

Contract structuring and coverage option considerations on the Activation Date for the “Flex” family of living benefit features



The following describes potential coverage options available under the “Flex” family of living benefit features. It assumes that a contract is either issued with or modified after issue in a manner consistent with the terms of the contract and the feature to reflect the parties listed below. It also assumes the appropriate covered person(s) is selected either before or as of the Activation Date to align with each coverage option.¹

I: Individual S: Spouse B: Non-spouse beneficiary T: Trust N: Non-trust entity

Non-qualified	Registration type	Parties to the contract as of the Activation Date ²			Married		Available coverage options ³		
		Owner	Annuitant	Beneficiary	At issue	After issue	Single life (based on “I”)	Single life ⁴ (based on “S”)	Joint life ⁴ (based on “I” and “S”)
Individual		I	I	S	●		●	●	●
		I	I	S		●	●		●
		I	I, S or I & S	B, T, or N	n/a		●		
		I	S	S	●		●	●	●
		I	S	S		●	●		●
Joint		I & S ⁵	I, S or I & S	I, S, B, T or N	●		●	●	●
		I & S ⁵	I, S or I & S	I, S, B, T or N		●	●		●
Trust ⁶		T	I	S ⁷	●		●	●	●
		T	I	S ⁷		●	●		●
		T	I	T	n/a		●		
		T	I & S ⁵	T	●		●	●	●
IRA	Account type	Parties to the contract as of the Activation Date			Marital status		Available coverage options ³		
		Owner	Annuitant	Beneficiary			Single life (based on “I”)	Single life ⁴ (based on “S”)	Joint life ⁴ (based on “I” and “S”)
Traditional, Roth or SEP ⁹		I	I	S	Married		●		●
		I	I	B, T or N	Single or married		●		
		Custodian ¹⁰	I	Custodian	Single or married		●		●

- ¹ Listed contract structures are for illustrative purposes only; additional option may exist. Certain coverage options may not be available in all circumstances.
- ² Formal activation is required to begin receiving income under the feature. When the owner activates lifetime income they may be able to add a new covered person or remove or change one of the covered persons who were initially named when the contract was issued, subject to certain limitations. A new covered person may not be added if the contract was previously continued by a spousal beneficiary following the death of a contract holder. If a change to a covered person occurs, generally at least one of the original persons named at issue must remain as one of the covered persons. A new covered person must have been at least age 50 (45 for variable annuities) as of the original contract issue date and cannot be older than age 80 at the time they are added to the contract.
- ³ Generally available coverage options; coverage options may vary depending upon individual circumstances as of the Activation Date. Single life coverage under the feature based on "Individual" is available in all scenarios. Single life coverage under the feature based on "Spouse" is available for certain non-qualified scenarios if "Individual" and "Spouse" are married to each other as of both the issue date and activation date and satisfy certain additional criteria. Joint life coverage under the feature based on "Individual" and "Spouse" is generally available if the parties are married as of the activation date and "Spouse" is either a joint owner (joint annuitant in the case of trust-owned contracts), the sole primary beneficiary of the contract or, in the case of contracts held in a Custodial IRA, the sole primary beneficiary of the Custodial IRA.
- ⁴ Proof of marriage will be required on the activation date if coverage option single life based on "Spouse" or joint life based on "Individual" and "Spouse" is elected.
- ⁵ Contract language stipulates that joint owners (joint annuitants in the case of trust-owned contracts) are each other's primary beneficiary; all other beneficiary designations are considered contingent.
- ⁶ Except for scenarios in which two covered persons have been elected, trust-owned contracts must name the trust as primary beneficiary.
- ⁷ If single life coverage based on "Individual" is elected, the primary beneficiary must be changed to the trust.
- ⁸ Not all non-natural entities will be accepted.
- ⁹ Joint annuitants are not available.
- ¹⁰ Presumes the custodian holds the contract for the benefit of an individual. The availability of joint life coverage under the feature based on "Individual" and "Spouse" is dependent on the terms of the custodial agreement and the relationship between the custodian and the issuing insurance company and assumes "Spouse" is the sole primary beneficiary of the Custodial IRA; may not be available in all circumstances.

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