

Broker's Sales Guide

Index Select Annuity 5, 7 and 10

Growth potential with downside protection

Index Select Annuity 5, 7 and 10

Flexible crediting options to fit your retirement strategy

An Index Annuity

An index annuity is an insurance product with interest crediting based on the performance of a market index, such as the Standard & Poors 500® index. It is important to understand that indexed products do not invest directly in the index or the market; these are not securities and should not be marketed or sold as such.

Index annuity products are designed for clients interested in interest crediting that increases when the markets do well, but also want protection when the markets do poorly. These may be moderately conservative savers who appreciate the tax-deferred aspects of annuities and may be interested in diversifying how their money grows through different product designs.

There are a number of index products on the market and each has its own unique design features. This guide provides a summary of Standard Insurance Company's Index Select Annuity product. Before you sell this annuity, you are required to review this guide carefully.

How the Index Select Annuity Works

The Index Select Annuity offers Index Interest crediting and Fixed Interest crediting. Flexible crediting options give your clients the opportunity to customize the annuity to fit their retirement strategy.

There is a choice of a five, seven, or 10-year surrender-charge period, with no surrender charges thereafter.

Index Interest Crediting

Funds in the Index Interest account earn interest based on the performance of the S&P 500 index. By tying an annuity's interest crediting to the index, the funds can participate in general market gains. At the same time, they are protected from downturns.

Clients can choose interest crediting using an annual point-to-point Index Rate Cap, an annual point-to-point Index Participation Rate or have funds in both options.

Annual Index Rate Cap

Clients earn interest based on the growth of the index each year, up to the annual index rate cap. Funds in this account will participate in 100 percent of the percentage growth in the index up to the rate cap.

Annual Index Participation Rate

Clients earn interest based on a percentage of the growth of the index each year. That percentage is the annual participation rate. The participation rate is multiplied by the percentage growth in the index at the end of the term.

Index Term and Crediting

Each point-to-point index term is 12 months, and we credit interest once at the end of the term. Interest is based on the growth of the index from the beginning to the end of the index term. As interest is credited, the earnings are locked into the Index Interest account value. Funds in the Index Interest account will never decrease if the market goes down.

At the end of each index term, your clients will receive notice from us of the Index Rate Cap and Index Participation Rate for the next index term. The new rate may be higher or lower than their initial rate.

Fixed Interest Crediting

Funds in the Fixed Interest account are credited daily with the fixed interest rate. We guarantee this interest rate for one year at the time of purchase. Like the Index Interest account, any earnings from interest are locked into the account value.

After that, your clients will receive notice from us of the fixed interest crediting rate for the next year. The rate may be higher or lower than the interest rate of their initial rate guarantee period.

Issue Age

- Index Select Annuity 5 for owners age 18–93¹ and for annuitants age 0–93¹
- Index Select Annuity 7 for owners age 18–90 and for annuitants age 0–90
- Index Select Annuity 10 for owners age 18–80 and for annuitants age 0–80

Premium Amounts

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

Additional premium may be added during the first 90 contract days.

Account Allocations

Your clients can choose to place their funds in the index interest account, the fixed interest account or both. A total of at least 15% of premium must be allocated to the index accounts (index rate cap or index participation rate), and no less than \$2,000 in any account to which funds are allocated.

Allocations to the index interest account are held on deposit until we receive all expected funds. Then they are allocated as a single deposit on the next allocation date. Allocation dates are the 15th day of each calendar month. When we receive all expected funds, the index term will begin on the next 15th day of the month. We credit daily interest on these amounts until the allocation date.

Allocations to the fixed interest account are made on the day we receive premiums in The Standard's home office.

If we receive any premium after the index allocation date, it will be kept in the fixed interest account until the index term ends. Then it will be allocated to the accounts as your client has indicated.

Account Transfers

Account allocations may be changed once a year at the end of the index term. If your clients choose to reallocate their funds, they will be transferred on the first day of the next index term.

Fees

There are no annual contract fees.

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

Selling Points

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

The Index Select Annuity 5, 7 and 10 offers the opportunity to optimize growth potential. It's a good fit for those who like the benefits of tax-deferred growth with upside potential based on market performance. Few taxable investments provide this blend of safety, growth and flexibility.

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

Interest Rate Lock

The Index Select 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, they would receive the greater of the held interest rate or the current interest rate.

If the premium is received after the rate-lock period, it 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.

Rate lock is available only for the index rate cap and index participation rate. It does not apply to:

- The guaranteed minimum interest rate, set at the time the premium is received by us.
- The fixed interest account crediting rate, which is set at the rate in effect at the time the premium is received.

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. Please consult a tax professional for guidance.

Time to Reflect on the Purchase

Your clients 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.

Index Select Annuity Key Features

Guaranteed Minimum Accumulation Benefit

We ensure that the annuity fund value reaches the guaranteed minimum accumulation value at the end of the surrender-charge period. If it is less than that, we'll make a one-time adjustment to raise it to that amount. This adjustment is called the guaranteed minimum accumulation benefit.

This value is calculated as 100% of your original premium minus any withdrawals and surrender charges, grown at 1.00% simple interest each index term.

- ISA 5: 105% of net premium after five years
- ISA 7: 107% of net premium after seven years
- ISA 10: 110% of net premium after 10 years

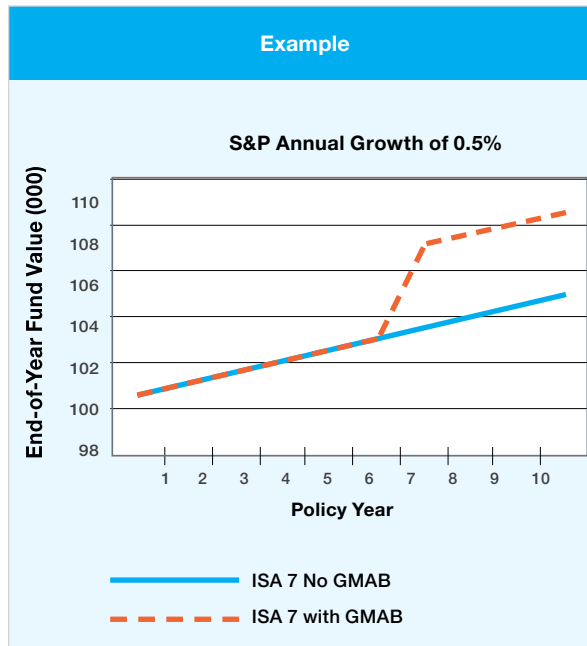
This ensures that the annuity fund will earn at least a guaranteed minimum interest growth by the end of the surrender-charge period.

Effects of the GMAB

Consider this example: An ISA 7 deposit of \$100,000 grows at 0.5% per year. The GMAB for an ISA 7 is 107% of net premium after seven years.

- Without the GMAB, the account value at the end of the 7th year will be \$103,553.
- With the GMAB, the account value is increased by \$3,447, so that the final fund value at the end of 7 years is \$107,000.

		ISA 7 No GMAB	ISA 7 With GMAB
End of Year	Assumed S&P Growth	Fund Value	Fund Value
1	0.5%	\$100,500	\$100,500
2	0.5%	\$101,003	\$101,003
3	0.5%	\$101,508	\$101,508
4	0.5%	\$102,015	\$102,015
5	0.5%	\$102,525	\$102,525
6	0.5%	\$103,038	\$103,038
7	0.5%	\$103,553	\$107,000
8	0.5%	\$104,071	\$107,535
9	0.5%	\$104,591	\$108,073
10	0.5%	\$105,114	\$108,613



Surrender-Charge Period

Deferred annuities are designed to be 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 the surrender-charge period. This is calculated as a percentage of the withdrawal amount. Surrender charges do not reset at the end of the surrender-charge period.

Index Select Annuity 5

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

Index Select Annuity 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%

Index Select Annuity 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%

Minimum Value Guarantee

During the surrender-charge period and throughout the contract, minimum values of the annuity are guaranteed. The ISA meets applicable minimum nonforfeiture requirements. This guarantees that the minimum surrender value will never be less than 87.5% of the premium accumulated at no less than 1.00% of interest, minus any prior partial withdrawals.

Market Value Adjustment

A market value adjustment applies to withdrawals or surrenders that are subject to a surrender charge. We base the adjustment on a formula that takes into account changes in the MVA Index at that time. We will waive the MVA when the surrender charge is waived.

The MVA can increase or decrease the surrender value of the annuity. Generally, if interest rates have risen since the beginning of the current surrender-charge period, the MVA will decrease the surrender value. If interest rates have fallen, the MVA generally will increase the surrender value.

We have guarantees in place which limit the amount of MVA that may be charged, based on nonforfeiture law. This is referred to in the contract as the “minimum fund” and generally is equal to 87.5% of premium grown at rates guaranteed for the life of the contract. Limits on the MVA apply equally to both positive and negative adjustments.

The MVA is a key design feature that helps optimize the growth potential of the Index Select Annuity over the long term. The presence of an MVA helps protect the insurance company against early withdrawals from the annuity, and in turn, the MVA allows the insurance company to generally credit a higher interest rate to the annuity contract.

For those who do not plan on taking distributions beyond the penalty-free withdrawals allowed during the surrender period, the MVA can work to their advantage by helping them receive a more competitive interest rate.

Market Value Adjustment Examples

The examples below illustrate the possible effects of the MVA on a withdrawal from a Index Select Annuity during the surrender charge period. The combined charges for early surrender may increase or decrease, depending on how the MVA index has changed since the policy was issued.

The sample calculations assume the MVA index rate begins at 3.00% and either rises to 5.00% or drops to 1.00%. The numbers are for example purposes only; results may vary.

Combined Surrender Charge and Market Value Adjustment Examples

Index Select Annuity 5			
End of Year	Base Surrender Charge	MVA Index Increases to 5.00%	MVA Index Decreases to 1.00%
1	9.4%	11.6%	7.2%
2	8.5%	10.7%	4.6%
3	7.5%	9.8%	3.7%
4	6.5%	7.6%	4.0%
5	5.5%	5.1%	4.8%

Index Select Annuity 7			
End of Year	Base Surrender Charge	MVA Index Increases to 5.00%	MVA Index Decreases to 1.00%
1	9.4%	11.6%	7.2%
2	8.5%	10.7%	4.6%
3	7.5%	9.8%	3.7%
4	6.5%	8.9%	2.8%
5	5.5%	8.0%	1.9%
6	4.5%	5.8%	2.2%
7	3.5%	3.3%	3.0%

Index Select Annuity 10			
End of Year	Base Surrender Charge	MVA Index Increases to 5.00%	MVA Index Decreases to 1.00%
1	9.4%	11.6%	7.2%
2	8.5%	10.7%	4.6%
3	7.5%	9.8%	3.7%
4	6.5%	8.9%	2.8%
5	5.5%	8.0%	1.9%
6	4.5%	7.1%	1.0%
7	3.5%	6.2%	0.1%
8	2.5%	5.3%	-0.8%
9	1.5%	3.2%	-0.6%
10	0.5%	0.6%	0.3%

Access to Funds

There are times when your clients may need to access their funds during the surrender-charge period. We have created withdrawal options without a surrender charge or market value adjustment to help in certain situations.

The minimum withdrawal amount is \$500. An annuity balance of \$2,000 must be maintained, with the exception of Required Minimum Distributions. Withdrawals from the index interest account before the end of an index term will not receive any interest during that term, except in those cases noted with the availability of a partial index credit.

There may be a 10 percent early-withdrawal IRS penalty for surrenders that occur before age 59½. Please consult a tax professional for guidance.

Partial Index Crediting

A partial index credit is available for terminal conditions, nursing home residency, annuitization or death benefit waivers. This credit is available if the withdrawal is made before the 12-month index term ends and there was growth in the index.

10% Annual Withdrawals²

Withdrawals up to 10% of the annuity fund value per year are available without a surrender charge.

Required Minimum Distributions

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

Terminal Conditions²

If clients are 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 Residency²

If clients become 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 of Owner or Death of Annuitant

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. Clients 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.

Out of Surrender Withdrawals

After the surrender-charge period, withdrawals of some or all of the annuity funds are available without surrender charges.

2. 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

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; market value adjustment; 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
- An exchange or replacement is suitable (if applicable), taking into consideration whether the client:
 - Will incur a surrender charge and market value adjustment, 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.

Statement Of Understanding

An insurance product may be deemed a security if marketing emphasis is placed on the product's investment aspects rather than its insurance aspects. Producers should market an index annuity to retirement savers who seek the guarantees associated with a fixed annuity, but who also want the potential of index-based interest crediting, rather than to those who want equity growth with a guarantee.

When presenting an indexed product, producers should emphasize:

- The index annuity is designed for retirement income or to enhance overall retirement savings and benefits.
- The contract's guarantees, including the guaranteed interest rate and guaranteed minimum surrender value.
- The long-term nature of the contract.
- The nursing home residency, terminal conditions, annuitization benefits and options of the annuity.
- When referencing or discussing the S&P 500 index, that it is only a means upon which to base the interest crediting and the annuity does not invest directly in the index or the market.
- Your client will not be taking any market risk on the principal. The Standard will stand behind the product with its guarantees.

Producers should also ensure:

- Every prospective client gets a copy of the point-of-sale marketing materials, and that every applicant signs and gets a copy of the application, the disclosure statement, as well as copies of the consumer materials and the illustration.
- The prospective client understands all the guaranteed and non-guaranteed features of the contract.
- The prospective client understands the surrender-charge period and all associated charges.

When presenting an indexed product, brokers should not:

- State or imply that the index return is in any way guaranteed.
- Place emphasis on the S&P 500 index. It is solely a means by which The Standard will measure the index interest rate of the index annuity.
- Use terms such as “investment performance,” “investment returns,” “Wall Street” or “stock market.”
- State or imply that using the S&P 500 index ties the contract directly to the stock market.
- Provide a partial or a complete list of the stocks or companies that comprise the S&P 500 index. Providing such a list could give a false impression that the applicant is indirectly investing in those stocks.
- Emphasize the similarities of the policies to variable policies, mutual funds and other such investment vehicles. Rather, point out the differences and guarantees of index contracts.
- Prepare or use your own sales materials, illustrations or advertising (including prospecting letters). All sales materials and advertising must be prepared and approved by The Standard.

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.

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.

Forms and Materials

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

New Business 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



Annuities are intended as long-term savings vehicles. The Index Select 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.

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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-IA

Riders: ICC17-R-PTP, ICC17-R-GMAB-IA, ICC17-R-MVA-IA, ICC17-R-TCB-IA, ICC17-R-NHB-IA, ICC17-R-ANN-IA, ICC17-R-DB-IA, ICC17-R-ANN-DW, ICC17-R-POF-IA, ICC17-R-IRA, ICC17-R-Roth IRA, ICC17-R-QPP, ICC17-R-ERTSA, ICC17-R-NERTSA, R-PTP, R-GMAB-IA, R-MVA-IA, R-TCB-IA, R-NHB-IA, R-ANN-IA, R-DB-IA, R-ANN-DW, R-POF-IA, R-IRA, R-Roth IRA, R-QPP, R-ERTSA, R-NERTSA.

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