach form 13668.)	<input type="checkbox"/> Roth IRA		<input type="checkbox"/> SEP IRA		<input type="checkbox"/> Qualified Pension or Profit Sharing Plan		<input type="checkbox"/> Other: _____	
Initiated by Participant	Initiated by Beneficiary												
<input type="checkbox"/> Traditional IRA	<input type="checkbox"/> Inherited IRA (Attach form 13668.)												
<input type="checkbox"/> Roth IRA													
<input type="checkbox"/> SEP IRA													
<input type="checkbox"/> Qualified Pension or Profit Sharing Plan													
<input type="checkbox"/> Other: _____													

Standard Insurance Company's Traditional IRA, Roth IRA, SEP and 403(b) contracts meet the requirements of Internal Revenue Code § 408(b), 408A, 408(k) and 403(b)(1) respectively.

#### B Non-Qualified Funds

Transaction Type: ☐ Direct Transfer  
☐ 1035 Exchange

Additional Funds Forthcoming After This Transfer: ☐ No ☐ Yes: \$ \_\_\_\_\_

The undersigned owner(s) authorizes the transferring institution to liquidate and transfer the requested amount or percentage of the owner(s)'s rights, title and interest in the referenced account(s), without exception to Standard Insurance Company. This assignment is made to facilitate the exchange of all or a portion of the above-referenced policy for a new policy(ies) with Standard Insurance Company pursuant to Section 1035 of the Internal Revenue Code. The undersigned owner(s) understands and agrees that Standard Insurance Company is providing this form and participating in this exchange at the owner(s)'s request. The owner(s) acknowledges that Standard Insurance Company has not made, and will not make, any representations or warranties regarding the tax effects, if any, of this assignment, and any resulting taxes will be the sole responsibility of the owner(s). In consideration of Standard Insurance Company's willingness to participate in this exchange, the owner(s) accepts all responsibility for the validity of this assignment and releases Standard Insurance Company from any and all claims or liability resulting from this exchange. This Absolute Assignment shall be binding on the owner(s) and on the owner(s)'s personal representatives, heirs, successors and assignees. The owner(s) acknowledges and warrants that no other person has any interest in this policy, that no proceeding in bankruptcy is pending or has been filed affecting the policy, and that any collateral assignment of the policy has been properly released by the collateral assignee prior to the execution of this Absolute Assignment contract's benefits and provisions within a reasonable time.

4 Lost Policy Statement (Applicable only to a full surrender to effect the rollover, transfer or exchange.)

The undersigned certifies that:

- ☐ The policy or contract is attached.  
☐ The policy or contract is lost or has been destroyed. To the best of my knowledge it is not in anyone's possession.

5 Participant/Beneficiary Declaration (Complete only for rollover of 403(b) Tax-Sheltered Annuity funds.)

The undersigned requestor is a:

- ☐ Participant, older than age 59½, severed from employment or with another distributable event.  
☐ The beneficiary of a deceased participant of the plan sponsor releasing these funds.  
☐ Neither of the above.

6 Authorization

The undersigned owner(s) or beneficiary authorizes the transferring institution to liquidate and transfer

\_\_\_\_\_ % or \$ \_\_\_\_\_ as cash from the policy or account to Standard Insurance Company:

- ☐ Transfer Immediately (default action if no selection is made)  
☐ Transfer on Maturity or Anniversary Date  
☐ Transfer on \_\_\_\_\_  
DATE

- ☐ Please process RMD before transferring funds  
☐ Do not process RMD - RMD being met elsewhere  
Account balance as of 12/31 \$ \_\_\_\_\_

I(We) authorize disclosure of information to Standard Insurance Company as necessary to complete the requested transaction.

I(We) understand that the rollover, transfer or exchange will be effective on the date the check(s) is(are) received.

_____ OWNER OR BENEFICIARY SIGNATURE	_____ DATE
_____ OWNER SIGNATURE	_____ DATE
_____ GUARANTEE SIGNATURE (IF APPLICABLE)	_____ DATE

7 Request for Funds Transfer (To be completed only by an authorized Standard Insurance Company home-office employee.)

Standard Insurance Company is prepared to accept the assets as indicated in this document and will transfer the assets into a new or existing policy with Standard Insurance Company.

Standard Insurance Company (TIN #93-0242990) hereby requests that the above-documented surrender or partial withdrawal be transacted immediately. All proceeds, including any premiums, shall be payable and forwarded to:

Standard Insurance  
Company FBO:

Mailing Address  
Unit 36  
P.O. Box 5000  
Portland, OR 97208-5000

OWNER(S), ANNUITANT(S) OR BENEFICIARY NAME

Overnight Mailing Address  
Individual Annuities P6C  
1100 SW Sixth Ave  
Portland, OR 97204

☐ Please refer to the Standard Insurance Company annuity contract number: \_\_\_\_\_  
CONTRACT NUMBER

☐ The requested action is a 1035 Exchange, therefore please:  
• Provide Cost Basis (see the enclosed Request For Cost Basis And Balance form).

_____ AUTHORIZED STANDARD INSURANCE COMPANY HOME OFFICE EMPLOYEE	_____ DATE
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