

*Smart Saver<sup>™</sup>*  
*Flexible Premium Deferred Annuity*

*USA Life One*

*Insurance Company of Indiana*

**Here** is what we know thus far:

In the annuity world, we know that annuities have many years of surrender charges and are often very large percentages of your account balance. We know no one likes them.

We know that many guaranteed term annuities have a market value adjustment which can mean thousands of dollars charged against your account balance when you surrender. Often, the market value adjustment provision is in addition to the surrender charge schedule and the math behind the MVA is daunting! We know no one likes those.

We also know there's been some really big insurance companies with seemingly rock solid ratings only to have consumer-unidentifiable underlying investments crash and burn. A really big negative.

All these negatives along with a stubborn interest rate market are some of the problems.

In the bank world, we know clients don't like getting a taxable interest statement every year or losing most of the interest gained to early withdrawal penalties or monthly service charges. Then there's getting locked into a low interest rate for five years.

## *A GAME OF RISK.*

*DEGREES OF UNCERTAINTY*

*ARE YOU WILLING TO GAMBLE YOUR  
NEST EGG?*



**MARKET RISK...** *Will the market drag me down?*

**LIQUIDITY RISK...** *Have I lost access to my money?*

**INFLATION RISK...** *Does my money buy less?*

**REGULATORY RISK...** *taxes or new taxes coming?*

**BUSINESS RISK...** *Bad Management a la Enron, MCI*

**ARE THERE RISK-FREE ALTERNATIVES?** – **NO**, not even the government is entirely risk free.

**WHAT CAN I DO THAT LETS ME SLEEP AT NIGHT AND  
DOESN'T REQUIRE A Ph.D. IN MATH & ECONOMICS TO  
UNDERSTAND ?**

**What if . . . .** A company designed an annuity product that was actually engineered with the specific intent of providing an alternative to a bank's money market savings, interest checking, and passbook accounts? Then providing that alternative without all the perceived negatives that usually plague annuities. And what about those who are considering a three or five year Certificate of Deposit? . . . . Is it worth picking up a few extra basis points of yield and end up taking on the real risk of missing out on the next interest rate cycle; which may be up, not down.

USA Life One Insurance Company of Indiana has been quietly studying the annuity marketplace for the last few years, talking to agents and uncovering the perceived negatives and identifying marketplace solutions.

The *Smart Saver*<sup>™</sup> Flexible Premium Deferred Annuity.

Most Insurance companies manage their annuity product's investments by going long (investing in ten to twenty year bond maturities) which means they are relying on steep and long Surrender Charge periods and Market Value Adjustments to help keep the policies in force as interest rates rise. Since we are not competing in the traditional annuity market place and do not have a typical Surrender Charge Schedule or any Market Value Adjustments, our investment strategy is to have the investment portfolio backing this product have an average duration of thirty-six months; which we believe allows us the potential to offer better rates than the typical Bank as well as having a short enough portfolio to remain competitive in a rising rate environment.

*A USA LIFE ONE Annuity can be part of a conservative wealth management financial strategy. With USA Life One, you can really see your interests placed first!*

- **Absolutely **NO** Regulatory Surrender charge Schedule!**
- **Interest rates are not locked.**
- **No Market Value Adjustment.**
- **Flexible Premium - Add funds anytime.**
- **No up front fees or sales charges.\***

# Is this annuity product for me?

*Who* is the ideal client for this product? Individuals who are leaving parts of their nest egg in their local bank. Our research indicates there are trillions of dollars parked in Bank - Interest Checking accounts, Money Market Savings accounts, and traditional Passbook Savings accounts across the Nation.

- o Today, the national average interest rate being paid by Banks on their interest-bearing Money Market and Basic Savings Accounts is .12% (APY). Many of the largest Financial Institutions in the Country, such as JP Morgan Chase, Bank of America, etc, are currently paying .01% (APY) on their personal savings account products.  
\*\*Bankrate.com
- o The vast majority of Bank product offerings have an array of minimum account balance requirements and related monthly service fees which often reduce the compounded yields significantly and often to zero or less.
- o Although Bank product offerings are transaction accounts (check writing capabilities), we believe there is a significant percentage of accounts that keep more than they need to cover day-to-day and month-to-month living expenses. Many keep excess funds for that rainy day, or they may be continuing to ride the low interest rate cycle out which has proven to be very stubborn and protracted. There are very few, if any, attractive fixed income alternatives today. Many are storing their cash component requirements for an allocated retirement portfolio, and there are those folks that simply don't know what else to do with it.
- o The product we have designed attempts to capture the opportunities the current rate cycle is offering, the typical savings habits of Middle America, and the tax status difference between annuities and bank products. To that end, please see the attached **Product Profile**.

## *Where Do You Want To Save Your Money?*

# *Smart Saver™*

## *Flexible Premium Deferred Annuity*

### **PRODUCT PROFILE**

<b>Type of Premium:</b>	Flexible Premium
<b>Issue Ages:</b>	1-85 Non-qualified & Roth IRAs; 1-65 qualified.
<b>Minimum Premium:</b>	\$4,000.00 Qualified or Non-qualified.
<b>Maximum Premium:</b>	Home Office approval required on \$50,000 or more.
<b>Current Interest Rate:</b>	Contact the company for current rate.
<b>Payout Option:</b>	No annuitization or payouts required. There will be no surrender charges and never any market value adjustment (MVA). The company has no time frame requirement for the policy owner to provide notice to continue or surrender the contract. The contract will continue indefinitely at the company's prevailing interest rate.
<b>Cash Surrender Value:</b>	The accumulation value.
<b>Loans:</b>	None.
<b>Withdrawal Provision:</b>	Beginning immediately, 100% of premium paid is available each contract year. The withdrawal must be at least \$200; and the withdrawal cannot reduce the remaining Accumulated Value to less than \$1,000 unless a full surrender is taken. Any account value below \$1,000 will be deemed a full surrender.
<b>Death Benefit:</b>	Full accumulation value paid to the beneficiary in a lump sum or annuity payments (available to contracts in deferral). Annuitized contracts as determined by beneficiary designation and payout term.
<b>Rate Lock:</b>	Not Applicable.
<b>Annuitization:</b>	A life only or a period certain available at 5 to 30 years.
<b>RMD:</b>	Available. Beneficial IRAs accepted on this product.
<b>Rugulatory Surrender Charge Schedule:</b>	Year 1: 0.00%; year 2 and beyond 0.00%.
<b>Crediting Method:</b>	Credited and compounded daily.
<b>Fees:</b>	No up-front fees or sales charges ever. *A \$30.00 policy fee is charged during the last month of a policy year or at full surrender.

Annuities are not deposits of or guaranteed by any bank and are not insured by the FDIC or any other agency of the US. All guarantees are subject to the financial strength of USA Life One. Withdrawals prior to age 59 1/2 may be subject to IRS penalties. Fixed annuities are not a direct investment in the stock market or indices. They are insurance products that provide growth potential without experiencing loss of premium from market loss or fluctuation in the market and may not be appropriate for all clients. Under current law, annuities grow tax deferred. An annuity is not required for tax deferral in qualified plans. Annuities may be subject to taxation during the income or withdrawal phase. Please note that neither USA Life One, nor any agents acting on its behalf, should be viewed as providing legal, tax or investment advice.



*USA LIFE ONE*

*Fishers, Indiana*

*www.usalife1.com*

*1-800-970-1945*

