Broker's Sales Guide

Flexible Premium Deferred Annuity

A Rewarding Combination of Safety, Tax Deferral and Choice

The Standard®

Standard Insurance Company
Flexible Premium Deferred Annuity

NOT FDIC-INSURED • NO BANK GUARANTEE • MAY LOSE VALUE • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY • NOT A BANK DEPOSIT

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Flexible Premium Deferred Annuity

A combination blend of safety, growth and flexibility

The Flexible Premium Deferred Annuity from The Standard is an annuity that offers accommodating contribution modes and flexible withdrawal options. It is an ideal savings vehicle for those who want the ability to customize their retirement-savings strategy. The FPDA is designed to optimize the growth potential of your client's retirement savings while preserving capital — all without the risks associated with the investment markets. Additionally, the FPDA is an excellent funding vehicle for tax-qualified money in the form of IRAs, 403(b) TSAs or SEPPs.

Your client may choose to contribute monthly, quarterly, semiannually or annually and may change the amount and frequency of payments any time. Each premium will receive the current rate for a one-year guarantee period. And at the end of the guarantee period, your client benefits from competitive renewal rates based on the current interest-rate environment and current market conditions. After the surrender-charge period ends, there is no automatic restart of the surrender-charge schedule.

The FPDA offers a variety of ways for your client to access funds before the end of the surrender-charge period without paying a surrender charge. Easy withdrawal methods include a 10% annual withdrawal option, payments of interest earnings, 72(t) and 72(q) SEPPs, IRS Required Minimum Distributions from qualified plans, and nursing home and terminal condition waivers.

Issue Age

The maximum issue age on an owner or annuitant is 90.

Initial Premium

$600 first-year premium is the minimum necessary to establish the contract. $1,000,000 is the maximum initial premium allowed for establishing an FPDA; higher amounts may be permitted with prior approval from the home office.

Also, CODs are allowed to assist with the setup of employer list billings.

Additional Premiums

Once an FPDA is established, your client may contribute additional premiums at any time, with the amount based on the prior year's contributions. The total premium in any given year cannot be more than 200% of the previous-year deposits or $10,000, whichever is less, without approval. Additional premiums received will be credited with the current interest rate in effect at the time of the deposit, unless the additional premium results from a rollover, transfer or exchange request that may benefit from an interest-rate lock.

Fees

Non-qualified contracts valued less than $10,000 will be assessed a $25 fee annually. There are no fees on qualified contracts.

Selling Points

Competitive Interest Rate Guarantees

The FPDA offers strong growth potential through competitive interest rates. The Standard has a long-standing history of excellent fixed annuity performance and renewal rates.

The initial interest rate is guaranteed to remain level for one year on each deposit. After the rate guaranteed period your client will receive renewal interest rates based on current market conditions. And the interest rate is guaranteed to never go below the contractual minimum guaranteed rate.

Principal Guarantee

Principal is 100% guaranteed. Regardless of economic fluctuations, we guarantee that your client or the beneficiary will never receive less than total premium payments, minus any withdrawals or loans taken.

Interest Rate Lock

The FPDA has an interest rate lock available at the time of purchase. This would allow The Standard to hold a rate for a set time period from the home-office receipt of a request for a rollover, transfer or exchange.

In order to hold a rate, a complete application packet along with rollover, transfer or exchange paperwork must be received in the home office during a specific period of time. If the funds are received within this window, the client would receive the greater of the held interest rate or the current interest rate.

If the premium is received after the rate-lock period, it will be credited with the interest rate in effect at the time the premium is received. For more specific information, contact the Annuity sales team

Surrender-Charge Period

Deferred annuities are designed for long-term retirement savings. Although all or a portion of the funds may be withdrawn at any time, withdrawals and surrenders may face a charge during the surrender-charge period. This is calculated as a percentage of the withdrawal amount.

Year in Surrender-Charge Period	1	2	3	4	5	6	7	8	9
Surrender Charge	9%	8%	7%	6%	5%	4%	3%	2%	1%

Market Value Adjustment

The FPDA does not use a Market Value Adjustment feature.

Advantages of Tax Deferral

Taxes are due only when funds are withdrawn as surrenders or when distributions are made. Most people take these actions during retirement, when they are likely in a lower tax bracket. As a result, interest has been accumulating on principal, earnings and money that would have otherwise been paid in income taxes, and the taxes paid may be at a lower tax rate.

Time to Reflect on the Purchase

Your clients may cancel and return their contract within 30 days after it is delivered. We will refund their premium after a cancellation, minus any withdrawals taken.

Flexible Withdrawal Features

Interest Payments

After 30 days your client may schedule withdrawal of earned interest without a surrender charge on a monthly, quarterly, semi-annual or annual basis. Your client may request such withdrawal to include interest earned for the 12 months prior to the request. Electronic Funds Transfer (or “direct deposit”) is available and encouraged.

10% Annual Withdrawals[1]

Withdrawals up to 10% of the annuity fund value per year are available without a surrender charge.

IRS Required Minimum Distributions

Surrender-charge-free annuity payments may be scheduled that meet IRS-required minimum distributions for tax-qualified plans.

Substantially Equal Periodic Payments

Beginning immediately IRS 72(t) or 72(q) withdrawals may be made on the schedule requested.

Terminal Conditions[1]

If clients are diagnosed with a terminal condition with a life expectancy of 12 months or less, they may withdraw, transfer, or surrender funds without a surrender charge. Written documentation is required. State-specific conditions apply to the terminal condition waiver.

Nursing Home Residency[1]

If clients become a resident in a nursing home for 30 or more consecutive days, they may withdraw, transfer, or surrender funds without a surrender charge during the period of confinement. Written documentation is required.

Death Benefits

Upon death of the owner, death benefits are payable and surrender charges will be waived. After the death of an annuitant, the owner may elect a withdrawal within 180 days of the death and surrender charges will be waived.

Annuitization

Annuitization is the process of changing from accumulating savings to generating a guaranteed income stream. Your client may convert their deferred annuity to a payment stream with The Standard at any time without a surrender charge. They must choose either a lifetime income payment option or a certain period of at least five years.

Out of Surrender

After the end of the surrender-charge period, your client may withdraw some or all of the FPDA funds without surrender charges.

1. Applies after the first contract year.

Accommodating Income Options

When it's time to switch from the accumulation phase to the income phase, you'll want several payment options to present to your client. Some retirees prefer regular installment payments for a specific period; others want a predictable, guaranteed lifetime income. The Standard has a variety of options for your client's long-term goals and financial needs.

Income Options

- Life income
- Life income with installment refund
- Life income with certain period
- Joint and survivor life income
- Joint and survivor life income with installment refund
- Joint and survivor life income with certain period
- Joint and contingent survivor life income
- Certain period
- Lump sum

Suitability Analysis During the Sales Process

Is This Product Right for Your Client?

In recommending an annuity to a client, state suitability rules require a producer to have "reasonable grounds" to believe the recommended annuity is suitable for that particular client on the basis of facts disclosed by the client during the sales process. A producer should obtain and analyze the client's:

- Age
- Annual income
- Financial situation and needs, including financial resources used for the funding of the annuity
- Financial experience
- Financial objectives
- Intended use of the annuity
- Financial time horizon
- Existing assets, including investment and life insurance holdings
- Liquidity needs
- Liquid net worth
- Risk tolerance
- Tax status

As a result of a producer's review of the client information and analysis to determine suitability, the producer must have a "reasonable basis to believe":

- The client has been "reasonably informed of the various features of the annuity" — this includes the surrender charge period and surrender charge amounts; potential tax penalties associated with the sale, exchange, surrender or annuitization of the annuity; mortality, expenses and investment advisory fees; potential charges for and features of riders; limitations on interest returns; insurance and investment components and market risk;
- The client would benefit from certain features of the annuity, such as tax-deferred growth, annuitization, death benefits or living benefits;
- The particular annuity as a whole, any index accounts to which funds are allocated at the time of purchase or exchange of the annuity, and any riders and similar product enhancements, are suitable for the client based on his/her suitability information; and
- (If applicable) an exchange or replacement is suitable, taking into consideration whether the client:
  - Will incur a surrender charge, be subject to the commencement of a new surrender period, lose existing benefits (such as death, living or other contractual benefits), or be subject to increased fees, investment advisory fees or charges for riders and similar product enhancements;
  - Would benefit from product enhancements and improvements; and
  - Has had another annuity exchange or replacement and, in particular, an exchange or replacement within the preceding 36 months.

Review our Suitability Guidelines flyer for further details.

Compensation

Commission Amounts

Consult your Annuity Commission Schedule for details.

Commission Chargeback

Surrenders

- 100 percent of the commission will be recaptured on contracts surrendered in the first six contract months
- 50 percent of commission will be recaptured on contracts surrendered in the seventh to twelfth contract months

Death

There is no chargeback on death of an owner or annuitant except in those cases where the deceased was age 86 or older at contract issue, in which case:

- 100 percent of the commission will be recaptured on death in the first six contract months
- 50 percent of commission will be recaptured on death in the seventh to twelfth contract months

Annuitization

- 100 percent of the difference in commission between the deferred-annuity compensation and the immediate-annuity compensation will be recaptured in the first 12 contract months.

Sales Support

For additional information, please contact your National Marketing Organization or our sales team at 800.378.4578. You can also email our sales team at annsales@standard.com.

Forms and Materials

You may find this guide, marketing materials and new business forms at www.standard.com/annuities. Be sure to check product availability and revision dates to ensure you're using all the correct forms and materials for your state.

New Business Submissions

Annuity New Business, P6C
The Standard
PO Box 711
Portland, OR 97207-9971

Street Address For Overnight Deliveries

Annuity New Business, P6C
The Standard
1100 SW Sixth Avenue
Portland, OR 97204
800-247-6888

Annuities are intended as long-term savings vehicles. The Flexible Premium Deferred Annuity is a product of Standard Insurance Company. It may not be available in some states. The annuity is not guaranteed by any bank or credit union and is not insured by the FDIC or any other governmental agency. The purchase of an annuity is not a provision or condition of any bank or credit union activity. Some annuities may go down in value.

The guarantees of the annuity are based on the financial strength and claims-paying ability of Standard Insurance Company. An annuity should not be purchased as a short-term investment.

The Standard is a marketing name for StanCorp Financial Group, Inc. and subsidiaries. Insurance products are offered by Standard Insurance Company of Portland, Oregon in all states except New York. Product features and availability vary by state and are solely the responsibility of Standard Insurance Company.

Contract: FPDA (12/03)
Riders: ICC17-R-DB, ICC17-R-EIO, ICC17-R-GOP, ICC17-R-NHB, ICC17-R-TCB, ICC17-R-POF, ICC17-R-IRA, ICC17-R-ROTH IRA, ICC17-R-QPP, ICC18-R-ERTSA, ICC17-R-NERTSA,R-DB, R-EIO, R-GOP, R-NHB, R-TCB, R-POF, R-IRA, R-ROTH IRA, R-QPP, R-ERTSA, R-ERTSA, R-NERTSA.

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