

# Index Select Annuity 5, 7 and 8

Flexible crediting options to fit your retirement strategy



TheStandard®

Standard Insurance Company  
Index Select Annuity 5, 7 and 8

NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY • NOT A BANK DEPOSIT

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## What is a Deferred Annuity?

A deferred annuity contract gives you a way to build savings now and enjoy payments in the future — as a payment stream or a one-time, lump-sum payment. There are many types of deferred annuities, but they all have one thing in common: the taxes on your gains are delayed until you withdraw funds from the account. This is called tax-deferred growth.

Annuities are regulated by the Internal Revenue Code and state insurance law. Some contracts, features and options may not be available or similar in all states because state governments oversee insurance companies.

Annuities are meant to be long-term savings vehicles. We don't recommend them as short-term investments. Annuities are not guaranteed by a bank or credit union, and not insured by the FDIC or other governmental agency.

That means the guarantees of our annuities are based on the Standard Insurance Company's financial strength and claims-paying ability. Before buying an annuity, review its features, costs, risks and methods of calculating the variables.

Contract: ICC17-SPDA-IA (01/17), SPDA-IA (01/17)

Riders: ICC17-R-PTP, ICC17-R-GMAB-IA, ICC17-R-MVA-IA, ICC17-R-TCB-IA, ICC17-R-NHB-IA, ICC17-R-ANN-IA, ICC17-R-DB-IA, ICC17-R-ANNDW, ICC17-R-POF-IA, ICC17-R-IRA, ICC17-R-Roth IRA, ICC17-R-QPP, R-PTP, R-GMAB-IA, R-MVA-IA, R-TCB-IA, R-NHB-IA, R-TCB/NHB-IA-SD, R-ANN-IA, R-DB-IA, R-ANNDW, R-POF-IA, R-IRA, R-Roth IRA, R-QPP.

# Index Select Annuity 5, 7 and 8

## Growth potential with downside protection

If you like the interest rate guarantees of deferred annuities, explore the Index Select Annuity single-premium deferred index annuity.

The Index Select Annuity 5, 7 and 8 offer the opportunity to optimize your growth potential. It's a good fit if you like the benefits of tax-deferred growth with upside potential based on market performance. Few taxable investments provide this blend of safety, growth and flexibility.

Look over the features of the Index Select Annuity to learn whether this annuity fits into your future plans.

### **"Triple-compounding"**

boosts the benefits of tax-deferred annuities. This means the annuity earns interest on:

- Your initial premium payment, also called the principal
- The interest itself
- The tax savings, which is the amount of tax you would have paid as income taxes

## How This Annuity Works

The Index Select Annuity offers Index Interest crediting and Fixed Interest crediting. Flexible crediting options give you the opportunity to customize the annuity to fit your retirement strategy.

Account allocations may be changed once a year at the end of the index term. If you choose to reallocate your funds, they will be transferred on the first day of the next index term.

### Index Interest Crediting

Your funds in the Index Interest account earn interest based on the performance of the S&P 500® Index. By tying an annuity's interest crediting to the index, your funds can participate in general market gains. At the same time, they are protected from downturns.

You can choose interest crediting using an annual point-to-point Index Rate Cap, an annual point-to-point Index Participation Rate or have funds in both options.

#### Annual Index Rate Cap

You earn interest based on the growth of the index each year, up to the annual index rate cap. Your funds in this account will participate in 100 percent of the percentage growth in the index up to the rate cap.

#### Annual Index Participation Rate

You earn interest based on a percentage of the growth of the index each year. That percentage is the annual participation rate. The participation rate is multiplied by the percentage growth in the index at the end of the term.

#### Index Term and Crediting

Each point-to-point index term is 12 months, and we credit your interest once at the end of the term. Your interest is based on the growth of the index from the beginning to the end of the index term. As interest is credited, the earnings are locked into the Index Interest account value. Your funds in the Index Interest account will never decrease if the market goes down.

At the end of each index term, you will receive notice from us of the Index Rate Cap and Index Participation Rate for the next index term. The new rate may be higher or lower than your initial rate.

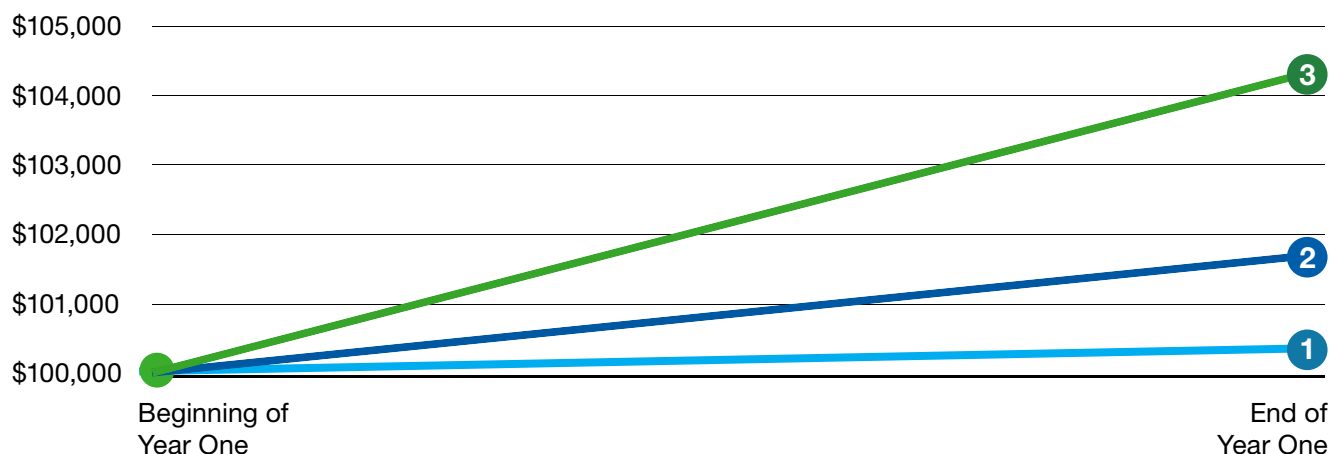
## Fixed Interest Crediting

Your funds in the Fixed Interest account are credited daily with the fixed interest rate. We guarantee this interest rate for one year at the time you purchase your annuity.

After that, you will receive notice from us of the fixed interest crediting rate for the next year. The rate may be higher or lower than the interest rate of your initial rate guarantee period. Like the Index Interest account, any earnings from interest are locked into the account value.

## One Year Crediting Example

Account Allocation		Interest Credited to Your Account					
		Scenario 1 5.0% Index Loss		Scenario 2 2.0% Index Gain		Scenario 3 10.0% Index Gain	
Index Interest - 4.0% Rate Cap	\$60,000	0.0%	\$0	2.0%	\$1,200	4.0%	\$2,400
Index Interest - 50% Participation Rate	\$30,000	0.0%	\$0	1.0%	\$300	5.0%	\$1,500
Fixed Interest - 3.0% Crediting Rate	\$10,000	3.0%	\$300	3.0%	\$300	3.0%	\$300
Total Credited to Account		0.3%	\$300	1.8%	\$1,800	4.2%	\$4,200
Total Account Value		\$100,300		\$101,800		\$104,200	



The values shown are for example only and assume no withdrawals during the surrender-charge periods; actual results and crediting rates will vary.





## Index Select Annuity Key Features

### Guaranteed Minimum Accumulation Benefit

We ensure that your annuity fund value reaches the guaranteed minimum accumulation value at the end of the surrender-charge period. If it is less than that, we'll make a one-time adjustment to raise it to that amount. This adjustment is called the guaranteed minimum accumulation benefit.

This value is calculated as 100% of your original premium minus any withdrawals and surrender charges, grown at 1.00% simple interest each index term.

- ISA 5: 105% of net premium after five years
- ISA 7: 107% of net premium after seven years
- ISA 8: 108% of net premium after eight years

This ensures that your annuity fund will earn at least a guaranteed minimum interest growth by the end of the surrender-charge period.

### Premium Amounts

The minimum premium is \$15,000 and maximum premium is \$1,000,000. Greater amounts may be accepted if pre-approved by The Standard before you submit an application. You may add additional premium in the first 90 days.<sup>1</sup>

### Issue Age

- ISA 5 for owners age 18–93<sup>2</sup> and for annuitants age 0–93<sup>2</sup>
- ISA 7 or 8 for owners age 18–90<sup>3</sup> and for annuitants age 0–90<sup>3</sup>

### Tax-Qualification Options

To start or continue a qualified retirement account, we allow the transfer or rollover of funds from qualified plans such as an IRA, Roth IRA or 401(k) into a qualified Individual Retirement Annuity.

For non-qualified funds, we allow for 1035 exchanges, direct transfers or lump sum payments to open a non-qualified annuity.

1. All expected premium must be noted on application; premium will not be allocated to the index interest account and policy will not issue until all funds are received.  
2. The purchase of the annuity for those age 91-93 must be for transfer-of-wealth or estate-planning purposes.  
3. For ISA 8, the purchase of the annuity for those age 86-90 must be for transfer-of-wealth or estate-planning purposes.

## Advantages of Tax Deferral

Taxes are due only when you've withdrawn funds or scheduled distributions from the annuity. Most people take these actions during retirement, when they are likely in a lower tax bracket. As a result, interest has been accumulating on principal, earnings and money that would have otherwise been paid in income taxes, and the taxes you do pay may be at a lower tax rate. Please consult a tax professional for guidance.

## Time to Reflect on the Purchase

You may cancel and return your contract within 30 days after it is delivered to you. We will refund your premium after a cancellation, minus any withdrawals you've taken.

## Surrender-Charge Period

Deferred annuities are designed to be long-term retirement savings. Although all or a portion of the funds may be withdrawn at any time, withdrawals and surrenders may face a charge during the surrender-charge period. This is calculated as a percentage of the withdrawal amount.

### Index Select Annuity 5

Contract Year	1	2	3	4	5
Surrender Charge	9.4%	8.5%	7.5%	6.5%	5.5%

### Index Select Annuity 7

Contract Year	1	2	3	4	5	6	7
Surrender Charge	9.4%	8.5%	7.5%	6.5%	5.5%	4.5%	3.5%

### Index Select Annuity 8

Contract Year	1	2	3	4	5	6	7	8
Surrender Charge	9.4%	8.5%	7.5%	6.5%	5.5%	4.5%	3.5%	2.5%

## Market Value Adjustment

A market value adjustment applies to withdrawals or surrenders that are subject to a surrender charge. We base the adjustment on a formula that takes into account changes in the MVA Index at that time. We will waive the MVA when the surrender charge is waived.

The MVA can increase or decrease the surrender value of the annuity. Generally, if interest rates rise after the beginning of the market value adjustment period, the MVA will decrease the surrender value. If interest rates have fallen, the MVA will increase the surrender value.

## Minimum Value Guarantee

During the surrender-charge period and throughout the contract, minimum values of the annuity are guaranteed. You will never receive less than the minimum contract values over the life of the contract. The annuity contract surrender value is guaranteed to equal, or exceed, the contractual minimum values in the contract.

The Standard applies a formula to ensure that the surrender value meets, or exceeds, these contractual minimum values — even if surrender charges and market value adjustments have been applied.

At all times, you are guaranteed to receive an annuity value that meets or exceeds minimum required values.

## Access to Funds

There are times when you may need to access your funds during the surrender-charge period. We have created withdrawal options without a surrender charge or market value adjustment to help in certain situations.

The minimum withdrawal amount is \$500. You must maintain an annuity balance of \$2,000, with the exception of Required Minimum Distributions. There may be a 10 percent early-withdrawal IRS penalty for surrenders that occur before age 59½. Please consult a tax professional for guidance.

### Partial Index Crediting

A partial index credit is available for terminal conditions, nursing home residency, annuitization or death benefit waivers. This credit is available if the withdrawal is made before the 12-month index term ends and there was growth in the index.

### 10% Annual Withdrawals<sup>4</sup>

You can withdraw up to 10% of the annuity fund value per year without a surrender charge.

### Required Minimum Distributions

You can schedule surrender-charge-free annuity payments that meet IRS-required minimum distributions for tax-qualified plans.

### Terminal Conditions<sup>4</sup>

You can withdraw funds without a surrender charge if you are diagnosed with a terminal condition with a life expectancy of 12 months or less.

### Nursing Home Residency<sup>4</sup>

You can withdraw funds without a surrender charge if you are a resident in a nursing home for 30 or more consecutive days.

### Death of Owner or Death of Annuitant

Death benefit payments are available without a surrender charge. After the death of an annuitant, the owner may elect a withdrawal within 180 days of the death and surrender charges will be waived.

### Annuitization

Annuitization is the process of changing from accumulating savings to generating a guaranteed income stream. You may convert your deferred annuity to a payment stream with The Standard at any time without a surrender charge. You must choose either a lifetime income payment option or a certain period of at least five years.



4. Applies after the first contract year.







## A Guaranteed Income for Life

Annuitization is precisely why many people buy an annuity — to ensure a guaranteed income stream.

You can convert most deferred annuities at any time, but most people choose to make this change just before retirement. This option:

- Provides a guaranteed income stream
- Allows you to set-up payments that meet the IRS Required Minimum Distribution
- Allows you to pay taxes in smaller, regular payments instead of in a lump sum

## Income Options

### Life Income

A guaranteed income for as long as you are living. Payments will end when the owner of the annuity dies.

### Life Income with Certain Period

A guaranteed income for as long as you are living. If you die before the end of the specified period, your beneficiary receives those payments until the end of the period - or they may choose a lump sum payment.

### Joint and Survivor Life Income

A guaranteed income for as long as both of you are living. When either of you die, payments will continue to the survivor. Reduced payments made to the survivor are available. Payments will end when both of you die.

### Joint and Survivor Life Income with Certain Period

A guaranteed income for as long as both of you are living. When either of you dies, payments will continue at 100 percent of the payments received when both of you were living. If both of you die before the end of the period specified, your beneficiary receives those payments until the end of the period - or they may choose a lump-sum payment.

## Joint and Contingent Survivor Life Income

A guaranteed income for as long as both of you are living. If the primary annuitant dies first, payments will continue at 50 percent of the payments received when both of you were living. If the contingent annuitant dies first, payments will continue at 100 percent of the payments received when both of you were living. Payments will end when both of you die.

### Certain Period

A guaranteed income over a chosen time period. You can choose to receive a lump-sum payment of your benefits instead of recurring payments at any time. If you die before the end of the specified period, your beneficiary receives those payments until the end of the period - or they may choose a lump-sum payment.

### Lump sum

A lump-sum payment is a one-time payment for the full value of the annuity, rather than recurring payments made over a period of time.

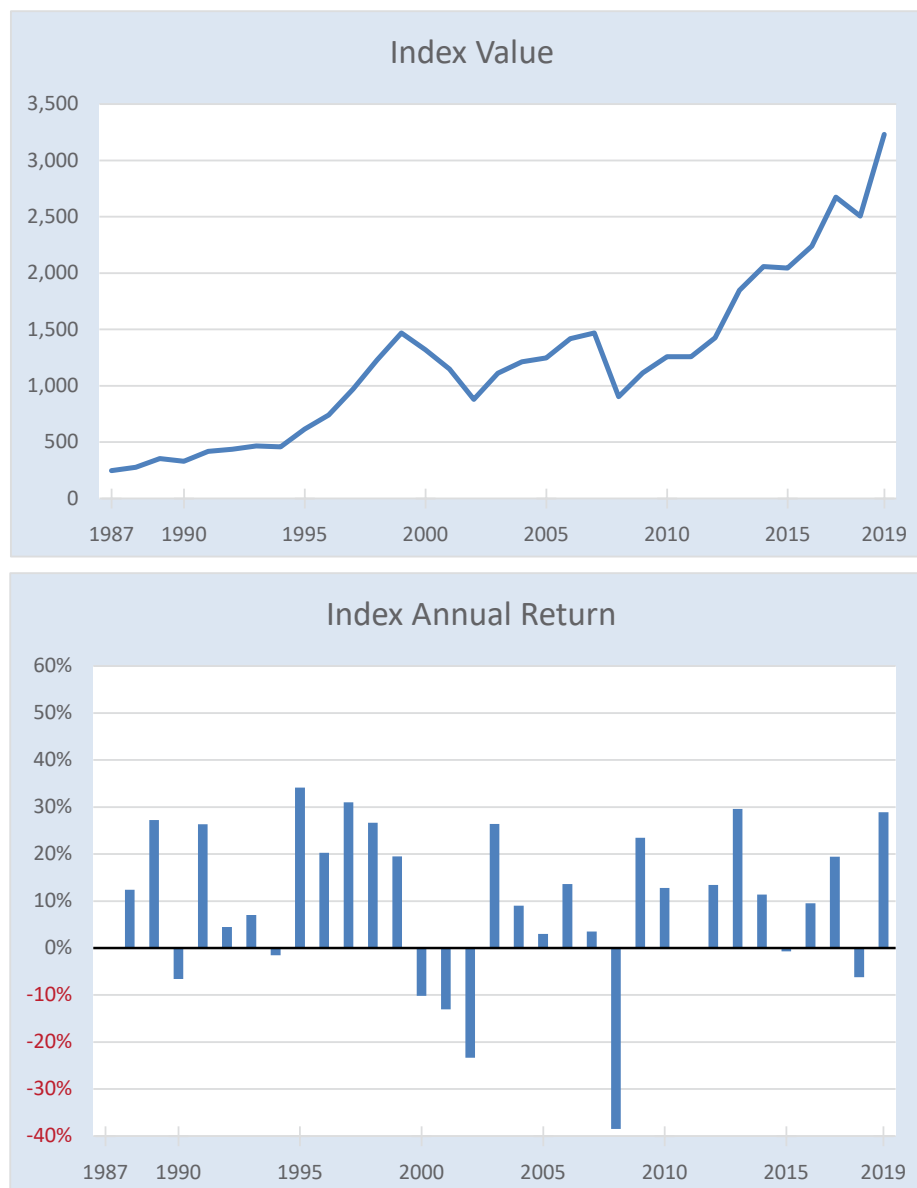
Other options may be available.

# History of the S&P 500® Index

The S&P 500 dates back to 1923, when Standard and Poor's introduced an index covering 233 companies. The index we know today began in 1957, after an expansion that includes 500 companies.

The S&P 500 includes a representative sample of the top 500 companies in the U.S. economy's leading industries. This world-renowned market index offers one of the best gauges of the U.S. equities market. The S&P 500 focuses on the large-cap segment of the market. It covers over 80 percent of U.S. equities. For that reason, the Index can be considered an ideal representation for the total market.

The S&P Index Committee maintains the S&P 500. They establish policies to maintain the Index in an objective and independent manner. The committee's members include Standard and Poor's economists and index analysts. Their oversight gives investors the benefit of Standard and Poor's deep experience, research and analysis.



Past performance is not an indicator or a guarantee of future results.



Year	Value	Annual Return
1987	247.08	2.03%
1988	277.72	12.40%
1989	353.40	27.25%
1990	330.22	-6.56%
1991	417.09	26.31%
1992	435.71	4.46%
1993	466.45	7.06%
1994	459.27	-1.54%
1995	615.93	34.11%
1996	740.74	20.26%
1997	970.43	31.01%
1998	1,229.23	26.67%
1999	1,469.25	19.53%
2000	1,320.28	-10.14%
2001	1,148.08	-13.04%
2002	879.82	-23.37%
2003	1,111.92	26.38%
2004	1,211.92	8.99%
2005	1,248.29	3.00%
2006	1,418.30	13.62%
2007	1,486.36	3.53%
2008	903.25	-38.49%
2009	1,115.10	23.45%
2010	1,257.64	12.78%
2011	1,257.60	0.00%
2012	1,426.19	13.41%
2013	1,848.36	29.60%
2014	2,058.90	11.39%
2015	2,043.94	-0.73%
2016	2,238.83	9.54%
2017	2,673.61	19.42%
2018	2,506.85	-6.24%
2019	3,230.78	28.88%

Calculations are from the first trading day of each year using this formula:  $\left[ \frac{\text{current-year value}}{\text{previous-year value}} \right] - 1 = \text{Annual Return}$

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