Sales Guide

For producers only. Nor for use with consumers.

Index Select Annuity 5, 7 and 10

Not FDIC-Insured • No Bank Guarantee • May Lose Value • Not Insured by Any Federal Government Agency • Not a Bank Deposit

Index Select Annuity 5, 7 and 10

Flexible crediting options to fit any retirement strategy.

An Index Annuity

An index annuity is an insurance product with interest crediting based on the performance of an index, such as the S&P 500® Index. It is important to understand that indexed products do not invest directly in the index or the market. These are not securities and should not be marketed or sold as such.

Index annuity products are designed for clients interested in interest crediting that increases when the market goes up, but also want protection when the market goes down. These may be savers who appreciate the tax-deferred benefits of annuities — and may be interested in diversifying how their money grows through different product designs.

There are a number of index products on the market and each has its own unique design features. This guide provides a summary of the Index Select Annuity product.

How This Annuity Works

Issue Age[1]

- ISA 5: Owners age 18–93[2] and annuitants age 0–93[2]
- ISA 7: Owners age 18–90 and annuitants age 0–90
- ISA 10[3]: Owners age 18–80 and annuitants age 0–80

Annuity Date

The contract anniversary following the oldest annuitant's 115th birthday.

Premium

The minimum premium is $15,000 and maximum premium is $1,000,000. Greater amounts may be accepted if pre-approved by The Standard before you submit an application.

All expected premium must be noted on the application and policy will not issue until all funds are received. The contract effective date is the day we receive all of the expected premium. The premium will be allocated to the accounts on the contract effective date.

Account Allocation

On initial allocation at purchase, clients must allocate a minimum of 15% of their total premium to the index interest accounts. Additionally, a minimum allocation amount of $2,000 per account applies.

Account allocations may be changed once a year at the end of the index term. If your clients choose to reallocate their funds, they will be transferred on the first day of the next index term.

Interest Crediting Strategies

The Index Select Annuity offers Index Interest crediting and Fixed Interest crediting. Flexible crediting options give you the opportunity to customize the annuity to fit your client's retirement strategy.

1 Maximum issue age may vary by distributor.
2 The purchase of the annuity for those age 91-93 must be for transfer-of-wealth or estate-planning purposes.
3 ISA 10 is not available in California.

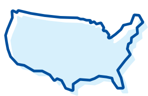
Index Term and Crediting

Each point-to-point index term is 12 months, and we credit interest once at the end of the term. Interest is based on the growth of the index from the beginning to the end of the index term. As interest is credited, the earnings are locked into the Index Interest account value.

At the end of each index term, clients will receive notice from us of the rates for the next index term. The new rate may be higher or lower than the initial rate.

Index Interest Crediting

Funds in the Index Interest account earn interest based on the performance of the S&P 500® Index. By tying an annuity's interest crediting to the index, the funds can participate in general market gains. At the same time, they are protected from downturns.



S&P 500® Index

The S&P 500® Index tracks the performance of 500 of the top companies in leading industries of the U.S. economy. It is one of the most commonly followed equity indices and widely regarded as the best single gauge of large-cap U.S. equities. (Ticker: SPX)

Clients can choose interest crediting using an annual point-to-point Index Participation Rate, annual point-to-point Index Cap Rate, or have funds in both options.

Index Participation Rate

Clients earn interest based on a percentage of the growth of the index each year. That percentage is the annual participation rate. The participation rate is multiplied by the percentage growth in the index at the end of the term.

Example of how an index participation rate works:

Index Performance	Index Participation Rate	Interest Credited
Positive index performance +10.00%	50%	5.00%
Positive index performance +5.00%	50%	2.50%
Negative index performance -5.00%	50%	0.00%

Hypothetical example of index performance over a 1-year interest term.

Index Cap Rate

Clients earn interest based on the growth of the index each year, up to the annual index cap rate. Funds in this account will participate in 100 percent of the percentage growth in the index up to the cap rate.

Example of how an index cap rate works:

Index Performance	Index Cap Rate	Interest Credited
Positive index performance +10.00%	10.00%	10.00%
Positive index performance +5.00%	10.00%	5.00%
Negative index performance -5.00%	10.00%	0.00%

Hypothetical example of index performance over a 1-year interest term.

Fixed Interest Crediting

Funds in the fixed interest account are credited daily with the fixed interest rate. We guarantee this interest rate for one year at the time of purchase.

After that, clients will receive notice from us of the fixed interest crediting rate for the next year. The rate may be higher or lower than the interest rate of the initial rate guarantee period. Like the index interest account, any earnings from interest are locked into the annuity account value.

Guaranteed Minimum Accumulation Benefit

The guaranteed minimum accumulation benefit helps strengthen the guarantees of our index annuities. At the end of the 5, 7, or 10-year surrender charge period, we ensure that the annuity fund value reaches the guaranteed minimum accumulation value. If it is less than that, we'll make a one-time adjustment to raise the annuity fund value to that amount.

- ISA 5: 105% of net premium after 5 years
- ISA 7: 107% of net premium after 7 years
- ISA 10[4]: 110% of net premium after 10 years

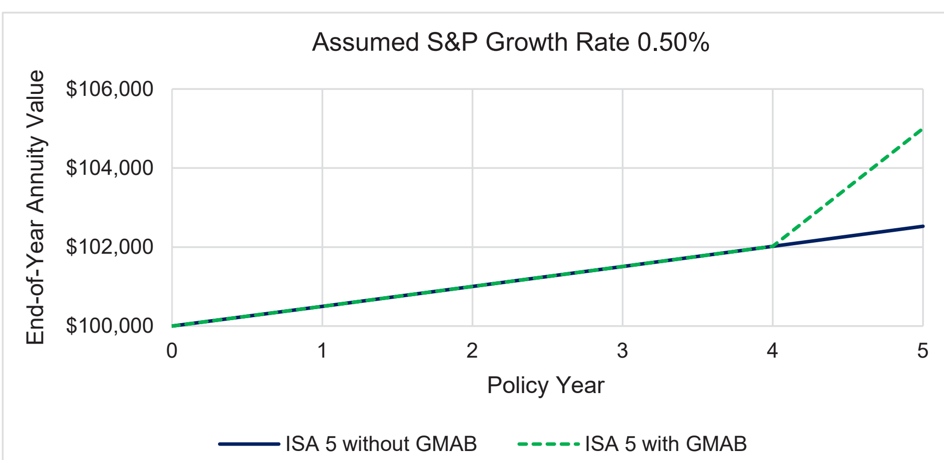
This ensures that the annuity fund will earn at least a guaranteed minimum interest growth by the end of the surrender-charge period.

Let's Look at an Example:

Here's an ISA 5 with a premium deposit of $100,000 into the Index Participation Rate crediting strategy that earns interest at 0.50% per year.

- Without the GMAB, the account value at the end of the 5th year will be $102,525.
- With the GMAB, the account value is increased by $2,475 so that the final fund value at the end of 5 years is **$105,000**.

End of Year	Assumed S&P Growth Rate	ISA 5 without GMAB Annuity Value	ISA 5 with GMAB Annuity Value
0	-	$100,000	$100,000
1	0.50%	$100,500	$100,500
2	0.50%	$101,003	$101,003
3	0.50%	$101,508	$101,508
4	0.50%	$102,015	$102,015
5	0.50%	$102,525	**$105,000**



4 ISA 10 is not available in California.

Market Value Adjustment[5]

A market value adjustment helps optimize growth potential over the long term. It also helps protect the insurance company against investment losses due to early withdrawals from the annuity, and generally allows the insurance company to offer a more competitive rate.

For those clients who do not plan on taking distributions beyond the penalty-free withdrawals allowed during the surrender-charge period, the MVA can work to their advantage by helping them receive a more competitive rate.

How It Works:

An MVA applies to withdrawals and surrenders that are subject to a surrender charge. We base the adjustment on a formula that takes into account changes in the MVA index at that time.

The MVA can increase or decrease the surrender value of the annuity. Generally, if interest rates rise after the beginning of the market value adjustment period, the MVA will decrease the surrender value. If interest rates have fallen, the MVA will increase the surrender value.

We have guarantees in place which limit the amount of MVA that may be charged, based on nonforfeiture law. This is referred to in the contract as the “minimum fund”, and generally is equal to 87.5% of premium grown at rates guaranteed for the life of the contract. Limits on the MVA apply equally to both positive and negative adjustments.

We will waive the MVA when the surrender charge is waived.

Let’s Look at Some Examples:

These examples show total adjustments (surrender charges plus the MVA) using our ISA 5 and ISA 7, assuming the MVA index rate begins at 3%. Actual results may vary.

End of Year	Base Surrender Charge	MVA Index Increases to 5%	MVA Index Decreases to 1%
1	9.4%	11.6%	7.2%
2	8.5%	10.7%	4.6%
3	7.5%	9.8%	3.7%
4	6.5%	7.6%	4.0%
5	5.5%	5.1%	4.8%

End of Year	Base Surrender Charge	MVA Index Increases to 5%	MVA Index Decreases to 1%
1	9.4%	11.6%	7.2%
2	8.5%	10.7%	4.6%
3	7.5%	9.8%	3.7%
4	6.5%	8.9%	2.8%
5	5.5%	8.0%	1.9%
6	4.5%	5.8%	2.2%
7	3.5%	3.3%	3.0%

5 Not available in California.

Surrender Charge Period

Deferred annuities are designed to be 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.

ISA 5

Contract Year	1	2	3	4	5
Surrender Charge	9.4%	8.5%	7.5%	6.5%	5.5%
Surrender Charge in California	8%	7%	6%	5%	4%

ISA 7

Contract Year	1	2	3	4	5	6	7
Surrender Charge	9.4%	8.5%	7.5%	6.5%	5.5%	4.5%	3.5%
Surrender Charge in California	8%	7%	6%	5%	4%	3%	2%

ISA 10[6]

Contract Year	1	2	3	4	5	6	7	8	9	10
Surrender Charge	9.4%	8.5%	7.5%	6.5%	5.5%	4.5%	3.5%	2.5%	1.5%	0.5%

Guaranteed Minimum Value

During the surrender charge period and throughout the contract, minimum values of the annuity are guaranteed. At all times, clients are guaranteed to receive an annuity value that meets or exceeds minimum required values.

This guarantees that the minimum surrender value will never be less than 87.5% of the premium accumulated at no less than 1.00% of interest, minus any prior partial withdrawals.

Fees

There are no annual contract fees.

6 ISA 10 is not available in California.

More Selling Points

Interest Rate Lock

We'll lock a cap rate or participation rate for a set time period from the day we receive the application. This is contingent on if we receive paperwork within the timelines below.

If we receive the expected premium within the window, your client receives either the locked-in rate or the current rate on the day we receive the premium — whichever is higher. **We don't provide a rate lock for minimum guaranteed rates or fixed interest crediting rates on index annuities.**

Here's how to ensure your clients are benefiting from our rate lock practice:

- If rates are increasing: Sign and date the application and all required supplemental forms on or after the rate increase effective date.
- If rates are decreasing: Sign and date the application and all required supplemental forms before the rate decrease effective date. We'll also need to receive your documents in our home office within four business days of the rate change effective date.

Ownership Options

Ownership types allowed:
Single, joint owners and certain non-natural owners (Trusts, Corporations, Non-Profit organizations, etc.)

Annuitants allowed:
Single or joint annuitants

Spousal Continuation

If the spouse is the joint owner or sole primary beneficiary, they may elect to continue the contract as sole owner.

Tax-Qualification Options

Non-qualified contracts funded with after-tax dollars:
1035 exchanges, transfers or lump sum payments can be used to purchase a non-qualified annuity.

Qualified contracts funded with pre-tax dollars:
Rollovers, transfers or lump sums payments from qualified plans such as an IRA or 401(k) can be used to purchase a qualified Individual Retirement Annuity.

Advantages of Tax Deferral

Taxes are due only when clients withdraw funds or schedule distributions from the annuity. 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 your clients pay may be at a lower tax rate. Please consult a tax professional for guidance.

Free Look Period

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.

Access to Funds

There are times when your clients may need to access funds during the surrender-charge period. We have created withdrawal options without a surrender charge or market value adjustment to help in certain situations.

The minimum withdrawal amount is $500, except for required minimum distributions. Clients must maintain an annuity balance of $2,000. There may be a 10 percent early-withdrawal IRS penalty for surrenders that occur before age 59½. Please consult a tax professional for guidance.

10% Annual Withdrawals[7]

Clients can withdraw up to 10% of the annuity value per year without a surrender charge.

IRS Required Minimum Distributions

Clients can schedule surrender-charge-free annuity payments that meet IRS-required minimum distributions for tax-qualified plans.

Terminal Conditions[7]

Clients can withdraw funds without a surrender charge if they are diagnosed with a terminal condition with a life expectancy of 12 months or less.

Nursing Home Residency[7]

Clients can withdraw funds without a surrender charge if they are a resident in a nursing home for 30 or more consecutive days.

Death of Owner or Death of Annuitant

Upon death of the owner, death benefit payments are available without a surrender charge. 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. Clients may convert their deferred annuity to a payment stream with The Standard at any time without a surrender charge. Clients may choose either a lifetime income payment option or a certain period of at least five years.

Out of Surrender Withdrawals

After the surrender charge period, withdrawals of some or all of the annuity funds are available without surrender charges.

7 Applies after the first contract year.

Partial Index Crediting

A partial index credit applies before the 12-month index term ends and there was growth in the index. It's available on death, annuitization, nursing home residency or diagnosis of a terminal condition.

Payout Options

Deferred annuities may be paid as a lump sum or converted into one of these income options:

- Life income
- Life income with certain period
- Joint and survivor life income
- Joint and survivor life income with certain period
- Joint and contingent survivor life income
- Certain period
- Other options may be available

Suitability Analysis During the Sales Process

The NAIC's Suitability in Annuity Transactions Model Regulation was amended in 2020 and now incorporates a best interest standard of care for annuities. The Regulation applies to **any** sale or recommendation of an annuity.

Best Interest Obligation: A producer, when making a recommendation of an annuity, shall act in the best interest of the consumer under circumstances known at the time of the recommendation is made, without placing the producer's or insurer's financial interest ahead of the consumer's interest. A producer has acted in the best interest of the consumer if they have satisfied the following obligations regarding **care, disclosure, conflict of interest and documentation.**

To satisfy the four obligations, when making a recommendation, producers must:

- Know consumer's financial situation, insurance needs and financial objectives;
- Understand the available recommendation options;
- Have a reasonable basis to believe the recommended option effectively addresses the consumer's financial situation, insurance needs and financial objectives;
- Communicate the basis of the recommendation to the consumer;
- Disclose their role in the transaction, their compensation, and any material conflicts of interest; and
- Document, in writing, any recommendation and the justification for such recommendation.

The **care obligation** is having a reasonable basis to believe a recommendation for an annuity will address a consumer's finances, insurance needs and financial objectives, over the life of the product, using the information provided on a consumer's profile information form.

Consumer Profile Information

1. Age
2. Annual income
3. Financial situation and needs, including debts and other obligations
4. Financial experience
5. Insurance needs
6. Financial objectives
7. Intended use of the annuity
8. Financial time horizon
9. Existing assets or financial products, including investment, annuity and insurance holdings
10. Liquidity needs
11. Liquid net worth
12. Risk tolerance, including but not limited to, willingness to accept non-guaranteed elements in the annuity
13. Financial resources used to fund the annuity
14. Tax status

The consumer profile information, characteristics of the insurer, and product costs, rates, benefits and features are those factors generally relevant in making a determination whether an annuity effectively addresses the consumer's financial situation, insurance need and financial objectives, but the level of importance of each factor under the care obligation may vary depending on the facts and circumstances of a particular case. However, each factor may not be considered in isolation.

In the case of an **exchange or a replacement** of an annuity the producer shall consider the whole transaction, taking into consideration whether:

- The consumer will incur a surrender charge, be subject to the commencement of a new surrender period, lose existing benefits, or be subject to increased fees or charges for riders and similar product enhancements;
- The replacing product would substantially benefit the consumer in comparison to the replaced product over the life of the product; and
- The consumer has had another annuity exchange or replacement within the preceding 60 months.

The **disclosure obligation** is disclosing to a consumer the terms of their relationship and the role of the producer in the transaction, an affirmative statement on whether the producer is licensed to sell the particular product, the number of insurer's they are authorized, contracted (or appointed), or otherwise able to sell insurance products from, describing the sources of their cash and non-cash compensation, including whether commission as part of premium or other renumeration received from the insurer, intermediary or other producer or by a fee as a result of a contract for advice or consulting services and a consumer's right to request additional information regarding cash compensation.

A consumer's right to request additional information regarding cash compensation. Upon request of the consumer the producer shall disclose a reasonable estimate of the amount of cash compensation to be received by the producer, which may be stated as a range of amounts or percentages and whether the cash compensation is a one-time or multiple occurrence amount and if a multiple occurrences amount, the frequency and amount of the occurrence, which may be states as a range of amounts or percentages.

Prior to or at the time of the recommendation or sale of an annuity, the producer shall have a reasonable basis to believe the consumer has been informed of various features of the annuity, such as the potential surrender period and surrender charge, potential tax penalty if the consumer sells, exchanges, surrenders or annuitizes the annuity, mortality and expense fees, investment advisory fees, any annual fees, potential charges for and features of riders or other options of the annuity, limitations on interest returns, potential changes in non-guaranteed elements of the annuity, insurance and investment components and market risk.

The **conflict-of-interest obligation** is to identify and avoid, or reasonably manage and disclose "material conflicts of interest", meaning financial interest, to the consumer.

The **documentation obligation** is to record the basis for any recommendation in writing and to request a signed statement from a consumer who refuses to provide their financial information, insurance needs or investment objectives on a consumer profile information form.

Application of the best interest obligation. Any requirement applicable to a producer shall apply to every producer who as exercised material control or influence in the making of a recommendation and has received direct compensation as a result of the recommendation and sale, regardless of whether the producer has had any direct contact with the consumer.

An insurer shall establish and maintain reasonable procedures to identify and eliminate any sales contests, sales quotas, bonuses and non-cash compensation based on the sales of specific annuity products within a limited period of time.

Producer Training

A producer shall not solicit the sale of an annuity product unless the producer has adequate knowledge of the product to recommend the annuity and the producer is in compliance with the insurer's standards for product training. An insurer shall make reasonable procedures to inform its producers of the requirements of the Model and incorporate the requirements into producer training.

Continuing Education (CE) Training

A producer who engages in the sale of annuity products shall complete a one-time four (4) credit training course approved by the department of insurance and provided by the department of insurance-approved education provider. A producer who has completed an annuity-training course approved by the department of insurance prior to the effective date, shall, within six (6)months after the effective date, complete either:

1. A four (4) credit training course approved by the department of insurance after the effective date
2. An additional one-time one (1) credit training course approved by the department of insurance and provided by the department of insurance-approved education provider on appropriate sales practices, replacement and disclosure requirements under this amended regulation.

Compensation and Sales Support

Commission Amounts

Consult your Annuity Producer Product and Compensation Schedule for details.

Commission Chargeback

Surrenders:

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

Death:

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

Sales Support

Please contact your NMO or The Standard sales team at 800.378.4578 or annsales@standard.com.

New business forms and marketing materials may be found online at: www.standard.com/annuities.

Online Annuity Portal

Producers can access the secure Annuity Producer Portal with access to client's account information including statements, tax documents, account values and allocations, financial activity and more. The Producer Portal empowers producers to manage their book of business and pending business with reporting tools.
Learn more at: www.standard.com/producer-portal-guide.

Clients can access to their secure Annuity Portal to view statements, tax documents, account values, allocations and more. Self-registration directions and a demonstration video are available at:
www.standard.com/portal-guide.

Policies: ICC17-SPDA-IA(01/17), SPDA-IA(01/17)
Riders: ICC17-R-PTP, ICC17-R-GMAB-IA, ICC17-R-MVA-IA, ICC17-R-TCB-IA, ICC17-R-NHB-IA, ICC17-R-ANN-IA, ICC17-R-DB-IA, ICC17-R-ANNDW, ICC17-R-POF-IA, ICC17-R-IRA, ICC17-R-Roth IRA, ICC17-R-QPP, R-PTP, R-GMAB-IA, R-MVA-IA, R-TCB-IA, R-NHB-IA, R-TCB/NHB-IA-SD, R-ANN-IA, R-DB-IA, R-ANNDW, R-POF-IA, R-IRA, R-Roth IRA, R-QPP.

Annuities are intended as long-term savings vehicles. The Index Select 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.

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www.standard.com

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