

# Deferred Income Protector<sup>sm</sup>

## Frequently Asked Questions



### Marketing/Sales

**Q: How is a deferred income annuity different from a single premium immediate annuity (SPIA)?**

A: Unlike a SPIA, in which a person must begin receiving income payments within 13 months from the issue date, a consumer may defer payments from a deferred income annuity for up to 40 years from the issue date.

**Q: What's an ideal target market for a deferred income annuity?**

A: Consumers close to retirement who are looking for a guaranteed income that will begin in at least 2 years or consumers who are looking to defer payments until much later in life, providing them guaranteed income they can't outlive.

### Point of Sale Questions

**Q. What is a Qualified Living Annuity Contract (QLAC)?**

A. QLAC stands for **qualified longevity annuity contract**. This means that a person is allowed to take up to \$200,000 in their retirement plan and use that money as premium to fund a longevity annuity contract – like Deferred Income Protector<sup>sm</sup>.

**Q: Why are the issue ages different for Nonqualified and QLAC vs. Qualified contracts?**

A: Qualified contracts must comply with Required Minimum Distribution rules, which require that income payments begin by age 73. As such, this requires that the maximum issue age for qualified contracts is 71, which is 2 years before the latest income start date allowed. The QLAC regulations allow for the value of the QLAC to be excluded from the account balance used to determine required minimum distributions, which allows for the contract to be purchased up to age 75.

**Q: How long can the income start date be deferred?**

A: The income start date may be deferred from 2 to 40 years. Payments must begin by age 73 for qualified contracts and age 85 for QLAC and nonqualified contracts.

**Q: Does this product offer Age Rating?**

A: There is no medical underwriting or age rating available on this product.

**Q: Can the owner and annuitant be two different people?**

A: The owner and annuitant must be the same person on this contract.

**Q: Why does the owner have to be the annuitant?**

A: Before the income start date, the contract will end and any applicable death benefit will be paid upon death of the owner. The contract is essentially purchased for retirement income purposes over the annuitant's life. If the owner and annuitant were different people and the owner died before the income started, the contract would end without income being paid over the annuitant's life.

**Q: Why does the joint owner/annuitant need to be the owner's spouse?**

A: Regulation limits who we can pay a survivor annuity to after the owner's death. Paying a survivor annuity to a non-spouse may not be allowed.

Having the joint owner be the owner's spouse makes spousal continuation possible. If the owner dies before the income start date, the joint owner could continue the contract and receive any remaining income payments. If the joint owner or beneficiary were not the spouse, spousal continuation would not be possible.

(continued)

## Product Features

### **Q: Is there a cash value or surrender value available?**

A: No. Deferred Income Protector has no cash value or surrender value. This contract does not provide access to funds prior to the income start date, other than payment of the death benefit, if any.

### **Q: How does the Income Payment Advance feature work?**

A: The Income Payment Advance feature allows the contract owner to request an advance payment of the upcoming 6 months of income payments. When requested, the owner will receive 6 additional payments along with a regularly scheduled payment for a total of 7 payments in one lump sum. Once received, the owner will not receive a payment during the 6 months of the advance. Regularly scheduled payments will resume after this advance period. The owner may elect this feature 3 times but must receive 1 regularly scheduled payment for making an additional request.

### **Q: Is there a contract fee on this product?**

A: This product does not contain a contract fee.

## Future Contract Changes

### **Q: Can I make additional deposits in the future?**

A: Additional deposits can be made to the contract after issue. The additional deposits must be a minimum of \$2,000. When an additional deposit is received, a confirmation letter that will include the amount of income that the deposit will add to the contract will be sent to you.

### **Q: Does the owner have access to their money before the income start date?**

A: The owner will not have access to their money before the income start date. If needed, the owner can change the income start date (see next question for income start date details).

### **Q: Can the owner change the income start date? If so, how do they request that change?**

A: The owner can change the income start date once after issue. This date can be moved up to 5 years earlier or later than the date originally selected. A change in the income start date will result in a recalculation of the income payment amount. This new amount will be communicated to you once the request has been received.

### **Q: Can owner add the Annual Increase rider after issue?**

A: The Annual Increase rider can only be elected at the time of application. Electing this option will result in an initial income payment amount that is lower to allow for increased amounts in the future.