Focused Growth Annuity 5

Optimize Growth With This Annuity

The Focused Growth Annuity offers a robust set of features to help optimize growth potential. This annuity is an ideal choice for a long-term saver who can appreciate the benefits of tax-deferred growth, protection and limited access to funds. Few taxable investments provide this blend of safety, growth and flexibility.

Rate Guarantees

The annuity will be credited an interest rate that is guaranteed for five years. After that guarantee period, the contract will receive subsequent renewal rates based on the current economic and interest-rate environment. The annuity contract is assigned a guaranteed minimum rate; the renewal rate will never be set below this rate. Interest is calculated and credited daily.

Tax-Qualification Options

This annuity may be established as an Individual Retirement Annuity, 403(b) Tax-Sheltered Annuity or Simplified Employee Pension to initiate or continue a qualified retirement savings account.

Lump-sum deposits and complete or partial exchanges of nonqualified funds may also be accepted into this annuity.

Eligibility

A Focused Growth Annuity 5 may be established for owners age 18–93[1] and for annuitants age 0–93[1]. The Focused Growth Annuity requires a minimum premium amount of $15,000 and a maximum of $1,000,000. Greater amounts may be considered, but must receive home-office approval prior to application. Additional premium payments may be made during the first 90 days of the contract.

Advantages of Tax Deferral

Taxes will be due only when withdrawals or distributions are made from the annuity. This will generally be during retirement, when most people find themselves in a lower tax bracket. As a result, interest accumulates on principal, earnings and on money otherwise paid in income taxes.

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

Policies: SPDA (9/03), SPDA-MVA. Riders: R-EIO, R-NHB, R-TCB, R-MVAR, R-DB, SWO-DEF, R-ERTSA, R-NERTSA, R-IRA, R-Roth IRA, R-QPP

Tax-deferred annuities benefit from the effect of "triple-compounding," meaning that an annuity earns interest on the principal (initial premium payment), on the interest itself (amount credited as account growth based on the contract interest rate) and on the amount that would have been paid as income taxes.

Market Value Adjustment

During the market value adjustment period (the first five contract years), a market value adjustment will be applied to withdrawals or surrenders. This adjustment is based on changes in corporate bond yields and may increase or decrease the annuity's surrender value.

In a withdrawal scenario where the surrender charge is waived, the market value adjustment also will be waived.

The contract details how this adjustment is calculated, but generally if interest rates have risen since the annuity purchase, the adjustment will decrease the surrender value; if interest rates have fallen, the adjustment will increase the surrender value.

Surrender-Charge Period

Unlike short-term savings products, deferred annuities are designed and priced for long-term retirement savings. Part of this design relies on the fact that the advantages of tax deferral work best when the annuity's growth is allowed to compound over time. Although all or a portion of the funds may be withdrawn at any time, early withdrawals are discouraged and are subject to surrender charges.

Expressed as a percentage of the annuity's total value, these charges diminish to zero over time. This schedule is in effect for only one period during the life of the contract and will not reset.

Please note that the surrender charges are not a part of or associated with any state or federal taxes imposed on a distribution or with the IRS pre-age-59½ tax penalty that may apply to a withdrawal. Surrender charges are in addition to any applicable state or federal taxes or penalties.

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A withdrawal in…	results in a…
year 1	8% surrender charge
year 2	7% surrender charge
year 3	6% surrender charge
year 4	5% surrender charge
year 5	4% surrender charge
year 6+	0% surrender charge

Withdrawals must be at least $500, and a minimum balance of $2,000 must be maintained. An additional 10 percent IRS penalty may apply to withdrawals before age 59½.

Accessing Funds

While withdrawals are discouraged until the annuity has completed its surrender-charge period, some are permitted under certain circumstances. There are no surrender charges associated with the following options, but an IRS penalty may apply before age 59½.

Interest Payments

After 30 days, regularly scheduled withdrawals of interest earnings may be made on a monthly, quarterly, semiannual or annual basis.

Required Minimum Distributions

If the contract is held as a tax-qualified plan, IRS Required Minimum Distributions may be made on the schedule requested.

Life-Changing Scenarios

After the first contract year, if the owner becomes a nursing-home resident for 30 or more consecutive days or is diagnosed with a terminal condition, withdrawals may be made.*

Annuitization

At any time the annuity may be converted to a payout annuity with The Standard. Annuitization must be either a lifetime income payment option or a certain period of at least five years.

Death Benefits

Upon the death of the owner or annuitant, the full annuity value is immediately payable as death benefits to the named beneficiary.

Time to Reflect on the Purchase

From the date the annuity contract is delivered, an owner has 30 days to consider the purchase. If the transaction is terminated during those 30 days, Standard Insurance Company will return all premium, net of any withdrawals taken.

Annuities are intended as long-term savings vehicles.

The Focused Growth 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.

* An applicant currently confined to a nursing home will not be eligible for the nursing-home waiver. The nursing-home waiver is not available in Massachusetts and state-specific conditions may apply to the terminal-condition waiver.

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