Annuity Answer Booklet

Explanations of Annuity Concepts and Language

Standard Insurance Company

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This booklet will provide you with general facts about individual annuities. For additional information more specific to Standard Insurance Company's products and services or your annuity, you may refer to your contract, speak with your financial advisor or contact one of our annuity specialists at 800.247.6888.

Annuity Definition

An annuity is an insurance contract.

This contract is created when an individual makes a payment (or a series of payments) called premium, which will generally grow at a set rate and in a tax-deferred status. In return for this premium, the insurer guarantees periodic payments back to the individual, either beginning immediately or at some future date. The defining characteristic of an annuity contract is the option to receive these payments as a guaranteed income until the death of the person or persons named in the contract.

Annuity contracts in the U.S. are defined by the Internal Revenue Code. They have features of both life insurance and investment products, but are only allowed to be sold by insurance companies. And because insurance companies are regulated by individual states, some contracts, features and options may not be available or may not be exactly the same in all states.

Annuities can be classified in different ways. It sometimes can be confusing, as the types are often mixed and matched to get new features and contracts. When you're comparing, keep the following broad classifications in mind.

Type of Income: Deferred or Immediate

Deferred

A deferred annuity grows, tax deferred, until the contract is annuitized (put into a payment stream) or surrendered (paid out as a lump sum).

A deferred annuity contract is chiefly a vehicle for accumulating savings and eventually distributing the value — either as a payment stream or as a one-time, lump-sum payment. All varieties of deferred annuities have one thing in common: the increase in account value is not taxed until those gains are withdrawn (or paid out). This is also known as tax-deferred growth.

The tax-deferred status of deferred annuities has led to their popularity.

In the U.S. tax code, the benefits from annuity contracts are not required to be taken as a fixed stream of payments and many contracts are purchased primarily for the tax benefits and not to get a fixed stream of income.

People will often talk of the affect of “triple-compounding” of annuity growth because the account will earn interest on

- principal (the initial premium payment);
- interest (the amount credited as account growth based on the contract interest rate); and
- unpaid taxes (the amount that, without deferral, is paid annually).

Immediate

An immediate annuity guarantees payments, which start right away, for a specified time period or for a lifetime

This contract is generally used as a way to generate income payments. These periodic payments may be either level or increasing and designated for a fixed term or until death, in one of several combinations.

The chief characteristic of an immediate annuity is the contract’s ability to distribute savings with a tax-deferred growth factor. The U.S. tax code dictates that every annuity payment is a combination of **return of principal** (is not taxed) and **payout of income** (is taxed at normal-income rates, not capital-gain rates). This has the benefit of stretching the tax payments over a longer time period. A common use for an immediate annuity is converting accumulated savings into an income stream during retirement.

Type of Return: Fixed, Index or Variable

Fixed-Rate Annuity

A fixed annuity guarantees to pay a specified interest rate that is based on the current rate environment. The initial rate is guaranteed for one or more years and subsequent renewal rates are guaranteed to stay above a specified minimum rate. Because it provides several guarantees, a fixed annuity is viewed as a conservative financial product.

Index-Rate Annuity

An index annuity (sometimes referred to as an “equity-indexed annuity”) is a special type of fixed annuity in which the interest rate is determined in part by reference to an investment-based index, such as a Standard & Poor’s index or a NASDAQ index. As interest is credited, the earnings are locked in to the account value and the account will not participate in any losses.

Because of this reference to an index, the annuity offers the ability to participate in some gains associated with a rising financial market while at the same time providing the security and guarantees similar to those associated with traditional fixed annuities.

Variable-Rate Annuity

A variable annuity offers earnings and income payments that fluctuate with the performance of specific investment funds. While variable annuities have the potential to provide high returns, they differ from fixed products because the policyowner bears investment risk and possible loss of principal. As these products are more complex and have associated with them more risk, the broker who sells this annuity must be licensed to sell securities.

Type of Tax-Status: Qualified or Non-Qualified

Qualified

Qualified tax status refers to IRAs and employer-sponsored savings plans like 401(k)s and TSAs. These receive special IRS tax treatment, including possible tax deduction for premiums or contributions.

Non-Qualified

Non-qualified means that the money receives no special IRS tax

benefits, other than those of tax-deferred growth in the annuity.

Type of Payment: Single or Flexible

Single

Single premium annuities are purchased with single, lump-sum premium payments. Some single premium annuities do accept additional premiums during a short, specified time period at the beginning of the contract.

Flexible

Flexible premium annuities accept several premium payments during the life of the contract. These premiums generally can be of varying amounts as long as an annual minimum is met. This type of annuity would make possible the sort of retirement savings where small monthly payments are added to an IRA, for example.

Interest Rates

There are many different rates to consider in an annuity. Following are details on the two types of deferred annuity contracts The Standard offers — fixed-rate and index-rate.

Fixed-Rate Annuities

On traditional, fixed-rate annuities The Standard credits interest daily to the annuity. A contract will

- start by earning an initial rate;
- eventually earn a renewal rate;
- always include a minimum guarantee rate; and
- may even provide a bailout rate.

Initial Rates

A fixed-rate annuity contract will receive an initial crediting rate that is guaranteed for a specific period, depending on the product chosen. This will often be a one-year guarantee, but can also go up to six years or more.

Renewal Rates

After this guaranteed period The Standard may change the annuity's crediting rate according to prevailing interest rates and the performance of The Standard's investment portfolio. This new rate is called a renewal rate.

*» See the **Renewal Rates** section*

Minimum Guarantee Rates

An annuity contract includes a minimum guarantee rate, below which the crediting rate will never fall. This rate is set contractually at the time of purchase and is applied to the life of the contract.

Bailout Rates

Some contracts offer a special feature called a bailout rate. This is essentially a way to provide liquidity if the renewal rate ever falls below an expected rate. If an annuity contract includes this feature, any time a renewal rate drops below the contract's specified bailout rate, surrender charges will be waived on a requested withdrawal.

Index-Rate Annuities

On index-rate annuities The Standard credits interest according to the account where the money is held. If allocated to a fixed account, the interest crediting will match that described in the ***Fixed-Rate Annuities*** section. If allocated to an index account, interest is calculated and, in case of gain, credited annually (at the end of an index term).

On the index account of an index-rate annuity, the contract will

- start with an initial cap rate;
- eventually be assigned a renewal cap rate;
- always include a minimum contract guarantee rate; and
- may even provide a bailout cap rate.

Initial Cap Rates

An initial cap rate is assigned to the annuity contract at the time of purchase. This puts a "cap" on the amount of interest that can be earned over that term. For example, if the cap rate is 8.00% and the index rises 5.00% over the term, the annuity will be credited 5.00%. If, however, the index rises 10.00%, the annuity will be credited 8.00% (the cap).

Renewal Cap Rates

After each index term, a renewal index rate cap will be declared based on the current economic environment.

Minimum Contract Guarantee Rates

An index annuity contract includes a minimum contract guarantee rate, which underlies the guaranteed minimum surrender value of the contract. This does not mean that there is a guaranteed rate that will be credited each year, but rather that, if surrendered after the surrender-charge period, the contract will have grown at a certain guaranteed rate. This rate is set contractually at the time of purchase and is applied to the life of the contract.

Bailout Cap Rates

Some contracts offer a special feature called a bailout cap rate. This is essentially a way to provide liquidity if the renewal cap rate ever falls below an expected cap rate. If an annuity contract includes this feature, any time a renewal rate cap drops below the contract's specified bailout cap rate, surrender charges will be waived on a requested withdrawal.

Renewal Rates

After the initial guaranteed interest rate period The Standard may change the annuity's interest rate according to prevailing interest rates and performance of The Standard's investment portfolio. This new rate is called a "renewal rate."

Buying A Promise

With most fixed annuity products available today, an insurance company guarantees a certain interest rate for a certain period of time. When a company accepts a premium and issues an annuity contract, a consumer is buying a promise of a set rate over a set term. In order to be true to that promise, the company takes the money and invests it in assets that will support the guarantee.

Investing for A Promise

There are generally only a few types of assets that an insurance company will buy to support the commitment to a fixed annuity: corporate bonds, commercial mortgages and government securities. These investments are safe, conservative and predictable. To back an annuity promise, The Standard purchases only highly rated vehicles that are likely to perform as intended without much risk of default — a perfect match to backing the rate promise.

Because of the high quality of the bonds and mortgages, these investments will cost slightly more than other higher-yielding, lower-rated instruments. But, as an annuity is a long-term investment that is generally held into retirement (not just for the guarantee period), the company can rely on this fact to purchase bonds and mortgages with longer maturities — most commonly five- to ten-year options. The long-term nature of these investments is what allows the company to provide a higher interest rate over time than many shorter-term investments.

The insurance company now earns a fixed rate of interest on each of the bonds and mortgages it owns. As these investments mature in five to ten years, the overall yield earned on the company's total investment portfolio changes over time. During these years, the company continuously receives interest and principal payments and perpetually reinvests the funds in similar investments, at *current-market rates*. By the end of the annuity term, the company has reinvested virtually all of the original principal and interest payments at many different rates.

In a declining-rate environment, like we have experienced recently, as investments supporting higher-rate annuities mature and pay out interest, the company must reinvest those assets at current rates, which are lower than the original rate.

The Promise Evolves

When the guarantee period of an annuity expires, the company begins to set renewal interest rates based on the currently owned assets. If the yield on the portion of the portfolio that funded the original investment has dropped considerably as a consequence of being reinvested at steadily lower rates, the buyer will likely see a drop in the renewal rate. After all, the yield on the assets backing the annuity has dropped — even though short term rates may have increased.

What To Do With This Information

It's true that the fixed-annuity renewal rate an insurance company can provide may be lower than current short-term rates. But don't overlook the years when the annuity received higher-than-average returns because bond and mortgage rates exceeded short-term rates. But to make an informed decision, be sure to reacquaint yourself with *all* the positive characteristics of a fixed annuity — it's about much more than the rate!

- The growth of the fixed annuity is tax deferred.
- You will *always* see gain from year to year. The fixed-annuity contract features a guaranteed minimum interest rate.
- A fixed annuity is safe. Contract values are guaranteed by the

1 Please note that an additional 10% IRS penalty may apply to withdrawals taken before age 59½.

general assets of the company.

- You have excellent liquidity. With an annuity outside of the surrender charge period, you have complete access to the account balance without contract penalties.[1]
- The annuity offers guaranteed lifetime income options.

Access To Funds

When faced with certain opportunities or expenses, some annuity owners may be prompted to terminate a contract that is building a future to pay for a cost in the present. Doing this, though, may have significant cost implications. The Standard offers several ways to withdraw funds without terminating an annuity altogether.

Withdrawal Options

10% Annual Withdrawals

On many contracts, annual withdrawals of up to 10% of the previous-contract-year's annuity value are available without a surrender charge. This is often referred to as a "10% free out" and is available as soon as the first year on some contracts.

Payments of Interest Earnings

Some contracts have a provision to allow periodic payments of the annuity's current interest earnings without a surrender charge.

Waivers[2]

Most contracts include special benefits to aid with financial needs related to certain medical expenses. Those who incur a terminal condition or become a nursing-home resident for 30 or more consecutive days may withdraw funds without a surrender charge.

2 The nursing home waiver availability varies by state and state-specific conditions apply to the terminal condition waiver.

Minimum Distributions

It's not necessary to terminate an annuity to meet the IRS Required Minimum Distribution beginning at age 70½. The Standard will ensure that the income stream received during the payout phase of the annuity meets the IRS requirements and still allow the balance to continue growing safely. If the annuity contract is held as an IRA, TSA or other qualified plan, IRS RMDs are available without a surrender charge.

Substantially Equal Periodic Payments

The Standard's SEPP is an income-stream feature designed to capitalize on IRC sections 72(t) and 72(q), which permit penalty-free withdrawals.

Annuitization

Annuitization is precisely why many people buy an annuity — to insure against outliving an income. By annuitizing a deferred annuity contract, an exchange is made from accumulating savings to generating a guaranteed income stream. The Standard offers several income options.

*» See the **Income Options** section*

403(b) Tax-Sheltered Annuity Options

If the annuity contracts is issued as a 403(b) Tax-Sheltered Annuity, withdrawals or loans that comply with IRS guidelines could be available.

Surrender Charges

Because deferred annuities are designed to be long-term savings vehicles, surrender charges are applied to withdrawals made during the surrender period. This period is defined by the annuity contract purchased and can range in time — usually from about three to nine years. The charges are based on a percentage of the account's value and decrease to zero over time.

After the surrender period is complete, withdrawals are permitted without charges. Please note that the surrender charges are not a part of or associated with the IRS taxes or penalties that may accompany a withdrawal; surrender charges are in addition to any IRS liabilities.

Tax Consequences

The payments generated from a decision to withdraw funds will generally be taxable in the year in which they're received. The good news is that most people move to a lower tax bracket during this time of their lives and will likely pay less in taxes than they would have just a few years earlier. The amount of payment that is deemed taxable will be based on the tax status of the funds under IRS guidelines. In addition, early withdrawals (generally those prior to age 59½) are subject to an IRS 10% early-withdrawal penalty.

Death Benefits

Many of The Standard's annuity death-benefit payment options provide income for the spouse or other beneficiaries of a deceased annuity owner. The amount a beneficiary receives depends on the status of the contract prior to death and on the beneficiary's relationship to the owner.

Amount Available

The income amount beneficiaries receive depends on whether the owner had begun receiving income prior to death. For example, if the owner dies before annuitization (initiating an income stream), the current annuity fund value is payable to a beneficiary as survivor benefits. If the owner dies after annuitization, the death benefits will depend on whether there is time remaining in the guarantee period.

The primary beneficiary may begin receiving benefits after the owner's death. If the primary beneficiary dies before the owner, however, the benefits are paid to the contingent beneficiary. If the owner named a legal spouse as beneficiary, the spouse is the spousal beneficiary.

Options For All Beneficiaries

The following options are available to both spousal and non-spousal beneficiaries.

Lump-Sum Payment

Beneficiaries may choose to receive benefits in a lump-sum payment,

which then closes the account and is fully taxable. This option is not available for accounts that have already been annuitized and are distributing funds based on the Joint and Survivor Life Income option; such payments will continue as previously elected.

Life-Expectancy Payments

For qualified annuities, such as IRAs, a beneficiary may choose to receive IRS Required Minimum Distributions or lifetime payments based on the beneficiary's life expectancy.

Income Options

We offer beneficiaries several attractive income options.

*» See the **Income Options** section*

Options For Spousal Beneficiaries

Spousal beneficiaries have several options available that are unavailable to other beneficiaries.

Assume Ownership of a Non-Qualified Annuity

A spousal beneficiary may elect to assume ownership of a non-qualified annuity. Funds may then be withdrawn at any time and funds continue to

3 Qualified funds receive special IRS tax advantages during the accumulation phase, such as a tax deduction for certain contributions. As a result, such qualified plans as 401(k) plans, IRAs and TSAs as such are subject to specific restrictions regarding withdrawals, loans, etc.

grow tax-deferred until withdrawn. If a spouse assumes ownership of a deferred annuity, all provisions remain in effect.

Direct Rollover or Transfer of Qualified Funds

A spousal beneficiary may choose to rollover or transfer qualified[3] funds, such as those originating from a 401(k) plan, IRA or 403(b) Tax-Sheltered Annuity (TSA), directly into another qualified product owned by the spouse, like a Traditional IRA or TSA. A spousal beneficiary also may simply assume ownership of an IRA without rolling or transferring the funds into another account.

RMD or Life Expectancy Payments

For qualified annuities, such as IRAs, spousal beneficiaries may choose to receive IRS Required Minimum Distributions, based on the beneficiary's life expectancy. These distributions would begin 1) when the deceased owner would have reached age 70½; or 2) when the spousal beneficiary reaches age 70½.[4] Regardless of the option chosen, the funds will continue growing tax deferred until withdrawn.

Additional Facts On Death Benefits

- Five Year Rule: If there is no named beneficiary, the entire balance must be distributed no later than December 31 of the calendar year of the fifth anniversary of the owner's death.
- Deferred Compensation Plan Benefits: A non-spousal beneficiary of a deferred compensation plan must begin receiving distributions within 15 years.
- ERISA Considerations: If the annuity funds originated from a retirement plan that was subject to ERISA provisions — such as a 401(k) plan — and the surviving spouse is not the primary beneficiary, the spouse must sign an election and consent form. Otherwise, the spouse automatically is entitled to 50% of the total death claim amount.
- Minor beneficiaries cannot receive direct payment of benefits.

4 Assuming the spouse rolls or transfers the qualified funds or assumes ownership of the IRA. Please note that this option is not available with qualified and non-qualified funds from an employer-sponsored deferred compensation plan.

- Spousal beneficiaries may continue making contributions to the deceased owner's IRA.
- While surrender charges generally do not apply to death benefits, if a spouse assumes ownership of a deferred annuity, all provisions remain in effect, including surrender charges.
- Beneficiaries who are younger than age 59½ are not subject to the IRS 10% early withdrawal penalty.
- One of the benefits of choosing an income option for death benefits is that taxes on the accumulation can be spread out over several years.

Surrender Charges

Unlike short-term savings products, deferred annuities are designed and priced as long-term retirement savings vehicles. In addition, the tax-deferred advantages work best when the annuity is allowed to accumulate over time. Early withdrawals are therefore subject to surrender charges, expressed as percentages of the annuity's value. The charges generally diminish to zero through the life of the annuity.

While you are encouraged to avoid withdrawals until your annuity has completed its surrender period, withdrawals are permitted under certain circumstances without surrender charge.

*» See the **Access to Funds** section*

Please note that the surrender charges are not a part of or associated with the IRS taxes or penalties that may accompany a withdrawal; surrender charges are in addition to any IRS liabilities.

Income Options

Annuitization is precisely why many people buy an annuity — to insure against outliving an income. By annuitizing a deferred annuity contract, an exchange is made from accumulating savings to generating a guaranteed income stream.

While annuitization can occur at any time, most will consider this option in the transition from the accumulation to the income stage of retirement. It's an option that:

- provides a guaranteed income stream;
- sets payments to meet the IRS Required Minimum Distribution; and
- allows payment of taxes on smaller, annual payments instead of a lump sum.

Income Options

Life Income

A guaranteed income for as long as the annuitant lives. Payments will cease upon the death of the annuitant.

Life Income with Installment Refund

A guaranteed income for as long as the annuitant lives. The total payments will never be less than the total of the funds paid to purchase this option. If the annuitant dies before receiving at least that amount, payments continue to the beneficiary until the full amount is repaid (or may be commuted to a lump-sum payment).

Life Income with Certain Period

A guaranteed income for as long as the annuitant lives. If the annuitant dies prior to the end of the period specified (5, 10, 15 or 20 years), payments continue until the end of the period (or may be commuted to a lump-sum payment).

Joint and Survivor Life Income

A guaranteed income for as long as both annuitants live. When either annuitant dies, payments will continue at 50%, 66⅔%, 75% or 100% of the payments received when both were living. Payments will cease upon death of both annuitants.

Joint and Survivor Life Income with Installment Refund

A guaranteed income for as long as both annuitants live. The total payments will never be less than the total of the funds paid to purchase this option. If both annuitants die before receiving at least that amount, payments continue until the full amount is repaid (or may be commuted to a lump-sum payment).

Joint and Survivor Life Income with Certain Period

A guaranteed income for as long as both annuitants live. When either annuitant dies, payments will continue at 100% of the payments received when both were living. If both annuitants die prior to the end of the period specified (5, 10, 15 or 20 years), payments continue until the end of the period (or may be commuted to a lump-sum payment).

Joint and Contingent Survivor Life Income

A guaranteed income for as long as both annuitants live. If the primary annuitant dies first, payments will continue at 50% of the payments received when both were living. If the contingent annuitant dies first, payments will continue at 100% of the payments received when both were living. Payments will cease upon death of both annuitants.

Certain Period

A guaranteed income for a time period chosen (5, 10, 15 or 20 years). At any time, benefits may be commuted to a lump-sum payment. If the annuitant dies prior to the end of the period specified, payments continue until the end of the period (or may be commuted to a lump-sum payment).

Tax Consequences

The payments generated from a decision to annuitize will generally be taxable in the year in which they're received, spreading the payments over time. The good news is that often people move to a lower tax bracket during this time of their lives and will likely pay less in taxes than they would have just a few years earlier. The amount of the payment deemed taxable will be based on the tax status of the funds under IRS guidelines.

Minimum Distributions

The IRS generally requires that those age 70½ and older take Required Minimum Distributions from all qualified plans. Following are answers to the questions consumers ask most often.

Must I take RMDs?

Yes. The IRS requires that all qualified retirement plans — including 401(k) plans, 403(b) TSAs and Traditional IRAs — comply with RMD rules. Qualified plans are those established with pre-tax funds and for which earnings have received tax-deferral during the accumulation phase.

Does my annuity require me to take RMDs?

Yes, if it is a qualified plan. However, you may postpone your RMD if you are still employed and participate in your employer's 403(b) TSA or pension plan.

When must I start taking minimum distributions?

You generally must begin taking RMDs by April 1 of the year following the year you reached 70½.

Must I take minimum distributions if I am still employed?

If you are 70½ or older and still employed, you may postpone RMDs from your current employer's TSA or pension plan until April 1 of the year following the year you retire. Some plans, however, require a beginning payout date of April 1 of the year after you reach age 70½, regardless

of employment status. IRA owners and owners of 5% or more of the business must begin taking RMDs by April 1 of the calendar year following the year they reach age 70½, regardless of employment status.

Check with your plan administrator for more information regarding these exceptions.

If I own an IRA, how much must I take?

RMDs for IRA owners are calculated by dividing the account balance by the IRS mortality factor during the year of distribution. For additional information, please call 800.247.6888 and ask for an RMD calculation.

If I participate in a TSA, how much must I take?

IRS RMD rules apply to all TSAs. However, pre-1987 account balances are exempt from minimum distribution rules until age 75 (except TSA balances transferred into an IRA). At age 70½, your RMD will be calculated based on contributions and earnings between January 1, 1987 and December 31 of the prior year divided by the IRS mortality factor during the year of distribution. At age 75, your RMD will increase, and your pre-1987 dollars will be factored into the calculation.

What if I fail to take an RMD?

We inform you of your RMD amount and of the excise tax, but we are not legally obligated to contact the IRS and will not do so. However, please note that a nondeductible excise tax of 50% of the distribution amount required to be distributed in that calendar year could be imposed on you or your beneficiary. The IRS may waive the excise tax if a reasonable error can be demonstrated and steps are taken to correct the deficiency.

May I still make withdrawals while taking RMDs?

Yes, you may make withdrawals in addition to your RMD. Any withdrawals you may have taken earlier in the year will be taken into consideration and used to offset the amount of your RMD.

Are required minimum distributions taxable?

Yes, RMDs are taxable. If you choose, The Standard will withhold 10% in federal income taxes from your required distribution. You can then deposit your RMD into a non-qualified account, but only after taxes are withheld.

Although I own several annuities, may I have all of my distributions taken from only one policy?

Yes, but all of the policies must be the same type, such as all TSAs or all IRAs. For example, RMDs from several IRAs may be taken from one IRA; from several TSAs may be taken from one TSA, and so on.

What is the withholding rate if I withdraw an amount that is larger than my RMD?

Any amount that is more than your RMD will be subject to mandatory federal income tax withholding, which is typically 20%.

May I choose when and how often I receive my RMD?

Yes. One option lets you to receive your year's RMD on a specific date.

You need to make this request only once, and we will automatically calculate and send you your RMD. Please call 800.247.6888, and request a calculation and forms. You may choose to receive your distribution annually, semi-annually, quarterly or monthly. Each payout must be at least $25.

May I take my RMD in a lump sum?

Yes. One option allows you to receive your year's RMD in a lump-sum payment. You need to make this request only once, and we will automatically calculate and send you your RMD. Please call 800.247.6888 to request a calculation and forms. You also may request to change your distribution option.

Will annuitizing my deferred annuity satisfy my RMD?

Annuitizing your entire deferred annuity generally will satisfy your minimum distribution requirement. However, if you are unsure if the income option you choose fully meets your RMD, please consult with your financial advisor, or call 800.247.6888.

I own a deferred annuity with demutualization credits, as well as an immediate annuity. Does the combined amount I receive from both satisfy the RMD for the deferred annuity?

Since these are two very different types of products, the RMDs apply to each separately.

May I have my RMD automatically paid into my non-qualified annuity policy with The Standard?

If you make this request in writing and provide your policy number, we will apply your RMD to your non-qualified account. Please note that your RMD is still taxable.

I receive my RMD automatically. As distribution regulations change, must I complete new forms?

No. We will automatically update our systems to calculate according to the latest regulations. New paperwork is required only if you change your tax withholding, or payment date or frequency.

May I rollover or transfer my annuity to another insurance or financial services company after age 70½?

Yes. While we would like to continue serving your retirement needs, you may rollover or transfer your policy elsewhere. If you have not yet taken this year's RMD, we will send you a check before transferring the remaining funds to another insurance or financial services company.

I am 70½ (or I soon will be). What should I do next?

When you reach age 70½, we will send you a Required Minimum Distribution Selection form, which will allow you to select how and when to receive your RMD. For example, you may elect to have us automatically calculate and send your RMD each year. Or you may choose to have us calculate and send your RMD only upon your specific request each year. In addition, you may elect to receive your RMD in one lump sum each year or have it sent to you in monthly, quarterly, semi-annual or annual payments.

Additional Premiums

Our customer service specialists are frequently asked if policyowners may make additional premium payments to an existing annuity. The answer is yes, within a specific time period.

An annuity is not guaranteed by any bank or credit union and is not insured by the FDIC or any other governmental agency. The purchase of an annuity is not a provision or condition of any bank or credit union activity. Some annuities may go down in value.

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Standard Insurance Company
1100 SW Sixth Avenue
Portland OR 97204

www.standard.com

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