Living Benefit Comparison Report prepared for Able Agent on June 18, 2010

The Living Benefit Calculator Comparison Report is designed to provide Licensed Professionals with a tool to calculate and compare the minimum guaranteed income available from living benefit riders available as an optional benefit on annuity products over varying time periods, assuming zero interest credits.

It is important to note that this report does not cover every annuity company and only policies with living benefit riders that provide lifetime income issued by non-proprietary carriers rated A- or better from AM Best are included. A complete list of carriers as well as a guide to AM Best's ratings can be found on our website, www.lbcalc.com/carriers.aspx.

The information is taken from sources deemed reliable, but is not guaranteed as to accuracy or completeness.
If a discrepancy exists between information in this report versus information provided by the issuing insurance company, the insurance company's version must be used.

What is an Annuity?
An annuity is a contract between your client and an insurance company in which the company promises to make periodic payments starting immediately or at some future time. If the payments start immediately, it is an immediate annuity. If the payments are delayed to the future, it is a deferred annuity. The annuity is purchased with either a single payment or a series of payments called premiums. A deferred annuity is a long term investment designed to help save for retirement. A deferred annuity also includes payment options to meet income needs, including lifetime income through annuitization and may, prior to annuitization, provide a guaranteed death benefit for beneficiaries. Policy death benefits may vary from company to company as well as policy to policy. The annuities presented in this report also offer optional income riders, for an additional fee, which allow client's to take a specified lifetime income from the policy without annuitization, even if withdrawals exceed the actual cash value balance. Referred to as the Maximum Withdrawal Amount, this offers a guaranteed lifetime retirement income solution as an alternative to converting the principal into an income stream via annuitization. Withdrawals or surrenders may be subject to surrender charges. Withdrawals and distributions of taxable amounts are subject to ordinary income tax and, if made prior to age 59 1/2, may be subject to an additional 10% federal income tax penalty. Withdrawals, for tax purposes, are deemed to be gains out first.

What is an Equity-Indexed Annuity?
EIAs are financial instruments that have characteristics of both fixed and variable annuities. Their return varies more than a fixed annuity, but not as much as a variable annuity. As a result, EIAs give you more risk (but more potential return) than a fixed annuity but less risk (and less potential return) than a variable annuity. EIAs offer a minimum guaranteed interest rate combined with an interest rate linked to a market index. Because of the guaranteed interest rate, EIAs have less market risk than variable annuities. EIAs also have the potential to earn returns better than traditional fixed annuities when the stock market is rising.

The crediting rates for EIAs are complex and will vary significantly from policy to policy and one carrier to another and should be understood before recommending the purchase of an EIA. Your clients should consider the risks, charges and expenses of the annuity and its crediting methods before investing, as they may vary greatly. A statement of information containing this information is available from the issuing company. Your clients should read it carefully before investing.

Annuity contracts contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Optional benefits have certain investment, holding period, liquidity, and withdrawal limitations and restrictions. Optional living and death benefits may not be available in every state or through every broker-dealer and may not be elected in conjunction with certain other optional benefits. The same rider may be available on multiple policies issued by the same carrier. Highlights of the annuity policies issued by individual carriers are available in our Annuity Policy Highlight Report, available from our website, as well as the issuing company's marketing material.

Some policies offer bonus credits which are applied to the account value based on premium deposits or duration of investment. If the bonus credit is immediately vested to the Income Balance of the applicable income rider, we include the value in our calculations. If not, the bonus amount is ignored because it is part of the policy cash value which is not covered by our survey. Generally, you should know that policies with a bonus may have higher fees, reduced interest crediting strategies, longer or higher surrender charges and reduced features relative to comparable policies without a bonus. Over time and in certain circumstances, these differences can be significant and may more than offset the value of the bonus, including any earnings on the bonus. Be sure to review the limitations and restrictions of a bonus annuity to determine whether the bonus version of the product is suitable for your client.

The suitability of an annuity product should be carefully considered before investing.
All guarantees, including optional benefits, are backed by the claims-paying ability of the issuing company.

A tax-deferred 1035 exchange from one annuity contract to another may provide additional benefits, but it may also result in higher fees, new or increased surrender charges or reduced death benefits.
It is important to understand what your client may be giving up by transferring from one annuity contract to another.

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How is an EIA's index-linked interest rate computed?

The index-linked gain depends on the particular combination of indexing features that an EIA uses. The most common indexing features are listed below. To fully understand an EIA, make sure you understand each feature and how the features work together since these features can dramatically impact the return available to your client. In most cases, these terms are subject to change.

Participation Rates.
A participation rate determines how much of the gain in the index will be credited to the annuity. For example, the insurance company may set the participation rate at 50%, which means the annuity would only be credited with 50% of the gain experienced by the index over the stated time period.

Spread/Margin/Asset Fee.
Some EIAs use a spread, margin or asset fee in addition to, or instead of, a participation rate. This percentage will be subtracted from any gain in the index linked to the annuity. For example, if the index gained 10% and the spread/margin/asset fee is 3.5%, then the gain in the annuity would be only 6.5%.

Interest Rate Caps.
Some EIAs may put a cap or upper limit on your return. This cap rate is generally stated as a percentage. This is the maximum rate of interest the annuity will earn. For example, if the index linked to the annuity gained 10% and the cap rate was 8%, then the gain in the annuity would be 8%.

Indexing Methods.
There are several methods for determining the change in the relevant index over the period of the annuity. These varying methods impact the calculation of the amount of interest to be credited to the contract based on a change in the index.

Indexing Method	Description
Annual Reset (Rachet)	Compares the change in the index from the beginning to the end of each year. Any declines are ignored. Advantage: Your gain is 'locked in' each year. Disadvantage: Can be combined with other features, such as lower cap rates and participation rates that will limit the amount of interest you might gain each year.
High Water Mark	Looks at the index value at various points during the contract, usually annual anniversaries. It then takes the highest of these values and compares it to the index level at the start of the term. Advantage: May credit you with more interest than other indexing methods and protect against declines in the index. Disadvantage: Because interest is not credited until the end of the term, you may not receive any index-link gain if you surrender your EIA early. It can also be combined with other features; such as lower cap rates and participation rates that will limit the amount of interest you might gain each year.
Point-to-Point	Compares the change in the index at two discrete points in time, such as the beginning and ending dates of the contract term. Advantage: Can be combined with other features, such as higher cap and participation rates, that may credit you with more interest. Disadvantage: Relies on single point in time to calculate interest. Therefore, even if the index that your annuity is linked to is going up throughout the term of your investment, if it declines dramatically on the last day of the term, then part or all of the earlier gain can be lost. Because interest is not credited until the end of the term, you may not receive any index-link gain if you surrender your EIA early.
Other Considerations	Index Averaging. Some EIAs average an index's value either daily or monthly rather than use the actual value of the index on a specified date. Averaging may reduce the amount of index-linked interest you earn. Interest Calculation. The way that an insurance company calculates interest earned during the term of an EIA can make a big difference in the amount of money you will earn. Some EIAs pay simple interest during the term of the annuity. Because there is no compounding of interest, your return will be lower. Exclusion of Dividends. Most EIAs only count equity index gains from market price changes, excluding any gains from dividends. Since you're not earning dividends, you won't earn as much as if you invested directly in the market.

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Living Benefit Calculator

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Proposed Annuitant: Value Client
Date of Birth: 8/15/1944, Age 65

Spouse: Mrs. Client
Date of Birth: 3/15/1942, Age 68

Income Desired Now? No, deferred 3 years to Starting Age 68 of the youngest annuitant
$100,000 initial deposit, qualified money, equity-indexed annuities, based on contract state: Arizona

The values summarized in the following chart show the minimum guaranteed income available from each company when sold with the particular living benefit rider assuming zero interest credit, net of all fees. Among other variables, withdrawals prior to the illustrated starting age, excess withdrawals above what is illustrated or subsequent purchase deposits could change the guaranteed income presented.

The order in which the companies are presented is not intended to be a recommendation or indication of su[illegible]bility for your client, but rather a starting point for further review. Actual interest credits may increase these values.

A GLOSSARY OF TERMS is available at the end of this report:

Yearly Maximum Withdrawal Amount, assuming zero interest credit, sorted in descending order based on Starti[illegible] 68:

Insurance Company	Rating	CDSC	Rider Fees	Rider Name	Stacked	Starting Age 68	Starting Age 69	Starting Age 70
ING	A	10 years	0.40%	IncomeProtector Withdrawal Bene[illegible] w 5% Bonus	Yes	$6,431	$6,882	$8,100
LSW	A	15 years	0.85%	GLIR Bonus 5%	No	$6,[illegible]	$7,039	$7,768
LSW	A	9 years	0.85%	GLIR Bonus 3[illegible]	No	[illegible],254	$6,905	$7,620
LSW	A	12 years	0.85%	GLIR Prem[illegible]8	No	$6,254	$6,905	$7,620
Annuity Investors Life	A	7 years	0.75%	Income Sus[illegible]r	No	$6,240	$6,860	$7,500
Great American	A	7 years	0.75%	Income Sustain[illegible]	No	$6,240	$6,860	$7,500
ING	A	7 years	0.40%	[illegible]eProtector W[illegible]wal Benefit	Yes	$6,125	$6,554	$7,714
LSW	A	10 years	0.85%	G[illegible]R[illegible]	No	$6,072	$6,704	$7,398
LSW	A	10 years	0.85%	GL[illegible] Pre[illegible]r 10	No	$6,072	$6,704	$7,398
RBC/Liberty Life	A	10 years	0.50%	GLW[illegible] w 5% [illegible]us	Yes	$6,038	$6,490	$7,752
Allianz	A	10 yea[illegible]	[illegible]	Simple[illegible]come I[illegible] 1	Yes	$6,030	$6,390	$7,500
RBC/Liberty Life	A	10 years	[illegible]60%	[illegible]nce[illegible] GLWB w 5% Bonus	Yes	$5,926	$6,370	$7,609
RBC/Liberty Life	A	8 years	0.[illegible]	GLWB [illegible] Bonus	Yes	$5,870	$6,310	$7,537
RBC/Liberty Life	A	10 years	0.50%	GLWB	Yes	$5,758	$6,190	$7,393
RBC/Liberty Life	[illegible]	[illegible] years	0.60%	[illegible]anced GLWB w 2% Bonus	Yes	$5,758	$6,190	$7,393
RBC/Liberty Life	A	10 [illegible]	0.60%	Enhanced GLWB	Yes	$5,646	$6,070	$7,250
American Equity	A-	10 ye[illegible]	[illegible]	LIBR 8% (bonus 10% joint)	No	$5,543	$5,986	$8,081
Allianz	A	1[illegible] years	0.40%	Income Plus 5	Yes	$5,315	$5,528	$6,387
American Equi[illegible]	A-	[illegible]0 years	0.45%	LIBR 8% (bonus 5% joint)	No	$5,291	$5,714	$7,714
American [illegible]ity	A-	[illegible] years	0.00%	LIBR 5% (bonus 10% joint)	No	$5,094	$5,348	$7,020
Allianz	A	[illegible]ars	0.40%	Income Plus	Yes	$5,062	$5,264	$6,083
Americ[illegible] Equity	[illegible]	6 years	0.45%	LIBR 8%	No	$5,039	$5,442	$7,347
American [illegible]	[illegible]	7 years	0.40%	Lifetime Income Rider	No	$5,000	$5,000	$6,000
Lincoln Benefit	[illegible]+	5 years	0.40%	Enhanced Lifetime Income Rider Plus	No	$5,000	$5,000	$5,000
Lincoln Financial	A+	9 years	0.40%	Living Income Advantage	No	$5,000	$5,000	$5,500
American Equity	A-	10 years	0.00%	LIBR 5% (bonus 5% joint)	No	$4,862	$5,105	$6,700
American Equity	A-	6 years	0.00%	LIBR 5%	No	$4,630	$4,862	$6,381
Lincoln Benefit	A+	10 years	0.40%	Enhanced Lifetime Income Rider Premier	No	$4,500	$4,500	$4,500

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GLOSSARY OF TERMS

Term	Description
Insurance Company	The name of the issuing carrier
Rating	A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile. There are 16 rating categories from A++ (1) to S (16). Our review is limited to companies rated A- (Secure/Excellent, (4)) or better. Details available at http://www.ambest.com/ratings/guide.pdf.
CDSC	Contingent Deferred Surrender Charge. The number of years from contract issue or the last date that a fee is imposed on withdrawals, including full surrender of the policy. Actual percentage amounts are available in the Annuity Highlight Report or the company statement of information.
Rider Fees	Includes current rider cost. Does not include annual policy fees, if any. Does not represent the maximum fees that may be charged because increases to the fees will not reduce the presented MWA.
Rider Name	The issuing company name given to market their rider.
Stacked	'Yes' indicates that guaranteed increases to the Income Balance (a Roll-up) are 'stacked' on top of prior investment gains (Step-up) if the Step-up value is greater than the Roll-up. 'No' indicates that the Roll-up is calculated separately from the Step-up and the greater of the two values is the Income Balance. 'N/A' indicates that there is no guaranteed Roll-up and only a step up feature.
Roll-up	A guaranteed credit applied to the Income Balance.
Step-up	An investment-based credit applied to the Income Balance.
Income Balance	This 'virtual' value does not reflect the investment cash value or surrender value and is not available as a lump sum. The value is derived by taking the initial premium deposit and applying the guaranteed Roll-up, if any, per the terms of the living benefit rider. The value is then used to determine the Maximum Withdrawal Amount (MWA) and is presented net of all charges or fees. Because the calculations in this report assume zero interest credits, changes to the crediting strategies or increases to the rider costs or policy fees will not change the Income Balance calculations. This is the basis for being able to determine the minimum guaranteed Maximum Withdrawal Amount going forward.
Maximum Withdrawal Amount (MWA)	The MWA is calculated by multiplying the Income Balance times the stated percentage allowed by the rider. It is the amount that can be withdrawn annually without incurring a surrender charge or penalty or reducing the Income Balance. It may be presented annually or monthly as desired.
Starting Age	The age of the applicable annuitant or spouse/domestic partner, as required by the rider, is displayed in the column header with the minimum guaranteed Maximum Withdrawal Amount calculated as of that that attained age policy anniversary, presented net of all charges or fees.

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