

Annuity New Business Checklist

Protective Life Insurance Company¹
West Coast Life Insurance Company¹
Protective Life and Annuity Insurance Company

APPLICATION

- Customer information completed in its entirety where applicable.**
- Beneficiary information completed in its entirety. Please note the following:**
 - ✓ Beneficiary allocations must equal 100% for both Primary and Contingent Beneficiaries.
 - ✓ Percentage and Designation are required for each beneficiary.
 - ✓ Any additional beneficiaries not included on the application must be submitted in writing with a signature of the owner(s) and dated.
- Plan Type. Please note the following:**
 - ✓ Include the plan type that we are to issue the contract and ensure that it is applicable to the product being sold.
 - ✓ Include the amount being submitted as well as any transfer and tax information applicable to this contract.
- Fund Allocations must equal 100%.**
- Replacement Questions completed in their entirety by both customer and agent.**
- Customer Signature. All owners must sign.**
 - ✓ Annuitant signature is required if different than the owner(s).
 - ✓ Complete Date, City and State fields.
- Agent Signature. To ensure timely processing, please include the following:**
 - ✓ Agent's name printed, Agency name, and Agent's phone number.
 - ✓ Florida License ID # if applicable.
- Indexed Annuities 14 Calendar days. Application and funds or Application and Transfer/Exchange form **must be received within 14 calendar days of sign date.****
 - ✓ All Initial Premiums should be identified on application (checks & transfers) - funded premium (checks) must accompany the new business – do not wait to forward
 - ✓ Client-initiated transactions – 60 day rate/cap lock given if completed LAD 1120 Transfer/Exchange form, with Client Initiated box checked, is completed

SUITABILITY FORM

Required for all annuity business submitted through an IMO/BGA. Where FINRA firms have a certified program for Protective to accept your firm's Registered Principal approval, the form is not required.

REPLACEMENT FORM(S)

Please complete all applicable Replacement Forms.

TRANSFER / ROLLOVER / EXCHANGE FORM

Please complete all applicable forms.

TRUST DOCUMENTATION

If the owner is a Trust, we must receive a copy of the Trust Certification form or the first and last page of the trust in order to issue the contract.

POWER OF ATTORNEY DOCUMENTATION

If applicable, POA documentation is required.

¹ Not authorized in New York

FOR AGENT / BROKER DEALER INFORMATION ONLY. NOT FOR USE WITH CONSUMERS.

"Annuity contracts issued by Protective Life Insurance Company (PLICO-not authorized to sell insurance in NY), West Coast Life Insurance Company (WCL - not authorized to sell insurance in NY) and Protective Life and Annuity Insurance Company (PLAICO-authorized to sell life insurance in NY). Securities offered by Investment Distributors, Inc. (IDI). PLICO, PLAICO, and IDI are located at Birmingham, AL 35223, WCL located at San Francisco, CA 94104. All are subsidiaries of Protective Life Corporation. Protective Life Corporation is a separate company and is not responsible for the financial condition or the contractual obligations of PLICO, WCL, PLAICO, or IDI.

Protective ProPayer® Income Annuity

A Single Premium Immediate Annuity

PROTECTIVE LIFE INSURANCE COMPANY

Home Office: Nashville, Tennessee

Please send the application and check to:
Annuity New Business

Overnight: 2801 Highway 280 South • Birmingham, AL 35223

U. S. Postal Service: P.O. Box 10648 • Birmingham, AL 35202-0648

APPLICATION

Owner 1 Last Name, First, M.I.		<input type="checkbox"/> Male	<input type="checkbox"/> Female	Birth Date	_____ / _____ / _____		SS/Tax ID # : _____
Address	Street	City	State	Zip	Daytime Telephone No.		
Owner 2 Last Name, First, M.I.		<input type="checkbox"/> Male	<input type="checkbox"/> Female	Birth Date	_____ / _____ / _____		SS/Tax ID # : _____
Address	Street	City	State	Zip	Daytime Telephone No.		
Annuitant 1 Last Name, First, M.I.		<input type="checkbox"/> Same as Owner 1	<input type="checkbox"/> Male	<input type="checkbox"/> Female	Birth Date	_____ / _____ / _____	
					SS/Tax ID # : _____		
Address	Street	City	State	Zip	Daytime Telephone No.		
Annuitant 2 Last Name, First, M.I.		<input type="checkbox"/> Same as Owner 2	<input type="checkbox"/> Male	<input type="checkbox"/> Female	Birth Date	_____ / _____ / _____	
					SS/Tax ID # : _____		
Address	Street	City	State	Zip	Daytime Telephone No.		
Primary Beneficiary Last Name, First, M.I.		<input type="checkbox"/> Male	<input type="checkbox"/> Female	Birth Date	Relationship to Owner	SS/Tax ID # : _____	
				_____ / _____ / _____		_____	
Contingent Beneficiary Last Name, First, M.I.		<input type="checkbox"/> Male	<input type="checkbox"/> Female	Birth Date	Relationship to Owner	SS/Tax ID # : _____	
				_____ / _____ / _____		_____	
Purchase Payment: \$ _____							
Plan Type: <input type="checkbox"/> Non-Qualified <input type="checkbox"/> Traditional IRA <input type="checkbox"/> Roth IRA <input type="checkbox"/> Other Qualified Plan _____ (Type of Qualified Plan)							
Replacement							
Do you currently have an annuity contract or life insurance policy?						<input type="checkbox"/> Yes	<input type="checkbox"/> No
Will this annuity change or replace an existing annuity contract or life insurance policy?						<input type="checkbox"/> *Yes	<input type="checkbox"/> No
* If 'Yes' please provide the company name and policy or contract number in the spaces below and complete additional required forms.							

Special Remarks							

An annuity contract is not a deposit or obligation of, or guaranteed by any bank or financial institution. It is not insured by the Federal Deposit Insurance Corporation or any other government agency and is subject to investment risk, including the possible loss of principal.

Initial Income Payment \$ _____

Income payments begin within 30 days of the Effective Date and are payable to Annuitant 1. Please use 'Special Remarks' to delay the income date (up to 1 year) or to select a different payee.

Income Option: (select one)

For income options based on one or two lives, please attach a copy of a birth certificate, state driver's license or U.S. Passport as proof of age for each Annuitant. Certain periods may not be less than 5 years nor more than 30 years without our prior consent.

Income Options Based on One Life

- Single Life, with ___ years & ___ months certain Single Life, with installment refund Single Life, with cash refund

Income Options Based on Two Lives

- Joint Life, with ___ years & ___ months certain Joint Life, with installment refund Joint Life, with cash refund

If you selected an option based on two lives, the income payments may be reduced upon the death of either Annuitant. To elect this feature, enter the percentage of the current income payment each Annuitant should receive upon the death of the other. If no percentages are entered, income payments will not be reduced due to an Annuitant's death. (Please use whole percentages.)

Annuitant 1: ___ %

Annuitant 2: ___ %

Income Options Not Based on a Life

- ___ years & ___ months certain
 Issue my contract as non-surrenderable.

Unless you select the PAYPlus income escalation feature below, future income payments under this option may be surrendered according to the terms of the Contract. Check the box to the left to waive your right to surrender future income payments.

Income Payment Frequency: (select one)

- Annually Semi-Annually Quarterly Monthly

PAYPlus: (select one) PAYPlus, the annual income escalation feature, is not available with surrenderable income options.

- Yes, increase income payments ___ % on each income date anniversary. (10.00% maximum, in 0.01% increments) No, do not increase my income payments.

NOT INSURED BY ANY GOVERNMENT AGENCY · NO BANK GUARANTEE · NOT A DEPOSIT

This application is part of the annuity contract. The information I provide is true and correct to the best of my knowledge and belief, but my statements are representations and not warranties. This application is made with the knowledge and consent of the proposed Annuitant(s). The company may accept instructions from any Owner on behalf of all Owners.

Application signed at: _____ on _____
(City and State) (Date)

Owner 1: _____ Owner 2: _____

Annuitant 1: _____ Annuitant 2: _____
(If other than Owner 1) (If other than Owner 2)

Federal law requires the following notice: We may request or obtain additional information to establish or verify your identity.

Producer Report

To the best of your knowledge and belief, does the applicant have an existing life insurance policy or annuity contract? ___ Yes ___ No

To the best of your knowledge and belief, does this annuity purchase change or replace any existing annuity or life insurance? ___ Yes ___ No

I determined the suitability of this annuity product to the applicant's financial objectives and situation by inquiring into the applicant's:

___ financial status ___ tax status ___ investment objectives ___ other relevant information

* Comments: _____

Type of unexpired government-issued photo I.D used to verify the applicant's identity? _____ # _____

I certify that I have truly and accurately recorded on this application the information provided to me by the applicant.

Sign Producer Name: _____ Print Producer Name: _____

Producer Number: _____ Agency/Brokerage: _____

Producer Phone #: _____ FL Lic. #(if applicable): _____

PROTECTIVE LIFE INSURANCE COMPANY

P.O. Box 10648

Birmingham, AL 35202-0648

Telephone: 1-800-456-6330

IMPORTANT NOTICE: REPLACEMENT OF LIFE INSURANCE OR ANNUITIES

This document must be signed by the applicant and the insurance producer/agent, if there is one, and a copy left with the applicant.

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 life insurance policy or annuity contract is purchased and, in connection with the sale, you discontinue making premium payments on the existing life insurance policy or annuity contract, or an existing life insurance policy or annuity contract is surrendered, forfeited, assigned to the replacing insurer, or otherwise terminated or used in a financed 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 life insurance policy values, including accumulated dividends, of an existing life insurance policy, to pay all or part of any premium or payment due on the new life insurance 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 life insurance policy or annuity contract. You may be able to make changes to your existing life insurance policy or annuity contract to meet your insurance needs at less cost. A financed purchase will reduce the value of your existing life insurance policy and may reduce the amount paid upon the death of the insured.

We want you to understand the effects of replacements and ask that you answer the following questions and consider the questions on the back of this form.

1. Are you considering discontinuing making premium payments, surrendering, forfeiting, assigning to the insurer, or otherwise terminating your existing life insurance policy or annuity contract? Yes No
2. Are you considering using funds from your existing policies or annuity contracts to pay premiums due on the new life insurance policy or annuity contract? Yes No

If you answered "yes" to either of the above questions, list each existing life insurance policy or annuity contract you are contemplating replacing (include the name of the insurer, the insured or annuitant, and the life insurance policy or annuity contract number if available) and whether each life insurance policy or annuity contract will be replaced or used as a source of financing:

INSURER NAME	ANNUITY CONTRACT OR LIFE INSURANCE POLICY #	INSURED OR ANNUITANT	REPLACED (R) OR FINANCING (F)
1. _____			
2. _____			
3. _____			

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

The existing life insurance policy or annuity contract is being replaced because _____.

I certify that the responses herein are, to the best of my knowledge, accurate:

Applicant's Signature and Printed Name

Date

Insurance Producer's/Agent Signature and Printed Name

Date

I do not want this notice read aloud to me. ____ (Applicants must initial only if they do not want the notice read aloud.)

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 life insurance policy or annuity contract and the proposed life insurance policy or annuity contract. One way to do this is to ask the company or insurance producer/agent that sold you your existing life insurance policy or annuity contract to provide you with information concerning your existing life insurance policy or annuity contract. This may include an illustration of how your existing life insurance policy or annuity 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 annuity 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 life insurance policy?

How long will you have to pay premiums on the new life insurance policy? On the old life insurance policy?

POLICY VALUES:

New policies usually take longer to build cash values and to pay dividends.

Acquisition costs for the old life insurance policy may have been paid; you will incur costs for the new one.

What surrender charges do the policies have?

What expense and sales charges will you pay on the new life insurance policy?

Does the new life insurance policy provide more insurance coverage?

INSURABILITY:

If your health has changed since you bought your old life insurance policy, the new one could cost you more, or you could be turned down.

You may need a medical exam for a new life insurance 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 coverage.)

IF YOU ARE KEEPING THE OLD LIFE INSURANCE POLICY AS WELL AS THE NEW LIFE INSURANCE POLICY:

How are premiums for both policies being paid?

How will the premiums on your existing life insurance policy be affected?

Will a loan be deducted from death benefits?

What values from the old life insurance 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 annuity contract?

What are the interest rate guarantees for the new annuity contract?

Have you compared the annuity contract charges or other life insurance policy expenses?

OTHER ISSUES TO CONSIDER FOR ALL TRANSACTIONS:

What are the tax consequences of buying the new life insurance policy?

Is this a tax-free exchange? (See your tax advisor.)

Is there a benefit from favorable "grandfathered" treatment of the old life insurance policy under the Federal Internal Revenue Tax Code?

Will the existing insurer be willing to modify the old life insurance policy?

How does the quality and financial stability of the new company compare with your existing company?

WHEN A REPLACEMENT OCCURS, YOU HAVE A THIRTY (30) DAY RIGHT TO RETURN THE CONTRACT

Return the contract within thirty (30) days of the delivery of the contract and receive an unconditional refund of premiums paid, including any policy fees or charges.

In the case of a variable or market value adjustment policy or contract, receive a refund of the cash surrender value provided under the contract plus any fees and charges deducted from the gross premiums paid.

**Request for Transfer or
Exchange of Assets**

Protective Life Insurance Company ¹
West Coast Life Insurance Company ¹
Protective Life and Annuity Insurance Company
Post Office Box 10648 / Birmingham, AL 35202-0648
Toll Free: 800-456-6330 / Fax: 205-268-3151

Existing Protective Contract Number: _____ (for additional payments only)

Check here and complete Box 4 if this is being submitted for a Rate Lock only. (If Rate Lock request is for a CD, you **must** include proof of maturity from the Financial Institution.)

Please do not select this option for the *Protective Indexed Annuity*, because the interest crediting elements for that product are determined as of the date the contract is purchased.

Complete this form to transfer assets to Protective Life Insurance Company, West Coast Life Insurance Company or Protective Life and Annuity Insurance Company (each, the "Company") for the issuance of a new annuity contract.

EXISTING ACCOUNT, CONTRACT OR POLICY TO BE TRANSFERRED

Company Name _____ Telephone Number _____

Email Address _____ Fax Number _____

Company (Overnight) Address _____

Owner's Name _____ Owner's SSN/Tax ID _____ Joint Owner's Name _____ Jt Owner's SSN/Tax ID _____

Contract/Account Number _____ Annuitant Name & SSN _____
(If different than Owner/Joint Owner)

The contract is:
 attached
 lost or destroyed

Please check this box if the existing contract being surrendered is a Fixed Annuity. (If box is checked, and your new Protective Life annuity is being issued in the state of Nevada, please complete form A-1128-NEV-Annuity.)

EXISTING ACCOUNT, CONTRACT OR POLICY TO BE TRANSFERRED

<input type="checkbox"/> CLIENT/AGENT INITIATED Non-Qualified:	<input type="checkbox"/> INTERNAL EXCHANGE	<input type="checkbox"/> EXTERNAL EXCHANGE Qualified:
<input type="checkbox"/> 1035 Exchange <input type="checkbox"/> Non-1035 Exchange <input type="checkbox"/> Mutual Fund <input type="checkbox"/> Bank CD <input type="checkbox"/> Other Non-1035 Exchanges	1. Plan Type: <input type="checkbox"/> IRA <input type="checkbox"/> 401(k) <input type="checkbox"/> Mutual Fund	2. Transfer Type: <input type="checkbox"/> CD <input type="checkbox"/> Roth IRA <input type="checkbox"/> 403(b)/TSA <input type="checkbox"/> Other _____

Proposed Plan Type: Non-Qual IRA Roth IRA Other _____

TRANSFER INSTRUCTIONS

See Attached LOI

- Amount to be transferred: Complete: Liquidate and transfer all assets in my account, contract or policy
 Partial: Liquidate and transfer assets totaling \$ _____
- When should transfer occur: Immediately
 Upon maturity date of ____/____/____ (mm/dd/yy)
- Current estimated value of the assets to be transferred are \$ _____
- RATE LOCK** I wish to lock in the interest rate that is in effect when this signed form is received by the Company. **If this box is not checked, you will receive the interest rate in effect on the day we receive the transferred amounts.**
(Please do not select this option for the *Protective Indexed Annuity*, because the interest crediting elements for that product are determined as of the date the contract is purchased.)

Complete 1035 Exchange: I hereby make a complete and absolute assignment and transfer all rights, title and interest of every nature in the above contract to the accepting insurance company indicated below.

Partial 1035 Exchange: I hereby direct the issuer of the above-referenced existing annuity contract to process a partial 1035 exchange to the accepting insurance company indicated below. I intend for this transaction to qualify as a tax-free exchange for Federal income tax purposes.

Based on our understanding of IRS guidance in Rev. Proc. 2011-38, if a contract is involved in a tax-free partial exchange under Internal Revenue Code section 1035 that is completed on or after October 24, 2011, and an amount is withdrawn from or received in surrender of either contract within 180 days of the exchange, the IRS will apply general tax principles to determine the substance, and hence the treatment of the partial exchange and the subsequent withdrawal or surrender. Such a withdrawal or surrender could affect how the partial exchange and the withdrawal or surrender is reported to you and the IRS.

For Other Transfers: Unless it is noted above to hold for a future date, I request the surrendering company to immediately complete the transfer or rollover. Do not withhold any amount for taxes from the proceeds.

SIGNATURES:

_____	_____	_____	_____
Owner's Signature	Date	Joint Owner's Signature	Date
_____	_____		
Annuitant's Signature	Date		

FOR HOME OFFICE USE ONLY

NOTICE OF ACCEPTANCE: The Company will accept the assets and credit them to an annuity contract as described above. The Company has received an application from the Owner to establish an annuity contract for this transaction.

_____	_____	_____
Authorized Signature	Title	Date

SETTLEMENT: Please make check payable for the proceeds and mail to:

- Protective Life Insurance Company
- Protective Life and Annuity Insurance Company (New York Only)
- West Coast Life Insurance Company

Mailing Address: PO Box 10648
Attn: 3-1 Annuity New Business
Birmingham, AL 35202-0648

Overnight Address: 2801 Highway 280 South
Attn: 3-1 Annuity New Business
Birmingham, AL 35223

Federal Tax Withholding on
Periodic Annuity Payments

Owner's Name: _____ NON-TAX QUALIFIED PLAN
Contract Number: _____ IRA / SEP

The taxable portion of the periodic annuity payments you receive from the above contract are subject to Federal income tax withholding, by treating each payment as wages, unless you elect not to have withholding apply. You may elect not to have tax withheld from your payment(s) by checking the appropriate box below, signing and dating this form, and returning it to us at the Home Office. If you do not elect out of withholding, Federal income tax will be withheld from your payments, using IRS wage withholding tables, based on the marital status and number of withholding allowances you have claimed below. If you do not elect a marital status and number of withholding allowances, we are required to withhold tax by treating you as a married individual claiming three (3) withholding allowances until you file an election to request withholding on a different basis. However, if we do not have your correct Social Security Number, you may not elect out of withholding and we must withhold tax by treating you as a single individual claiming zero (0) withholding allowances.

Your election will remain in effect and apply to all future payments you receive in this series under this contract until you change or revoke it. You may make, change, or revoke your election at any time and as often as you wish with regard to future payments in this series by filing a new election or sending us a completed IRS Form W4-P. Any election, change, or revocation of a previously filed election will be effective no later than for payments made 30 days after the new form is received by us. Your distribution may also be subject to state tax withholding requirements.

If you elect not to have withholding apply to your annuity payments, or if you do not have enough Federal income tax withheld from your payments, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

Withholding Election – Even if you elect not to have Federal income tax withheld, you are liable for payment of Federal income tax on the taxable portion of your annuity payments. You also may be subject to tax penalties under the estimated tax payment rules if your payments of estimated tax and withholding, if any, are not adequate.

*For 403(b) and certain other qualified plans, the Company is required to withhold 20% federal income tax on the taxable amount of distributions that are not a direct rollover.

Federal Tax Withholding Options (You must select one): **State Tax Withholding Options (You must select one):**

- | | |
|--|---|
| <input type="checkbox"/> Option 1. Withhold a fixed percent of _____% | <input type="checkbox"/> Option 1. Withhold a fixed percent of _____% |
| <input type="checkbox"/> Option 2. Withhold a fixed dollar amount of \$_____ | <input type="checkbox"/> Option 2. ** Withhold a fixed dollar amount of \$_____ |
| <input type="checkbox"/> Option 3. Withhold based on my preferred filing status. | <input type="checkbox"/> Option 3. * Do not withhold any state tax. |

Select your preference below:

- Single with _____ allowances
 Married with _____ allowances

NOTE: NC and MI will require the additional **NC-4P / MI-4P** if you elect **no** state withholding.

- Option 4. Do not withhold any federal tax.

***Some states require mandatory state income tax when federal income tax is withheld. For these states we will withhold based on the state requirements.**

****Some states do not allow state income tax withholding. We will withhold according to your instructions as allowed by the state.**

Owner's Signature _____ Date _____ Joint Owner's Signature _____ Date _____

Owner's SSN / Tax ID Number _____ Joint Owner's SSN / Tax ID Number _____

THIS ELECTION SUPERCEDES PREVIOUS ELECTIONS FOR PAYMENTS FROM THIS CONTRACT

New Hampshire Buyer's Guide to Annuities

WHAT IS AN ANNUITY?

An annuity is a series of payments made at regular intervals. You can buy annuity contracts from life insurance companies. In return for premiums that you pay, the company will pay you an annuity. An annuity contract is not a life insurance policy or a health insurance policy. It is not a savings account or savings certificate, nor should it be bought for short term purposes.

TYPES OF ANNUITY CONTRACTS

Annuity contracts may be classified in a number of ways. The most common classifications are set out below.

Annuity contracts may be either immediate or deferred. Immediate annuity contracts provide income payments that start shortly after you pay the premium. Deferred annuity contracts provide income payments that start later, often many years later. Thus, the main reason for buying an immediate annuity contract is to obtain an income, most frequently for retirement purposes. There are two reasons for purchasing a deferred annuity contract. One is to obtain a vehicle for the accumulation of money on a tax-deferred basis. Secondly, the money accumulated can then provide an income.

Annuity contracts may be either single premium or installment premium. Single premium contracts require you to pay the company only one premium. Installment premium contracts are designed for a series of premiums. Most of these are flexible premium contracts; they allow you to pay as much as you wish whenever you wish, within specified limits. Others are scheduled premium contracts, which specify the size and frequency of your premiums.

Annuity contracts may be either individual or group. Individual contracts cover only one or two person. Group contracts cover a specified group of people.

Annuity contracts may be fixed, variable, or a combination of both. During the deferred period of a fixed annuity contract, premiums (less charges) are accumulated at rates of interest set by the company. The amount of each annuity payment is determined when payments begin. During the deferred period of a variable annuity, the value of the accumulated premiums (less charges) varies with the performance of a specified pool of investments. The amount of annuity payments also varies with the performance of the pool. Combination annuities allow you to put part of your premium in a fixed annuity and part in a variable annuity.

Some companies offer deposit fund arrangements under the provisions of their life insurance policies or annuity contracts. These arrangements allow you to pay amounts, in addition to your premiums, which will be accumulated at interest in much the same way as under a deferred fixed annuity contract. The balance of this Buyer's Guide deals specifically with deferred fixed annuity contracts and therefore, is generally applicable to deposit fund arrangements also.

ANNUITY CONTRACT FEATURES

Your value in the contract consists of the premiums you have paid, less charges, plus interest credited. This value is used to calculate the amount of most benefits that you will receive. Charges, interest, and benefits are explained below.

CHARGES

Considerable diversity exists in the types and amounts of charges. A typical contract might contain one or more of the following types of charges. Companies may refer to these charges by different names. Also while some charges will be fixed by the contract, other charges may be changed by the company from time to time.

Percentage of Premium Charge. This charge, often called a "load" is deducted from each premium paid. The percentage may reduce after the contract has been in force for a certain number of years or after total premiums paid have reached a certain level.

Contract Fee. This is a flat dollar amount charged either once at issue or annually.

Transaction Fee. This is a charge per premium payment or other transaction.

Surrender Charge. This charge is usually a percentage of the value of the contract or of premiums paid. The percentage may be reduced or eliminated after the contract has been in force for a certain number of years. Sometimes the charge takes the form of a reduction in the interest rate credited. In some cases, the charge is eliminated if the interest rate declared by the company falls below a certain level.

INTEREST

The interest rate used to accumulate contract values may never be less than the guaranteed rate stated in the contract. In practice, the interest rate actually used by a company, usually referred to as the "current rate", is often higher. The company may change the current rate from time to time, but it cannot be lower than the guaranteed rate. Companies differ substantially in their methods of determining the current rate.

BENEFITS

Annuity contracts provide a number of benefits. While the annuity income benefit is the primary one, the other benefits set out below are also important.

ANNUITY INCOME BENEFIT

Income payments are usually made monthly, although other frequencies are available. The amount of the annuity payments is based on both the value of the contract and the contract's "benefit rate" when annuity payments begin. This benefit rate depends on your age and sex and the annuity form you have chosen.

Annuity contracts contain a table of guaranteed benefit rates. Most companies periodically develop "current" benefit rates as well; these rates are subject to change by the company at any time. When annuity payments begin, the company will determine the amount of each payment according to the current benefit rates then in effect if these are more favorable to you. If the guaranteed benefit rates would provide higher income payments, those rates will be used. Once payments begin, they are unaffected by any future benefit rate changes.

The most commonly available annuity forms are:

Straight Life. The annuity is paid as long as you are alive. There are no further payments to anyone after your death.

Life With Period Certain. The annuity is paid as long as you are alive. If you die before the end of the period referred to as the "certain period" the annuity will be paid to your beneficiary for the rest of that period. Typical certain periods are 10 or 20 years.

Joint and Survivor. The annuity is paid for as long as either you or another named annuitant is still alive. In some variations, the annuity is decreased after the first death. A period certain may also be available with this form.

DEATH BENEFIT

Most contracts provide that, if you die before the annuity payments start, the contract value will be paid to your beneficiary. Some contracts provide that the death benefit will be the total premiums paid if that amount is greater than the value of the contract at death.

SURRENDER BENEFIT

Most annuity contracts allow you to surrender your contract if income payments have not yet started. Upon surrender, the contract terminates. The surrender benefit is equal to your contract value less surrender charge, if any.

Many annuity contracts also provide that you may withdraw a portion of your contract value, under certain conditions, without terminating the contract. A surrender, or withdrawal, charge may be deducted from the amount withdrawn. This charge is usually a percentage of either the accumulation value of the contract, the premiums paid or the portion withdrawn.

WAIVER OF PREMIUM BENEFIT

Some companies offer a benefit which will pay premiums for you if you become disabled. A charge is made for this benefit.

HOW MUCH SHOULD I BUY?

Before buying, ask yourself these questions:

1. How much annuity income will I need in addition to social security, pension savings, and investments?

2. Will I need an income only for myself or for someone else also?
3. How much can I afford to pay in premiums?
4. How will the annuity contract fit in with my total financial planning?

HOW TO BUY AN ANNUITY

Buying an annuity contract is a major financial decision which should be considered carefully. The prospective purchaser of an annuity contract should consider the offerings of as many companies as possible.

CONTRACT SUMMARY

You will receive a Contract Summary when an annuity contract is delivered to you, or you can ask for one now. You should review this statement thoroughly.

Accumulated values and surrender values under the contract are illustrated for various years on this statement. During the first few years, these values may be less than the premiums paid. This is why an annuity contract should not be purchased for short term purposes.

Also illustrated are the yields on gross premiums at specified times. Since this takes into account not only the interest credited under the contract, but also the effect of all charges, the yield on gross premiums is a figure you can use to compare annuity contracts. Be careful in comparing this figure with yields available on other investments. The tax treatment of annuity earnings is usually substantially different from that of earnings from other investments. And only annuity contracts offer life income and waiver of premium benefits.

As stated in the beginning of this guide, one reason for buying an annuity contract is to obtain an income. Therefore, you should also review the life income figures shown in the Contract Summary. These life income figures are shown for annuities beginning at age 60, 65, and 70. Not everyone plans to retire at the same age. Thus, this set of figures enables the contract summary to be relevant to the purchaser of an annuity contract whatever his personal plans may be for retirement. Two different sets of life income figures are shown. One shows the payout amount per month produced by the guaranteed cash surrender value accumulated at the applicable age and the guaranteed annuity purchase rates. The second set of amounts shows the monthly payout produced by the illustrated cash surrender value accumulated at the applicable age and the current annuity purchase rates.

You will note that all values and income figures are shown on both a "guaranteed" and an "illustrated" basis. Illustrations on the guaranteed basis show the minimum values and income which could be paid under the contract. Illustrations on the "illustrated" basis show the values and income which would be paid if the current interest and benefit rates for the contract were to continue in effect for the period shown. Since it is impossible to predict the future course of interest and benefit rates, you will have to decide for yourself how much to rely on the illustrated basis values when making your purchase decision.

OTHER POINTS TO CONSIDER

Be certain that you understand the effect of all charges that will be made under the contract.

Check whether the annuity contract allows you to change the amount of your premium payments. Find out what happens if you stop paying premiums altogether.

You may want to obtain and compare Contract Summaries for similar contracts from several companies. Comparing these should help you select a good buy.

If you are buying an annuity contract for an Individual Retirement Account (IRA) or another tax deferred retirement program, make sure that you are eligible. Also, make sure that you understand any restrictions connected with the program.

If you are shown a presentation which illustrates tax savings, find out what assumptions are used. Be sure the assumptions apply in your case.

A good agent can help you choose the right annuity contract. Remember that the quality of service that you can expect from the life insurance company and the agent is an important factor also.

READ THE CONTRACT

When you receive your new annuity contract read it carefully. Ask the agent and company for an explanation of anything you do not understand.

If you have a specific complaint or cannot get the answers you need from the agent or company, please contact your state insurance department.

NEW HAMPSHIRE BUYER'S GUIDE TO ANNUITIES

ACKNOWLEDGMENT FORM

This will acknowledge that the New Hampshire Buyer's Guide to Annuities was delivered to me on the date indicated below.

Signature of Applicant

Date

Signature of Representative

Date

A signed copy of this acknowledgment must be submitted with the application.

