

Annuity 4 Fee - Liquidity by Carrier

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Company	Wait period	Cost	Liquidity Types	Death Benefit	Comdex Rating
Genworth A rated By A.M.Best A rated By Standard & Poor's A2 rated By Moody's	5 Years	no upfront charge	Full commutation: *Current Value Approach or *Premium Paid Approach Partial commutation	Full commutation value, the waiting period is waived	78

"MVA" Liquidity Calculation: Can commute guaranteed payments, clients get the higher of:

#1 Premium Paid Approach: Premium minus payments made then minus a 9.00% charge from that value = Commutation Value (CV)

#2 Current Value Approach: Present value of remaining guarantee payments times a 9.00% charge = Commutation Value. The present values are calculated using current period certain immediate annuity rates.

Baseline Rates as of 1/28/2010 = Life with 20 Year Certain on a Male age 65 with a \$100,000 deposit: \$554.05 Monthly

Current Value Liquidation in 05 years: Cost of a 15 Year Certain ONLY = \$78,020.84 x 9.00% Charge = **\$70,998.94**

Current Value Liquidation in 10 years: Cost of a 10 Year Certain ONLY = \$58,748.44 x 9.00% Charge = **\$53,461.08**

Current Value Liquidation in 15 years: Cost of a 05 Year Certain ONLY = \$32,982.95 x 9.00% Charge = **\$30,014.48**

Premium Paid Liquidation in 05 years: 05 Years @ \$554.05 = -\$33,243 plus \$100,000 = \$66,757 x 9.00% Charge = **\$60,748.87**

Premium Paid Liquidation in 10 years: 10 Years @ \$554.05 = -\$66,486 plus \$100,000 = \$33,514 x 9.00% Charge = **\$30,497.74**

Premium Paid Liquidation in 15 years: 15 Years @ \$554.05 = -\$99,729 plus \$100,000 = \$271.00 x 9.00% Charge = **\$246.61**

Transparency is clear on #1 Premium Paid Approach as for #2 Current Value Approach this is based on a rate to be set in the future based on company practice at that time. The way Genworth will process is transparent however, there is NO commitment to how they will price in the future. There seems to be several solutions to the future rate transparency issue. Currently using General Asset Accounts.

Company	Wait period	Cost	Liquidity Types	Death Benefit	Comdex Rating
West Coast Life A rated By A.M.Best rated By Standard & Poor's A2 rated By Moody's	A none / Period Certains ONLY / NO LIFE	% based on guarantee period remaining and policy year exercised	Commutable Benefit Option: Portion of Adjusted Purchase Payment to be Returned	No Additional	86

Non-MVA Liquidity Calculation: Can commute guaranteed payments only NO LIFE OPTIONS: FULLY TRANSPARENT

Commutable Value Option: Premium Paid minus payments received times percentage based on income year and length of period certain:

Years 1 - 3 = 80% (5 - 30 Year Period Certain)

Year 4 = 100% (5 -12 Year Period Certain) 80% (13 - 30 Year Period Certain)

Year 5 = 100% (5 -16 Year Period Certain) 80% (17 - 30 Year Period Certain)

Years 6+ = 100% (5 - 30 Year Period Certain)

Baseline Rates as of 1/28/2010 = 22 Year Certain on a Male age 65 with a \$100,000 deposit: \$530.97 Monthly

Commutable Value Liquidation in 05 yrs: \$100,000 Premium minus \$31,858.20 payments = \$68,141.80 x 80% Adjust. = **\$54,513.44**

Commutable Value Liquidation in 10 yrs: \$100,000 Premium minus \$63,716.40 payments = \$36,283.60 x 100% Adjust. = **\$36,283.60**

Commutable Value Liquidation in 15 yrs: \$100,000 Premium minus \$95,574.60 payments = \$4,425.40 x 100% Adjust. = **\$4,425.40**

Transparency: FULLY TRANSPARENT

Company	Wait period	Cost	Liquidity Types	Death Benefit	Comdex Rating
Lincoln Benefit A+ rated By A.M.Best AA-rated By Standard & Poor's A1 rated By Moody's	Guaranteed Annuity Pay. 1 payment period Modified Cash after 3rd year	payment is banded by age/payout structure Charge 8% + "MVA"	-Modified Cash Refund Payment -Guaranteed Annuity Payment -Accelerated Payment Liquidity Riders	No Additional	89

"MVA" Liquidity Calculation: Can commute guaranteed payments:

#1 Guaranteed Annuity Payment Current rates used to find present value of remaining guarantee payments minus a 8.00% charge = CV

#2 Modified Cash Refund: Premium minus payments made = Commutation Value (CV)

Baseline Rates as of 1/28/2010 = Life with 20 Year Certain / Male age 65 with a \$100,000 deposit: \$530.24 Monthly / \$551.63 Cash Refund

Guaranteed Pay. Liquidation in 05 yrs: Cost of a 15 Year Certain ONLY = \$75,118.60 x 8.00% Charge = **\$69,109.11**

Guaranteed Pay. Liquidation in 10 yrs: Cost of a 10 Year Certain ONLY = \$56,254.73 x 8.00% Charge = **\$51,754.35**

Guaranteed Pay. Liquidation in 15 yrs: Cost of a 05 Year Certain ONLY = \$31,162.85 x 8.00% Charge = **\$28,669.82**

Modified Cash Liquidation in 05 years: 05 Years @ \$551.63 = -\$31,814 plus \$100,000 = **\$68,186**

Modified Cash Liquidation in 10 years: 10 Years @ \$551.63 = -\$66,486 plus \$100,000 = **\$36,372**

Modified Cash Liquidation in 15 years: 15 Years @ \$551.63 = -\$99,729 plus \$100,000 = **\$4,557**

Transparency #1 Guaranteed Annuity Payment is based on a rate to be set in the future based on company practice at that time. The way Lincoln will process is transparent however there is NO commitment to how they will price in the future. **#2 Modified Cash Refund** is very clear and simple.

Company	Wait period	Cost	Liquidity Types	Death Benefit	Comdex Rating
Minnesota Life	one-time withdrawal at anytime prior to the end of guaranteed period certain	25%-75%of the present value of the remaining income payments in the Period Certain	Advance Withdrawal Benefit (AWB) will reduce the amount of annuity income for remainder of period if alive after guarantee period life payment continue.	No Additional	94

MVA Liquidity Calculation:

Commutated Value: Present value of remaining guaranteed payments. Present values are set using the Moodys Bond Index Plus 0.50% and is contractually guaranteed.

Transparency #1 Advance Withdrawal Benefit (AWB) is based on a rate to be set in the future based on the Moodys Bond Index Plus 0.50%. Extremely transparent to us.

Baseline Rates as of 1/28/2010 = Life with 20 Year Certain on a Male age 65 with a \$100,000 deposit: \$549.27 Monthly

75% AWB Liquidation in 05 years: 15 Year Certain ONLY = \$72,905.66 x 75% = **\$54,679.24**

75% AWB Liquidation in 10 years: 10 Year Certain ONLY = \$55,925.58 x 75% = **\$41,944.18**

75% AWB Liquidation in 15 years: 05 Year Certain ONLY = \$31,834.56 x 75% = **\$23,875.92**

Income Continues at 25% of the \$549.27 = \$137.32 for remainder of guarantee period. Then returns to \$549.27 if annuitant alive.

Company	Wait period	Cost	Liquidity Types	Death Benefit	Comdex Rating
United Of Omaha	None	No upfront cost	Return Of Premium Cancellation	No Additional	95

Non-MVA Liquidity Calculation: Can commute payments:

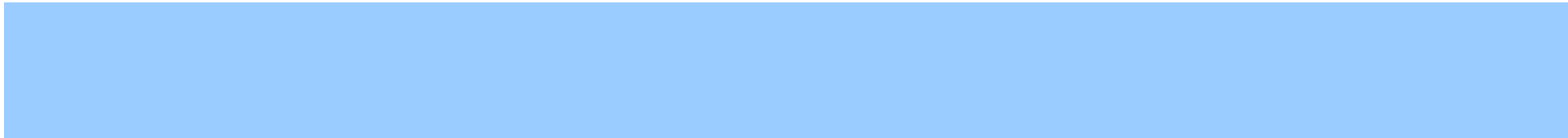
Commuted Value: Premium minus payments received time a % to be returned based on policy year.

Year 1 = 95% Year 1 = 96% Year 1 = 97% Year 4 = 98% Year 5 = 99% Years 6+ 100%

Baseline Rates as of 2/02/2010 = Life with 20 Year Certain / Male age 65 with \$100,000 deposit: \$551.20 Monthly LIFE Refund

- Commutable Value Liquidation in 02 yrs:** \$100,000 Premium minus \$13,228.80 payments = \$86,771.20 x 96% Adjust. = **\$83,300.35**
- Commutable Value Liquidation in 05 yrs:** \$100,000 Premium minus \$33,072.00 payments = \$66,928.00 x 99% Adjust. = **\$66,258.72**
- Commutable Value Liquidation in 10 yrs:** \$100,000 Premium minus \$66,144.00 payments = \$33,856.00 x 100% Adjust. = **\$33,856.00**
- Commutable Value Liquidation in 15 yrs:** \$100,000 Premium minus \$99,216.00 payments = \$784.00 x 100% Adjust. = **\$784.00**

Transparency = FULLY TRANSPARENT



Integrity Life	1 Year	no upfront charge / MVA + 1.50%	Living annuitant commutation on remaining guarantee period, if alive after guarantee period life payment continue, up to 90% of remaining certain period.	Decreased annuitant commutation non-transparent
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Company	Wait period	Cost	Liquidity Types	Death Benefit
American National	3 Years	Years 4 - 10: 10%,9%,7%,5%,4% 3%,2%,0%	Commuted Value: Full Surrender: Partial Withdrawal:	No Additional

MVA Liquidity Calculation: Can commute lifetime plus guaranteed payments:

Commuted Value: calculated using a commutation interest rate currently 7.00% (all the times?), the commutation "surrender" charge, and remaining life expectancy and period certain as determined by underwriting at the time the partial withdrawal or full surrender is requested.

Transparency #1

Guaranteed Pay. Liquidation in 05 yrs:	15 Year Certain ONLY = \$75,118.60 x 8.00% Charge = \$69,109.11 (\$31,814 Income received)
Guaranteed Pay. Liquidation in 10 yrs:	10 Year Certain ONLY = \$56,254.73 x 8.00% Charge = \$51,754.35 (\$63,628 Income received)
Guaranteed Pay. Liquidation in 15 yrs:	05 Year Certain ONLY = \$31,162.85 x 8.00% Charge = \$28,669.82 (\$95,443 Income received)

Standard Life	2 Years	up to 20% - 10% at a time	Life Income Commutation: will reduce the amount of annuity income for remainder of	No Additional
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