

EQUITY INDEXED VS VARIABLE ANNUITY

| EQUITY INDEXED | VARIABLE ANNUITY |
|---|--|
| Premium Bonus Available 4, 5,6,7,10,12% | Premium Bonus Available Amounts vary |
| Principle guaranteed upon death -no charge | Principle guaranteed upon death -M&E charges approx 100 bps. |
| Full account value upon death -no charge | Ratcheted Death Benefit equal to highest value -approx charge 20-45 bps. (ie: Equitable, MetLife) |
| Annuitization at most ages, No restriction to payout -no charge | “Living Benefit”, 3 – 6% accumulated annually, or the highest value, must be exercised by age 85, must be Life only or Life w/10 cert -approx charge 45 bps. |
| Annual Policy Fee -no charge | Annual Policy Fee -approx \$30. |
| Total for fees and expenses -ZERO | Total for fees and expenses -approx 2.10% |
| State Annuity Guarantee Fund Yes, to State limits | State Annuity Guarantee Fund Yes, but only for funds in Fixed interest account |
| Length of Surrender 5 – 15 years | Length of Surrender 7 – 10 years |

***Many variable annuities offer the client the ability to withdraw 5-7%/ year for 14.2 years or longer if funds are available. This equates to 66% of premium getting 3% in interest to generate the 7% per year payout. In essence, they get the guarantee paid up front.**

***If the client wishes to “walk away” from the variable annuity after the original surrender period, the amount paid out is limited to the actual market performance.**