

Royal Neighbors of America

PRODUCT PROFILE

Royal Neighbors Choice Series

Multi-Year Guarantee Annuity

Choice 6

Form Series 1022

Choice 6 is a Single Premium Deferred Annuity with the initial interest rate guaranteed for six years

A Single Premium Deferred Annuity is an annuity into which a single lump-sum premium is paid that grows with interest, tax-deferred, until maturity.

Why a Single Premium Deferred Annuity (SPDA)?

- SPDAs allow for one initial lump-sum premium to be paid into the annuity that provides guaranteed growth.
- Tax-deferred growth.
- An SPDA can be issued as a qualified or non-qualified annuity; a qualified SPDA is one that has been issued under the IRS code granting special tax treatment (a traditional IRA, a Roth IRA, a SEP, or an IRA rollover from a qualified plan).

Choice 6 may be right for your clients if:

- They are comfortable with locking in premiums for the long term.
- They would like to make one initial premium payment with minimal risk.
- They are not going to need to withdraw their money until they reach retirement.
- They have sufficient funds to cover short-term expenses and emergencies.

Plan Variations and Issue Ages

Annuitant issue ages (if different from Owner):

- 0-85 non-qualified

Owner issue ages:

- 16-99 non-qualified
- 21-85 SEP IRA
- 16-85 IRA, above 70 1/2 must be rollover or transfer of funds
- 16-85 Roth IRA*

**Can accept premiums after 70 1/2 as a qualified contribution*



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www.royalneighbors.org
(800) 770-4561, Option 1



Ownership

The Owner is named in the application. The Owner may be an individual or a Trust acting for the benefit of an individual. Royal Neighbors does not allow corporate or non-natural person ownership. Unless a separate Owner and Annuitant are designated in the application, the Owner is the Annuitant.

Interest Crediting

Interest is credited and compounded on a daily basis. The initial interest rate is determined by the single premium band:

BAND 1: \$5,000 through \$19,999

BAND 2: \$20,000 through \$99,999

BAND 3: \$100,000 and greater

The initial interest rate is guaranteed for six (6) years. Interest is credited and compounded on a daily basis. After the 6th year, interest is calculated and credited on a portfolio basis. The credited rate cannot be below the minimum guaranteed interest rate issued on the certificate.

Minimum Guaranteed Interest Crediting Rate

The Minimum Guaranteed Credited Interest Rate is established on the issue date and will be guaranteed not to change during the life of the certificate. The Minimum Guaranteed Rate will not exceed 3.0%, nor be less than 1.0%. A formula is used to determine the guaranteed interest crediting rate at issue, and will be set by Royal Neighbors on a quarterly basis for new business. The formula is based on the Constant Maturity Treasury rate. The formula is found on page 3 of the certificate and can be accessed on our Agent Website under "Our Products".

Premiums

- Minimum Premium: \$5,000
- Maximum Premium: \$300,000 without prior Home Office approval. To request an exception for premiums greater than \$300,000, complete and submit Form 10019.
- If premiums are being transferred from multiple sources, it must be noted on the application. A certificate will not be issued until at least the minimum premium required is received at Home Office (including 1035 exchanges and transfer funds). All premiums must be received within 90 days.

Maturity Date

- The certificate anniversary after the Annuitant's 70th birthday or 10 years after issue, whichever is later.
- The Owner can elect an optional maturity date later than the above maturity date. If no request is received 30 days prior to the maturity date above, a maturity date of the Annuitant's age 115 will be automatically selected.

Monthly Interest Available

- If the accumulation value of the certificate is at least \$20,000, you may elect to automatically receive your interest earnings every month.

Partial Withdrawals

In addition to monthly interest withdrawals, a partial withdrawal of at least \$500 can be requested at any time prior to the maturity date of the certificate as long as the accumulation value does not fall below \$5,000.

Withdrawal Charges

The Withdrawal Charge will apply to a full or partial surrender of the premiums paid. The charge does not apply to any distribution of earnings. The Withdrawal Charges are as follows:

CERTIFICATE YEAR	1	2	3	4	5	6	7+
WITHDRAWAL CHARGE %	8.5	7.5	7	6	5	4.5	0

For exchanges, the Withdrawal Charge will not be waived if the funds are internally exchanged.

Exceptions to Withdrawal Charges

- Withdrawals up to the amount of accumulated interest.
- Death benefit proceeds paid at death of the Annuitant if same as Owner.
- Death benefit proceeds paid at the death of the Owner if (1) Annuitant and Owner are different, (2) the Owner dies first, and (3) the Owner was age 75 or younger on the issue date.
- As a current practice, withdrawal charges will not apply to Required Minimum Distributions (RMD) Please note that withdrawals may be subject to income tax and to IRS penalties; see a qualified tax advisor for additional details.

Death Benefit Proceeds

- If the Owner dies prior to the certificate maturing, death benefit proceeds will be paid.
- If the Owner is the Annuitant, proceeds paid will equal the Accumulation Value.
- If the Owner who is not the Annuitant dies, and the Owner was age 16 through 75 at the certificate issue, proceeds paid will equal the Accumulation Value.
- If the Owner who is not the Annuitant dies, and the Owner was age 76 through 99 at the certificate issue, proceeds paid will equal the Cash Surrender Value.

Loans

- None

Dividends

- Product is participating but dividends are not expected to be paid.



Termination

The certificate will terminate the earliest of the following dates:

- The certificate is surrendered.
- The funds are transferred (within Royal Neighbors of America or outside Royal Neighbors of America).
- The funds are applied to a settlement option or a SPIA.
- The owner or annuitant dies (unless owner's spouse is sole beneficiary and selects to continue as successor owner at owner's death).

Annual Reports

- An Annual Statement of Account will be furnished to the owner of the certificate each year the certificate is in force.
- The owner of the certificate can request a Statement of Current Values at any time within a certificate year; Royal Neighbors of America may charge up to \$25 per statement after the first statement.

Free-Look Period

- 20 days (or longer if required by state).

*For agent use only – not to be used for consumer solicitation purposes.
Not available in all states. Contractual provisions and limitations may vary by state.*