



The Standard<sup>®</sup>

## Secured Rate Annuity

The Broker's Sales Guide to an Individual Fixed Annuity from The Standard



With a **Secured Rate Annuity**  
you'll find a rewarding combination  
of safety, tax deferral and choice.

## Secured Rate Annuity

The Secured Rate Annuity from The Standard is a single-premium, deferred annuity offering multiple interest rate guarantee periods and flexible withdrawal options. Some Secured Rate Annuity options even provide bonus rewards for your client's long-term savings commitment. Your client may choose a one-, three-, five- or six-year interest rate guarantee period and secure the current rate for the length of the guarantee period. At the end of the guarantee period, your client will benefit from competitive renewal rates based on the current interest rate environment and current market conditions. In addition, your customers will be spared the hassle of a 30- or 60-day window at the end of the guarantee period, during which time contract owners are generally required to make a decision prior to the start of a new surrender-charge period.

The Secured Rate 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. Easy withdrawal methods include a 10% annual withdrawal option, payments of interest earnings, 72(t) and 72(q) SEPPs for early retirement income without penalties, IRS Required Minimum Distributions from qualified plans, and nursing home and terminal condition waivers. Details of these flexible withdrawal features follow.

### Issue Ages

The maximum issue age on an owner or annuitant for the Secured Rate Annuity is 90.

### 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 an Secured Rate Annuity; higher amounts may be permitted with prior approval from the home office.

### Additional Premiums

Once an Secured Rate 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 deposit, unless the additional premium results from a rollover, transfer or exchange request that may benefit from an interest-rate lock.

### Fees

There are no annual contract fees.

Since 1906, The Standard has been dedicated to treating customers with respect and sincerity. You can rely on our long-standing history of excellent fixed annuity performance and competitive renewal rates in your choice to represent The Standard to your clients.

## Selling Points

### Competitive Interest Rate Guarantees

The Secured Rate Annuity offers strong growth potential through competitive market interest rates. The Standard has a long-standing history of excellent fixed annuity performance and competitive renewal rates.

The initial interest rate is guaranteed to remain level as:

- The one-year option guarantees the current interest rate for one contract year.
- The three-year option guarantees the current interest rate for three contract years.
- The five-year option guarantees the current interest rate for five contract years.
- The six-year option guarantees the current interest rate for six contract years.

After the rate guaranteed 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 Bonus - Secured Rate Annuity 1 Only

The Secured Rate Annuity 1 includes an interest rate bonus of 1.00% for the first contract year.

### Bailout Guarantee - Secured Rate Annuity 1 Only

The bailout interest rate for contract years one through five on the Secured Rate Annuity 1 equals the first-year guaranteed interest rate minus 1.00%. The bailout interest rate for contract year six equals the first-year guaranteed interest rate minus 2.00%.

### Persistency Bonus - Secured Rate Annuity 1 Only

At the end of the seventh contract year, the Secured Rate Annuity 1 will be credited with additional interest equal to 1.00% of the total paid premium, less any previous withdrawals, outstanding loan balances or applicable loan interest; and at the end of the eighth and subsequent years the annuity will be credited with additional interest equal to 0.25% of the total paid premium, less any previous withdrawals, outstanding loan balances or applicable loan interest.

### Annuitization Bonus - Secured Rate Annuity 3 Only

After the fourth year, if your client chooses an income option with The Standard, the payments received will be based on an additional 2.00% added to the annuity's current value upon annuitization. Your client must choose either a Lifetime Income option or a Period Certain option of at least five years.

### Principal Guarantee

Principal is 100% guaranteed. Regardless of economic fluctuations at home or abroad, we guarantee that your client or the beneficiary will never receive less than total premium payments, less any previous withdrawals or outstanding loan balances. This is a guarantee that many other investments cannot provide.

### Interest Rate Lock

The Secured Rate 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. 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.

### Practical Surrender-Charge Periods

Because the Secured Rate 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 tables below.

#### Secured Rate Annuity 1 Surrender-Charge Schedule

|               |    |    |    |    |    |    |
|---------------|----|----|----|----|----|----|
| Contract Year | 1  | 2  | 3  | 4  | 5  | 6  |
| Charge        | 7% | 7% | 7% | 6% | 5% | 3% |

#### Secured Rate Annuity 3 Surrender-Charge Schedule

|               |    |    |    |
|---------------|----|----|----|
| Contract Year | 1  | 2  | 3  |
| Charge        | 9% | 8% | 7% |

#### Secured Rate Annuity 5 Surrender-Charge Schedule

|               |    |    |    |    |    |
|---------------|----|----|----|----|----|
| Contract Year | 1  | 2  | 3  | 4  | 5  |
| Charge        | 9% | 8% | 7% | 6% | 5% |

#### Secured Rate Annuity 6 Surrender-Charge Schedule

|               |    |    |    |    |    |    |
|---------------|----|----|----|----|----|----|
| Contract Year | 1  | 2  | 3  | 4  | 5  | 6  |
| Charge        | 9% | 8% | 7% | 6% | 5% | 4% |

### Market Value Adjustment

The Secured Rate Annuity does not use a Market Value Adjustment feature.

## Special Product Features

### Bailout Guarantee on Secured Rate Annuity 1

The Secured Rate Annuity 1 provides an innovative bailout guarantee. If future market conditions dictate that The Standard cannot perform at or above the bailout interest-rate parameters defined when the contract was established, your client can make withdrawals or transfers — even surrender the contract — without a surrender charge. No questions asked.

The bailout interest rate for contract years one through five on the Secured Rate Annuity 1 equals the first-year guaranteed interest rate minus 1.00%. The bailout interest rate for contract year six equals the first-year guaranteed interest rate minus 2.00%.

### Secured Rate Annuity 1 Bailout Example

In the example below, 5.25% is guaranteed for year one and includes a 1.00% first-year bonus.

|               |       |       |       |       |       |
|---------------|-------|-------|-------|-------|-------|
| Contract Year | 2     | 3     | 4     | 5     | 6     |
| Bailout Rate  | 4.25% | 4.25% | 4.25% | 4.25% | 3.25% |

If the interest rate credited in contract years two through six is lower than the corresponding bailout rate for that year, then your client may make withdrawals, transfers or surrender the contract without surrender charges.

Please note that the Secured Rate Annuity 3, Secured Rate Annuity 5 and Secured Rate Annuity 6 do not provide a bailout interest rate provision because the initial interest rate is guaranteed for the length of the surrender charge schedule.

The Secured Rate Annuity 1 persistency bonus is our way of thanking your clients for committing to a long-term savings program with The Standard.

### Persistency Bonus on Secured Rate Annuity 1

The Secured Rate Annuity 1 features an innovative persistency bonus that rewards your client's commitment to a long-term savings strategy. At the end of the seventh contract year, your client will receive a persistency bonus credited to the contract as interest equal to 1.00% of the premium, minus any prior loans or withdrawals. Then, at every contract anniversary afterward, your client will be rewarded with a bonus of 0.25% of the premium, less any previous withdrawals, outstanding loan balances or applicable loan interest.

### Secured Rate Annuity 1 Persistency Bonus Example

In the example below \$100,000 in premium is guaranteed at 5.25% for one year; a 4.25% rate is assumed for the second through seventh years (for illustration purposes only).

| End of Year                     | Account Value          | Cumulative Return | Annual Yield |
|---------------------------------|------------------------|-------------------|--------------|
| 1                               | \$105,250              | 5.25%             | 5.25%        |
| 2                               | \$109,723              | 9.72%             | 4.25%        |
| 3                               | \$114,386              | 14.39%            | 4.25%        |
| 4                               | \$119,248              | 19.25%            | 4.25%        |
| 5                               | \$124,316              | 24.32%            | 4.25%        |
| 6                               | \$129,599              | 29.60%            | 4.25%        |
| <b>Before Persistency Bonus</b> |                        |                   |              |
| 7                               | \$135,107<br>+ \$1,000 | 35.11%<br>+ 1.00% | 4.25%        |
| <b>After Persistency Bonus</b>  |                        |                   |              |
| <b>7</b>                        | <b>\$136,107</b>       | <b>36.11%</b>     | <b>5.02%</b> |

The Secured Rate Annuity 1 persistency bonus is our way of thanking your client for committing to a long-term savings program with The Standard. At the end of the seventh contract year — and each subsequent year — the Secured Rate Annuity 1 rewards your client for maintaining a financial plan that you helped them establish.

### Annuitization Bonus on Secured Rate Annuity 3

The Secured Rate Annuity 3 features an annuitization bonus that rewards your client's election of a Standard Insurance Company income option. After the fourth year, if your client chooses an income option with The Standard, the payments received will be based on an additional 2.00% added to the annuity's value at annuitization. Your client must choose either a Lifetime Income option or a Period Certain option of five years or longer to receive this benefit.

### Secured Rate Annuity 3 Annuitization Bonus Example

In the example below \$100,000 premium is guaranteed at 4.00% for three years, 4.00% is assumed for year four (for illustration purposes only), a five-year Period Certain income option is elected at the end of the fourth contract year, and the contractual minimum guaranteed rate is 1.50%.

| End of Year | Account Value | Cumulative Return | Annual Yield |
|-------------|---------------|-------------------|--------------|
| 1           | \$104,000     | 4.00%             | 4.00%        |
| 2           | \$108,160     | 8.16%             | 4.00%        |
| 3           | \$112,486     | 12.49%            | 4.00%        |
| 4           | \$116,986     | 16.99%            | 4.00%        |

#### Before Annuitization Bonus

|                |              |
|----------------|--------------|
| Account Value  | \$116,986.00 |
| Annual Payment | \$24,099.09  |

#### After Annuitization Bonus

|                       |                     |
|-----------------------|---------------------|
| <b>Account Value</b>  | <b>\$119,326.00</b> |
| <b>Annual Payment</b> | <b>\$24,581.07</b>  |

The Secured Rate Annuity 3 annuitization bonus is not available in Washington.

## Flexible Withdrawal Features

### Payments of Interest Earnings

Regular payments of earned interest are available without incurring a surrender charge. 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 Funds Transfer (or "direct deposit") is available for regular payments.

### 10% Annual Withdrawals

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

### IRS Required Minimum Distributions

The Secured Rate 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. 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 contract owner. This guarantee is limited to calculations made on accounts administered by The Standard.

### Substantially Equal Periodic Payments

The Secured Rate Annuity allows your client to select the Substantially Equal Periodic Payments (SEPP) option, which allows early-retirement (pre-age-59½) income without imposition of the IRS 10% early-withdrawal penalty or incurring a surrender charge.

### Annuitization

Your client may convert the Secured Rate Annuity into an income annuity with The Standard and pay no surrender charges, provided your client chooses a Lifetime Income option or a Period Certain option of five years or longer.

### Nursing Home Benefit

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

## Compensation

### Commission Amounts

Your broker contract details the amount of commission paid to you. If you have questions about your compensation, please contact your Master General Agent or our sales team.

### Commission Chargeback

#### Surrenders

- 100% of the commission will be recaptured on contracts surrendered in the first six contract months.
- 50% 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% of the commission will be recaptured on death in the first six contract months.
- 50% of commission will be recaptured on death in the seventh to twelfth contract months.

#### Annuitization

- 100% of the difference in commission between the deferred-annuity compensation and the immediate-annuity compensation will be recaptured in the first 12 contract months.

...your customers will be spared the hassle of a 30- or 60-day window at the end of the guarantee period, during which time contract owners are generally required to make a decision prior to the start of a new surrender-charge period.

### Terminal Condition Benefit

If your client is diagnosed with a terminal condition, The Standard will waive surrender charges on all withdrawals, transfers and surrenders. Written documentation is required. 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 Secured Rate Annuity funds without surrender charges.

### Tax Advantages

Unlike many other savings and investment products, income taxes on Secured Rate 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 otherwise paid in annual income taxes.

### 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. Whatever the long-term goals and financial needs, The Standard has an option to match.

- 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

## Sales Support

For additional information, please contact your Master General Agent or our sales team at (800) 378-4578.

### Marketing Materials

[www.standard.com/annuities](http://www.standard.com/annuities)

### New Business Forms

[www.standard.com/annuities](http://www.standard.com/annuities)

### New Business Submission

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

### Street Address For Overnight Deliveries

Annuity New Business, P5C  
The Standard  
1100 SW Sixth Avenue  
Portland, OR 97204



## Forms and Materials

Following is a list of common new-business forms. You may find all these and others 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.

### Application

|                               |       |
|-------------------------------|-------|
| Index Annuity Application     | 12601 |
| Deferred Annuity Application  | 10040 |
| Immediate Annuity Application | 8513  |

### Product Disclosure

|  |       |
|--|-------|
| Index Growth Annuity Disclosure              | 12264 |
| Secured Rate Annuity Disclosure              | 11936 |
| First Rate Annuity Disclosure                | 12641 |
| Focused Growth Annuity Disclosure            | 11937 |
| Principal Growth Annuity Disclosure          | 11938 |
| Flexible Premium Deferred Annuity Disclosure | 11939 |
| Tailored Income Annuity Disclosure           | 13052 |
| Stable Income Annuity Disclosure             | 13469 |

### Other Required Forms

|                                |         |
|--------------------------------|---------|
| Acknowledgement of Suitability | 12216   |
| Replacement Notices            | Various |
| State-Specific Disclosures     | Various |

NAIC's *Buyer's Guide To Fixed Deferred Annuities*

### Supplemental

|   |             |
|---|-------------|
| Request for Rollover, Transfer or Exchange  | 12213       |
| Authorization to Accept 403(b) Tax-Sheltered Annuity Rollover, Transfer or Exchange | 12213-TSA-A |
| Request for Inherited Individual Retirement Annuity                                 | 13668       |
| Request for EFT of Annuity Payout   | 11426       |
| Substitute IRS Forms W-4P and W-9   | 5031        |

# Secured Rate Annuity

The Broker's Sales Guide to an Individual Fixed Annuity from The Standard



TheStandard®

Standard Insurance Company  
Individual Annuities  
1100 SW Sixth Avenue  
Portland OR 97204  
800.378.4578

[www.standard.com/annuities](http://www.standard.com/annuities)

A subsidiary of StanCorp Financial Group, Inc.