

Important Information about Variable Annuities

A variable annuity is a long-term, tax-deferred investment vehicle designed for retirement. A variable annuity provides a guaranteed death benefit and the ability to receive guaranteed lifetime income. Guarantees are backed by the claims-paying ability of the insurance company and do not apply to the principal amount or investment performance of the separate account or its underlying investments. Variable annuities involve investment risks and may lose value. Variable annuities and the subaccounts, including the money market options, and are not FDIC insured.

A 1035 exchange from one insurance product into another insurance product may result in new or increased surrender charges or higher charges, such as annual fees, associated with the new product. Further, the features and benefits of the new product may have higher costs and thus, such an exchange may not be necessary or suitable.

All withdrawals reduce the death benefit and optional benefits. Surrender charges may apply to amounts taken in excess of the guaranteed withdrawal amount. An annuity's earnings are taxable as ordinary income when distributed and, if taken before age 59 1/2, may be subject to a 10% federal tax penalty.

When considering an annuity for use in an IRA or other tax-qualified retirement plan (i.e., 401(k), 403(b), 457), it is important to note that there is no additional tax-deferral benefit, since these plans are already tax-deferred.

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NOT FDIC INSURED

NO BANK GUARANTEE

MAY LOSE VALUE

GLOSSARY - Benefit Pages

Benefit name	Brand name of benefit
Benefit type	This describes the type of benefit. Generally, the list of living benefits includes the income benefit (GMIB), accumulation benefit (GMAB), and two withdrawal benefits (GMWB_Lifetime GMWB). Generally, the types of death benefits include Return of Principal, Highest Anniversary Value, Percentage Increase, and the Earnings Enhancement Benefit.
Whose life is benefit based on?	Generally, identifies the party or parties to the contract on whom the benefit is based.
Description of benefit	Describes how the benefit works.
Current benefit charge	Shows the current rate charged for the benefit and defines what it is charged against, meaning (generally) the account value or benefit base.
Maximum benefit charge	This is the contractual limit that the benefit charge can increase to. The charge for most death benefits does not increase after the contract is issued. However, many living benefits have the potential to increase the amount charged based upon certain events.
Details of expenses	This section is for defining the particulars of how the benefit charges operate. If a benefit charge can change or increase, this section identifies what would trigger such a change or increase to take place.
Issue ages	Identifies the issue ages for the particular benefit.
When can benefit be added?	Answers when the benefit can be added to the contract. Typically, a benefit must be added at the time of application. Other times a contract allows the election of a benefit under certain conditions.
Step-up provisions	Describes how the benefit base increases. Items in this section include automatic reset, manual reset and bonuses to the benefit base before withdrawals begin.
Impact of withdrawals on benefit	Benefits, whether simple or complex, are typically reduced when a withdrawal takes place. This section identifies how a withdrawal impacts the benefit. Here are some examples: Account value is \$80,000. Death benefit is \$120,000. What happens to the benefit when a \$20,000 withdrawal is made? - Under the dollar-for-dollar method, the benefit would be reduced by \$20,000, resulting in a new death benefit value of \$100,000. - Under the proportionate method, the benefit would be reduced by the same percentage reduction in the account value. Therefore, \$20,000/\$80,000 is equal to a 25% reduction of the account value. The death benefit would then be reduced by that same percentage. So, 25% x \$120,000 is \$30,000, resulting in a new benefit of \$90,000.
Impact of RMDs on benefit	Indicates whether there is a special consideration for withdrawals that are Required Minimum Distributions. Some benefits may also impose restrictions that the RMD be taken through systematic withdrawals. RMDs for purposes of this section are RMDs only for the assets in that particular contract.
Issues with older ages	Some benefits terminate or stop increasing at certain ages. This section identifies those ages and describes how the benefit changes.
Investment restrictions	Identifies if there are any restrictions put in place by the insurance company when a particular benefit is elected.
Spousal continuation	This section defines what happens to the benefit if the contract is spousally continued under the Internal Revenue Code rules. Typically, to have true spousal continuation, upon the death of any owner, a spousal recipient may continue the contract tax deferred.
Automatic termination of benefit	Events or situations that cause the benefit to terminate are covered in this section. For example, some benefits terminate if any of the owners is changed, or if an owner attains a certain age. What is not covered here are the basic events that will cause the termination of a benefit, such as taking a full withdrawal of the contract; annuitizing the contract; making a 1035 exchange; or transferring to/from an IRA.
Manual termination of benefit	Some benefits allow the owner to terminate the benefit at certain times. This section is where those conditions are described.
Conflicting benefits & availability	Some benefits cannot be elected in conjunction with other benefits. This section describes any conflicts with the other benefits offered on the contract.
Other information	This is the "catch all" section for information that does not fit into any of the other sections. Often this section includes administrative restrictions, titling peculiarities, information on whether the benefit is available with certain types of contracts, or whether purchase payments after a certain time period are not considered for the benefit.

Lifetime GMWB

Benefit Name	Retirement Income Choice 1.2 (Single)
Benefit Type	Lifetime GMWB
Whose life is benefit based on?	Annuitant
Description of benefit	<p>The benefit provides for lifetime withdrawals where the withdrawal percentage is determined by the age of the annuitant upon the first withdrawal or step-up. Ages and applicable percentages are as follows: 59-64 .. 4.0% 65-74 .. 5.0% 75+..... 6.0%.</p> <p>For benefits issued prior to 2/1/10 (2/10/10 in NJ), the withdrawal percentages are as follows: 59-69..4.0%; 70-79..5.0%; 80+..6.0%.</p> <p>If the annuitant is at least 59 years old on the election date, lifetime withdrawals are available. Otherwise, lifetime withdrawals become available on or after the rider anniversary immediately following the annuitant's 59th birthday.</p> <p>An optional death benefit is available for an additional charge. Payable at the death of the annuitant, the benefit is equal to the excess, if any, of the benefit base over the guaranteed minimum death benefit.</p> <p>Another optional benefit is the Income Enhancement Option and is available for an additional charge. It doubles the withdrawal percentage if the annuitant is confined to a hospital or nursing facility due to medical necessity for 180 of the last 365 days providing benefit has been in effect for one year. The doubling of the benefit percentage stops when the annuitant is no longer confined.</p>
Current benefit charge	0.40% - 1.25% annually, assessed quarterly and calculated against the benefit base
Maximum benefit charge	1.15% - 2.00%
Details of expenses	<p>Fee percentage varies depending on the allocation option elected:</p> <p>Option 1: - Open Allocation Option 1.10% (max 1.85%) Option 2 (based on the weighted average of account value in each Designated Allocation Group): - Designated Allocation Group A ... 1.25% (max 2.00%) - Designated Allocation Group B ... 0.90% (max 1.65%) - Designated Allocation Group C ... 0.40% (max 1.15%)</p> <p>After the fifth year, fee percentage may increase upon automatic step-up (may be declined), or allocation transfer.</p> <p>Additional fees for options: Additional Death Payment: 0.25% Income Enhancement: 0.15%</p>
Issue ages	Through age 85
When can benefit be added?	Any time

Lifetime GMWB

Step-up provisions	<p>On every benefit anniversary, the benefit base automatically steps-up to the greater of the highest monthly anniversary (if no excess withdrawal occurred) or the account value on the anniversary. Upon a step-up, the guaranteed withdrawal amount is recalculated.</p> <p>During the first ten years, the benefit base from the previous benefit anniversary increases at 5% provided no withdrawals are taken in the previous benefit year (not applicable in years in which the automatic step-up is greater).</p> <p>On every fifth benefit anniversary, a manual reset is available, which results in the termination of this benefit and the issuance of a new benefit. The benefit withdrawal amount, fee percentage and growth rates are also reset. Manual resets are not available if the annuitant is 86 or older.</p>
Impact of withdrawals on benefit	<p>Withdrawals up to the applicable withdrawal percentage have no impact on future withdrawal amounts. If any part of a withdrawal exceeds the withdrawal percentage, the benefit base is reduced by the greater of the dollar-for-dollar or proportionate. The guaranteed withdrawal amount is based on the new reduced benefit base.</p> <p>The death benefit option is reduced dollar-for-dollar by withdrawals up to the applicable percentage, excess withdrawals reduce the death benefit by the greater of dollar-for-dollar or proportionate.</p>
Impact of RMDs on benefit	RMD withdrawals are not treated as excess withdrawals
Issues with older ages	Manual resets are not available if the annuitant is 86 or older
Investment restrictions	<p>100% of account value must be invested in one of the two options available. Total account value may be transferred between allocation options at any time (may cause fee increase).</p> <p>Open Allocation option allows investments in any subaccount. The company uses a mathematical model to determine if any portion of the account value should be invested in the Transamerica ProFund UltraBear VP subaccount, in order to support the guarantees under the benefit.</p> <p>Under Designated Allocation option subaccount selection is restricted.</p>
Spousal continuation	<p>Upon the annuitant's death, this benefit terminates. If the non-annuitant owner dies, and the surviving spouse continues the contract, the benefit continues.</p>
Automatic termination of benefit	Death of annuitant terminates this benefit
Manual termination of benefit	May be terminated on any fifth benefit anniversary
Conflicting benefits & availability	<p>Cannot have in conjunction with other living benefits and the Double Enhanced Death Benefit. Cannot elect the Income Enhancement Option if the annuitant is already confined in a hospital or nursing facility.</p> <p>As of 3/16/2010, same state availability as contract. Income Enhancement option is not available in CA, CT or NY.</p>
Other information	<p>Annuitant must also be the owner (except non-natural owners) and there can be no more than two owners</p>