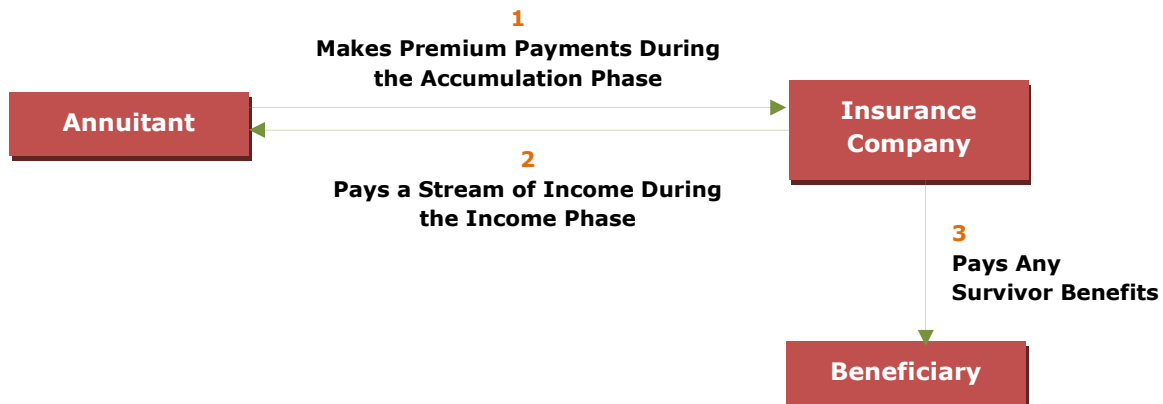


## Here's How a Deferred Annuity Works:



1. During the accumulation phase prior to retirement, the annuitant makes a single premium payment or periodic premium payments to an insurance company. If early withdrawals are taken, they may be subject to surrender charges (contingent deferred sales charges). Withdrawals also may be subject to ordinary income tax and, if taken prior to age 59-1/2, a 10% federal tax penalty may apply.
2. At retirement, the annuitant selects an annuity income option and the insurance company pays the annuitant a stream of income. If, for example, the annuitant selects a life income annuity option, the annuitant receives a guaranteed\* income from the annuity for as long as he or she is alive. The portion of each annuity payment representing earnings on annuity premiums is subject to income tax as received.
3. If the annuitant dies during the accumulation phase, the insurance company pays the accumulated value of the deferred annuity to the annuitant's designated beneficiary. If the annuitant dies during the income phase, there may be survivor benefits payable to the annuitant's designated beneficiary, depending on the annuity income option selected.

\* Guarantee is based on the continued claims-paying ability of the issuing insurance company. Annuities are not insured or guaranteed by the FDIC or any other government agency.