

Royal Neighbors Choice Series

Multi-Year Guarantee Annuities



*Saving with
Fixed
Deferred
Annuities*



INSURING LIVES • SUPPORTING WOMEN • SERVING COMMUNITIESSM

www.royalneighbors.org
(800) 627-4762



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Why save with a fixed deferred annuity?

Savers have more options available to them than at any time in history. At times, the wealth of information, financial tools and products available can be overwhelming. Despite the complexity surrounding many financial products, fixed deferred annuities may address your savings needs in a simple, straightforward manner.

A fixed deferred annuity is a long-term insurance product, which, under current federal tax laws, allows the owner, and certain trusts, to accrue interest for a period of years without having to pay tax on the interest earnings until they are withdrawn. The taxable portion of a withdrawal may be subject to a 10% penalty unless the owner is at least 59 ½ years old or an exception to the penalty tax applies.

Guarantees protect what you've saved

Investment risk could be a serious threat to achieving your savings goals. If you are looking to reduce the amount of ups and downs in your savings, fixed deferred annuities offer guaranteed interest rates that eliminate the market risk of losing your savings. This benefit is especially important to savers in the “retirement zone” – the period of time before retirement begins and directly after retirement occurs – who are sensitive to major changes in the value of their savings accounts.

Fixed deferred annuities offer guaranteed interest rates that eliminate the market risk of losing your retirement dollars. Guaranteed interest can play a crucial role in your savings strategy.

Advantages of tax-deferred growth

Fixed deferred annuities help keep more of your money working for you by deferring taxes on the funds until dollars are withdrawn. Generally speaking, if you anticipate being in a lower tax bracket in retirement as opposed to your working years, it may be beneficial to pay tax in retirement as opposed to today. The dollars you would have spent on taxes can remain in your annuity to grow tax-deferred, increasing your retirement savings. The tax-deferred benefit of annuities helps you earn more and save more. Another benefit is that you only pay taxes on money withdrawn from tax-deferred accounts, which leaves the rest of the account to grow tax-deferred.

Member Benefits*

- Discounts on prescription drugs
- Discounts on dental and vision care, hearing aids, life-saving diagnostic testing, and health screenings
- Fraternal Aid and Disaster Aid
- Scholarship Program
- Membership magazine and discounts on popular magazines

Get to know us:

- Since 1895, Royal Neighbors of America has been dedicated to insuring lives, supporting women and serving communities.
- We were founded by nine strong, independent and visionary women who wanted to empower women and those they cared about.
- Through local chapters, our 225,000 members work together to direct our national resources to causes that make a difference in their communities.
- We began giving back as early as 1906 when we gave financial aid and hands-on assistance to victims of the San Francisco earthquake.
- More recently, our financial help has made a difference to those affected by natural disasters such as Hurricanes Hugo, Rita, and Katrina; the Parkersburg, IA, tornado; and the Midwest floods.



*These member benefits are provided to you at the discretion of Royal Neighbors of America. They are not part of any insurance or annuity contract and are not guaranteed.

at a glance

*Financial Strength
(as of December 31, 2009)*

A.M. BEST RATING:

A- Excellent (4th highest out of 15 possible) for overall financial strength and ability to meet ongoing obligations to policyholders as of Dec. 31, 2009.

ASSETS:

\$719.2 million

SURPLUS:

\$221.5 million

SURPLUS RATIO:

30.8% (significantly higher than the estimated industry average of 8.0%)

SOLVENCY RATIO:

1.44 (compares favorably to industry average of 1.09)

More about us

Keep your savings safe and secure

The financial crisis at the end of the last decade has underscored the importance of dealing with a financial institution that places the highest priority on financial stability.

Financial strength has been a hallmark of Royal Neighbors of America over the last 115 years. A number of financial ratios and metrics demonstrate the financial strength and stability of our organization.

As of Dec. 31, 2009, Royal Neighbors had a high solvency ratio of 1.44 (compared to an industry average of 1.09), a large financial surplus of 30.8% (significantly higher than the estimated industry average of 8.0%) and an A.M. Best Company rating of A- Excellent (4th highest out of 15) for overall financial strength and ability to meet ongoing obligations to policyholders. Royal Neighbors provides you peace of mind knowing your financial future is protected.

Insurance with a DifferenceSM

As a non-profit fraternal organization, Royal Neighbors of America exists for the benefit of its members. It offers insurance products to fulfill a variety of needs for growth, savings and protection. Members also receive valuable member benefits and can participate in volunteer activities through the organization's local chapters to make a difference in their communities. The organization's philanthropic efforts are dedicated to changing women's lives through its national programs and through the Royal Neighbors Foundation, a 501(c)(3) public charity.

Additional Considerations

Not available in all states. Contractual provisions and limitations may vary by state. Annuities are a product of the insurance industry and are not guaranteed by any bank or insured by the FDIC.

Examples are used for illustrative purposes only. The return is not indicative of any specific investment product or class of investments and is not intended to be a projection of future values. You should consider your investment time horizon and tax brackets, both current and anticipated.

The following are additional considerations you should take into account. By liquidating current taxable holdings, you may be subject to capital gains or losses, which could impact your tax liability. Tax-deferred performance would be reduced by income taxes on gains upon withdrawal.

For specific tax advice, please speak to your tax advisor.

Fixed deferred annuities can help ensure you won't run out of money in retirement

You can elect to receive guaranteed income payments from your annuity for as long as you are alive. There is no substitute for guaranteed lifetime income in retirement. Few options are available to retirees with this level of income certainty. For example, a 65-year-old male could convert \$100,000 of accumulation value from his fixed deferred annuity into a guaranteed stream of income. He could elect to receive income payments for as long as he is alive, and with the addition of a payment certain feature, he would guarantee payment to his beneficiary if he would die before a specified period, for example, 10 years.

According to studies from the Social Security Administration, it is projected that nearly 60% of retirement income will come from sources other than Social Security.

Social Security Bulletin, Vol. 65, No. 3, 2003/2004



Royal Neighbors Choice Series Annuities could be the right choice for you

If you have a single premium to invest, Royal Neighbors Choice Series allows for one initial lump-sum premium to be paid into the annuity. It will earn interest, tax-deferred, until maturity, which provides guaranteed growth. Choice Series Annuities provide you an initial guaranteed interest rate over 3, 5 or 6 years. After the initial guaranteed interest rate period is over, all Choice Series Annuities cannot credit interest below a minimum guaranteed interest rate. This minimum guaranteed rate is determined by a formula, and will not exceed 3% or be less than 1%, depending on current market conditions. With a minimum guaranteed interest rate, you can rest assured knowing you will be accumulating retirement wealth with a guaranteed return.



Three options to meet your savings needs

Choice 3 (Form Series 1021)

- Three, 3-year interest rate guarantee periods
- 30-day free withdrawal window provided the last 30 days of the first two 3-year guarantee periods
- 9-year surrender charge period
- Minimum premium of \$50,000

Certificate Year	1	2	3	4	5	6	7	8	9	10
Withdrawal Charge %	8	7	6*	8	7	6*	8	7	6	0

*30-day free withdrawal window provided the last 30 days

Choice 5 (Form Series 1022)

- 5-year initial interest rate guarantee
- 5-year surrender charge period
- Minimum premium of \$10,000

Certificate Year	1	2	3	4	5	6+
Withdrawal Charge %	8.5	7.5	7	6	4	0

Choice 6 (Form Series 1022)

- 6-year initial interest rate guarantee
- 6-year surrender charge period
- Minimum premium of \$5,000

Certificate Year	1	2	3	4	5	6	7+
Withdrawal Charge %	8.5	7.5	7	6	5	4.5	0

*I'm glad I
have options.*

