

Comparison of Income Guarantees on Variable Immediate Annuities

| Company | Company A | Company B | Company C |
|----------------------------|--------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Income Guarantee | | | |
| Available As | Optional | Optional | Optional |
| Type of Guar | Floor | Floor | Floor or Modified Ratchet |
| Guar Floor | 90% Initial | 80% of Initial | 100% Initial |
| AIR | Use 3.5% AIR | Use 3.5% AIR | Use 3.5% AIR |
| Plans Allow | Life Contingent | Life Contingent Guar Period set at 15 Yrs (or Tax) | Either LC or NLC Min 10Yrs on NLC |
| Invest Restrictions | All in Index Type Fund | 100% Var & No Money Market | None (Guar is for Variable part) |
| Liquidity | No Withdrawals Permitted | Fully Liquid for 5 Years Allow W/D of Guar Pay & reduce future Guar Pay and Floor | On LC, only one plan is liquid; Adjust Guar for Withdrawals |
| Other | | Monthly Mode but Income Payments are level for each year | Monthly Mode but Income Payments are level for each year Mechanics is that AV charged with Actual Pay and adjust Var Income based on Actual AV. Could be 0. Ratchet passes 50% of "normal" increase and keeps rest as buffer to drip out over time. |
| Charge Structure | | | |
| FROM PREMIUM | | | |
| Front End Sales | None | None | None |
| Actual Prem Tax | Yes | Yes | Yes |
| Issue Expense | None | None | None |
| Risk Charge | None | None | None |
| ONGOING | | | |
| Annuity Charge | 1.25% | 0.55% | 1.15% if 50K; else 1.35% |
| Risk Charge | 1% only for Floor | 0.85% for Floor | 1.25% floor / 2.50% ratchet |
| Maint Charge | None | None | None |
| CDSC | N/A | Just Applies to Floor Option | Discount at the AIR + 1% |
| Max | | a Hedging Cost not CDSC | Fixed uses a current rate |
| Grade Off | | 5% in Yr 1 and decreases 1%/yr | Not Labelled a Surrender Charge |
| Yr End | | | |
| Other | | | Right to adjust investment restriction, charges, and ratchet participation rate on new issues. Guar Max Charge is 2% for Floor & 3% for Mod Ratchet. Guar Min Part. Rate is 40% for Modified Ratchet. Guar Min Floor is 75% |

Intercompany Comparison of Income Guarantees on Variable Immediate Annuities

| Company | Company D | Company E | Company F Note: Work in Progress |
|----------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Income Guarantee | | | |
| Available As | Optional | Automatic | Optional |
| Type of Guar | Floor | Floor | Floor |
| Guar Floor | 100% Initial | 85% Initial | 100% Initial |
| AIR | Use 3.0% AIR | Use 4.5% AIR | Use 3.0% AIR |
| Plans Allow | LC or NonLC Min 25Yrs on NLC | LC with Guar Period set at life expectancy | LC only with no choice on Guar Period. |
| Invest Restrictions | Index Type Fund | Index Type Fund | Automatic Asset Allocation but Some Choice within an Asset Class |
| Liquidity | None on LC; only full on NLC | Allow Partial Withdraw with Reduction in Guar Floor | Allow Partial Withdraw with Reduction in Guar Floor |
| Other | | Design is unique on liquidity aspect. | Design is unique --- uses all extra invest perform to lengthen guar period before income increases; poor invest return shortens guar period before income decreases. |
| Charge Structure | | | |
| FROM PREMIUM | | | |
| Front End Sales | None | Max 4.5% | Credits by Issue Age |
| Actual Prem Tax | Yes | Yes | Yes |
| Issue Expense | None | None | None |
| Risk Charge | None | Current, 1.25% | None |
| ONGOING | | | |
| Annuity Charge | 1.25% | Current, 0.95% | 1.25% |
| Risk Charge | 1.75% | None | 1.00% |
| Maint Charge | None | None | \$10 for Transfers above 12 / yr |
| CDSC | Discount at the AIR + 1% | | Implicit in their Adjust |
| Max | Labelled a Commutation | Not Applicable | Prorata Reduction in ALL future Pay |
| Grade Off | Charge | | None Specified |
| Yr End | | | |
| Other | Upto 2.15% can be charged on future issues for Floor Guar. | Max Charges are higher: for Risk Charge, 2% of Prem for Annuity Charge, 1.80% | |