

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 Type of Guar	Optional Floor	Automatic Floor	Optional 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 Grade Off Yr End	Labelled a Commutation Charge	Not Applicable	Prorata Reduction in ALL future Pay None Specified
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%	