

Advantage Growth Annuity

The Broker's Sales Guide To An Individual Fixed Annuity From The Standard

**With the Advantage Growth Annuity
you'll find a rewarding combination
of safety, tax deferral and choice.**

Individual Annuities
Standard Insurance Company



Advantage Growth Annuity

The Advantage Growth Annuity from The Standard is a single-premium, deferred annuity offering a one-year interest rate guarantee period, during which a bonus of 2.00 percent additional interest is credited. We offer the Advantage Growth Annuity with a five- and seven-year surrender charge period. After the initial guarantee period, your client will benefit from competitive renewal rates based on the current economic environment and market conditions.

The Advantage Growth Annuity offers a variety of ways for your client to access funds before the end of the surrender-charge period without paying a surrender charge. Surrender-charge-free withdrawal methods include a 10 percent annual withdrawal option, scheduled payments of interest earnings, IRS Required Minimum Distributions from qualified plans and IRAs, and nursing home and terminal condition waivers. Details of these flexible withdrawal features follow.

Issue Ages

The maximum issue age on an owner and an annuitant is 90.

Single Annuitant And Single Owner

The Advantage Growth Annuity series contract language does not allow for joint annuitants and joint owners. In the case of a 1035 exchange we will facilitate joint owners. If one of the owners dies, the death benefit will be payable.

Initial Premium

\$15,000 is the minimum initial premium necessary to establish the contract. \$1,000,000 is the maximum initial premium allowed for establishing a Advantage Growth Annuity; higher amounts may be permitted with prior approval from the home office.

Additional Premiums

Once an Advantage Growth Annuity is established, your client may pay additional premiums during the first 90 contract days. Any additional premiums received will be credited with the interest rate in effect at the time of the premium payment.

Selling Points

Interest Rate Bonus

The Advantage Growth Annuity includes an interest rate bonus of 2.00 percent for the first contract year.

Competitive Interest Rate

The Advantage Growth Annuity offers strong growth potential through competitive interest rates. The Standard has a long-standing history of reliable fixed annuity performance and competitive renewal rates.

The initial interest rate is guaranteed to remain level for one year. After this rate guarantee period your client will receive renewal interest rates based on current market conditions. And the interest rate is guaranteed to never go below the contractual minimum guaranteed rate.

Interest Rate Lock

The Advantage Growth Annuity may make available an interest rate lock. If available at the time of purchase, this would allow 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 were to be received within this window, the client 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 would be credited the interest rate in effect at the time the premium is received. For more specific information, contact the sales team.

Tax Advantages

While gain on many other savings and investment products is taxable in the year it's earned, income taxes on Advantage Growth Annuity funds are due only when your client makes withdrawals or begins taking regular distributions — generally at retirement, when the tax bracket may be lower. As a result, interest accumulates on principal, on earnings and on money that otherwise would have been paid in income taxes.

Practical Surrender-Charge Periods

Because the Advantage Growth Annuity is specifically designed to perform over the long term, if a client needs access to funds during the surrender-charge period (in excess of any free withdrawal provisions), a surrender charge will be assessed according to the table below.

Advantage Growth Annuity Surrender-Charge Schedule

Contract Year	1	2	3	4	5	6	7	8
AGA 5	7%	6%	5%	4%	2%			
AGA 7	7%	6%	5%	4%	3%	2%	1%	

Market Value Adjustment (MVA) Feature

During the surrender charge period, an MVA is applied to the portion of withdrawals or surrenders that are subject to surrender charges. The MVA is based on changes in the prescribed index, and may increase or decrease the annuity's surrender value. Generally, if interest rates have risen since the purchase, the adjustment will decrease the surrender value. Conversely, if interest rates have fallen since the purchase, the MVA will increase the surrender value.

The MVA is a key design feature that helps optimize the growth potential of the Advantage Growth 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 credit a higher interest rate to the annuity contract. For those clients who do not plan on taking distributions beyond the surrender-charge-free withdrawals allowed during the surrender period, the MVA can work to their advantage by helping them receive the higher interest rate.

Market Value Adjustment Examples

The examples below illustrate the effects of possible MVA adjustments on a withdrawal from an Advantage Growth Annuity. Consider the combined charges for early surrender when rates increase or decrease. The sample calculations assume the index tracked is 3.00 percent at issue and either rises to 5.00 percent or drops to 1.00 percent. The numbers are for illustration purposes only; results may vary.

Combined Surrender Charge And Market Value Adjustment

These illustrations do not take into consideration surrender free withdrawals.

Advantage Growth Annuity 5			
End of Year	Unchanged at 3.00%	Increased at 5.00%	Decreased at 1.00%
1	7.00%	14.02%	-0.65%
2	6.00%	11.41%	0.14%
3	5.00%	8.73%	1.04%
4	4.00%	5.98%	1.94%
5	2.00%	2.16%	1.84%
6	0.00%	0.00%	0.00%
7	0.00%	0.00%	0.00%
8	0.00%	0.00%	0.00%

Advantage Growth Annuity 5			
End of Year	Unchanged at 3.00%	Increased at 5.00%	Decreased at 1.00%
1	7.00%	15.46%	-1.46%
2	6.00%	14.75%	-3.85%
3	5.00%	12.17%	-2.92%
4	4.00%	9.53%	-1.98%
5	3.00%	6.81%	-1.04%
6	2.00%	4.02%	-0.10%
7	1.00%	1.16%	0.84%
8	0.00%	0.00%	0.00%

Surrender And MVA Free Withdrawals

Payments Of Interest Earnings

Regular payments of earned interest are available after the contract has been in force for 30 days. Your client may choose to receive monthly, quarterly, semiannual or annual interest payments. Payments cannot be less than \$100. Electronic fund transfer (or “direct deposit”) is available and encouraged.

10 Percent Annual Withdrawals

After the first contract year, your client may annually withdraw up to 10 percent of the annuity’s value (as of the end of the preceding contract year) without incurring a surrender charge.

IRS Required Minimum Distributions

The Advantage Growth Annuity is available for purchase as an IRA, 403(b) Tax-Sheltered Annuity or other tax-qualified plan. If purchased as a tax-qualified contract, the IRS Required Minimum Distributions (RMDs) attributable to the account value of the annuity will be distributed without the assessment of a surrender charge or application of a market value adjustment. The Standard guarantees its calculation of RMDs and will pay any fines or penalties associated with an incorrect amount that is calculated by The Standard. However, The Standard will not be responsible for incorrect calculations due to incorrect information provided by the owner. This guarantee is limited to calculations made on accounts administered by The Standard.

Annuitization

Your client may convert the Advantage Growth Annuity into an income annuity with The Standard at any time and pay no surrender charges. Your client must choose a Lifetime Income option or a Period Certain option of five years or longer.

Nursing Home Benefit

After the first contract year, if the owner becomes a nursing home resident for 30 or more consecutive days, The Standard will waive surrender charges and market value adjustment on all withdrawals, transfers and surrenders during the period of confinement. Written documentation is required. The nursing home waiver is not available in Massachusetts.

Terminal Condition Benefit

In all states but MO, MN, NJ, TX and WA, if the annuitant or owner/annuitant is diagnosed with a terminal condition after the first contract year, The Standard will waive surrender charges on all withdrawals, transfers and surrenders. In MO, MN, NJ, TX and WA, if the owner is diagnosed with a terminal condition after the effective date of the contract, The Standard will waive surrender charges on all withdrawals, transfers and surrenders after the first contract year. Written documentation is required. Additional state-specific conditions apply to the terminal condition waiver.

Out Of Surrender

After the end of the surrender-charge period, your client may withdraw some or all of the Advantage Growth Annuity funds without incurring surrender charges.

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, including:

- 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

Death Benefits

The full accumulation value is paid to the beneficiary if the owner or annuitant dies, even during the surrender charge and/or MVA period.

Suitability Analysis During The Sales Process

Is This Product Right For Your Client?

In recommending an annuity to a client, a producer must have reasonable grounds to believe the 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 noted on the previous page, 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; 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
- (If applicable) an exchange or replacement is suitable, taking into consideration whether the client:
 - Will incur a surrender charge, 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.

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.

Marketing Materials

www.standard.com/annuities

New Business Forms

www.standard.com/annuities

New Business Submission

Annuity New Business, P5C
The Standard
PO Box 711
Portland, OR 97207-9971

Forms And Materials

You can find forms and marketing materials at [**www.standard.com/annuities**](http://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.



Standard Insurance Company
Individual Annuities
1100 SW Sixth Avenue
Portland OR 97204-1093

www.standard.com/annuities