

# Secure Index Opportunities Plus Annuity

SPECIMEN

This is a specimen policy as filed in our domicile state. The actual contract issued in other states may vary slightly.

**ING USA Annuity and Life Insurance Company  
Des Moines, Iowa**

**[Customer Service Center  
P.O. Box 617  
909 Locust Street  
Des Moines, Iowa 50303-0617  
1-800-369-3690]**

In this Contract, "you" or "your" refers to the Owner and "we", "our", or "us" refers to ING USA Annuity and Life Insurance Company, a stock company.

If this Contract is in force on the Maturity Date, we will pay the Proceeds according to the terms on this and the following pages. The Proceeds will provide a monthly income, or other settlement, in accordance with the Payment Plan selected.

**READ YOUR CONTRACT CAREFULLY.** This is a legal Contract between you and us.

**20 DAY RIGHT TO EXAMINE AND RETURN THIS CONTRACT**

**Right to cancel. If you are not satisfied, you may cancel your Contract by returning it within 20 days after the date you receive it. Mail or deliver it to us at the address shown above or to your agent. (If you return the Contract by mail, it will be deemed returned on being postmarked, properly addressed, and postage prepaid.) This Contract will then be void from its start. Any portion of the Single Premium paid and not previously withdrawn, excluding any Bonus, will be refunded.**

This Contract is signed by us as of its Contract Date.

  
Secretary

  
President

**This Contract contains Index Strategies. The Index Strategies are described on pages 11 through 14.**

**SINGLE PREMIUM DEFERRED ANNUITY CONTRACT**

**Annuity benefit payable at Maturity Date.  
Death benefit payable in event of the  
Owner's death prior to Maturity Date.**

CASH SURRENDER VALUES MAY INCREASE BASED ON THE INDEX CALCULATION OF THE STRATEGY(IES) YOU HAVE SELECTED. DURING THE FIRST TEN CONTRACT YEARS, CASH SURRENDERS ARE SUBJECT TO A MARKET VALUE ADJUSTMENT, THE OPERATION OF WHICH MAY CAUSE SUCH PAYMENTS OR VALUES TO INCREASE OR DECREASE. THE INITIAL INTEREST RATE FOR THE FIXED RATE STRATEGY IS GUARANTEED FOR ONE YEAR ONLY. WHILE CONTRACT VALUES MAY BE AFFECTED BY AN EXTERNAL INDEX, THE CONTRACT DOES NOT DIRECTLY PARTICIPATE IN ANY STOCK OR EQUITY INVESTMENTS.

**NONPARTICIPATING**

## TABLE OF CONTENTS

- 1. GENERAL DEFINITIONS**
- 2. PAYMENT OF PROCEEDS**
  - 2.1 Death of Annuitant (Who is not an Owner)
  - 2.2 Surrender of Contract
  - 2.3 Death of Contract Owner
  - 2.4 Exemption of Proceeds
- 3. PREMIUM**
  - 3.1 Electing Strategies
- 4. OWNERSHIP, ASSIGNMENT, AND BENEFICIARY PROVISIONS**
  - 4.1 Ownership
  - 4.2 Assigning Your Contract
  - 4.3 Beneficiary
  - 4.4 Simultaneous Death of Beneficiary and Owner
- 5. GUARANTEED CONTRACT VALUES**
  - 5.1 Accumulation Value
  - 5.2 Cash Surrender Value
  - 5.3 Surrender Charges
  - 5.4 Bonus Recapture
  - 5.5 Minimum Guaranteed Contract Value
  - 5.6 Market Value Adjustment
  - 5.7 Payment Deferral
  - 5.8 Basis of Computation
- 6. STRATEGIES**
  - 6.1 Fixed Rate Strategy
  - 6.2 Point-to-Point Participation Index Strategy
  - 6.3 Point-to-Point Cap Index Strategy
  - 6.4 Monthly Average Index Strategy
  - 6.5 Monthly Cap Index Strategy
- 7. PAYMENT PLANS**
  - 7.1 Plan A. Fixed Period
  - 7.2 Plan B. Life Income
- 8. GENERAL TERMS**
  - 8.1 The Contract
  - 8.2 Incontestability
  - 8.3 Valid Release for Payment
  - 8.4 Annual Statement of Values
  - 8.5 Mistake of Age or Sex

**CONTRACT DATA PAGE**

**ANNUITANT:** [John Doe]  
**SEX:** [Male]  
**AGE:** [35]  
**OWNER:** [John Doe]  
**CONTRACT NUMBER:** [TST763447]  
**CONTRACT DATE:** [12/01/2006]  
**MATURITY DATE:** [12/01/2066]  
**SINGLE PREMIUM PAID:** [\$10,000.00]  
**STATE PREMIUM TAX PAID:** [\$0.00]  
**SINGLE PREMIUM LESS PREMIUM TAX:** [\$10,000.00]  
**BONUS:** [5% ] of Single Premium

**INITIAL CREDITING STRATEGY ELECTION**

This table reflects the initial election of the Strategies for your Single Premium. The initial rates, caps, and spread shown are guaranteed for the first Contract Year and may change thereafter as described in the Strategies section of this Contract. The rates in the table are used to determine the Accumulation Value of each Strategy. They are not used to determine the Minimum Guaranteed Contract Value or the Minimum Guaranteed Strategy Values.

	Fixed Rate Strategy	Point-to-Point Participation Index Strategy	Point-to-Point Cap Index Strategy	Monthly Average Index Strategy	Monthly Cap Index Strategy
Percentage of Single Premium	[20%]	[20%]	[20%]	[20%]	[20%]
Amount of Single Premium	[\$2,000]	[\$2,000]	[\$2,000]	[\$2,000]	[\$2,000]
Minimum Guaranteed Interest Rate	1.5%				
Initial Interest Rate	[3.0%]				
Initial Participation Rate		[60%]		[100%]	
Initial Index Cap			[7.0%]		
Initial Index Spread				[2.0%]	
Initial Monthly Cap					[3.0%]

**CONTRACT DATA PAGE (cont.)**

**MINIMUM GUARANTEED CONTRACT VALUE**

	Fixed Rate Strategy	Index Strategies
Initial Minimum Guaranteed Strategy Value Rate:	[3.00%]	[2.00%]

The **Minimum Guaranteed Contract Value** equals the sum of the Minimum Guaranteed Strategy Value of each Strategy.

The **Minimum Guaranteed Strategy Value** of each Strategy equals:

- (a) 87.5% of the portion of the Single Premium elected to the Strategy, less Premium Taxes, if applicable; adjusted for
- (b) Any Re-elections or Surrenders of Accumulation Value; plus
- (c) Interest credited daily at the applicable Minimum Guaranteed Strategy Value Rate.

The initial Minimum Guaranteed Strategy Value Rates shown above are set on the Contract Date and will not change for the first ten Contract Years. On the tenth Contract Anniversary and on each Contract Anniversary thereafter, the **Minimum Guaranteed Strategy Value Rates** for all Strategies will be set equal to the average of the five-year Constant Maturity Treasury Rate for each day that it is reported by the Federal Reserve during the month of October in the calendar year preceding the calendar year of the Contract Anniversary, less [1.25%] for the Fixed Rate Strategy and less [2.25%] for the Index Strategies. The Minimum Guaranteed Strategy Value Rate for both the Fixed Rate Strategy and the Index Strategies will be rounded to the nearest 0.05% and will not be greater than 3.0% or less than 1.0%.

**Re-elections and Surrender Adjustments**

A Re-election of Accumulation Value will result in a pro-rata Re-election of the Minimum Guaranteed Strategy Value in the same proportion as the Accumulation Value being re-elected bears to the total Accumulation Value in the Strategy from which the Re-election is made.

Surrender of Accumulation Value from any Strategy will result in a dollar for dollar reduction of the Minimum Guaranteed Strategy Value of that Strategy equal to the Accumulation Value Surrendered adjusted for any Market Value Adjustment less any Surrender Charge and Bonus Recapture.

**TABLE OF SURRENDER CHARGES**

Contract Year	1	2	3	4	5	6	7	8	9	10	11 and later
Percentage	10%	10%	10%	10%	9%	8%	7%	6%	5%	4%	0%

**TABLE OF BONUS RECAPTURE PERCENTAGES**

Contract Year	1	2	3	4	5	6	7	8	9	10	11 and later
Percentage	[100%]	[100%]	[80%]	[80%]	[60%]	[60%]	[40%]	[40%]	[20%]	[20%]	0%

## 1. GENERAL DEFINITIONS

**Accumulation Value** is defined in Section 5.1.

**Annuitant** means the person, designated by you, on whose life the annuity payments for this Contract are based. You are the Annuitant if no Annuitant is named. The Annuitant may not be changed during the Annuitant's lifetime.

**Beneficiary(ies)** means the person(s) or entity(ies) you have chosen to receive the Contract's Proceeds if the Owner, as shown in our records, dies prior to the Maturity Date. If there are joint Owners, the surviving Owner will be deemed to be the Beneficiary. There may be different classes of Beneficiaries, such as primary and contingent. These classes set the order of payment. There may be more than one Beneficiary in a class. You may name any Beneficiary to be an irrevocable Beneficiary.

**Bonus** means an amount equal to a percentage of the Single Premium, as stated on the Contract Data Page, that we add to the Contract's Accumulation Value on the Contract Date. The Bonus is elected to the Strategies in the same ratio as you elect for the Single Premium.

**Bonus Recapture** means an amount recaptured upon death of the Owner in the first Contract Year or at the time of Surrender on the terms set forth in Section 5.4

**Cash Surrender Value** means the value available upon full Surrender of the Contract.

**Contingent Annuitant** means the person you have chosen to become the Annuitant if the named Annuitant dies prior to the Maturity Date.

**Contract Date** means the date on which the Contract is effective. **Contract Years, Contract Months** and **Contract Anniversaries** are measured from the Contract Date. The Contract Date is shown on the Contract Data Page.

**Effective Date** as it appears in any attachments, riders or endorsements to the Contract means the Contract Date.

**Fixed Rate Strategy** means the Strategy described in Section 6.1 of this Contract.

**Index Strategy(ies)** means any Strategy which makes use of the Index described below, or an approved alternative, in the determination of its values.

**Index** means the Standard & Poor's 500\* Composite Stock Price Index ("S&P 500 Index"). It is used to determine the Index Credit. If the S&P 500 Index is discontinued or if the calculation of the Index is substantially changed, we will substitute an alternative Index, as approved by the Insurance Department of the state in which this Contract is issued, and notify you in writing.

**Index Cap** is defined in Section 6.3.

**Index Credit** is defined in Section 6.2, Section 6.3, Section 6.4, and Section 6.5 as applicable to the respective Strategies discussed in those Sections.

**Index Number** means the published value of the Index. It excludes any dividends that may be paid by the firms that comprise the Index. The Index Number on the Contract Date will be the Index Number as of the close of business on the day before the Contract Date. The Index Number for the start of each Contract Year after the first

\* "Standard & Poor's 500" is a trademark of The McGraw-Hill Companies, Inc. and has been licensed for use by ING USA Annuity and Life Insurance Company. The product is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of purchasing the product.

will be the Index Number as of the close of business on the day before the Contract Anniversary. If the Index Number is not published on any day for which a calculation is made, the first preceding published Index Number will be used.

**Index Spread** is defined in Section 6.4.

**Market Value Adjustment** means the positive or negative adjustment to the amount Surrendered as described in Section 5.6.

**Maturity Date** means the date shown on the Contract Data Page. As long as this Contract is still in force on the Maturity Date, the amount of the Proceeds is used to determine the amount paid under the Payment Plan chosen. If the Owner is a natural person, the Maturity Date shall be the Contract Anniversary following the Owners' (oldest joint Owner if applicable) attainment of age 95. If any Owner is not a natural person, the Maturity Date shall be the Contract Anniversary following the Annuitants' attainment of age 95.

**Minimum Guaranteed Contract Value** is defined on the Contract Data Page.

**Minimum Guaranteed Strategy Value** is defined on the Contract Data Page.

**Minimum Guaranteed Strategy Value Rates** are defined on the Contract Data Page.

**Monthly Anniversary** is defined in Section 6.4 and Section 6.5.

**Monthly Cap** is defined in Section 6.5.

**Nonparticipating** means this Contract will not pay dividends. It will not participate in any of our surplus or earnings.

**Owner** means you, the person (persons if there is a joint Owner, or entity(ies) if the Owner is not an individual) who owns the Contract, as shown in our records. If any Owner is not an individual, the death of the Annuitant will be treated as the death of an Owner.

**Participation Rate** is defined in Section 6.2 and Section 6.4.

**Payment Plan** means one of the methods of payment for receiving the Proceeds or Cash Surrender Value.

**Premium Tax** means any tax or fee imposed or levied by any federal or state government, or political subdivision thereof, on the Single Premium.

**Proceeds** means the greater of the Minimum Guaranteed Contract Value or the Accumulation Value.

**Re-election** means the movement of Accumulation Value from one Strategy to another.

**Single Premium** means the single payment you make to us for this Contract.

**Surrender** means a partial or full withdrawal of Accumulation Value from the Contract.

**Surrender Charge** means a charge payable at the time of Surrender on the terms set forth in Section 5.2 and Section 5.3.

**Strategy(ies)** means any of the crediting Strategies available under the Contract, as defined in Section 6, now or as amended.

**2. PAYMENT OF PROCEEDS** - On the Maturity Date, we will pay the Proceeds of the Contract as directed by you if the Annuitant is living, unless Section 2.3 applies. You must elect, at least 30 days prior to the Maturity Date, to have the Proceeds paid under one of the Payment Plans set out in Section 7. If no Payment Plan has been elected by the Maturity Date, Proceeds will be paid for the life of the Annuitant with a 10-year guaranteed period basis, or less if required by government regulations. If you have not directed to whom the Proceeds will be paid, the Proceeds will be paid to you.

**2.1 Death of Annuitant (Who is not an Owner)**

- (a) If the Annuitant who is not an Owner dies prior to the Maturity Date, the Contingent Annuitant, if any, becomes the Annuitant. You will be the Contingent Annuitant unless another Contingent Annuitant is named. If the Annuitant dies and no Contingent Annuitant has been named, we will allow you 60 days from the Annuitant's death to designate someone other than yourself as the Annuitant. If there are joint Owners, we will treat the youngest Owner as the Contingent Annuitant unless you direct otherwise. However, if any Owner is not an individual and the Annuitant dies prior to the Maturity Date, we will treat the death of the Annuitant as the death of an Owner as described in Section 2.3.
- (b) If the Annuitant who is not an Owner dies on or after the Maturity Date but before all Proceeds payable under the Contract have been distributed, we will continue payments under the Payment Plan in effect at the time of the Annuitant's death.

Before making any payments, we may require proof of the Annuitant's death in a form acceptable to us.

**2.2 Surrender of Contract** - Any time prior to the Maturity Date, you may ask in a form acceptable to us to receive all or a portion of the Contract's Cash Surrender Value as defined in Section 5.2. Upon full Surrender, the Contract will cease to have any further value. After the first Contract Year, upon full Surrender you may elect to receive the Cash Surrender Value through one of the Payment Plans as described in Section 7 of this Contract. We may require the Contract to be returned to us before the Cash Surrender Value is paid.

The minimum amount that may be Surrendered at any one time is the lesser of \$1,000 or the maximum partial Surrender not subject to Surrender Charges, Bonus Recapture or a Market Value Adjustment as stated in Section 5.2. A partial Surrender may not reduce the Cash Surrender Value below \$1,000. Partial Surrenders will be taken from the Strategies on a pro rata basis. Surrenders do not participate in any Index Credits in the Index Strategies for the Contract Year in which they are taken.

**2.3 Death of Contract Owner**

- (a) If any Owner of the Contract dies before the Maturity Date, the following applies:
  - (1) If the Beneficiary is the deceased Owner's spouse, the Contract may continue with the surviving spouse as the new Owner and, if the deceased Owner was also the Annuitant, the deceased Owner's spouse will become the Annuitant. However, if this Contract has been continued as provided in this provision, upon death of the new Owner (the surviving spouse), the entire Proceeds must be distributed as stated in (2) below. If the deceased Owner's spouse does not choose to continue the Contract, the Proceeds will be distributed as stated in (2) below.
  - (2) If the Beneficiary is someone other than the deceased Owner's spouse, the entire Proceeds, less the Bonus and any interest from the Fixed Rate Strategy associated with the Bonus, if the Owner dies during the first Contract Year, must be distributed to the Beneficiary: (a) within 5 years of the deceased Owner's death; or (b) over the life of the Beneficiary or over a period not extending beyond the life expectancy of the Beneficiary, with payments beginning within one year of the deceased Owner's death. If this Beneficiary dies while receiving payments but before such Proceeds have been distributed, any remaining distributions will be paid as directed by you or to the Beneficiary's estate, as applicable.
- (b) If any Owner dies on or after the Maturity Date, but before all Proceeds payable under the

Contract have been distributed, we will continue payments under the Payment Plan in effect at the time of the deceased Owner's death.

If anything in the Contract conflicts with the foregoing Death of Contract Owner provisions, those provisions shall control. The foregoing Death of Contract Owner provisions and the Contract shall, in all events, be construed in a manner consistent with Section 72(s) of the Internal Revenue Code of 1986, as amended.

- 2.4 Exemption of Proceeds** - All payments of Proceeds under the Contract will be made from our Customer Service Center. To the extent allowed by law, the payment of the Proceeds will be free from creditors' claims or legal process.
- 3. PREMIUM** – The Single Premium for this Contract is payable no later than the Contract Date. There is no Contract until the Single Premium is paid. The amount of the Single Premium is shown on the Contract Data Page. If any check presented as payment of any part of the Single Premium is not honored, the Contract will be void.
- 3.1 Electing Strategies** – You elect the Strategies for your Single Premium from among those described in the Contract and offered by us. At any time during the 30-day period following a Contract Anniversary, you may re-elect all or a portion of the Accumulation Value in any Strategy to any other Strategy. No Market Value Adjustment, Surrender Charge or Bonus Recapture will apply. Such Re-elections are effective on the Contract Anniversary immediately preceding the Re-election and interest/Index Credits will be applied as though the Re-election was in effect on such Contract Anniversary. Re-election requests must be in a form acceptable to us.

We may cease to accept Re-elections to any specific Strategy(ies) at any time. Any new Re-election is subject to the terms and conditions in existence for any Strategy(ies) available at that time.

#### **4. OWNERSHIP, ASSIGNMENT, AND BENEFICIARY PROVISIONS**

- 4.1 Ownership** - As the Owner, you may exercise the rights given by the Contract. You may change the Owner at any time prior to the Maturity Date, provided, however, the new Owner's age may not be greater than the older of age 80 or the age of the current Owner. To change ownership, you must notify our Customer Service Center in a form acceptable to us. The change will go into effect when recorded by us, subject to any payments we make or actions we take before we record the change. We are not responsible for any tax consequences resulting from a change of ownership.
- 4.2 Assigning Your Contract** - You may assign your rights under the Contract to someone else. Such an assignment is not a change of ownership. Consent of any irrevocable Beneficiary(ies) is required before any such assignment is effective.

To assign your Contract, you must notify our Customer Service Center in a form acceptable to us. The change will go into effect when we receive the assignment, or a copy, and it is recorded by us, subject to any payments we make or actions we take before we record the change. We are not responsible for the validity or effect of any assignment, including any tax consequences.

- 4.3 Beneficiary** – The rights of the Beneficiary(ies) will be subject to any assignment of the Contract which is recorded by us.

Unless you state otherwise, all rights of any Beneficiary, including an irrevocable Beneficiary, will end if he or she dies before the Owner. If any Beneficiary dies before the Owner, that Beneficiary's rights under this Contract will pass to any other Beneficiaries according to their respective rights under this Contract. If all Beneficiaries die before the Owner, upon the Owner's death we will pay the Proceeds to the Owner's estate or legal successors.

You may change the Beneficiary(ies) at any time prior to the Maturity Date. A change cancels all prior Beneficiaries in the same specified class unless you elect otherwise. However, the rights of any irrevocable Beneficiary(ies) may not be changed without his or her consent.

To make a Beneficiary change, you must notify our Customer Service Center in a form acceptable to us. The change will go into effect when recorded by us, subject to any payments we make or actions we take before we record the change.

- 4.4 Simultaneous Death of Beneficiary and Owner** – Proceeds will be paid as though any Beneficiary died before the Owner if the Beneficiary dies:
- (a) at the same time as the Owner; or
  - (b) within 24 hours of the Owner's death.

## 5. GUARANTEED CONTRACT VALUES

**5.1 Accumulation Value** - On the Contract Date, the Contract's Accumulation Value equals the Single Premium paid plus any Bonus, less any Premium Tax, if applicable. At any time after the Contract Date, the Contract's Accumulation Value equals the sum of the Accumulation Value of the Strategy(ies) chosen. The Accumulation Value for each Strategy is calculated separately as set forth in Section 6 of this Contract.

**5.2 Cash Surrender Value** – The Cash Surrender Value of this Contract equals the greater of:

- (a) The Minimum Guaranteed Contract Value; or
- (b) The Accumulation Value, adjusted for any Market Value Adjustment applicable, less any Surrender Charge and Bonus Recapture.

During the first Contract Year, partial Surrenders of interest credited to the Fixed Rate Strategy are not subject to a Surrender Charge, Bonus Recapture or Market Value Adjustment. In any Contract Year after the first, if partial Surrenders do not exceed 10% of the Contract's Accumulation Value, as determined on the date of the first partial Surrender during that Contract Year, the amount Surrendered is not subject to a Surrender Charge, Bonus Recapture or Market Value Adjustment. If total Surrenders in any Contract Year exceed these amounts ("Excess Partial Withdrawal"), Surrender Charges, Bonus Recaptures and the Market Value Adjustment will apply to the total amount Surrendered (including prior partial Surrenders) during that Contract Year.

**5.3 Surrender Charges** – In the event of a Surrender, the amount of the Surrender Charge will be calculated by:

$A \times B$

Where:

A = Surrender subject to the Surrender Charge (C x D)

B = applicable Surrender Charge percentage as shown in the Table of Surrender Charges on the Contract Data Page.

The amount of the Surrender subject to the Surrender Charge will be calculated by:

$C \times D$

Where:

C = the amount Surrendered adjusted for any Market Value Adjustment

D = Single Premium / (Single Premium + Bonus)

No Surrender Charges will apply upon payment of the Proceeds due to death of the Owner. A Table of Surrender Charges is shown on the Contract Data Page.

**5.4 Bonus Recapture** –

(a) In the event of a Surrender, the amount of the Bonus Recapture will be calculated by:

A x B

Where:

A = Surrender subject to the Bonus Recapture (C x D)

B = applicable Bonus Recapture percentage as shown in the Table of Bonus Recapture Percentages on the Contract Data Page.

The amount of the Surrender subject to the Bonus Recapture will be calculated by:

C x D

Where:

C = the amount Surrendered, adjusted for any applicable Market Value Adjustment

D = Bonus / (Single Premium + Bonus)

- (b) In the event of death of the Owner in the first Contract Year, the amount of the Bonus Recapture will equal the Bonus plus any interest credited from the Fixed Rate Strategy for the Bonus.

A Table of Bonus Recapture Percentages is shown on the Contract Data Page.

**5.5 Minimum Guaranteed Contract Value** - The Minimum Guaranteed Contract Value is defined on the Contract Data Page.

**5.6 Market Value Adjustment**

During the first ten Contract Years, we apply a Market Value Adjustment to amounts Surrendered as described in Section 5.2. The Market Value Adjustment is expressed as  $[(1+i)^n / (1+ii)^n - 1]$ , where:

- (i) is an external rate, determined on the Contract Date and based on the Treasury Constant Maturity Series published by the Federal Reserve for a security with time to maturity equal to ten years;
- (ii) is an external rate, determined on the date of Surrender and based on the Treasury Constant Maturity Series published by the Federal Reserve for a security with time to maturity equal to ten years; and
- (n) is the number of complete months from the date of Surrender to the end of the tenth Contract Year divided by twelve.

No Market Value Adjustment will apply after the tenth Contract Year or in the payment of the Proceeds upon death of the Owner.

The amount of the Market Value Adjustment, either positive or negative, is limited to the amount of any interest and Index Credits in excess of 1.5% per year compounded annually, credited to the Contracts Accumulation Value at the time the Market Value Adjustment applies.

**5.7 Payment Deferral** - We may, at any time, defer payment of the full Cash Surrender Value or any partial Surrender for up to six months after we receive a request for it, contingent upon written approval by the insurance supervisory official in the jurisdiction in which this Contract is issued.

**5.8 Basis of Computation** - The reserves and guaranteed values will at no time be less than the minimum required by the laws of the state in which this Contract is issued.

**6. STRATEGIES** – You select the Strategy(ies) to which any portion of the Single Premium and Re-elections are elected, subject to the terms of this Contract. We reserve the right to add Strategies as approved by the Insurance Department of the state in which the Contract is issued. We may cease to offer a specific Strategy or cease to accept Re-elections to a specific Strategy at any time. Any new Re-elections accepted are subject to the terms and conditions in existence for any Strategy(ies) available at that time, including the then existing rates, caps, spreads, and credits, which may differ from the rates, caps, spreads, and credits applicable to previous elections or Re-elections.

## 6.1 Fixed Rate Strategy

### Strategy Accumulation Value

1. On the Contract Date, the Accumulation Value of this Strategy equals the portion of the Single Premium and Bonus elected to this Strategy, if any, less any Premium Tax, if applicable.
2. At any time during a Contract Year, the Accumulation Value of this Strategy equals:
  - (i) The Accumulation Value of this Strategy on the last Contract Anniversary; less
  - (ii) Any Re-elections out of this Strategy on the last Contract Anniversary; plus
  - (iii) Any Re-elections into this Strategy on the last Contract Anniversary; less
  - (iv) Adjustments for any partial Surrenders during the Contract Year; plus
  - (v) Interest credited.

For the purpose of this calculation, during the first Contract Year, the Contract Date shall be deemed to be "the last Contract Anniversary".

3. On each Contract Anniversary, the Accumulation Value of this Strategy equals:
  - (i) The Accumulation Value of this Strategy on the last Contract Anniversary; less
  - (ii) Any Re-elections out of this Strategy on the last Contract Anniversary; plus
  - (iii) Any Re-elections into this Strategy on the last Contract Anniversary; less
  - (iv) Adjustments for any partial Surrenders during the Contract Year; plus
  - (v) Interest credited.

For the purpose of this calculation, on the first Contract Anniversary, the Contract Date shall be deemed to be "the last Contract Anniversary".

The portion of the Single Premium, Bonus or Re-elections elected to this Strategy will be credited an interest rate declared in advance by us. This interest rate will be at least equal to the Fixed Rate Strategy minimum guaranteed interest rate shown on the Contract Data Page. The rate of interest credited will not be changed more often than once during any twelve month period. The initial interest rate is also shown on the Contract Data Page.

In case of full or partial Surrender, interest will be credited on the portion of this Strategy's Accumulation Value Surrendered up to the date the transaction is effected. The Accumulation Value of this Strategy at any date within a Contract Year will be determined by us with allowance for the time elapsed in the Contract Year. No interest will be credited on any Premium Tax deducted.

## 6.2 Point-to-Point Participation Index Strategy

The following definitions apply to the Point-to-Point Participation Index Strategy:

**Participation Rate** means the percentage of the Index Change of this Strategy described below used in calculating the Index Credit at the end of each Contract Year. It is declared annually in advance and is guaranteed for one year. The initial Participation Rate is shown on the Contract Data Page.

**Index Credit** is the amount credited to the portion of the Single Premium, Bonus or Re-elections elected to this Strategy and is based on the performance of the applicable Index as measured over the Contract Year.

The Index Credit equals the applicable Participation Rate multiplied by any Index Change as described below.

The Index Credit will never be less than zero.

**Index Change** is calculated as (i)/(ii)-1, where

- (i) is the Index Number as of the end of the Contract Year; and
- (ii) is the Index Number as of the start of the Contract Year.

### Strategy Accumulation Value

1. On the Contract Date, the Accumulation Value of this Strategy equals the portion of the Single Premium and Bonus elected to this Strategy, if any, less any Premium Tax, if applicable.
2. At any time during a Contract Year, the Accumulation Value of this Strategy equals:
  - (i) The Accumulation Value of this Strategy on the last Contract Anniversary; less
  - (ii) Any Re-elections out of this Strategy on the last Contract Anniversary; plus
  - (iii) Any Re-elections into this Strategy on the last Contract Anniversary; less
  - (iv) Adjustments for any partial Surrenders during the Contract Year.

For the purpose of this calculation, during the first Contract Year, the Contract Date shall be deemed to be "the last Contract Anniversary".

3. On each Contract Anniversary, the Accumulation Value of this Strategy equals:
  - (i) The Accumulation Value of this Strategy on the last Contract Anniversary; less
  - (ii) Any Re-elections out of this Strategy on the last Contract Anniversary; plus
  - (iii) Any Re-elections into this Strategy on the last Contract Anniversary; less
  - (iv) Adjustments for any partial Surrenders during the Contract Year.
  - (v) The result multiplied by  $(1 + \text{the applicable Index Credit})$ .

For the purpose of this calculation, on the first Contract Anniversary, the Contract Date shall be deemed to be "the last Contract Anniversary".

### 6.3 Point-to-Point Cap Index Strategy

The following definitions apply to the Point-to-Point Cap Index Strategy:

**Index Cap** means the maximum Index Credit that may be applied at the end of each Contract Year. It is declared annually in advance and is guaranteed for one year. The initial Index Cap is shown on the Contract Data Page.

**Index Credit** is the amount credited to the portion of the Single Premium, Bonus or Re-elections elected to this Strategy and is based on the performance of the applicable Index as measured over the Contract Year.

The Index Credit equals the lesser of the Index Cap or the Index Change as described below.

The Index Credit will never be less than zero.

**Index Change** is calculated as  $(i)/(ii)-1$ , where

- (i) is the Index Number as of the end of the Contract Year; and
- (ii) is the Index Number as of the start of the Contract Year.

### Strategy Accumulation Value

1. On the Contract Date, the Accumulation Value of this Strategy equals the portion of the Single Premium and Bonus elected to this Strategy, if any, less any Premium Tax, if applicable.
2. At any time during a Contract Year, the Accumulation Value of this Strategy equals:
  - (i) The Accumulation Value of this Strategy on the last Contract Anniversary; less
  - (ii) Any Re-elections out of this Strategy on the last Contract Anniversary; plus
  - (iii) Any Re-elections into this Strategy on the last Contract Anniversary; less
  - (iv) Adjustments for any partial Surrenders during the Contract Year.

For the purpose of this calculation, during the first Contract Year, the Contract Date shall be deemed to be "the last Contract Anniversary".

3. On each Contract Anniversary, the Accumulation Value of this Strategy equals:
  - (i) The Accumulation Value of this Strategy on the last Contract Anniversary; less
  - (ii) Any Re-elections out of this Strategy on the last Contract Anniversary; plus
  - (iii) Any Re-elections into this Strategy on the last Contract Anniversary; less

- (iv) Adjustments for any partial Surrenders during the Contract Year.
  - (v) The result multiplied by  $(1 + \text{the applicable Index Credit})$ .
- For the purpose of this calculation, on the first Contract Anniversary, the Contract Date shall be deemed to be "the last Contract Anniversary".

#### 6.4 Monthly Average Index Strategy

The following definitions apply to the Monthly Average Index Strategy:

**Monthly Anniversary** means the same day of each month as the Contract Date. If the same day does not exist in a month, such as the 31<sup>st</sup>, we use the preceding day.

**Index Average** means the average of the Index Numbers on each of the twelve Monthly Anniversaries during each Contract Year. If the Index Number is not available on any Monthly Anniversary, we will use the Index Number on the first preceding day for which the Index Number is available.

**Participation Rate** means the percentage of the Index Change of this Strategy described below used in calculating the Index Credit at the end of each Contract Year. It is declared annually in advance and is guaranteed for one year. The initial Participation Rate is shown on the Contract Data Page.

**Index Spread** means the amount subtracted from the result of Index Change multiplied by the Participation Rate, in the calculation of the Index Credit at the end of each Contract Year. It is declared annually in advance and is guaranteed for one year. The initial Index Spread is shown on the Contract Data Page.

**Index Credit** is the amount credited to the portion of the Single Premium, Bonus or Re-elections elected to this Strategy and is based on the performance of the applicable Index as measured over the Contract Year.

The Index Credit equals  $(i) * (ii) - (iii)$ , where

- (i) is the Index Change as described below; and
- (ii) is the Participation Rate; and
- (iii) is the Index Spread.

The Index Credit will never be less than zero.

**Index Change** is calculated as  $(i) / (ii) - 1$ , where

- (i) is the Index Average; and
- (ii) is the Index Number as of the start of the Contract Year.

#### Strategy Accumulation Value

1. On the Contract Date, the Accumulation Value of this Strategy equals the portion of the Single Premium and Bonus elected to this Strategy, if any, less any Premium Tax, if applicable.
2. At any time during a Contract Year, the Accumulation Value of this Strategy equals:
  - (i) The Accumulation Value of this Strategy on the last Contract Anniversary; less
  - (ii) Any Re-elections out of this Strategy on the last Contract Anniversary; plus
  - (iii) Any Re-elections into this Strategy on the last Contract Anniversary; less
  - (iv) Adjustments for any partial Surrenders during the Contract Year.For the purpose of this calculation, during the first Contract Year, the Contract Date shall be deemed to be "the last Contract Anniversary".
3. On each Contract Anniversary, the Accumulation Value of this Strategy equals:
  - (i) The Accumulation Value of this Strategy on the last Contract Anniversary; less
  - (ii) Any Re-elections out of this Strategy on the last Contract Anniversary; plus

- (iii) Any Re-elections into this Strategy on the last Contract Anniversary; less
  - (iv) Adjustments for any partial Surrenders during the Contract Year.
  - (v) The result multiplied by (1 + the applicable Index Credit).
- For the purpose of this calculation, on the first Contract Anniversary, the Contract Date shall be deemed to be “the last Contract Anniversary”.

## 6.5 Monthly Cap Index Strategy

The following definitions apply to the Monthly Cap Index Strategy:

**Monthly Anniversary** means the same day of each month as the Contract Date. If the same day does not exist in a month, such as the 31<sup>st</sup>, we use the preceding day.

**Monthly Cap** is the maximum Monthly Index Change that may be applied in calculating the Index Credit at the end of each Contract Year. It is declared annually in advance and is guaranteed for one year. The initial Monthly Cap is shown on the Contract Data Page.

**Monthly Index Change** is the lesser of the Monthly Cap or the result of (i)/(ii) – 1, where

- (i) is the Index Number on each Monthly Anniversary;
- (ii) is the Index Number on the prior Monthly Anniversary.

**Index Credit** is the amount credited to the portion of the Single Premium, Bonus or Re-elections elected to this Strategy and is based on the performance of the applicable Index as measured over the Contract Year.

The Index Credit equals the sum of the twelve Monthly Index Changes during the Contract Year.

The Index Credit will never be less than zero.

### Strategy Accumulation Value

1. On the Contract Date, the Accumulation Value of this Strategy equals the portion of the Single Premium and Bonus elected to this Strategy, if any, less any Premium Tax, if applicable.
2. At any time during a Contract Year, the Accumulation Value of this Strategy equals:
  - (i) The Accumulation Value of this Strategy on the last Contract Anniversary; less
  - (ii) Any Re-elections out of this Strategy on the last Contract Anniversary; plus
  - (iii) Any Re-elections into this Strategy on the last Contract Anniversary; less
  - (iv) Adjustments for any partial Surrenders during the Contract Year.

For the purpose of this calculation, during the first Contract Year, the Contract Date shall be deemed to be “the last Contract Anniversary”.
3. On each Contract Anniversary, the Accumulation Value of this Strategy equals:
  - (i) The Accumulation Value of this Strategy on the last Contract Anniversary; less
  - (ii) Any Re-elections out of this Strategy on the last Contract Anniversary; plus
  - (iii) Any Re-elections into this Strategy on the last Contract Anniversary; less
  - (iv) Adjustments for any partial Surrenders during the Contract Year.
  - (v) The result multiplied by (1 + the applicable Index Credit).

For the purpose of this calculation, on the first Contract Anniversary, the Contract Date shall be deemed to be “the last Contract Anniversary”.

**7. PAYMENT PLANS** – If the Annuitant is living on the Maturity Date, payment of the Contract's Proceeds must commence as directed by you. You may elect to have the Proceeds paid under any of the Payment Plans described below. In addition, you may elect another method of payment subject to our consent. The method of payment may be changed at any time prior to the Maturity Date, provided the Annuitant is alive. If a Payment Plan is not elected, payments will commence automatically as described in Section 2. The first payment will be paid at the end of the first period marking the frequency of payments. Payment amounts will be determined by applying the greater of the Contract's Accumulation Value or the Minimum Guaranteed Contract Value on the Maturity Date, less any Premium Tax if applicable, to the Payment Plan elected.

Upon receipt of your request at our Customer Service Center, we will send you the proper forms to choose a Payment Plan. The chosen Payment Plan will go into effect when the forms are recorded at our Customer Service Center.

Election of any Payment Plan is subject to the following terms and conditions.

- a) The payments under any periodic Payment Plan must be \$100 or more.
- b) Our consent is necessary if the person named to receive the payments is other than a natural person (such as a trust or corporation) in order to comply with applicable tax laws.
- c) If, for any reason, the person named to receive payments is changed, the change will take effect at the time notification is recorded at our Customer Service Center, subject to any payments made or actions taken prior to the date we record the change.
- d) The minimum amounts payable for each of the Payment Plans described below are based on an interest rate of 1.5% annually. We may pay a higher interest rate at our discretion. Payments for Plan B are based on the Annuity 2000 Mortality Table. The minimum payments for Plans A and B assume annual payments with the first payment made one year after the Proceeds are applied to the Payment Plan.

Subject to the provisions set forth above and in Section 2, a Payment Plan may also be elected for the distribution of amounts payable upon 1) death, or 2) full Surrender after the first Contract Year.

**7.1 Plan A. Fixed Period** – Proceeds or the Cash Surrender Value, as applicable, are paid for a fixed period. Payments may be paid monthly or annually. The payment period cannot be more than 30 years nor less than 10 years. The table below shows the minimum annual payment for each \$1,000 of Proceeds or Cash Surrender Value, as applicable, applied with payments starting one year after the Proceeds or Cash Surrender Value, as applicable, have been applied to this Payment Plan.

**Minimum Amount of Each Installment Per \$1,000 of Proceeds or Cash Surrender Value for Plan A**

<b>Years Payable</b>	<b>Annual Installment</b>	<b>Years Payable</b>	<b>Annual Installment</b>	<b>Years Payable</b>	<b>Annual Installment</b>
10	108.43	17	67.08	24	49.92
11	99.29	18	63.81	25	48.26
12	91.68	19	60.88	26	46.73
13	85.24	20	58.25	27	45.32
14	79.72	21	55.87	28	44.00
15	74.94	22	53.70	29	42.78
16	70.77	23	51.73	30	41.64

**7.2 Plan B. Life Income** – Proceeds or the Cash Surrender Value, as applicable, will be paid in monthly or annual payments for as long as the Annuitant or Beneficiary, whichever is appropriate as stated under Section 2, lives. We have the right to require proof satisfactory to us of the age and sex of such person and that he or she is alive prior to making any payment. A minimum number of payments may be guaranteed, if desired.

The following table shows the minimum annual payment for each \$1,000 of Proceeds or Cash Surrender Value, as applicable, applied with payments starting one year after the Proceeds or Cash Surrender Value, as applicable, have been applied to this Payment Plan. It is based on the age of the Annuitant or Beneficiary, as applicable.

**Minimum Amount of Each Installment Per \$1,000 of Proceeds or Cash Surrender Value for Plan B**

Age of Payee	Male Annual Installment Guaranteed Period			Age of Payee	Female Annual Installment Guaranteed Period		
	Life	10 Yrs.	20 Yrs.		Life	10 Yrs.	20 Yrs.
45	35.92	35.77	35.19	45	33.45	33.38	33.09
46	36.63	36.45	35.80	46	34.04	33.96	33.64
47	37.36	37.15	36.42	47	34.67	34.58	34.21
48	38.13	37.89	37.07	48	35.32	35.22	34.80
49	38.93	38.66	37.74	49	36.01	35.89	35.42
50	39.77	39.47	38.43	50	36.73	36.59	36.05
51	40.65	40.31	39.15	51	37.48	37.33	36.72
52	41.58	41.20	39.88	52	38.28	38.10	37.40
53	42.56	42.13	40.63	53	39.11	38.91	38.12
54	43.59	43.10	41.41	54	40.00	39.76	38.86
55	44.67	44.12	42.20	55	40.93	40.66	39.62
56	45.82	45.20	43.01	56	41.91	41.60	40.41
57	47.03	46.33	43.83	57	42.94	42.59	41.23
58	48.32	47.53	44.66	58	44.04	43.63	42.07
59	49.70	48.78	45.51	59	45.21	44.74	42.94
60	51.16	50.10	46.36	60	46.44	45.90	43.82
61	52.72	51.50	47.22	61	47.76	47.12	44.72
62	54.39	52.96	48.07	62	49.16	48.42	45.64
63	56.17	54.49	48.91	63	50.65	49.79	46.57
64	58.07	56.10	49.75	64	52.23	51.23	47.50
65	60.10	57.79	50.56	65	53.93	52.76	48.43
66	62.28	59.54	51.34	66	55.74	54.37	49.35
67	64.60	61.37	52.10	67	57.69	56.06	50.25
68	67.08	63.27	52.81	68	59.78	57.86	51.13
69	69.73	65.23	53.49	69	62.03	59.74	51.98
70	72.57	67.25	54.12	70	64.46	61.73	52.78
71	75.59	69.33	54.70	71	67.09	63.81	53.53
72	78.83	71.46	55.23	72	69.93	65.99	54.23
73	82.29	73.63	55.71	73	73.01	68.26	54.86
74	86.01	75.83	56.13	74	76.35	70.61	55.43
75	89.99	78.05	56.51	75	79.97	73.03	55.93
76	94.28	80.28	56.83	76	83.90	75.50	56.36
77	98.88	82.51	57.12	77	88.17	78.02	56.74
78	103.83	84.71	57.35	78	92.81	80.55	57.06
79	109.16	86.86	57.55	79	97.86	83.07	57.32
80	114.89	88.96	57.72	80	103.37	85.56	57.54

Factors for ages not shown will be supplied upon request.

## 8. GENERAL TERMS

**8.1 The Contract** – This is a legal Contract between you and us. This Contract, which consists of this document and any attached application, amendments, endorsements or riders, contains the entire agreement between you and us. It is issued in consideration of the Single Premium paid. Only our President, a Vice President or Secretary is authorized to change, modify or waive the provisions of the Contract. Any such change, modification or waiver must be in writing.

The provisions of the Contract shall, in all events, be construed to comply with the requirements of Section 72(s) of the Internal Revenue Code of 1986, as amended.

**8.2 Incontestability** - This Contract shall be incontestable from the Contract Date.

**8.3 Valid Release for Payment** - If Proceeds are payable to a person not legally competent to give a valid release as determined by a Court of competent jurisdiction, we may pay Proceeds in monthly installments, not to exceed \$100, to the person or persons who have, as determined by the Court, assumed custody and principal support of the person. Any payment made under this clause will be made in good faith. It will satisfy our responsibility under this Contract to the extent of any payments made.

**8.4 Annual Statement of Values** - At least once each year we will send you a statement which shows the following values as of the statement date:

- (a) the amount of Single Premium paid;
- (b) the amount and dates of any partial Surrenders;
- (c) the Accumulation Value; and
- (d) the Cash Surrender Value.

**8.5 Mistake of Age or Sex** - If the Annuitant's age or sex has been misstated, we will adjust the payment of Proceeds based on the correct age and sex. Any underpayment made by us will be made up immediately. Any overpayment made by us will be deducted from the succeeding payments as necessary. By age, we mean the Annuitant's age as of his or her last birthday on the Contract Date.

SPECIMEN

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SPECIMEN

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**SPECIMEN**

**SINGLE PREMIUM DEFERRED ANNUITY CONTRACT**

**Annuity benefit payable at Maturity Date.  
Death benefit payable in event of the  
Owner's death prior to Maturity Date.**

**NONPARTICIPATING**