

# FORERETIREMENT IV VARIABLE ANNUITY

FORETHOUGHT LIFE INSURANCE COMPANY

SEPARATE ACCOUNT A (EST. 06/05/12)

10 WEST MARKET STREET

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This prospectus describes information you should know before you purchase ForeRetirement IV Variable Annuity. The prospectus describes a contract between each Owner and joint Owner (“you”) and Forethought Life Insurance Company (“us,” “we” or “our”). This is an individual, deferred, flexible-premium variable annuity. You may own this annuity on a single or joint basis. This variable annuity allows you to allocate your Premium Payment among the following portfolio companies:

- ✓ AIM Variable Insurance Funds (Invesco Variable Insurance Funds)
- ✓ American Century Variable Portfolios, Inc.
- ✓ American Funds Insurance Series®
- ✓ BlackRock Variable Series Funds, Inc.
- ✓ Forethought Variable Insurance Trust
- ✓ Franklin Templeton Variable Insurance Products Trust
- ✓ Goldman Sachs Variable Insurance Trust
- ✓ Lord Abbett Series Fund, Inc.
- ✓ MFS® Variable Insurance Trust
- ✓ MFS® Variable Insurance Trust II
- ✓ PIMCO Equity Series VIT
- ✓ PIMCO Variable Insurance Trust
- ✓ Putnam Variable Trust

Please refer to page 2 for a list of available Sub-Accounts.

You may also allocate all or any portion of your Premium Payment(s) to the Fixed Account. The Fixed Account is not available for every Contract share class.

This prospectus refers to the following Contract share classes:

- ✓ B Share
- ✓ C Share

The Contract share class will be selected on your application and identified in your Contract. Not every Contract share class or optional rider may be available from your broker-dealer or in your state. All material Contract variations are noted in applicable sections of this prospectus. State variations can be found in section 7.b. State Variations. Other available Contract share classes offered through select broker-dealers are not described in this Prospectus and may be subject to different charges.

Please read this prospectus carefully before investing and keep it for your records and for future reference. You can also contact us to get a Statement of Additional Information free of charge. The Statement of Additional Information contains more information about this Contract and, like this prospectus, is filed with the Securities and Exchange Commission (“SEC” or “Commission”). We have included the Table of Contents for the Statement of Additional Information at the end of this prospectus. Although we file this prospectus and the Statement of Additional Information with the SEC, the SEC doesn’t approve or disapprove these securities or determine if the information in this prospectus is truthful or complete. Anyone who represents that the SEC does these things may be guilty of a criminal offense. This prospectus and the Statement of Additional Information can also be obtained from us or the SEC’s website ([www.sec.gov](http://www.sec.gov)).

This variable annuity may not be suitable for everyone. This variable annuity may not be appropriate for people who do not have a long investment time horizon and is not appropriate for people who intend to engage in market timing. You will get **no additional tax advantage** from this variable annuity if you are investing through a tax-advantaged retirement plan (such as a 401(k) plan or Individual Retirement Account (“IRA”). This prospectus is not intended to provide tax, accounting or legal advice.

We are not an investment adviser nor are we registered as such with the SEC or any state securities regulatory authority. We are not acting in any fiduciary capacity with respect to your investment. This information does not constitute personalized investment advice or financial planning advice.

**NOT INSURED BY FDIC OR ANY  
FEDERAL GOVERNMENT AGENCY**

**MAY LOSE  
VALUE**

**NOT A DEPOSIT OF OR GUARANTEED BY  
ANY BANK OR ANY BANK AFFILIATE**

**FDIC  
BANK**

PROSPECTUS DATED: MAY 1, 2017

STATEMENT OF ADDITIONAL INFORMATION DATED: MAY 1, 2017

If you elect an Optional Death Benefit or an Optional Withdrawal Benefit, certain Investment Restrictions will apply. Please see Appendix D for detailed information.

AIM Variable Insurance Funds (Invesco Variable Insurance Funds)

- Invesco V.I. Global Real Estate Fund
- Invesco V.I. Government Money Market Fund

American Century Variable Portfolios, Inc.

- American Century VP Capital Appreciation Fund
- American Century VP Value Fund

American Funds Insurance Series®

- American Funds Asset Allocation Fund
- American Funds Global Growth Fund
- American Funds Growth Fund
- American Funds Managed Risk Asset Allocation Fund
- American Funds New World Fund

BlackRock Variable Series Fund, Inc.

- BlackRock Global Allocation V.I. Fund
- BlackRock S&P 500 Index V.I. Fund
- BlackRock Total Return V.I. Fund

Calvert Variable Products, Inc.

- Calvert VP EAFE International Index Portfolio
- Calvert VP Investment Grade Bond Index Portfolio
- Calvert VP Russell 2000 Small Cap Index Portfolio
- Calvert VP S&P MidCap 400 Index Portfolio

Franklin Templeton Variable Insurance Products Trust

- Franklin Income VIP Fund
- Franklin Rising Dividends VIP Fund
- Templeton Global Bond VIP Fund

Forethought Variable Insurance Trust

- Global Atlantic American Funds® Managed Risk Portfolio
- Global Atlantic Balanced Managed Risk Portfolio
- Global Atlantic BlackRock Global Allocation Managed Risk Portfolio
- Global Atlantic Franklin Dividend and Income Managed Risk Portfolio
- Global Atlantic Goldman Sachs Dynamic Trends Allocation Portfolio
- Global Atlantic Growth Managed Risk Portfolio
- Global Atlantic Moderate Growth Managed Risk Portfolio
- Global Atlantic PIMCO Tactical Allocation Portfolio
- Global Atlantic Select Advisor Managed Risk Portfolio
- Global Atlantic Wellington Research Managed Risk Portfolio
- Global Atlantic Wilshire Dynamic Conservative Allocation Portfolio
- Global Atlantic Wilshire Dynamic Global Allocation Portfolio

- Global Atlantic Wilshire Dynamic Growth Allocation Portfolio
- Global Atlantic Wilshire Dynamic Moderate Allocation Portfolio

Goldman Sachs Variable Insurance Trust

- Goldman Sachs High Quality Floating Rate Fund
- Goldman Sachs Strategic Income Fund
- Goldman Sachs Strategic International Equity Fund

Lord Abbett Series Fund, Inc.

- Lord Abbett Bond Debenture Portfolio
- Lord Abbett Short Duration Income Portfolio

MFS® Variable Insurance Trust

- MFS® Growth Series
- MFS® Mid Cap Growth Series

MFS® Variable Insurance Trust III

- MFS® Blended Research Small Cap Equity Portfolio
- MFS® Mid Cap Value Portfolio

Oppenheimer Variable Account Funds

- Oppenheimer Discovery Mid Cap Growth Fund/VA
- Oppenheimer Main Street Small Cap Fund® /VA

PIMCO Variable Insurance Trust

- PIMCO CommodityRealReturn® Strategy Portfolio
- PIMCO Foreign Bond Portfolio (U.S. Dollar-Hedged)
- PIMCO Real Return Portfolio
- PIMCO Total Return Portfolio

Putnam Variable Trust

- Putnam VT Equity Income Fund
- Putnam VT Small Cap Value Fund

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## I. Introduction

### How to buy this variable annuity

#### ✓ Choose a Contract class

	Minimum Initial Premium Payment		Sales Related Charges	Mortality & Expense Risk and Administrative Charges
	Qualified Contract	Non-Qualified Contract		
<b>B Share</b>	\$5,000	\$10,000	7 year Contingent Deferred Sales Charge (1); Premium Based Charge	0.65%
<b>C Share</b>	\$5,000	\$10,000	None	1.65%

(1) A reduced Contingent Deferred Sales Charge Schedule is available under the B share Contract if you purchase the liquidity feature, which has a current additional charge of 0.40%. The additional charge is deducted daily from the value of the Sub-Accounts in Contract Years 1-4. If you elect the liquidity feature, additional Premium Payments will only be accepted during Contract Year 1. Please see section 4.b. Charges and Fees, for more information.

This table does not show Fund expenses, Premium taxes, Annual Maintenance Fee, Fund Facilitation Fee, Premium Based Charge, Contingent Deferred Sales Charges and Optional Benefit fees. Each Contract share class has its own Minimum Contract Value requirements.

This Contract is available in multiple share classes which each have different fees and charges as described in this prospectus. Your Financial Intermediary's commission may also differ depending upon the share class selected. You should discuss with your Financial Intermediary which share class is right for you.

#### ✓ Choose investment options

- Sub-Accounts — Funds representing a range of investment strategies, objectives and asset classes.
  - Fixed Account (2) — A fixed interest account.
- (2) The Fixed Account is available for B share contracts. If you elect a C share contract, the Fixed Account is only available to you if you elect the Daily +5 Withdrawal Benefit, the Daily 7 Withdrawal Benefit, or Legacy Lock IV.

Subject to limitations, you may move your investment among each of these options.

#### ✓ Choose an optional feature

Guaranteed Lifetime Withdrawal Benefits	Daily +5 Withdrawal Benefit (3) Daily 7 Withdrawal Benefit (3)
Guaranteed Minimum Death Benefits	Return of Premium III (3) Maximum Daily Value III (3) Legacy Lock IV (4)
Reduced Contingent Deferred Sales Charge Schedule	Liquidity Feature (5)

- (3) Investment Restrictions apply.
- (4) May only be elected if Daily +5 — Daily Step Up Withdrawal Benefit or Daily 7 — Daily Step Up Withdrawal Benefit is also elected. Investment Restrictions apply.
- (5) Only available for B Share contracts.

Optional features may not be available through your broker-dealer or in all states.

- ✓ **Complete our application or order request and submit it to your Financial Intermediary for approval.**
- ✓ **Pay the applicable minimum initial Premium Payment.**

## 2. Fee Summary

The following tables describe the fees and expenses that you will pay when buying, owning, and Surrendering your variable annuity. The first table describes the fees and expenses that you will pay at the time that you buy or Surrender this variable annuity. State Premium taxes may also be deducted.

### Owner Transaction Expenses

	Surrender Charge	
	B Share	C Share
<b>Contingent Deferred Sales Charge (CDSC) (1)</b>		None
Year 1	8.5%	
2	7.5%	
3	6.5%	
4	5.5%	
5 (2)	4.5%	
6	3.5%	
7	2.5%	
8+	0%	

- (1) Each Premium Payment has its own CDSC schedule. The CDSC is a percentage of Remaining Gross Premiums. Please see Section 4.b and Examples 1-5 in Appendix A for more information on how CDSC is calculated.
- (2) If you purchase the liquidity feature, your CDSC schedule will be shortened to a 4 year schedule and will be 0% beginning in Contract Year 5. Please see section 4.b. Charges and Fees, for more information.

### Owner Periodic Expenses

The next table describes the fees and expenses that you may pay periodically and on a daily basis (except as noted) during the time that you own the variable annuity, not including annual Fund fees and expenses.

	B Share	C Share
<b>Annual Maintenance Fee (3)</b>	\$50	\$50
<b>Premium Based Charge (4)</b>	0.50%	None
<b>Separate Account Annual Expenses</b> (as a percentage of average daily Contract Value excluding Fixed Account investments) (5)		
Mortality and Expense Risk Charge	0.45%	1.45%
Administrative Charge	0.20%	0.20%
Maximum Fund Facilitation Fee (6)	0.50%	0.50%
<b>Maximum Total Separate Account Annual Expenses</b>	1.15%	2.15%
<b>Maximum Optional Charges (7)</b>		
Liquidity Feature (8)	0.75%	NA
Legacy Lock IV (9)	1.50%	1.50%
Return of Premium III (10)	0.75%	0.75%
Maximum Daily Value III (11)	1.50%	1.50%
Daily +5 Withdrawal Benefit (12)	2.50%	2.50%
Daily 7 Withdrawal Benefit (12)	2.50%	2.50%

- (3) Fee waived if Contract Value is \$50,000 or more on your Contract Anniversary.
- (4) For B share Contracts, an annual Premium Based Charge is assessed against each Premium Payment. The Premium Based Charge is a percentage of Remaining Gross Premium. Remaining Gross Premium is equal to Premium Payments adjusted by Partial Withdrawals. The Premium Based Charge is assessed on each Quarterly Contract Anniversary. We calculate your Premium Based Charge based on Remaining Gross Premiums on each Quarterly Contract Anniversary as adjusted since the last Premium Based Charge was taken, however, the charge presented above is the annualized charge. Please see Section 4.b. Premium Based Charge for more information. The Premium Based Charge will be assessed only with respect to Contract Value invested in Sub-Accounts and not investments in the Fixed Account. Please see Section 4.b. Charges and Fees and Premium Based Charge Examples 1-2 in Appendix A.
- (5) Charges are expressed as annual fees but are assessed on a daily basis.

- (6) Fee is applied daily to amounts invested in the following Sub-Accounts: American Funds Insurance Series® — Managed Risk Asset Allocation Fund, BlackRock High Yield V.I. Fund, BlackRock U.S. Government Bond V.I. Fund, Invesco V.I. Government Money Market Fund, PIMCO Total Return Portfolio, Global Atlantic Variable Insurance Trust Franklin Dividend and Income Managed Risk Portfolio, Global Atlantic Variable Insurance Trust Goldman Sachs Dynamic Trends Allocation Portfolio, Global Atlantic Variable Insurance Trust Growth Managed Risk Portfolio, Global Atlantic Variable Insurance Trust PIMCO Tactical Allocation Portfolio, Global Atlantic Variable Insurance Trust Select Advisor Managed Risk Portfolio. Current fees range from 0.05% to 0.15% and can be found in Section 4.b Charges and Fees.
- (7) You may only elect one of the following optional Death Benefits: Legacy Lock IV, Maximum Daily Value III, or Return of Premium III. You may only elect one of the following Optional Withdrawal Benefits: Daily +5 or Daily 7. All optional charges presented are the annualized charges, however, they will be deducted on each Quarterly Contract Anniversary.
- (8) Additional asset-based fee that is factored into the unit price and applied daily. The fee is deducted from the Sub-Accounts in Contract Years 1-4. Additional Premium Payments will only be accepted during Contract Year 1. The current rider charge is 0.40%. The asset-based fee will not be charged starting in Contract Year 5, and will not change once issued.
- (9) Rider charge is based on the greater of (a) Enhanced Return of Premium or (b) Base Return of Premium and is assessed on each Quarterly Contract Anniversary. The current rider charge is 0.95%.
- (10) Rider charge is based on Premium Payments adjusted for Partial Withdrawals and is assessed on each Quarterly Contract Anniversary. The current rider charge is 0.15%.
- (11) Rider charge is based on the Maximum Daily Value and is assessed on each Quarterly Contract Anniversary. The current rider charge is 0.45%.
- (12) Rider charge is based on Withdrawal Base and is assessed on each Quarterly Contract Anniversary. The Withdrawal Base is initially equal to Premium Payments. It will fluctuate based on subsequent Premium Payments, Step Ups, Deferral Bonuses or Partial Withdrawals. The current rider charge is 1.10%.

**The next table shows the minimum and maximum total annual fund operating expenses charged by the Funds that you may pay on a daily basis during the time that you own this variable annuity. More detail concerning each Fund's fees and expenses is contained in the prospectus for each Fund.**

	Minimum	Maximum
<b>Total Annual Fund Operating Expenses</b> (expenses that are deducted from Sub-Account assets, including management fees, distribution charges and/or service fees (12b-1) fees, and other expenses.)	0.31%	3.08%

**EXAMPLE**

This Example is intended to help you compare the cost of investing in this variable annuity with the cost of investing in other variable annuities. Let's say, hypothetically, that your annual investment return is 5% and that your fees and expenses today were as high as possible including the election of the highest possible optional charges (i.e., Maximum Daily Value III, Daily 7 Withdrawal Benefit, the liquidity feature, and investment in Sub-Accounts that charge the highest total annual fund operating expenses plus the maximum Fund Facilitation Fee). The example illustrates the effect of fees and expenses that you could incur (other than taxes). Your actual fees and expenses may vary. For every \$10,000 invested (excluding amounts allocated to the Fixed Account, if applicable), here's how much you would pay under each of the three scenarios posed:

**B-Share**

(1) If you Surrender your Contract at the end of the applicable time period:

1 year	\$1,820
3 years	\$3,555
5 years	\$4,781
10 years	\$9,271

(2) If you annuitize at the end of the applicable time period:

1 year	\$ 925
3 years	\$2,858
5 years	\$4,731
10 years	\$9,221

(3) If you do not Surrender your Contract:

1 year	\$ 975
3 years	\$2,908
5 years	\$4,781
10 years	\$9,271

This Example is intended to help you compare the cost of investing in this variable annuity with the cost of investing in other variable annuities. Let's say, hypothetically, that your annual investment return is 5% and that your fees and expenses today were as high as possible including the election of the highest possible optional charges (i.e., Maximum Daily Value III, Daily 7 Withdrawal Benefit, and investment in Sub-Accounts that charge the highest total annual fund operating expenses plus the maximum Fund Facilitation Fee). The example illustrates the effect of fees and expenses that you could incur (other than taxes). Your actual fees and expenses may vary. For every \$10,000 invested, here's how much you would pay under each of the three scenarios posed:

### C-Share

(1) If you Surrender your Contract at the end of the applicable time period:

1 year	\$ 986
3 years	\$2,932
5 years	\$4,836
10 years	\$9,375

(2) If you annuitize at the end of the applicable time period:

1 year	\$ 936
3 years	\$2,882
5 years	\$4,786
10 years	\$9,325

(3) If you do not Surrender your Contract:

1 year	\$ 986
3 years	\$2,932
5 years	\$4,836
10 years	\$9,375

## Condensed Financial Information

When Premium Payments are credited to your Funds, they are converted into Accumulation Units by dividing the amount of your Premium Payments minus any Premium taxes (if applicable), by the Accumulation Unit Value for that Valuation Day. All classes of Accumulation Unit Values may be obtained, free of charge, by contacting us. See Appendix B — Accumulation Unit Values for additional information. You can find financial statements for us and the Separate Account in the Statement of Additional Information.



## 3. Management of the Contract

### The Company

We are a life insurance company engaged in the business of writing life insurance and individual variable, fixed and fixed indexed annuities. Forethought Life Insurance Company is authorized to do business in 49 states of the United States, the District of Columbia and Puerto Rico. Forethought Life Insurance Company was incorporated under the laws of Indiana on July 10, 1986. We have offices located in Indianapolis and Batesville, Indiana, Houston, Texas, Simsbury, Connecticut and Berwyn, Pennsylvania. Forethought Life Insurance Company is ultimately controlled by Global Atlantic Financial Group Limited.

### The General Account

The Fixed Account and the DCA Plus Fixed Account are part of our General Account. Please see Section 4.a for a description of the DCA Plus Fixed Account. Any amounts that we are obligated to pay under the Fixed Account and any other payment obligation we undertake under the Contract, including Death Benefits and Optional Withdrawal Benefits, are subject to our financial strength and claims-paying ability and our long-term ability to make such payments. We invest the assets of the General Account according to the laws governing the investments of insurance company general accounts. The General Account is not a bank account and is not insured by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. We receive a benefit from all amounts held in our General Account. Amounts in our General Account are available to our general creditors. We issue other types of insurance policies and pay our obligations under these products from our assets in the General Account.

### The Separate Account

At the direction of our Contract Owners, we set aside and invest the assets of some of our annuity contracts, including these Contracts, in a Separate Account. The Separate Account is registered as unit investment trusts under the 1940 Act. This registration does not involve supervision by the SEC of the management or the investment practices of a Separate Account or us. The Separate Account meets the definition of "Separate Account" under federal securities law. The Separate Account referenced in this prospectus holds only assets for variable annuity contracts. The Separate Account:

- hold assets for your benefit and the benefit of other Owners, and the persons entitled to the payouts described in the Contract;
- is not subject to the liabilities arising out of any other business we may conduct;
- is not affected by the rate of return of our General Account;
- may be subject to liabilities of other variable annuity contracts offered by this Separate Account which are not described in this prospectus; and
- is credited with income and gains, and takes losses, whether or not realized, from the assets they hold without regard to our other income, gains or loss.

We do not guarantee the investment results of the Separate Account.

### The Funds

At the time you purchase your Contract, you may allocate your Premium Payment to Sub-Accounts. These are subdivisions of our Separate Account, described above. The Sub-Accounts then purchase shares of mutual funds set up exclusively for variable annuity or variable life insurance products. These are not the same mutual funds that you buy through your Financial Intermediary even though they may have similar investment strategies and the same portfolio managers. Each Fund has varying degrees of investment risk. Funds are also subject to separate fees and expenses such as management fees, distribution charges and operating expenses.

"Master-feeder" and "fund of funds" ("feeder funds") invest substantially all of their assets in other funds and will therefore bear a pro-rata share of fees and expenses incurred by both funds. This will reduce your investment return. Election of any Optional Benefits will limit your investment options. Please contact us to obtain a copy of the prospectuses for each Fund (or for any feeder funds). Read these prospectuses carefully before investing. We do not guarantee the investment results of any Fund. There is no assurance that a Fund will achieve its stated objective. Certain Funds may not be available in all states and in all Contract classes. Please see Appendix C for additional information.

As a Contract Owner, you bear the costs of the Fund's fees and expenses through your indirect investment in the Funds. A Fund's fees and expenses will reduce the Fund's investment return.

Funds that are part of the Forethought Variable Insurance Trust ("FVIT") are managed by our affiliate, Global Atlantic Investment Advisors, LLC ("GAIA"). For Funds in the FVIT, GAIA has entered into sub-advisory agreements with one or more investment advisers ("sub-advisers") to carry out some or all of the day-to-day investment decisions for the Fund. In such cases, among its other responsibilities, GAIA oversees the activities of the sub-advisers with respect to the FVIT and is responsible for retaining or discontinuing the services of these sub-advisers.

As described in more detail in the Fund prospectuses, certain Funds, including the Funds advised by our affiliate, GAIA, employ a managed volatility strategy that is intended to reduce the Fund's overall volatility and downside risk, and to help us manage the risks associated with providing certain guaranteed rider benefits under the Contract. **Use of the managed volatility strategy may impact the value of certain guaranteed rider benefits.** During rising markets, the hedging strategies employed to manage volatility could result in your Contract Value rising less than would have been the case if you had been invested in a Fund without the managed volatility strategy. In addition, the cost of these hedging strategies may negatively impact performance. The managed volatility strategy may also suppress the value of the guaranteed rider benefits that are eligible for periodic benefit resets because your benefit base is available for resets only when your Contract Value is higher than your benefit base. On the other hand, investing in Funds with the managed volatility strategy may be helpful in a declining market with higher market volatility because the hedging strategy will reduce your equity exposure in such circumstances. In such cases, your Contract Value may decline less than would have been the case if you had not invested in Funds with the managed volatility strategy. Funds that employ a managed volatility strategy are identified in Appendix C.

In making your investment decisions, we encourage you to thoroughly investigate all the information regarding the Funds that are available to you, including the Fund's investment objectives, risks and expenses. The prospectus for each Fund contains this and other important information about each Fund and should be read carefully before investing. To obtain a copy of the Fund prospectuses, you may call us at 1-866-645-2449. After selecting Funds for your initial premium payment, you should monitor and periodically re-evaluate your allocations to determine if they are still appropriate.

**You bear the risk of any decline in the cash value of your Contract resulting from the performance of the Funds you have chosen.**

**Mixed and Shared Funding** — Fund shares may be sold to our insurance company affiliates or other unaffiliated insurance companies to serve as an underlying investment for variable annuity contracts and variable life insurance policies, pursuant to a practice known as mixed and shared funding. As a result, there is a possibility that a material conflict may arise between the interests of Owners, and other Owner's investing in these Funds. If a material conflict arises, we will consider what action may be appropriate, including removing the Fund from the Separate Account or replacing the Fund with another underlying Fund.

**Voting Rights** — We are the legal owners of all Fund shares held in the Separate Account and we have the right to vote at the Funds' shareholder meetings. To the extent required by federal securities laws or regulations, we will:

- notify you of any Fund shareholders' meeting if the shares held for your Contract may be voted;
- send proxy materials and a form of instructions that you can use to tell us how to vote the Fund shares held for your Contract;
- arrange for the handling and tallying of proxies received from Owners;
- vote all Fund shares attributable to your Contract according to instructions received from you;
- vote all Fund shares for which no voting instructions are received in the same proportion as shares for which instructions have been received; which could result in the vote of a small number of Owners determining the outcome of a matter subject to a shareholder vote; and
- proportionately vote any shares held by the Company and its affiliates.

If any federal securities laws or regulations, or their present interpretation, change to permit us to vote Fund shares on our own, we may decide to do so. You may attend any shareholder meeting at which Fund shares held for your Contract may be voted. As a result of proportional voting, a small number of Owners could determine the outcome of a proposition subject to shareholder vote.

**Substitutions, Additions, or Deletions of Funds** — Subject to any applicable law, we may make certain changes to the Funds offered under your Contract. We may, at our discretion, establish new Funds. New Funds may be made available to existing Owners as we deem appropriate. We may also close one or more Funds to additional Premium Payments or transfers from existing Funds. We may liquidate one or more Sub-Accounts if the board of directors of any Fund determines that such actions are prudent. Unless otherwise directed, investment instructions will be automatically updated to reflect the Fund surviving after any merger, substitution or liquidation.

We may eliminate the shares of any of the Funds from the Contract for any reason and we may substitute shares of another registered investment company for the shares of any Fund already purchased or to be purchased in the future by the Separate Account. To the extent required by the 1940 Act, substitutions of shares attributable to your interest in a Fund will not be made until we have the approval of the SEC, and we have notified you of the change.

In the event of any substitution or change, we may, by appropriate endorsement, make any changes in the Contract necessary or appropriate to reflect the substitution or change. If we decide that it is in the best interest of the Owners, the Separate Account may be operated as a management company under the 1940 Act or any other form permitted by law, may be de-registered under the 1940 Act in the event such registration is no longer required, or may be combined with one or more other Separate Accounts.

**Fees and Payments We Receive from Funds and related parties** — We and/or our affiliates may receive substantial fees and payments directly or indirectly from the Funds, their advisers, sub-advisers, distributors or affiliates thereof, in connection with certain administrative, marketing and other support services we and/or our affiliates provide and expenses we incur in offering and selling our variable annuity contracts. These arrangements are sometimes referred to as “revenue sharing.” We consider these fees and payments, among a number of facts, when deciding to include a Fund that we offer through the Contract. All of the Funds that are offered through your Contract make payments to us or an affiliate. We receive these payments and fees under agreements between us and a Fund’s principal underwriter, transfer agent, investment adviser and/or other entities related to the Funds in amounts up to 0.50% of assets invested in a Fund. These fees and payments may include asset-based sales compensation and service fees under distribution charges and/or servicing plans adopted by Funds pursuant to Rule 12b-1 under the Investment Company Act of 1940. These fees and payments may also include administrative service fees and additional payments, expense reimbursements and other compensation from the investment advisers, sub-advisers, administrator and/or distributions (or affiliates thereof) of the Funds. Such payments are derived, in whole or in part, from the profits that the investment adviser or sub-adviser realized on the advisory fee deducted from Fund assets. Contract owners, through their indirect investment in the Funds, bear the costs of these advisory fees (see the prospectuses for the Funds for more information). The amount of the payments we and our affiliates receive is generally based on a percentage of the assets of the particular Funds attributable to the Contract and to certain other variable insurance products that we and our affiliates issue. We expect to make a profit on the amount of the fees and payments that exceed our own expenses, including our expenses of payment of compensation to broker-dealers, financial institutions and other persons for selling the Contracts.

The availability of these types of arrangements creates an incentive for us to seek and offer Funds (and classes of shares of such Funds) that pay us revenue sharing. Other Funds (or available classes of shares) may have lower fees and better overall investment performance. As of December 31, 2016, we have entered into arrangements to receive Administrative Service and/or 12b-1 fees from each of the following Fund complexes (or their distributor or affiliated entities): American Century Investment Services, Inc.; American Funds Distributors, Inc.; BlackRock Advisors, LLC; Calvert Investments, Inc.; Franklin Templeton Services, LLC; Global Atlantic Investment Advisors, LLC; Goldman Sachs & Co.; Hartford Funds Management Company, LLC; Hartford Investment Management Company; Huntington Asset Advisors; Invesco Advisers Inc.; Ivy Funds Distributor, Inc.; Lord Abbett Series Fund, Inc.; MFS Fund Distributors, Inc.; Pacific Investment Management Company, LLC; Putnam Retail Management Limited Partnership; Rational Advisors, Inc.; and Valmark Advisers, Inc.

Not all Fund complexes pay the same amount of fees and compensation to us and not all Funds pay according to the same formula. Because of this, the amount of fees and payments received by us varies by Fund and we may receive greater or less fees and payments depending on the Funds you select. Revenue sharing and Rule 12b-1 fees did not exceed 0.50% and 0.50%, respectively and 0.50% in total in 2016 and are not expected to exceed 0.50% and 0.50%, respectively, and 0.50% in total of the annual percentage of the average daily net assets (For instance, assuming that you invested an average balance of \$10,000 in a Fund that pays us maximum fees, we would collect a total of \$50 from that Fund.) For the fiscal year ended December 31, 2016, revenue sharing payments and 12b-1 fees did not collectively exceed approximately \$13,200,000. These fees do not take into account indirect benefits we received by offering FVIT Funds as investment options.

We are affiliated with Forethought Variable Insurance Trust because of our affiliation with its investment adviser Global Atlantic Investment Advisors, LLC. In addition to investment advisory fees, we receive fees to provide, among other things, administrative, processing, accounting and shareholder services for the Forethought Funds.

### **Fixed Account**

**Interests in the Fixed Account are not registered under the 1933 Act and the Fixed Account is not registered as an investment company under the 1940 Act. Accordingly, neither the Fixed Account nor any of its interests are subject to the provisions or restrictions of the 1933 Act or the 1940 Act. Nonetheless, disclosure about the Fixed Account is subject to certain generally applicable provisions of the federal securities laws regarding the accuracy and completeness of disclosures. The Fixed Account is available on all B Share Contracts. The Fixed Account is only available in C Share contracts if the Daily +5 or Daily 7 Withdrawal Benefit is also elected. If you elect the Daily +5 or Daily 7 Withdrawal Benefit with your C Share contract and your rider terminates, additional Premium Payment allocations to and transfers into the Fixed Account will not be permitted; however, any funds invested in the Fixed Account will be allowed to remain invested until withdrawn or transferred out. The Fixed Account is only available with the Maximum Daily Value III and Return of Premium III Death Benefits if the Daily +5 or Daily 7 Withdrawal Benefit is also elected. If you have elected an Optional Benefit, please see the relevant Investment Restrictions in Appendix D, which may require investment in the Fixed Account.**

Please also see “General Account” earlier in this section for additional information regarding the Fixed Account.

We guarantee that we will credit interest to amounts you allocate to the Fixed Account at a minimum rate that meets your State’s minimum non-forfeiture requirements. Non-forfeiture rates vary from state-to-state. We may credit a rate higher than the minimum rate. We reserve the right to declare different rates of interest depending on when amounts are allocated or transferred to the Fixed Account. This means that amounts at any designated time may be credited with a different rate of interest than the rate previously credited to such

amounts and to amounts allocated or transferred at any other designated time. For the current Fixed Account interest rates, contact your Financial Intermediary. There is no specific formula for determining interest rates and, except as specifically stated above, no assurances are offered as to future rates in excess of non-forfeiture rates. Some of the factors that we may consider in determining whether to credit interest are: general economic trends, rates of return currently available for the types of investments and durations that match our liabilities and anticipated yields on our investments, regulatory and tax requirements, and competitive factors. Fixed Account interest rates may vary by State. You may call us for information on current interest rates.

We will account for any deductions, Surrenders or transfers from the Fixed Account on a first-in, first-out basis (i.e., oldest investments will be liquidated first).

**Any interest credited to amounts you allocate to the Fixed Account in excess of the minimum guaranteed interest rate will be determined at our sole discretion. You assume the risk that interest credited to the Fixed Account may not exceed the minimum guaranteed interest rate for any given year. While we do not charge a separate fee for investing in the Fixed Account, our expenses associated with offering this feature are factored into the Fixed Account credited rates.**

We may, at our discretion, restrict your ability to allocate Contract Value or Premium Payments to the Fixed Account. We will also prohibit allocations to the Fixed Account from transfers out of the Fixed Account as described below even in the event of interest rate declines. We may close the Fixed Account to new Premium Payments or transfers of existing Contract Value.

Except as otherwise provided, during each Contract Year, you may make transfers out of the Fixed Account to Sub-Accounts, subject to the transfer restrictions discussed below. All transfer allocations must be in whole numbers (e.g., 1%). Each Contract Year you may transfer the greater of:

- 30% of the Contract Value in the Fixed Account as of the last Contract Anniversary. When we calculate the 30%, we add Premium Payments allocated to the Fixed Account, and transfers from Sub-Accounts made after that date, but before the next Contract Anniversary to the Contract Value in the Fixed Account. These restrictions also apply to systematic transfers. The 30% does not include Contract Value in any DCA Plus Fixed Account; or
- an amount equal to your largest previous transfer from the Fixed Account in any one Contract Year.

If you have elected an Optional Benefit with Investment Restrictions that require allocation to the Fixed Account, you may not transfer any amount into or out of the Fixed Account.

We apply these restrictions to all transfers from the Fixed Account, including all systematic transfers and Dollar Cost Averaging Programs, except for transfers under our DCA Plus Fixed Account.

Except where investment in the Fixed Account is a required Optional Benefit Investment Restriction, if your interest rate renews at a rate more than 1% lower than your prior interest rate, you may transfer any amount up to 100% of the amount to be invested at the renewal rate. You must make this transfer request within sixty days of being notified of the renewal rate.

We may defer Surrenders and Partial Withdrawals (including transfers to Sub-Accounts) from the Fixed Account for up to six months from the date of your request. We may not defer payments of Death Benefit proceeds from the Fixed Account.

You must wait six months after your most recent transfer from the Fixed Account before moving Sub-Account Values back to the Fixed Account. If you make systematic transfers from the Fixed Account under a Dollar Cost Averaging Program or DCA Plus Fixed Account, you must wait six months after your last systematic transfer before moving Contract Value back to the Fixed Account.

As a result of these limitations, it may take a significant amount of time (i.e., several years) to move Contract Value in the Fixed Account to Sub-Accounts; therefore this may not provide an effective short term defensive strategy.

## 4. Information on your Account

### a. Purchasing a Contract

#### Who can buy this Contract?

The Contract is an individual tax-deferred variable annuity Contract. It is designed for retirement planning purposes and may be purchased by any individual, group or trust, including individual retirement annuities adopted according to Section 408 of the Code.

In addition, individuals and trusts can also purchase Contracts that are not part of a tax qualified retirement plan. These are known as non-qualified Contracts.

If you are purchasing the Contract for use in an IRA or other qualified retirement plan, you should consider other features of the Contract besides tax deferral, since any investment vehicle used within an IRA or other qualified Plan receives tax-deferred treatment under the Code.

We do not accept any incoming 403(b) exchanges, transfers or applications for 403(b) individual annuity contracts or additional investments into any individual annuity contract funded through a 403(b) plan.

We do not accept any retirement plans qualified under Sections 401(a) and 403(a) of the Code or employee pension plans established for employees by a state, a political subdivision of a state, or an agency of either a state or a political subdivision of a state, or certain eligible deferred compensation plans as defined in Section 457 of the Code.

### **How do you purchase a Contract?**

You may only purchase a Contract through a broker-dealer. A Financial Intermediary will work with you to complete and submit an application or an order request form. Part of this process will include an assessment as to whether this variable annuity may be suitable for you. Prior to recommending the purchase or exchange of a deferred variable annuity, your Financial Intermediary will make reasonable efforts to obtain certain information about you and your investment needs. This recommendation will be independently reviewed by a principal within your broker-dealer. Your initial Premium Payment will not be invested in any Account during this period.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When you open an account, your Financial Intermediary will ask for your name, address, date of birth and other information that will allow us to identify you. They may also ask to see your driver's license or other identifying documents.

The minimum initial Premium Payment required to buy this Contract varies based on the type of investment, Contract share class and whether you enroll in a systematic investment Program such as the InvestEase® Program. Broker-dealers may impose requirements regarding the form of payment they will accept. Premium Payments not actually received by us within the time period provided below will result in the rejection of your application or order request.

Premium Payments sent to us must be made in U.S. dollars and checks must be drawn on U.S. banks. We do not accept cash, third party checks or double endorsed checks. We reserve the right to limit the number of checks processed at one time. If your check does not clear, your purchase will be cancelled and you could be liable for any losses or fees incurred. A check must clear our account through our Annuity Service Center to be considered to be In Good Order.

Anyone who wishes to purchase a Contract with Premium Payments of \$1 million or more must receive our approval before the purchase. We reserve the right to impose special conditions on anyone requesting this approval. In order to request prior approval, you must submit a completed enhanced due diligence form prior to the submission of your application:

- if you are seeking to purchase a Contract with an initial Premium Payment of \$1 million or more; and
- if total Premium Payments, aggregated by social security number or taxpayer identification number, equal \$1 million or more.

In addition to this restriction on initial Premium Payments, we may also restrict or require approval of subsequent Premium Payments if (1) the subsequent Premium Payment would result in your total Premium Payments equaling or exceeding \$1 million, (2) the subsequent Premium Payment would result in your total Premium Payments exceeding 150% of your initial premium or (3) any time after the first Contract Year if you have elected any Optional Benefits. We do not currently enforce the right to approve subsequent Premium Payments, except where a subsequent Premium Payment would result in your total Premium Payments equaling or exceeding \$1 million. We do not permit additional Premium Payments after the first Contract Year if you have elected the liquidity feature. In the future, we may expand the circumstances under which we restrict or require prior approval of subsequent Premium Payments. There are a variety of factors that could influence our decision to prohibit or restrict subsequent Premium Payments, for example, we could do so in the event of a market disturbance. Any action we take with respect to subsequent Premium Payment restriction or approval will be done following giving notice to you and on a non-discriminatory basis.

The Owner(s), or Annuitant in the case of a non-natural Owner, must not be older than age 80 on the date that your Contract application is received, In Good Order, in our Annuity Service Center. You must be of minimum legal age in the state where the Contract is being purchased or a guardian must act on your behalf. Optional Benefits are subject to additional maximum issue age restrictions.

The ForeRetirement IV Variable Annuity is available in two share classes, which each have different fees and charges as described in this prospectus. We urge you to discuss with your Financial Intermediary which share class is suitable for your needs. Share class availability and/or mortality and expense risk charge arrangements may vary based on the Financial Intermediary selling this variable annuity to you. Charges affect your overall rate of return on your Contract Value. In determining whether to invest in a B share or a C share Contract, or in determining whether to purchase the liquidity feature, there are several important things to consider. Investing in a B share Contract may be more appropriate for someone who does not intend to withdraw Contract Value in excess of the free withdrawal amount during the CDSC period and/or who seeks a lower cost Contract. Investing in a C share Contract may be more appropriate for someone who may want to withdraw Contract Value in excess of the free withdrawal amount in any Contract Year and is willing to pay higher charges for the life of the Contract. Purchasing the liquidity feature may be more appropriate for someone who may want to withdraw Contract



Value in excess of the free withdrawal amount starting after Contract Year 4 and is willing to pay higher charges in Contract Years 1-4. In making these determinations, you should consider whether the impact of higher Separate Account Annual Expenses and Premium Based Charges, if applicable, as well as a restriction on making Premium Payments after Contract Year 1, if applicable, outweigh the benefits of a CDSC that reduces, or is eliminated, over time. It is also important to consider the appropriateness of the need for liquidity versus having a long term investment time horizon, given the general long term nature of an annuity contract and the duration a Contract must be held in order to take full advantage of any Optional Withdrawal Benefit. Finally, in determining whether to invest in a share class offered through a broker-dealer, you should compare fees for the available share classes. You should consult your Financial Intermediary to help determine which structure is best for you.

It is important that you notify us if you change your address. If your mail is returned to us, we are likely to suspend future mailings until an updated address is obtained. This may include suspending mailings of a Systematic Withdrawal Program and other payments. In addition, we may rely on a third party, including the US Postal Service, to update your current address. Failure to give us a current address may result in payments due and payable on your annuity contract being considered abandoned property under state law, and remitted to the applicable state.

Every state has unclaimed property laws which generally deem the Contract to be abandoned after a period of inactivity of three to five years from the Contract's maturity date or date the Death Benefit is due and payable. For example, if the payment of a Death Benefit has been triggered, but, if after a thorough search, we are still unable to locate the Beneficiary, or if the Beneficiary does not come forward to claim the Death Benefit in a timely manner, the Death Benefit will be paid to the abandoned property division or unclaimed property office of the state in which you or the Beneficiary last resided, as shown in records, or to our state of domicile. This "escheatment" is revocable, however, and the state is obligated to pay the Beneficiary if he or she presents the proper documentation to the state. To prevent such escheatment, it is important that you update your Beneficiary designations, including full names and complete addresses, if and as they change.

#### **Can you cancel your Contract after you purchase it?**

Yes, under the Right to Examine and Return this Contract provision of your Contract. If for any reason you are not satisfied with your Contract, simply return it within 10 days after you receive it if the Contract is not a replacement, or 30 days after you receive it if the Contract is a replacement, with a written request for cancellation that indicates your tax-withholding instructions. In some states, you may be allowed more or less time to cancel your Contract (please refer to section 7.b. State Variations). We may require additional information, including a signature guarantee, before we can cancel your Contract.

Unless otherwise required by state law, we will pay you your Contract Value (refunding applicable expenses) as of the Valuation Day we receive your properly completed request to cancel (In Good Order) and will refund any sales or Contract charges deducted from the Premiums or imposed under the Contract during the period you owned the Contract. The Contract Value may be more or less than your Premium Payments depending upon the investment performance of your Contract. This means that you bear the risk of any decline in your Contract Value until we receive your notice of cancellation at our Annuity Service Center. In certain states, however, we are required to return your Premium Payment without deduction for any fees, charges or market fluctuations (please refer to section 7.b. State Variations).

#### **How are Premium Payments applied to your Contract?**

Your initial Premium Payment will usually be invested within two Valuation Days of our receipt at our Annuity Service Center of both a properly completed application or order request and the Premium Payment, both being In Good Order. The election of any Optional Benefits may result in the imposition of Investment Restrictions, as described in Sections 5 and 6. If we receive a subsequent Premium Payment before the end of a Valuation Day, it will be invested on the same Valuation Day. If we receive your subsequent Premium Payment after the end of a Valuation Day, it will be invested on the next Valuation Day. If we receive a subsequent Premium Payment on a Non-Valuation Day, the amount will be invested on the next Valuation Day. Unless we receive new instructions, we will invest all Premium Payments based on your last instructions on record. We will send you a confirmation when we invest your Premium Payment. Our approval is required for any Premium Payment if the aggregate of all Premium Payments received from you under this Contract exceeds 150% of the initial Premium. The election of any Optional Benefits including the liquidity feature may also limit your ability to make additional Premium Payments or the investment allocation of subsequent Premium Payments, as described in the sections of this prospectus explaining those riders. A limitation on additional Premium Payments means that you would not be able to increase your benefits under the Contract or Optional Benefits (such as Lifetime Annual Payments or Death Benefits) by making additional deposits into the Contract.

If the request or other information accompanying the initial Premium Payment is incomplete or not In Good Order when received, we will hold the money in a non-interest bearing account for up to five Valuation Days (from the Valuation Day that we actually receive your initial Premium Payment at our Annuity Service Center) while we try to obtain complete information. If we cannot obtain the information within five Valuation Days, we will either return the Premium Payment and explain why it could not be processed or keep the Premium Payment if you authorize us to keep it until you provide the necessary information.

Generally, we will receive your application or order request (whether for an initial purchase or a subsequent investment) after your broker-dealer has completed a suitability review. We will then consider if your investment is In Good Order. While the good order process is underway, Premium Payments will not be applied to your Contract. You will not earn any interest on Premium Payments even if they have been sent to us or deposited into our bank account. We are not responsible for gains or lost investment opportunities incurred during this review period or if your broker-dealer asks us to reverse a transaction based on their review of your Financial Intermediary's recommendations. We, and the firm that sold this Contract to you, may directly or indirectly earn income on your Premium Payments. For more information, contact your Financial Intermediary.

### **Can we aggregate Contracts?**

For purposes of our approval of any Premium Payment, we may aggregate all Premium Payments received from you under all contracts issued by us or by our affiliates.

### **How is Contract Value calculated before the Annuity Commencement Date?**

The Contract Value is the sum of the value of the Fixed Account, if applicable, and all Funds, and does not include any Withdrawal Base associated with an Optional Benefit. There are two things that affect the value of your Sub-Accounts: (1) the number of Accumulation Units, and (2) the Accumulation Unit Value. Contract Value is determined by multiplying the number of Accumulation Units by the Accumulation Unit Value. On any Valuation Day the investment performance of the Sub-Accounts will fluctuate with the performance of the Funds.

When Premium Payments are credited to Sub-Accounts within your Account, they are converted into Accumulation Units by dividing the amount of your Premium Payments, minus any Premium taxes (if applicable), by the Accumulation Unit Value for that day. The more Premium Payments you make to your Account, the more Accumulation Units you will own. You decrease the number of Accumulation Units you have by requesting Partial Withdrawals or full Surrenders, settling a Death Benefit claim or by annuitizing your Contract or as a result of the application of certain Contract charges.

To determine the current Accumulation Unit Value, we take the prior Valuation Day's Accumulation Unit Value and multiply it by the Net Investment Factor for the current Valuation Day.

The Net Investment Factor is used to measure the investment performance of a Sub-Account from one Valuation Day to the next. The Net Investment Factor for each Sub-Account equals:

- the net asset value per share plus applicable distributions per share of each Fund at the end of the current Valuation Day; divided by
- the net asset value per share of each Fund at the end of the prior Valuation Day; reduced by
- Contract charges including the deductions for the mortality and expense risk charge and any other periodic expenses and administrative charges including Fund Facilitation Fees, if applicable, divided by the number of days in the year multiplied by the number of days in the Valuation Period.

We will send you a statement at least annually.

### **What other ways can you invest?**

You may enroll in the following features (sometimes called a "Program") for no additional fee. Not all Programs are available with all Contract share classes. Certain programs may not be available if you have elected certain Optional Benefits.

#### **InvestEase**

This electronic Funds transfer feature allows you to have money automatically transferred from your checking or savings account and deposited into your Contract on a monthly or quarterly basis. It can be changed or discontinued at any time. The minimum amount for each transfer is \$50. You can elect to have transfers made into any available Fund, or the Fixed Account. You cannot use this Program to invest in the DCA Plus Fixed Account.

#### **Asset Rebalancing**

In asset rebalancing, you select a portfolio of Funds, and we will rebalance your assets at the specified frequency to reflect the original allocation percentages you selected (choice of frequency may be limited when certain Optional Benefits are elected). You can also combine this Program with others such as the Systematic Withdrawal Program, InvestEase® and DCA Programs (subject to restrictions). You may designate only one set of asset allocation instructions at a time.

#### **Dollar Cost Averaging Programs**

Dollar Cost Averaging is a program that allows you to systematically make transfers into Funds over a period of time. Since the transfer into Funds occurs at regularly scheduled intervals, regardless of price fluctuations, you may ultimately have an average cost per share that is lower. We offer three Dollar Cost Averaging Programs:

- DCA Plus

- Fixed Amount DCA
- Earnings/Interest DCA

**DCA Plus** — This program allows you to earn a fixed rate of interest on investments and is different from the Fixed Account. We determine, at our discretion, the interest rates to be credited. These interest rates may vary depending on the date the request for the Program is received. Please consult your Financial Intermediary to determine the interest rate for your Program. DCA Plus may not be available for all Contract share classes.

You may elect either the “12-Month Transfer Program” or the “6-Month Transfer Program”.

- Under the 12-Month Transfer Program, new Premium Payments will be credited with an interest rate that will not change for twelve months. You must transfer these investments into available Funds (and not the Fixed Account) during this twelve month period. Unless otherwise depleted, all then remaining Program investments are transferred to the designated destination Funds or other instructions will be sought from you. Transfers out will occur monthly.
- Under the 6-Month Transfer Program, new Premium Payments will be credited with an interest rate that will not change for six months. You must transfer these investments into available Funds (and not the Fixed Account) during this six month period. Unless otherwise depleted, all then remaining Program investments are transferred to the designated destination Funds or other instructions will be sought from you. Transfers out will occur monthly.
- Each time you make a subsequent Premium Payment, you can invest in a different rate lock program. Any subsequent investments made are considered a separate rate lock Program investment. You can invest in up to five different rate lock Programs at one time.
- You must invest at least \$5,000 in each rate lock program (\$2,000 for IRAs). We will pre-authorize Program investment transfers subject to restrictions.
- Pre-authorized transfers will begin within fifteen days of receipt of the Program payment provided we receive complete enrollment instructions In Good Order.
- If a DCA Plus Fixed Account payment is received without enrollment instructions and a DCA Plus Fixed Account is active on the Contract, we will set up the new Program to mirror the existing one. If a DCA Plus Fixed Account payment is received without enrollment instructions and a DCA Plus Fixed Account is not active on the Contract, but if the future investment allocations are active on the Contract, we will set up the new Program to move Funds to the future investment allocations. Otherwise, we will contact your Financial Intermediary to obtain complete instructions. If we do not receive In Good Order enrollment instructions we will refund the payment for further instruction.
- If your Program payment is less than the required minimum to commence the Program, we will invest into the destination Funds indicated on the Program instructions accompanying the payment. If Program instructions were not provided and a DCA Plus Fixed Account is active on the Contract, we will apply the payment to the destination Funds of the current DCA Plus Fixed Account. Otherwise, we will contact your Financial Intermediary to obtain further investment instructions.
- The interest credited under the DCA Plus Fixed Account is not earned on the full amount of your Premium Payment for the entire length of the Program. Program transfers to Sub-Accounts decrease the amount of your Premium Payment remaining in the Program.
- You may elect to terminate your involvement in this Program at any time. Upon cancellation, all the amounts remaining in the Program will be immediately transferred to the Funds you designated.

**Fixed Amount DCA** — This feature allows you to regularly transfer (monthly or quarterly) a fixed amount from the Fixed Account (if available based on the Contract and/or rider selected) or any Fund(s) into different Fund(s). This program begins fifteen days following our receipt of your instructions to enroll in the feature unless you instruct us otherwise. You must make at least three transfers in order to remain in this Program.

**Earnings/Interest DCA** — This feature allows you to regularly transfer (monthly or quarterly) the earnings (i.e., any gains over the previous month’s or quarter’s value) from your investment in the Fixed Account (if available based on the form of Contract selected) or any Fund(s) into other Fund(s). This program begins two business days following our receipt of your instructions to enroll in the feature plus the frequency selected unless you instruct us otherwise. You must make at least three transfers in order to remain in this Program.

### **Systematic Withdrawal Program**

This systematic withdrawal feature allows you to make Partial Withdrawals. You can designate the Funds to be withdrawn from and also choose the frequency of Partial Withdrawals (monthly, quarterly, semiannual, or annually). If you select a monthly frequency, you must receive payment through electronic transfer. The minimum amount of each Partial Withdrawal is \$100. Amounts taken under this Program will count towards the Free Withdrawal Amount (FWA) and may be subject to a CDSC. For more information on the FWA, please see Section 4.b and the Glossary in Section 8. Amounts received prior to age 59½, may have adverse tax consequences, including a 10%



federal income tax penalty on the taxable portion of the withdrawal payment. You may be able to satisfy Code Section 72(t)/(q) requirements by enrolling in this Program. Please see the Federal Tax Considerations section and consult your tax adviser for information about the tax consequences associated with your Contract. Your level of participation in this Program may result in your exceeding permissible withdrawal limits under certain Optional Benefits.

### **What other Program considerations are there?**

- You may terminate your enrollment in any Program at any time.
- We may discontinue, modify or amend any of these Programs at any time. Your enrollment authorizes us to automatically and unilaterally amend your enrollment instructions if:
  - any Fund is merged or substituted into another Fund — then your allocations will be directed to the surviving Fund; or
  - any Fund is liquidated — then your allocations to that Fund will be directed to any available money market Fund following prior notifications prior to reallocation.
  - any Fund closure to new allocations — your enrollment in DCA will discontinue and you will need to provide us with new instructions.

You may always provide us with updated instructions following any of these events.

- Continuous or periodic investment neither insures a profit nor protects against a loss in declining markets. Because these Programs involve continuous investing regardless of fluctuating price levels, you should carefully consider your ability to continue investing through periods of fluctuating prices.
- All Optional Benefit riders have different withdrawal limitations. Breaking these limits can have a significant adverse effect on your rights and future benefits. Participation in a Systematic Withdrawal Program may cause you to break these limits.
- These Programs may be modified, terminated or adversely impacted by the imposition of Fund trading policies.

### **Can you transfer from one Sub-Account to another?**

Yes. During those phases of your Contract when transfers are permissible, you may make transfers between Funds according to the following policies and procedures, as they may be amended from time to time.

### **What is a Sub-Account Transfer?**

A Sub-Account transfer is a transaction requested by you that involves reallocating part or all of your Contract Value among the Funds available in your Contract. Your transfer request will be processed at the net asset value of each Fund share as of the end of the Valuation Day that it is received In Good Order. Otherwise, your request will be processed on the following Valuation Day. We will send you a confirmation when we process your transfer. You are responsible for verifying transfer confirmations and promptly advising us of any errors within thirty days of receiving the confirmation.

### **What happens when you request a Sub-Account transfer?**

Many Owners request Sub-Account transfers. Some request transfers (purchases) into a particular Sub-Account, and others request transfers out of (redemptions) a particular Sub-Account. In addition, some Owners allocate new Premium Payments to Sub-Accounts, and others request Partial Withdrawals. We combine all the daily requests to transfer out of a Sub-Account along with all full Surrenders from that Sub-Account and determine how many shares of that Fund we would need to sell to satisfy all Owners' "transfer-out" requests. At the same time, we also combine all the daily requests to transfer into a particular Sub-Account or new Premium Payments allocated to that Sub-Account and determine how many shares of that Fund we would need to buy to satisfy all Owners' "transfer-in" requests.

We may take advantage of our size and available technology to combine sales of a particular Fund for any of the other products offered by us or our affiliates. We also combine transfer-out requests and transfer-in requests. We then "net" these trades by offsetting purchases against redemptions. Netting trades has no impact on the net asset value of the Fund shares that you purchase or sell. This means that we sometimes reallocate shares of a Fund rather than buy new shares or sell shares of the Fund.

For example, if we combine all transfer-out requests of a stock Fund with all other transfer-out requests of that Fund from all our other products, we may have to sell \$1 million dollars of that Fund on any particular day. However, if other Owners and the owners of other products offered by us, want to transfer-in an amount equal to \$300,000 of that same Fund, then we would send a sell order to the Fund for \$700,000 (a \$1 million sell order minus the purchase order of \$300,000) rather than making two or more transactions.

### **What restrictions are there on your ability to make a Sub-Account transfer?**

*First, you may make only one Sub-Account transfer request each day. We count all Sub-Account transfer activity that occurs on any one Valuation Day as one Sub-Account transfer; however, you cannot transfer the same Contract Value more than once a Valuation Day.*

**Examples**

<b>Transfer Request Per Valuation Day</b>	<b>Permissible?</b>
Transfer \$10,000 from a money market Sub-Account to a growth Sub-Account	Yes
Transfer \$10,000 from a money market Sub-Account to any number of other Sub-Accounts (dividing the \$10,000 among the other Sub-Accounts however you chose)	Yes
Transfer \$10,000 from any number of different Sub-Accounts to any number of other Sub-Accounts	Yes
Transfer \$10,000 from a money market Sub-Account to a growth Sub-Account and then, before the end of that same Valuation Day, transfer the same \$10,000 from the growth Sub-Account to an international Sub-Account	No

*Second, you are allowed to submit a total of twelve Sub-Account transfers, including reallocations, each Contract Year (the transfer rule) by internet or telephone. Once you have reached the maximum number of Sub-Account transfers, you may only submit any additional Sub-Account transfer requests and any trade cancellation requests in writing through U.S. Mail or overnight delivery service. In other words, Internet or telephone transfer requests will not be honored. We may, but are not obligated to, notify you when you are in jeopardy of approaching these limits. For example, we may send you a letter after your tenth Sub-Account transfer to remind you about the transfer rule. After your twelfth transfer request, our computer system will not allow you to do another Sub-Account transfer by telephone or via the internet. You will then be instructed to send your Sub-Account transfer request by U.S. Mail or overnight delivery service.*

We reserve the right to aggregate your Contracts (whether currently existing or those recently Surrendered) for the purposes of enforcing these restrictions.

The transfer rule does not apply to Sub-Account transfers that occur automatically as part of a company-sponsored Program, such as a Contract exchange program that may be offered by us from time to time. Reallocations made based on a Fund merger or liquidation also do not count toward this limit. Restrictions may vary based on state law.

We make no assurances that the transfer rule is or will be effective in detecting or preventing market timing.

*Third, policies have been designed to restrict excessive Sub-Account transfers.* You should not purchase this Contract if you want to make frequent Sub-Account transfers for any reason. In particular, don't purchase this Contract if you plan to engage in "market timing," which includes frequent transfer activity into and out of the same Fund, or frequent Sub-Account transfers in order to exploit any inefficiencies in the pricing of a Fund. Even if you do not engage in market timing, certain restrictions may be imposed.

Generally, you are subject to Fund trading policies, if any. We are obligated to provide, at the Fund's request, tax identification numbers and other shareholder identifying information contained in our records to assist Funds in identifying any pattern or frequency of Sub-Account transfers that may violate their trading policy. In certain instances, we have agreed to serve as a Fund's agent to help monitor compliance with that Fund's trading policy.

We are obligated to follow each Fund's instructions regarding enforcement of their trading policy. Penalties for violating these policies may include, among other things, temporarily or permanently limiting or banning you from making Sub-Account transfers into a Fund or other funds within that fund complex. We are not authorized to grant an exception to a Fund's trading policy. Please refer to each Fund's prospectus for more information. Transactions that cannot be processed because of Fund trading policies will be considered not In Good Order.

In certain circumstances, Fund trading policies do not apply or may be limited. For instance:

- Certain types of broker-dealers may not be required to provide us with shareholder information.
- Excepted funds, such as money market funds and any Fund that affirmatively permits short-term trading of its securities may opt not to adopt this type of policy. This type of policy may not apply to any broker-dealer that a Fund treats as a single investor.
- A Fund can decide to exempt categories of Contract holders whose Contracts are subject to inconsistent trading restrictions or none at all.
- Non-shareholder initiated purchases or redemptions may not always be monitored. These include Sub-Account transfers that are executed: (i) automatically pursuant to a company-sponsored contractual or systematic program such as transfers of assets as a result of Dollar Cost Averaging programs, automatic rebalancing programs, Annuity Payouts, or Systematic Withdrawal Programs; (ii) as a result of the payment of a Death Benefit; (iii) as a result of any deduction of charges or fees under a Contract; or (iv) as a result of payments such as scheduled contributions, scheduled Partial Withdrawals or full Surrenders, retirement plan salary reduction contributions, or planned Premium Payments.

*Possibility of undetected abusive trading or market timing.* We may not be able to detect or prevent all abusive trading or market timing activities. For instance:

- Since we net all the purchases and redemptions for a particular Fund for this and many of our other products, transfers by any specific market timer could be inadvertently overlooked.
- Certain forms of variable annuities and types of Funds may be attractive to market timers. We cannot provide assurances that we will be capable of addressing possible abuses in a timely manner.
- These policies apply only to individuals and entities that own this Contract or have the right to make transfers (regardless of whether requests are made by you or anyone else acting on your behalf). However, the Funds that make up the Sub-Accounts of this Contract are also available for use with many different variable life insurance policies, variable annuity products and funding agreements, and are offered directly to certain qualified retirement plans. Some of these products and plans may have less restrictive transfer rules or no transfer restrictions at all.
- In some cases, we are unable to count the number of Sub-Account transfers requested by group annuity participants co-investing in the same Funds (participants) or enforce the transfer rule because we do not keep participants' account records for a Contract. In those cases, the participant account records and participant Sub-Account transfer information are kept by such owners or its third party service provider. These owners and third party service providers may provide us with limited information or no information at all regarding participant Sub-Account transfers.

### **How are you affected by frequent Sub-Account Transfers?**

We are not responsible for losses or lost investment opportunities associated with the effectuation of these policies. Frequent Sub-Account transfers may result in the dilution of the value of the outstanding securities issued by a Fund as a result of increased transaction costs and lost investment opportunities typically associated with maintaining greater cash positions. This can adversely impact Fund performance and, as a result, the performance of your Contract Value. This may also lower the Death Benefit paid to your Beneficiary or lower Annuity Payouts for your Payee as well as reduce the value of other Optional Benefits available under your Contract.

Separate Account investors could be prevented from purchasing Fund shares if we reach an impasse on the execution of a Fund's trading instructions. In other words, a Fund complex could refuse to allow new purchases of shares by all our variable product investors if the Fund and we cannot reach a mutually acceptable agreement on how to treat an investor who, in a Fund's opinion, has violated the Fund's trading policy.

In some cases, we do not have the tax identification number or other identifying information requested by a Fund in our records. In those cases, we rely on the Owner to provide the information. If the Owner does not provide the information, we may be directed by the Fund to restrict the Owner from further purchases of Fund shares. In those cases, all participants under a plan funded by the Contract will also be precluded from further purchases of Fund shares.

### **Mail, Telephone and Internet Transfers**

You may make transfers through the mail or through your Financial Intermediary. You may also make transfers by calling us or through our website. Transfer instructions received by telephone before the end of any Valuation Day will be carried out at the end of that day. Otherwise, the instructions will be carried out at the end of the next Valuation Day.

Transfer instructions you send electronically are considered to be received by us at the time and date stated on the electronic acknowledgement we return to you. If the time and date indicated on the acknowledgement is before the end of any Valuation Day, the instructions will be carried out at the end of that Valuation Day. Otherwise, the instructions will be carried out at the end of the next Valuation Day. If you do not receive an electronic acknowledgement, you should contact us as soon as possible.

We will send you a confirmation when we process your transfer. You are responsible for verifying transfer confirmations and promptly reporting any inaccuracy or discrepancy to us and your Financial Intermediary. Any verbal communication should be re-confirmed in writing.

Telephone or Internet transfer requests may currently only be cancelled by calling us before the end of the Valuation Day you made the transfer request.

We, our agents or our affiliates are not responsible for losses resulting from telephone or electronic requests that we believe are genuine. We will use reasonable procedures to confirm that instructions received by telephone or through our website are genuine, including a requirement that Owners provide certain identification information, including a personal identification number. We record all telephone transfer instructions. **We may suspend, modify, or terminate telephone or electronic transfer privileges at any time, for any reason.**

## Power of Attorney

You may authorize another person to conduct financial and other transactions on your behalf by submitting a completed power of attorney form that meets the power of attorney requirements of your resident state law. Once we have the completed form on file at our Annuity Service Center, we will accept transaction requests, including transfer instructions, subject to our transfer restrictions, from your designated third party until we receive new instructions in writing (and In Good Order) from you.

## b. Charges and Fees

This section describes the charges and fees that we deduct under the Contract in consideration for: (1) the services and benefits we provide; (2) the costs and expenses we incur; and (3) the risks we assume. The fees and charges deducted under the Contract may result in a profit to us.

In addition to the following charges, there are Optional Benefits that if elected, assess an additional charge. Please see Sections 5 and 6 for more information. The ForeRetirement Variable Annuity is available in multiple share classes, which each have different fees and charges as described in this prospectus. Your Financial Intermediary's commission may also differ depending upon the share class selected. You should discuss which share class is right for you with your Financial Intermediary based on the available options. Important share class considerations include, but are not limited to, your investment holding period and investment flexibility.

### Mortality and Expense Risk Charge

We deduct a daily charge for assuming mortality and expense risks under the Contract. This charge is deducted from your Sub-Account Value.

The mortality and expense risk charge is broken into charges for mortality risks and for an expense risk:

- **Mortality risk** — There are two types of mortality risks that we assume, those made while your Premium Payments are accumulating and those made once Annuity Payouts have begun.

During the accumulation phase of your Contract, we are required to cover any difference between the Death Benefit paid and the Surrender Value. These differences may occur in periods of declining value or in periods when any CDSCs would have been applicable. The risk that we bear during this period is that actual mortality rates, in aggregate, may exceed expected mortality rates.

Once Annuity Payouts have begun, we may be required to make Annuity Payouts as long as the Annuitant is living, regardless of how long the Annuitant lives. The risk that we bear during this period is that the actual mortality rates, in aggregate, may be lower than the expected mortality rates.

- **Expense risk** — We also bear an expense risk that the sales charges (if applicable), Premium Based Charge (if applicable) and the Annual Maintenance Fee collected before the Annuity Commencement Date may not be enough to cover the actual cost of selling, distributing and administering the Contract.

Annuity Payouts will **not** be affected by (a) the actual mortality experience of our Annuitants, or (b) our actual expenses if they are greater than the deductions stated in the Contract. Because we cannot be certain how long our Annuitants will live, we charge this percentage fee based on the mortality tables currently in use. The mortality and expense risk charge enables us to keep our commitments and to pay you as planned. If the mortality and expense risk charge under a Contract is insufficient to cover our actual costs, we will bear the loss. If the mortality and expense risk charge exceeds these costs, we keep the excess as profit. We may use these profits, as well as revenue sharing and Rule 12b-1 fees received from certain Funds, for any proper corporate purpose including, among other things, payment of sales expenses, including the fees paid to distributors. We expect to make a profit from the mortality and expense risk charge.

### Annual Maintenance Fee

The Annual Maintenance Fee is a flat fee that is deducted from your Contract Value to reimburse us for expenses relating to the administrative maintenance of the Contract and your Account. The annual charge is deducted on a Contract Anniversary or when the Contract is fully Surrendered if the Contract Value at either of those times is less than \$50,000. The charge is deducted proportionately from each Account in which you are invested.

We will waive the Annual Maintenance Fee if your Contract Value on your Contract Anniversary, or when you fully Surrender your Contract, is \$50,000 or more. In addition, if you have multiple Contracts with a combined Contract Value of \$100,000 or greater, we may waive the Annual Maintenance Fee on all Contracts. However, we may, but are not obligated to, limit the number of waivers to a total of six Contracts. We also may waive the Annual Maintenance Fee under certain other conditions.

### Administrative Charge

We apply a daily administrative charge against all Contract Values held in the Separate Account during both the accumulation and annuity phases of the Contract. This charge compensates us for administrative expenses that exceed revenues from the Annual Maintenance Fee

described above. There is not necessarily a relationship between the amount of administrative charge imposed on a given Contract and the amount of expenses that may be attributable to that Contract; expenses may be more or less than the charge.

### **Premium Based Charge (B Share Contracts)**

We apply a quarterly Premium Based Charge, if applicable, against all Premium Payments based on Remaining Gross Premiums. The Premium Based Charge will be assessed only with respect to Contract Value invested in Sub-Accounts and not investments in the Fixed Account. The Premium Based Charge is intended to compensate us for a portion of our expenses, including promotion and distribution of the Contract. A Premium Based Charge will be deducted upon:

1. each Quarterly Contract Anniversary; and/or
2. full Surrender.

The amount of Remaining Gross Premium used for calculating the Premium Based Charge is determined on the date of each of the above transactions.

The Premium Based Charge is not assessed on Partial Withdrawals, upon annuitization, or upon the death of the Contract Owner.

Please see Premium Based Charge Examples 1-2 in Appendix A.

If a Beneficiary elects to continue the Contract under any of the available options described under the Death Benefits section below, we will continue to deduct the Premium Based Charge, based on the portion of Remaining Gross Premium applicable for that Beneficiary. The Premium Based Charge is taken proportionally out of the Sub-Accounts.

Please see Premium Based Charge Example 2 in Appendix A for an example of how the Premium Based Charge and CDSC work together.

### **Fund Facilitation Fee**

We apply a daily fund facilitation fee to the assets in certain Sub-Accounts at the following annualized rates:

<b>Fund Name</b>	<b>Rate</b>
American Funds Insurance Series® — Managed Risk Asset Allocation Fund	0.10%
BlackRock High Yield VI. Fund	0.10%
BlackRock U.S. Government Bond VI. Fund	0.10%
Global Atlantic Franklin Dividend and Income Managed Risk Portfolio	0.05%
Global Atlantic Goldman Sachs Dynamic Trends Allocation Portfolio	0.05%
Global Atlantic Growth Managed Risk Portfolio	0.05%
Global Atlantic PIMCO Tactical Allocation Portfolio	0.10%
Global Atlantic Select Advisor Managed Risk Portfolio	0.05%
Invesco VI. Government Money Market Fund	0.10%
PIMCO Total Return Portfolio	0.15%

The Fund Facilitation Fee allows us to offer these Funds to you, even though the amounts paid to us by the Funds may not be sufficient to allow us to meet our expenses and revenue targets. While we reserve the right to increase the Fund Facilitation Fee for any of these Sub-Accounts (subject to the maximum shown in the Fee Summary), such a change will not be applied to existing Contract Owners.

### **Premium Taxes**

A deduction is also made for Premium taxes, if any, imposed on us by a state, municipality, or other governmental entity. The tax, currently ranging from 0% to 3.5% is assessed, when annuity payments begin or upon full Surrender. We will pay Premium taxes at the time imposed under applicable law. We may deduct Premium taxes at the time we pay such taxes to the applicable taxing authorities, upon full Surrender, or when annuity payments commence.

### **Sales Charges**

#### **Contingent Deferred Sales Charges (CDSC) (B Share Contracts)**

Subject to the exclusions below, we may deduct a CDSC when you make full Surrenders, Partial Withdrawals or withdraw Commuted Value of Annuity Payouts under Annuity Payout Options Three, Five or Six. This charge is designed to recover acquisition expenses that have not yet been recouped from revenue generated by your Contract. Premium Payments will be taken out on a first-in, first-out basis. This may impact whether subsequent Partial Withdrawals might be subject to a CDSC. Please see Sections 4.c. Surrenders, 4.d. Annuity Payouts, and 7.b. State Variations, for more information regarding when a CDSC may be applied.



We use the following general approach to calculating your CDSC:

- Step 1. Remaining Gross Premium not subject to CDSC that have been invested for longer than the applicable CDSC period can always be taken out free of any CDSC. The applicable CDSC period begins on the date we receive the Premium Payment. Please see Section 2 Fee Summary for a description of CDSC periods applicable to your share class.
- Step 2. If the amount of money that you wish to take out is less than your FWA (as described below), plus any amount from step 1, then this sum will also be paid to you without the imposition of a CDSC. No further steps will be applied.
- Step 3. Assuming that steps 1 and 2 do not apply because the amount of money that you wish to take out is more than your FWA and is still subject to a CDSC, then we will deduct your FWA from the amount of the money you wish to take out and then process your request using steps 4-6.
- Step 4. We will then multiply Remaining Gross Premiums still subject to CDSC by a factor. The factor is equal to the amount of money resulting from step 3 divided by the Contract Value above the available FWA. If you take a Surrender during declining market conditions, Remaining Gross Premiums will have the effect of increasing the percentage of your Contract Value that is subject to a CDSC.
- Step 5. We will then take the amount of Remaining Gross Premium resulting from step 4 and multiply it by the corresponding CDSC percentage as shown in the Fee Summary using the applicable CDSC schedule. Each Premium Payment has its own CDSC schedule regardless of whether it has been invested in the Sub-Accounts or the Fixed Account.
- Step 6. We then deduct the CDSC calculated in step 5 from the amount of money in step 3, plus FWA and pay the remaining balance to you.

These same steps are generally used when a CDSC is charged upon Annuity Payouts (as applicable under the Annuity Payout Options noted above).

Please refer to CDSC Examples 1-5 in Appendix A for further information about how these formulas will be applied.

### **Liquidity Feature (B Share Contracts)**

You may purchase the liquidity feature for an additional fee at the time you purchase your Contract. If you elect the liquidity feature, your CDSC schedule will be shortened to a 4 year schedule and will be 0% beginning in Contract Year 5. You will pay the additional fee for the first 4 Contract Years. If you elect this feature, additional Premium Payments will only be accepted during Contract Year 1. Once you purchase this feature, it cannot be revoked. Please refer to CDSC Example 6 in Appendix A for further information about reduced CDSCs. Please also see "How do you purchase a contract" in Section 4.a. for things to consider before purchasing the liquidity feature.

Liquidity feature is referred to as Liquidity Rider in your Contract.

### **The following are NOT subject to a CDSC:**

- Free Withdrawal Amount (FWA) — During a period when a CDSC may be applied, you may Surrender up to the greater of:
  - 5% of premium that would otherwise be subject to a CDSC, or
  - earnings.

We compute the FWA as of the end of the Valuation Day when a Partial Withdrawal, full Surrender or commutation request is received by us In Good Order. The full FWA is available each Contract Year; but any amount not taken in one year will not carry over the next.

You may not carry over unused portions of your FWA from one year to another.

If you elected the liquidity feature there is an additional charge in Contract Years 1-4. You will still have a CDSC applied in Contract Years 1-4. In Contract Years 5 and beyond, there will be no CDSC.

If you elect the liquidity feature you may not submit additional Premium Payments after the first Contract Year.

- Lifetime Annual Payments. See Glossary for a definition of Lifetime Annual Payments.
- If you are a patient in a certified long-term care facility or other eligible facility — CDSC will be waived for a Partial Withdrawal or full Surrender if you or the joint Owner are confined for at least 90 calendar days to a facility which: (i) provides skilled nursing care under the supervision of a physician; and (ii) has 24 hour a day nursing services by or under the supervision of a registered nurse; and (iii) keeps a daily medical record of each patient.

For this waiver to apply, you must:

- have owned the Contract continuously since it was issued,

- provide written proof of your eligibility satisfactory to us, and
- request a Partial Withdrawal or the full Surrender within ninety-one calendar days after the last day that you are an eligible patient in a recognized facility or nursing home.

This waiver is not available if the Owner or the joint Owner is in a facility or nursing home when you purchase the Contract. We will not waive any CDSC applicable to any Premium Payments made while you are in an eligible facility or nursing home. This waiver can be used any time after the first 90 days in a certified long-term care facility or other eligible facility up until 91 days after exiting such a facility. This waiver may not be available in all states (please refer to section 7.b. State Variations).

- Upon death of any Owner(s) — CDSC will be waived if any Owner(s) dies.
- Upon Annuitization — CDSC will be waived when you annuitize the Contract. However, we will charge a CDSC if the Contract is fully Surrendered or a Partial Withdrawal is taken during the CDSC period under an Annuity Payout Option which allows commutation.
- For RMDs — CDSC will be waived for any Owner age 70½ or older with a Contract held under an IRA who withdraws an amount equal to or less than the RMD for either one of the calendar years in which the Contract Year occurs, related to this Contract (excluding inherited IRAs). All requests for RMDs must be in writing.
- For substantially equal periodic payments — CDSC will be waived if you take Partial Withdrawals under the Systematic Withdrawal Program where you receive a scheduled series of substantially equal periodic payments for the greater of five years or to age 59½.
- Upon cancellation during the Right to Cancel Period — CDSC will be waived if you cancel your Contract during the Right to Cancel Period. Please refer to “Can you cancel your Contract after you purchase it?” under section 4.a. Purchasing a Contract for more information regarding the Right to Cancel period.
- Exchanges — As an accommodation, we may, at our discretion, time-credit CDSC for the time that you held an annuity previously issued by us.
- Settlements — We may, at our discretion, waive or time-credit CDSCs in connection with the settlement of disputes or if required by regulatory authorities.

### **Charges Against the Funds**

Annual fund operating expenses — The Separate Account purchases shares of the Funds at net asset value. The net asset value of the Fund reflects investment advisory fees, distribution charges, operating expenses and administrative expenses already deducted from the assets of the Funds. These charges are described in the Funds’ prospectuses, in Section 2 Fee Summary and in Appendix C.

### **Reduced Fees and Charges**

We may offer, at our discretion, reduced fees and charges for certain Contracts (including employer-sponsored savings plans) which may result in decreased costs and expenses. We will not permit a reduction or elimination of charges where it would be unfairly discriminatory.

## **c. Surrenders and Partial Withdrawals**

### **What kinds of full Surrenders and Partial Withdrawals are available?**

#### **Before the Annuity Commencement Date:**

Full Surrenders/Contract Termination — When you fully Surrender or terminate your Contract before the Annuity Commencement Date, the Surrender Value of the Contract will be made in a lump sum payment. The Surrender Value is the Contract Value minus any applicable Premium taxes, CDSCs, a pro-rated portion of Optional Benefit charges, if applicable, a prorated portion of Premium Based Charges, if applicable, and the Annual Maintenance Fee. The Surrender Value may be more or less than the amount of the Premium Payments made to a Contract.

Partial Withdrawals — You may request a Partial Withdrawal of Contract Value at any time before the Annuity Commencement Date. We will deduct any applicable CDSC. You can request that we deduct this charge in either of two ways. One option, a gross withdrawal, is to deduct the CDSC from the amount that you request. The other option, a net of charges withdrawal, is to fully Surrender an amount of Contract Value greater than what you requested, but after the deduction of CDSC will result in payment to you of the amount you requested. Because the net of charges withdrawal will Surrender a greater amount of Contract Value, your CDSC may be greater under this method. Our default option is a gross withdrawal. Please see CDSC Examples 1-5 in Appendix A.

Partial Withdrawals of Contract Value are taken proportionally out of the Sub-Accounts and the Fixed Account, including the DCA Plus Fixed Account, unless you direct us otherwise (this may be limited to pro-rata Surrenders if Optional Benefits are elected).

There are several restrictions on Partial Withdrawals of Contract Value before the Annuity Commencement Date:

- the Partial Withdrawal of Contract Value must be at least equal to \$500, and

- your Contract Value following the Partial Withdrawal must be equal to or greater than the Minimum Contract Value set forth in your Contract. The Minimum Contract Value refers to the minimum Contract Value that you must maintain within this Contract. **If you fail to comply, we reserve the right to fully terminate your Contract.** The Contract Minimum Value varies by Contract share class and may also vary if you have elected certain Optional Benefits. Currently the Minimum Contract Value for Class B and C shares is \$2,500. We may increase this minimum from time to time, but in no event shall the minimum exceed \$10,000 and in many states, cannot be increased after your Contract is issued (please refer to section 7.b. State Variations). Please see “What effect do Partial Withdrawals or full Surrenders have on your benefits” under Optional Withdrawal Benefits for a description of the effect of Partial Withdrawals and the Minimum Contract Value when you elect this rider.

Partial Withdrawals will reduce your Standard Death Benefit on a dollar-for-dollar basis. Please see the sections of this prospectus describing optional Death Benefit riders for a description of how Partial Withdrawals affect benefits under those riders.

Please consult with your Financial Intermediary to be sure that you fully understand the ways a Partial Withdrawal will affect your Contract.

#### **After the Annuity Commencement Date:**

**Full Surrenders/Contract Termination** — You may fully Surrender or terminate your Contract on or after the Annuity Commencement Date only if you selected Annuity Payout Options Three, Five, or Six. **In the event you terminate your Contract after electing Annuity Payout Option Three or Five you will forfeit the life contingent payments payable under these options.** Upon Contract termination, we pay you the Commuted Value, minus any applicable CDSCs and any applicable Premium Tax.

**Partial Withdrawals** — Partial Withdrawals are permitted after the Annuity Commencement Date if you select Annuity Payout Option Three, Five, or Six. Upon Partial Withdrawal we will pay you the Commuted Value minus any applicable CDSC.

Not all Annuity Payout Options may be available if the Contract is issued to qualify under Code Section 408.

#### **What is the Commuted Value?**

You may choose to accelerate Annuity Payouts under certain Annuity Payout Options to be received in one lump sum. This is referred to as commuting your Annuity Payout.

The amount that you request to commute must be at least equal to \$500. There will be a waiting period of at least thirty days for payment of any lump sum commutation.

Commuted Value is determined on the day we receive your written request.

#### **How do you request a Partial Withdrawal or full Surrender?**

Requests for full Surrenders terminating your Contract must be in writing. Requests for Partial Withdrawals can be made in writing or by telephone. We will send your money within seven days of receiving complete instructions. However, we may postpone payment whenever: (a) the New York Stock Exchange is closed, (b) trading on the New York Stock Exchange is restricted by the SEC, (c) the SEC permits and orders postponement or (d) the SEC determines that an emergency exists to restrict valuation. We may also postpone payment of Surrenders with respect to a money market Fund if the board of directors of the underlying money market Fund suspends redemptions from the Fund in connection with the Fund’s plan of liquidation, in compliance with rules of the SEC or an order of the SEC.

**Written Requests** — Complete a Surrender form or send us a letter, signed by you, to our Annuity Service Center stating:

- the dollar amount that you want to receive, either before or after we withhold taxes and deduct for any applicable charges,
- your tax withholding amount or percentage, if any, and
- your mailing address.

You may submit this form to our Annuity Service Center via fax.

Unless you specify otherwise, we will provide the dollar amount you want to receive minus applicable taxes and charges as the default option.

If there are joint Owners, both must authorize these transactions. For a Partial Withdrawal, specify the Sub-Accounts that you want your Surrender to come from (this may be limited to pro-rata Surrenders if Optional Benefits are elected); otherwise, the Surrender will be taken in proportion to the value in each Sub-Account and the Fixed Account, including the DCA Plus Fixed Account.

**Telephone Requests** — To request a Partial Withdrawal by telephone, we must have received your completed telephone redemption program enrollment form. If there are joint Owners, both must sign this form. By signing the form, you authorize us to accept telephone instructions for Partial Withdrawals from either Owner. Telephone authorization will remain in effect until we receive a written cancellation notice from you or your joint Owner, we discontinue the program, or you are no longer the Owner of the Contract. Please call us with any questions regarding restrictions on telephone Surrenders.



Internet Requests — We do not currently offer Partial Withdrawal or full Surrenders via the internet. If in the future we offer internet withdrawals, we must receive your completed internet Partial Withdrawal program enrollment form In Good Order at our Annuity Service Center. If there are joint Owners, both must sign this form. By signing the form, you authorize us to accept internet instructions for Partial Withdrawals from either Owner. Internet authorization will remain in effect until we receive a written cancellation notice from you or your joint Owner, we discontinue the program, or you are no longer the Owner of the Contract. Please call us with any questions regarding restrictions on internet withdrawals. We may modify the requirements for internet withdrawals at any time.

We may record telephone calls and use other procedures to verify information and confirm that instructions are genuine. We will not be liable for losses or expenses arising from telephone instructions reasonably believed to be genuine. **We may modify the requirements for telephone redemptions at any time.**

Telephone and internet withdrawal instructions received before the end of a Valuation Day will be processed at the end of that Valuation Day. Otherwise, your request will be processed at the end of the next Valuation Day.

Completing a power of attorney form for another person to act on your behalf may prevent you from making Partial Withdrawals via telephone and internet.

#### **What should be considered about taxes?**

There are certain tax consequences associated with Partial Withdrawals and full Surrenders. Taking these actions before age 59½ may also affect the continuing tax-qualified status of some Contracts and may result in a penalty tax.

**We do not monitor Partial Withdrawal or full Surrender requests. Consult your personal tax adviser to determine whether a full Surrender or Partial Withdrawal is permissible, with or without federal income tax penalty.**

If you own more than one Contract issued by us or our affiliates in the same calendar year, then these Contracts may be treated as one Contract for the purpose of determining the taxation of distributions prior to the Annuity Commencement Date.

Please see Section 8 for more information.

#### **d. Annuity Payouts**

You must commence taking Annuity Payouts no later than when you reach your Annuity Commencement Date. Generally speaking, when you annuitize your Contract, you begin the process of converting Accumulation Units into what is known as the payout phase. The payout phase starts when you annuitize your Contract or with your Annuity Commencement Date and ends when we make the last payment required under your Contract. Once you annuitize your Contract, you may no longer make any Premium Payments. Please check with your Financial Intermediary to select the Annuity Payout Option that best meets your income needs. All Annuity Payout Options are subject to availability in your state. Annuitizing your Contract may result in the termination of Optional Benefits and will result in the termination of any Death Benefit; see the sections of this prospectus dealing with the Optional Benefits for detailed information.

Upon Annuitization, your Contract Value will be moved to the General Account.

#### **When do your Annuity Payouts begin?**

Contract Value (minus any applicable Premium Taxes) may only be annuitized on the Annuity Commencement Date.

Your Annuity Commencement Date cannot be earlier than your first Contract Anniversary. In no event, however, may the Annuity Commencement Date be later than:

- The later of the oldest Owner's 95th birthday (or if the Owner is a non-natural person, the Annuitant's 95th birthday) or 10 years from the Contract Issue Date (please refer to section 7.b. State Variations);
- The Annuity Commencement Date stated in an extension request (subject to your broker-dealer's rules for granting extension requests) received by us not less than thirty days prior to a scheduled Annuity Commencement Date.

Extending your Annuity Commencement Date may have tax consequences. You should consult a qualified tax adviser before doing so.

We reserve the right, at our discretion, to refuse to extend your Annuity Commencement Date regardless of whether we may have granted extensions in the past to you or other similarly situated investors. Your broker-dealer may ask us to prohibit Annuity Commencement Date extensions beyond when the oldest Owner, or Annuitant in the case of a non-natural Owner, turns age 95. Please ask your Financial Intermediary whether you are affected by any such prohibition and make sure that you fully understand the implications this might have in regard to your Death Benefits. We will not extend the Annuity Commencement Date beyond the oldest Owner's 100th birthday. If the Owner is a non-natural person, the Annuitant's 100th birthday.

Except as otherwise provided, the Annuity Calculation Date is when the amount of your Annuity Payout is determined. This occurs within five Valuation Days before your selected Annuity Commencement Date.

All Annuity Payouts, regardless of frequency, will occur on the same day of the month as the Annuity Commencement Date. After the initial payout, if an Annuity Payout date falls on a Non-Valuation Day, the Annuity Payout is computed on the prior Valuation Day. If the Annuity Payout date does not occur in a given month due to a leap year or months with only thirty days (i.e. the 31st), the Annuity Payout will be computed on the last Valuation Day of the month.

### **Which Annuity Payout Option do you want to use?**

Your Contract contains the Annuity Payout Options described below. We may at times offer other Annuity Payout Options. We may change these Annuity Payout Options at any time. Once we begin to make Annuity Payouts, the Annuity Payout Option cannot be changed.

#### **• Option 1 — Life Annuity with Cash Refund**

We will make Annuity Payouts as long as the Annuitant is living. When the Annuitant dies, we will calculate the sum of all Annuity Payouts that were made. If the sum of such Annuity Payments at the time of the Annuitant's death does not equal or exceed the Contract Value (minus any applicable Premium Taxes) at the time of annuitization, we will pay the Beneficiary the difference between the sum of the Annuity Payouts and the Contract Value (minus any applicable Premium Taxes) at annuitization.

#### **• Option 2 — Life Annuity**

We make Annuity Payouts as long as the Annuitant is living. When the Annuitant dies, we stop making Annuity Payouts. A Payee would receive only one Annuity Payout if the Annuitant dies after the first payout, two Annuity Payouts if the Annuitant dies after the second payout, and so forth.

#### **• Option 3 — Life Annuity With Guaranteed Payments for 10 Years**

We will make Annuity Payouts as long as the Annuitant is living, but we at least guarantee to make Annuity Payouts for 10 years. If the Annuitant dies before 10 years have passed, then the Beneficiary may elect to continue Annuity Payouts for the remainder of the guaranteed number of years or receive the Commuted Value in one sum.

#### **• Option 4 — Joint and Last Survivor Life Annuity**

We will make Annuity Payouts as long as the Annuitant and Joint Annuitant are living. When one Annuitant dies, we continue to make Annuity Payouts until that second Annuitant dies.

#### **• Option 5 — Joint and Last Survivor Life Annuity Guaranteed Payments for 10 Years**

We will make Annuity Payouts as long as either the Annuitant or Joint Annuitant are living, but we at least guarantee to make Annuity Payouts for 10 years. If the Annuitant and the Joint Annuitant both die before ten years have passed, then the Beneficiary may continue Annuity Payouts for the remainder of the guaranteed number of years or receive the Commuted Value in one sum.

#### **• Option 6 — Guaranteed Payment Period Annuity**

We agree to make payments for a specified time. The minimum period that you can select is 10 years. The maximum period that you can select is 30 years. If, at the death of the Annuitant, Annuity Payouts have been made for less than the time period selected, then the Beneficiary may elect to continue the remaining Annuity Payouts or receive the Commuted Value in one sum.

**You cannot terminate your Contract once Annuity Payouts begin, unless you have selected Annuity Payout Options Three, Five or Six. A CDSC, if applicable, may be deducted.**

For certain qualified Contracts, if you elect an Annuity Payout Option with a Guaranteed Payment Period, the guaranteed number of years must be less than the life expectancy of the Annuitant at the time the Annuity Payouts begin. We compute life expectancy using the IRS mortality tables.

### **Automatic Annuity Payouts**

In most states, if you do not elect an Annuity Payout Option, quarterly Annuity Payouts will automatically begin on the Annuity Commencement Date under Annuity Payout Option Three. In other states, if you do not elect an Annuity Payout Option, quarterly Annuity Payouts will automatically begin on the Annuity Commencement Date under Annuity Payout Option One (please refer to section 7.b. State Variations).

### **How often do you want the Payee to receive Annuity Payouts?**

In addition to selecting an Annuity Commencement Date and an Annuity Payout Option, you must also decide how often you want the Payee to receive Annuity Payouts. You may choose to receive Annuity Payouts:

- monthly (only available with direct deposit),
- quarterly,

- semi-annually, or
- annually.

Once you select a frequency, it cannot be changed. When selecting a frequency other than monthly, the Payout Purchase Rate used to determine Annuity Payouts will be adjusted by a factor. The factor accounts for the current value of accelerated Payouts, and will result in a Payout that is less than the sum of each monthly Payout that would have been paid during the same period of time. If you do not make a selection, the Payee will receive quarterly Annuity Payouts. You must select a frequency that results in an Annuity Payout of at least \$100. If the amount falls below \$100, we have the right to change the frequency to bring the Annuity Payout up to at least \$100.

- **Fixed Dollar Amount Annuity Payouts**

You will receive equal fixed dollar amount Annuity Payouts throughout the Annuity Payout period for all Annuity Payout Options. Fixed dollar amount Annuity Payout amounts are determined by multiplying the Contract Value, minus any applicable Premium taxes, by an annuity rate set by us.

## 5. Death Benefits

### a. Standard Death Benefit

#### What is the Death Benefit and how is it calculated?

The Death Benefit is the amount we will pay if any Owner, or Annuitant in the case of a non-natural Owner, dies before we begin to make Annuity Payouts. The Standard Death Benefit is equal to your Contract Value calculated as of the Valuation Day when we receive a certified death certificate or other legal document acceptable to us In Good Order at our Annuity Service Center. The calculated Death Benefit will remain invested according to the Owner's last instructions until we receive complete written settlement instructions from the Beneficiary but in no event sooner than the day following the day on which we receive due proof of death. This means the Death Benefit amount will fluctuate with the performance of the Account. When there is more than one Beneficiary, we will calculate the Accumulation Units for each Sub-Account and the dollar amount for the Fixed Account for each Beneficiary's portion of the proceeds. The Premium Based Charge is not assessed when the Death Benefit is paid.

Please see the heading entitled "What kinds of Surrenders are available? — Before the Annuity Commencement Date" in Section 4.c Surrenders. Taking Excess Withdrawals may significantly negatively affect your Death Benefit. Please consult with your Financial Intermediary before making Excess Withdrawals to be sure that you fully understand the ways such a decision will affect your Contract.

### b. Return of Premium III

#### Objective

To provide a Death Benefit equal to the greater of Premium Payments adjusted for Partial Withdrawals; or Contract Value that we will pay if any Owner, or Annuitant in the case of a non-natural Owner, dies before we begin to make Annuity Payouts.

Please consider the following prior to electing this rider:

- This rider has Investment Restrictions. Violations of the Investment Restrictions may result in termination of this rider.
- Partial Withdrawals will reduce the benefit proportionally, as described below.
- The Premium Based Charge is not assessed when the Death Benefit is paid.

#### When can you buy the rider?

You may elect this rider at any time, provided you have not previously elected any optional Death Benefit. Non-natural Owners cannot elect this rider after the Contract issue date.

**If you elect this rider other than at Contract issuance, rider benefits will be calculated from the rider effective date, not the Contract issue date. The starting values for determining your Death Benefit will be your Contract Value as of the rider effective date plus subsequent Premium Payments received after the rider effective date, and not your initial Premium Payment or any other prior values.**

This rider may not be available through all broker-dealers and may be subject to additional restrictions set by your broker-dealer or us. We reserve the right to withdraw this rider for new sales at any time without notice. Such a withdrawal will not affect you if you have already elected to purchase the rider. The maximum age of any Owner, or Annuitant in the case of a non-natural Owner, when electing this rider is 80.

#### Does electing this rider forfeit your ability to buy other riders?

Yes. You may not elect another optional Death Benefit if you have already elected this rider.

**How is the charge for this rider calculated?**

The fee for the rider is based on Premium Payments adjusted for Partial Withdrawals and is assessed on each Quarterly Contract Anniversary. This charge will automatically be deducted from your Contract Value on your Quarterly Contract Anniversary. A pro-rated charge will be deducted in the event of a full Surrender of this Contract, revocation of this rider; or election of this rider other than on the Contract Anniversary. The charge for the rider will be withdrawn from each Sub-Account in the same proportion that the value of each Sub-Account bears to the total Contract Value, excluding the Fixed Account. Except as otherwise provided below, we will continue to deduct this charge until we begin to make Annuity Payouts.

The rider fee may be increased up to the maximum described in the Fee Table or decreased at each Contract Anniversary.

**Is this rider designed to pay you Death Benefits?**

Yes. This Death Benefit is equal to the higher of A or B:

A = Contract Value; or

B = Premium Payments adjusted for Partial Withdrawals.

The Premium Based Charge is not assessed when the Death Benefit is paid.

Please refer to the Return of Premium III Example Footnote 2 in Appendix A for an illustration of the Death Benefit.

**Does this rider replace the standard Death Benefit?**

Yes.

**Can you terminate this rider?**

Yes. At anytime following the fifth anniversary of the rider effective date, the Owner may elect to terminate this rider. You may also terminate this rider on or after the first anniversary of the rider effective date if the rider charge at that time is greater than the rider charge on the rider effective date. If this rider is terminated, then a pro-rated rider charge will be assessed on the termination date, and will not be assessed thereafter. The Death Benefit will be reset to the Standard Death Benefit. No other optional Death Benefit may be elected following the termination. Please also see "Other Information" at the end of this section for other ways the rider may terminate.

A company-sponsored exchange of this rider will not be considered to be a termination by you of the rider. This rider will also terminate upon election of a Death Benefit option (described in Sections 5.e and 5.f) by the Beneficiary.

**What effect do Partial Withdrawals have on your benefits under the rider?**

**Partial Withdrawals reduce your Death Benefit on a proportionate basis. If your Contract Value is less than your Death Benefit, reductions on a proportionate basis will be greater than if done on a dollar-for-dollar basis.**

If you elect another Optional Benefit, Partial Withdrawals (including Lifetime Annual Payments) may affect those other riders differently than they affect this rider.

Please refer to the Return of Premium III Example Footnotes 3 and 4 in Appendix A for illustrations on the effects of Partial Withdrawals.

**What happens if you change ownership?**

An ownership change will terminate this rider and the Death Benefit will be reset to the Standard Death Benefit (please refer to section 7.b. State Variations). A final pro-rated rider charge will be assessed on the termination date, and then will no longer be assessed. If the ownership change is a result of Spousal Contract continuation, the Contract Value will be reset to equal the Death Benefit payable on the deceased Spouse's death and the surviving Spouse who continues the Contract may choose to elect any optional Death Benefit rider then available. Please see "Can your Spouse continue your Death Benefit?" below for additional information.

Ownership changes may be taxable to you. We recommend that you consult with a tax adviser before making any ownership changes.

**Can your Spouse continue your Death Benefit?**

No. This rider terminates upon the death of the Owner however, the Spouse may continue the Contract under the "Spouse Beneficiary" provision of the Contract, whereby the Contract Owner's Spouse will become the Contract Owner if the Spouse was named as Beneficiary. The Spouse may either choose to continue the Contract or may elect to be paid a Death Benefit option, if eligible. If the Spouse chooses to continue the Contract, we will increase the Contract Value to the Death Benefit value as of the Valuation Day We receive due proof of death according to the future contribution allocation then in effect. The surviving Spouse becomes the new Owner on the effective Valuation Day of the Spousal Contract continuation. This right may be exercised only once during the term of the Contract.

Once the surviving Spouse is the new Contract Owner, the Spouse may re-elect this rider, subject to the election rules that are then in place.

**What happens if you annuitize your Contract?**

This rider terminates once an Annuity Payout is elected and the Death Benefit terminates without value. If you elect to annuitize your Contract prior to reaching the Annuity Commencement Date, you may only annuitize your Contract Value. If your Contract reaches the Annuity Commencement Date, the Contract will automatically be annuitized unless we agree to extend the Annuity Commencement Date, at our discretion. In this circumstance, the Contract may be annuitized under our standard annuitization rules.

**Are there restrictions on how you must invest?**

Yes. You must invest your Contract Value (including future investments) within Sub-Account(s) approved and designated by us that correspond with the rider version chosen. You must invest in the approved Sub-Account(s) listed in Appendix D. This means you will be limited in your choice of Sub-Account investments. This also means you will not be able to allocate your Contract Value to all available Sub-Accounts. Current Investment Restrictions are listed in Appendix D.

We may modify, add, delete, or substitute (to the extent permitted by applicable law), the Sub-Accounts, portfolio rebalancing requirements, and other Investment Restrictions that apply while the rider is in effect. For instance, we might amend these restrictions if a Sub-Account (i) merges into another fund, (ii) changes investment objectives, (iii) closes to further investments and/or (iv) fails to meet acceptable risk parameters. These changes will not be applied with respect to then existing investments, except in a case where the underlying Sub-Account is liquidated by its Board of Directors or substituted in accordance with an order from the Securities and Exchange Commission. We will give you advance notice of these changes.

Upon violation of these Investment Restrictions, you will have a five business day window during which you must allocate to approved Sub-Accounts. Except as provided below, failure to comply with any applicable Investment Restriction will result in termination of the rider. If the rider is terminated by us, for violation of applicable Investment Restrictions, we will assess a pro-rated share of the rider charge and will no longer assess a rider charge thereafter. In the event of a conflict between the Investment Restrictions of this rider and those imposed by any Optional Withdrawal Benefit, the Investment Restrictions of such Optional Withdrawal Benefit shall prevail.

**If the rider is terminated by us due to a failure to comply with these Investment Restrictions, you will have one opportunity to reinstate the rider by reallocating your Contract Value in accordance with then prevailing Investment Restrictions. You will have a five business day reinstatement period to do this. If you do make a reallocation to approved Sub-Accounts during this five business day period, all rights and benefits will be reinstated at the same values in effect immediately prior to the termination. The reinstatement period will begin upon termination of the rider. Your right to reinstate the rider will be terminated if during the reinstatement period you make a subsequent Premium Payment, take a Partial Withdrawal, or make an ownership change.**

We may require that you comply with then prevailing Investment Restrictions upon Spousal Contract continuation or permissible ownership changes.

The Investment Restrictions could mitigate losses but also hamper potential gains. Other investment options that are available if Investment Restrictions did not apply may offer the potential for higher returns. We are not responsible for lost investment opportunities associated with the implementation and enforcement of these Investment Restrictions. Investment Restrictions may reduce the overall volatility in investment performance. Such reduced volatility may reduce the returns on investments and mitigate our guarantee obligations under the Contract. These Investment Restrictions may limit your Contract Value and benefits. Before you elect an Optional Benefit that is subject to Investment Restrictions, you and your Financial Intermediary should carefully consider whether the investment options available under the Investment Restrictions meet your investment objectives and risk tolerance.

**Investment Restrictions may reduce the overall volatility in investment performance. Such reduced volatility may reduce returns on investments and mitigate our guarantee obligations under the Contract. Investment Restrictions do not guarantee reduced volatility.**

If you elect this rider in combination with an Optional Withdrawal Benefit, then in the event of a conflict between the Investment Restrictions above and those set forth in such Optional Withdrawal Benefit, the Investment Restrictions in such Optional Withdrawal Benefit shall prevail.

**Are there restrictions on the amount of subsequent Premium Payments?**

Yes. We reserve the right to require our approval on all subsequent Premium Payments received after the Contract Anniversary following the rider effective date. We do not currently enforce the right to approve subsequent Premium Payments, except where a subsequent Premium Payment would result in your total Premium Payments equaling or exceeding \$1 million. In the future, we may expand the circumstances under which we require prior approval of subsequent Premium Payments. There are a variety of factors that could influence our decision to prohibit or restrict subsequent Premium Payments, for example, we could do so in the event of a market disturbance or to help protect our ability to provide guarantees under these riders in the future, for example, if there significant changes to mortality assumptions. Any action we take with respect to subsequent Premium Payment restriction or approval will be done on a non-discriminatory



basis. Following your Annuity Commencement Date, we will no longer accept subsequent Premium Payments. A limitation on subsequent Premium Payments means that you would not be able to increase your Death Benefits by making additional deposits into the Contract. We will provide 30 days' written notice in the event we begin limiting subsequent Premium Payments.

#### Other information

The rider may not be appropriate for all investors. Several factors, among others, should be considered:

- **If you are electing this rider after your Contract has been issued, the starting values for the benefit will be the Contract Value on the rider effective date and not your initial Premium Payment or any other prior values.**
- The benefits under the rider cannot be directly or indirectly assigned, collateralized, pledged or securitized in any way. Any such actions will invalidate the rider and allow us to terminate the rider.
- We may terminate this rider based upon the following conditions: Spousal Contract continuation, ownership changes, annuitization and/or violation of Investment Restrictions. If we terminate the rider, it cannot be re-elected by you.
- The selection of an Annuity Payout Option and the timing of the selection may have an impact on the tax treatment of the benefits.
- Any Withdrawal will trigger a proportionate reduction to your Death Benefit.
- The fee for the rider may change at every Contract Anniversary. Please carefully review the maximum fee disclosed in Section 2. Fee Summary.
- We may share non-personally identifiable Contract Owner information, such as ages and rider elections, with our affiliates and designees to assist us in managing our risks under the Contracts.
- You should consult with your Financial Intermediary for assistance in determining whether these Investment Restrictions are suitable for your financial needs and risk tolerance.
- **Any payment obligation we make under the Contract, including Death Benefits payments, is subject to our financial strength and claims-paying ability and our long-term ability to make such payments.**

#### c. Legacy Lock IV

##### Objective

To provide a Death Benefit equal to the greatest of: (a) Enhanced Return of Premium (Premium Payments adjusted for certain Partial Withdrawals); (b) Base Return of Premium (as defined in the glossary); or (c) Contract Value. We will pay the Death Benefit if any Owner, or Annuitant in the case of a non-natural Owner, dies before we begin to make Annuity Payouts.

Please consider the following prior to electing this rider:

- Please note — 20% of initial and subsequent Premium Payments must be allocated to the Fixed Account.
- This rider has Investment Restrictions. Violation of the Investment Restrictions may result in termination of this rider.
- Partial Withdrawals taken prior to reaching the Minimum Amount Rule (the greater of Minimum Contract Value or one Lifetime Annual Payment, if applicable) that do not exceed the Allowable Withdrawal will not reduce the value of the Enhanced Return of Premium component of this Death Benefit.
- Partial Withdrawals that exceed the Allowable Withdrawal will reduce the benefit proportionally, as described below.
- The Enhanced Return of Premium component of this Death Benefit reduces to zero if your Contract Value falls below the Minimum Amount Rule. **The Enhanced Return of Premium component of this Death Benefit reduces to zero on the date the oldest Owner, or Annuitant in the case of a non-natural Owner, attains age 90. This has the effect of providing a Death Benefit that is reduced by all prior Partial Withdrawals, including Allowable Withdrawals, if applicable, which may result in a smaller Death Benefit amount than prior to age 90.**
- The Premium Based Charge is not assessed when the Death Benefit is paid.

##### When can you buy the rider?

You can only elect this rider at the time you purchase your contract if you also elect the Daily +5 or Daily 7 Withdrawal Benefit and provided you have not elected another optional Death Benefit. You may also elect to add this rider after you have purchased your Contract, provided you have not previously elected any other optional Death Benefit or any Withdrawal Benefit and you elect it concurrently with the Daily +5 or Daily 7 Withdrawal Benefit. Once you elect this rider you may not elect any other optional Death Benefit. Non-natural Owners cannot elect this rider after the Contract issue date.

**If you elect this rider other than at Contract issuance, rider benefits will be calculated from the rider effective date, not the Contract issue date. The starting values for determining your Death Benefit will be your Contract Value as of the rider effective date, not your initial Premium Payment or any other prior values.**

This rider may not be available in all states or through all broker-dealers and may be subject to additional restrictions set by your broker-dealer or us. We reserve the right to withdraw this rider for new sales at any time without notice. Such a withdrawal will not affect you if you have already elected to purchase the rider. The maximum age of any Owner, or Annuitant in the case of a non-natural Owner, is 70.

**Does electing this rider forfeit your ability to buy other riders?**

Yes. You may not elect any other optional Death Benefit if you have elected this rider.

**How is the charge for this rider calculated?**

The fee for the rider is based on the greater of (a) Enhanced Return of Premium or (b) Base Return of Premium and is assessed on each Quarterly Contract Anniversary. This charge will automatically be deducted from your Contract Value on your Quarterly Contract Anniversary. A pro-rated charge will be deducted in the event of a full Surrender of this Contract; revocation of this rider; or election of this rider other than on the Quarterly Contract Anniversary. The charge for the rider will be withdrawn from each Sub-Account in the same proportion that the value of each Sub-Account bears to the total Contract Value.

The rider fee may be increased up to the maximum described in the Fee Table or decreased on each Contract Anniversary.

**Is this rider designed to pay you Death Benefits?**

Yes. Up to the oldest Owner's, or Annuitant's in the case of a non-natural Owner, 90th birthday, the Death Benefit is equal to the greatest of: (a) Enhanced Return of Premium (Premium Payments adjusted for certain Partial Withdrawals), (b) Base Return of Premium or (c) Contract Value.

On and after the date the oldest Owner, or Annuitant in the case of a non-natural Owner, attains age 90, the Death Benefit is equal to the greater of Base Return of Premium or Contract Value. **This has the effect of providing a Death Benefit that is reduced by all prior Partial Withdrawals, including Allowable Withdrawals, if applicable, which may result in a smaller Death Benefit amount than prior to age 90.**

The Premium Based Charge is not assessed when the Death Benefit is paid.

Please refer to the Legacy Lock IV Example Footnotes 2 and 7 in Appendix A for illustrations of the Death Benefit.

**Does this rider replace the standard Death Benefit?**

Yes.

**Can you terminate this rider?**

Yes. At anytime on or after the first anniversary of the rider effective date, the Owner may elect to terminate this rider if the rider charge on the date of termination is greater than the rider charge on the rider issue date. If this rider is terminated, then a pro-rated rider charge will be assessed on the termination date, and will no longer be assessed thereafter. The Death Benefit will be reset to the Standard Death Benefit. No other optional Death Benefit may be elected following the termination. Please also see "Other Information" at the end of this section for other ways the rider may terminate.

**Additionally, if your Daily +5 or Daily 7 Withdrawal Benefit rider is terminated for any reason, this rider will also terminate.**

Please see "Other Information" at the end of this section for other conditions which may result in termination of the rider

**What effect do Partial Withdrawals have on your benefits under the rider?**

Partial Withdrawals reduce your Death Benefit in different ways depending on whether or not they exceed the Allowable Withdrawal.

- The following are considered Allowable Withdrawals: All Partial Withdrawals which, on a cumulative basis with all other Partial Withdrawals in a given Contract Year, are equal to or less than the greater of:
  - (a) Your Lifetime Annual Payment; or
  - (b) Your Required Minimum Distribution for either one of the calendar years in which the Contract Year occurs.
- *Partial Withdrawals that do not exceed the Allowable Withdrawal* will not reduce your Enhanced Return of Premium prior to reaching Minimum Amount Rule, but will reduce your Base Return of Premium on a proportionate basis and Contract Value on a dollar for dollar basis.

- **Partial Withdrawals that exceed the Allowable Withdrawal will reduce your Death Benefit on a proportionate basis. If your Contract Value is less than your Death Benefit, reductions on a proportionate basis will be greater than if done on a dollar-for-dollar basis.**

Please refer to the Legacy Lock IV Example Footnotes 3, 5 and 6 in Appendix A for illustrations on the effects of Partial Withdrawals.

#### **Death Benefit Step-Up after First Partial Withdrawal**

The Enhanced Return of Premium component of Legacy Lock IV is eligible for an automatic one-time step-up to the Contract Value upon the first Partial Withdrawal. The step-up will occur if the Contract Value prior to the Partial Withdrawal is greater than the Enhanced Return of Premium value on the Valuation Day prior to the first Partial Withdrawal.

#### **Enhanced Return of Premium Component of Legacy Lock IV**

The Enhanced Return of Premium component equals 100% of Premium, adjusted by some Partial Withdrawals as described above. Enhanced Return of Premium will be increased by subsequent Premium and may be eligible for a one-time step-up. The Enhanced Return of Premium component of this Death Benefit reduces to zero if your Contract Value falls below the Minimum Amount Rule (equal to the greater of the Minimum Contract Value described in Section 4.c or one Lifetime Annual Payment under any Optional Withdrawal Benefit rider). **The Enhanced Return of Premium component of this Death Benefit reduces to zero on the date the oldest Owner, or Annuitant in the case of a non-natural Owner, attains age 90. This has the effect of providing a Death Benefit that is reduced by all prior Partial Withdrawals, including Allowable Withdrawals, if applicable, which may result in a smaller Death Benefit amount than prior to age 90.**

If your Contract Value on any Contract Anniversary is ever reduced below the Minimum Amount Rule we will no longer accept subsequent Premium Payments. In addition, **The Enhanced Return of Premium component of your Death Benefit will be reset to equal zero. The Death Benefit will then be equal to the greater of: (a) Contract Value or (b) Base Return of Premium.** You may then either make a full Surrender and terminate your Contract and rider, or you may continue your Contract. If you continue your Contract, you must transfer your remaining Contract Value to approved Sub-Account(s) and/or Program(s) within ten business days or we will exercise our reserved contractual right to terminate the rider.

Please refer to the Legacy Lock IV Example Footnote 4 in Appendix A for an illustration of the Enhanced Return of Premium.

#### **What happens if you change ownership?**

An ownership change will terminate this rider and the Death Benefit will be reset to the Standard Death Benefit (please refer to section 7.b. State Variations). A final pro-rated rider charge will be assessed on the termination date, and then will no longer be assessed. If the ownership change is a result of Spousal Contract continuation, the Contract Value will be reset to equal the Death Benefit payable on the deceased Spouse's death and the surviving Spouse who continues the Contract may choose to elect any optional Death Benefit rider then available. Please see "Can your Spouse continue your Death Benefit?" below for additional information.

Ownership changes may be taxable to you. We recommend you consult with a tax adviser before making any ownership changes.

#### **Can your Spouse continue your Death Benefit?**

No. This rider terminates upon the death of the Owner however, the Spouse may continue the Contract under the "Spouse Beneficiary" provision of the Contract, whereby the Contract Owner's Spouse will become the Contract Owner if the Spouse was named as sole Beneficiary. The Spouse may either choose to continue the Contract or may elect to be paid a Death Benefit option, if eligible. If the Spouse chooses to continue the Contract, we will increase the Contract Value to the Death Benefit value as of the Valuation Day We receive due proof of death according to the future contribution allocation then in effect. The surviving Spouse becomes the new Owner on the effective Valuation Day of the Spousal Contract continuation. This right may be exercised only once during the term of the Contract.

Once the surviving Spouse is the new Contract Owner, the Spouse may re-elect this rider, subject to the election rules that are then in place.

#### **What happens if you annuitize your Contract?**

This rider terminates once an Annuity Payout Option is elected and the Death Benefit terminates without value. Except as otherwise provided, if you elect to annuitize your Contract prior to reaching the Annuity Commencement Date, you may only annuitize your Contract Value. If your Contract reaches the Annuity Commencement Date, the Contract will automatically be annuitized unless we agree to extend the Annuity Commencement Date, at our discretion. In this circumstance, the Contract may be annuitized under our standard annuitization rules.

We do not expect to grant Annuity Commencement Date extension requests for Legacy Lock IV.



**Are there restrictions on how you must invest?**

Yes. You must concurrently elect the Daily +5 Withdrawal Benefit and abide by the Daily +5 Withdrawal Benefit Investment Restrictions or you must concurrently elect Daily 7 Withdrawal Benefit and abide by the Daily 7 Withdrawal Benefit Investment Restrictions in order to elect and maintain this rider (please refer to “Are there restrictions on how you must invest?” in section 6.a. “Daily +5 — Daily Step Up Withdrawal Benefit” and section 6.b. “Daily 7 — Daily Step Up Withdrawal Benefit”). These Investment Restrictions require an allocation to the Fixed Account for all share classes, including C share, which otherwise cannot invest in the Fixed Account.

We may modify, add, delete, or substitute (to the extent permitted by applicable law), the Sub-Accounts, portfolio rebalancing requirements, and other Investment Restrictions that apply while the rider is in effect. For instance, we might amend these restrictions if a Sub-Account (i) merges into another fund, (ii) changes investment objectives, (iii) closes to further investments and/or (iv) fails to meet acceptable risk parameters. These changes will not be applied with respect to then existing investments, except in a case where the underlying Sub-Account is liquidated by its Board of Directors or substituted in accordance with an order from the Securities and Exchange Commission. We will give you advance notice of these changes.

Upon violation of these Investment Restrictions, you will have a five business day window during which you must allocate to approved Sub-Accounts. Except as provided below, failure to comply with any applicable Investment Restriction will result in termination of the rider. If the rider is terminated by us, for violation of applicable Investment Restrictions, we will assess a pro-rated share of the rider charge and will no longer assess a rider charge thereafter.

**If the rider is terminated by us due to a failure to comply with these Investment Restrictions, you will have one opportunity to reinstate the rider by reallocating your Contract Value in accordance with then prevailing Investment Restrictions. You will have a five business day reinstatement period to do this. If you do make a reallocation to approved Sub-Accounts during this five business day period, all rights and benefits will be reinstated at the same values in effect immediately prior to the termination. The reinstatement period will begin upon termination of the rider. Your right to reinstate the rider will be terminated if during the reinstatement period you make a subsequent Premium Payment, take a Partial Withdrawal, or make an ownership change.**

We may require that you comply with then prevailing Investment Restrictions upon Spousal Contract continuation or permissible ownership changes.

The Investment Restrictions could mitigate losses but also hamper potential gains. Other investment options that are available if Investment Restrictions did not apply may offer the potential for higher returns. We are not responsible for lost investment opportunities associated with the implementation and enforcement of these Investment Restrictions. Investment Restrictions may reduce the overall volatility in investment performance. Such reduced volatility may reduce the returns on investments and mitigate our guarantee obligations under the Contract. These Investment Restrictions may limit your Contract Value and benefits. Before you elect an Optional Benefit that is subject to Investment Restrictions, you and your Financial Intermediary should carefully consider whether the investment options available under the Investment Restrictions meet your investment objectives and risk tolerance.

**Investment Restrictions may reduce the overall volatility in investment performance. Such reduced volatility may reduce returns on investments and mitigate our guarantee obligations under the Contract. Investment Restrictions do not guarantee reduced volatility.**

If you elect this rider in combination with an Optional Withdrawal Benefit, then in the event of a conflict between the Investment Restrictions above and those set forth in such Optional Withdrawal Benefit, the Investment Restrictions in such Optional Withdrawal Benefit shall prevail.

**Are there restrictions on the amount of subsequent Premium Payments?**

Yes. We require prior approval of subsequent Premium Payments after the first Contract Anniversary after the rider effective date. We do not currently enforce the right to approve subsequent Premium Payments, except where a subsequent Premium Payment would result in your total Premium Payments equaling or exceeding \$1 million. In the future, we may expand the circumstances under which we require prior approval of subsequent Premium Payments. There are a variety of factors that could influence our decision to prohibit or restrict subsequent Premium Payments, for example, we could do so in the event of a market disturbance or to help protect our ability to provide guarantees under these riders in the future, for example, if there significant changes to mortality assumptions. Any action we take with respect to subsequent Premium Payment restriction or approval will be done on a non-discriminatory basis. Following your Annuity Commencement Date, we will no longer accept subsequent Premium Payments. A limitation on subsequent Premium Payments means that you would not be able to increase your Death Benefits by making additional deposits into the Contract. We will provide 30 days' written notice in the event we begin limiting subsequent Premium Payments.

### Other information

The rider may not be appropriate for all investors. Several factors, among others, should be considered:

- **If you are electing this rider after your Contract has been issued, the starting values for the benefit will be the Contract Value on the rider effective date and not your initial Premium Payment or any other prior values.**
- **You can only elect this rider if you elect the Daily +5 — Daily Step Up Withdrawal Benefit or Daily 7 — Daily Step Up Withdrawal Benefit. You will be required to invest according to the Daily+5 or Daily 7 Withdrawal Benefit Investment Restrictions, as applicable.**
- You will automatically receive a one-time step-up of the Enhanced Return of Premium to the Contract Value, if greater, upon the first Partial Withdrawal. We will not provide a notice prior to applying this step-up.
- **If your Contract Value is reduced below the Minimum Amount Rule (equal to the greater of the Minimum Contract Value described in Section 4.c or one Lifetime Annual Payment), the Enhanced Return of Premium component of the Death Benefit will be reduced to zero. Please see Section 4.c. Surrenders for more information regarding the Minimum Contract Value. This has the effect of providing a Death Benefit that is reduced by all prior Partial Withdrawals, including Lifetime Annual Payments. In addition, any step-up applied to the Enhanced Return of Premium component of the Death Benefit will be lost.**
- **The Enhanced Return of Premium component of the Death Benefit will be reduced to zero on the date the oldest Owner, or Annuitant in the case of a non-natural Owner, attains age 90. This has the effect of providing a Death Benefit that is reduced by all prior Partial Withdrawals, including Allowable Withdrawals, if applicable, which may result in a smaller Death Benefit amount than prior to age 90.**
- The benefits under the rider cannot be directly or indirectly assigned, collateralized, pledged or securitized in any way. Any such actions will invalidate the rider and allow us to terminate the rider.
- We may terminate this rider based upon the following conditions: Spousal Contract continuation, ownership changes, annuitization, violation of Investment Restrictions, if your Contract Value on any Contract Anniversary is reduced below the Minimum Amount Rule and you failed to transfer your remaining Contract Value to approved Sub-Accounts within ten business days, and/or if the Daily +5 or Daily 7 Withdrawal Benefit rider is terminated. If we terminate the rider, it cannot be re-elected by you.
- The selection of an Annuity Payout Option and the timing of the selection may have an impact on the tax treatment of the benefit.
- Any Partial Withdrawal that exceeds the Allowable Withdrawal will trigger a proportionate reduction to your Death Benefit.
- Legacy Lock IV is referred to as Enhanced Return of Premium Death Benefit Rider IV in your Contract.
- The fee for the rider may change at every Contract Anniversary. Please carefully review the maximum fee disclosed in Section 2. Fee Summary.
- We may share non-personally identifiable Contract Owner information, such as ages and rider elections, with our affiliates and designees to assist us in managing our risks under the Contracts.
- You should consult with your Financial Intermediary for assistance in determining whether these Investment Restrictions are suitable for your financial needs and risk tolerance.
- **Any payment obligation we make under the Contract, including Death Benefits payments, is subject to our financial strength and claims-paying ability and our long-term ability to make such payments.**

### d. Maximum Daily Value III

#### Objective

To provide a Death Benefit equal to the greater of: (a) Maximum Daily Value or (b) Contract Value that we will pay if any Owner, or Annuitant in the case of a non-natural Owner, dies before we begin to make Annuity Payouts.

Please consider the following prior to electing this rider:

- This rider has Investment Restrictions. Violation of the Investment Restrictions may result in termination of this rider.
- Partial Withdrawals will reduce the benefit proportionally, as described below.
- The Premium Based Charge is not assessed when the Death Benefit is paid.

**When can you buy the rider?**

You may elect this rider at any time, provided you have not previously elected any optional Death Benefit. Non-natural Owners cannot elect this rider after the Contract issue date.

**If you elect this rider other than at Contract issuance, rider benefits will be calculated from the rider effective date, not the Contract issue date. The starting values for determining your Death Benefit will be your Contract Value as of the rider effective date, not your initial Premium Payment or any other prior values.**

This rider may not be available in all states or through all broker-dealers and may be subject to additional restrictions set by your broker-dealer or by us. We reserve the right to withdraw this rider for new sales at any time without notice. Such a withdrawal will not affect you if you have already elected to purchase the rider. The maximum age of any Owner, or Annuitant in the case of a non-natural Owner, when electing this rider is 75.

**Does electing this rider forfeit your ability to buy other riders?**

Yes. You may not elect another optional Death Benefit if you have already elected this rider.

**How is the charge for this rider calculated?**

The fee for the rider is based on the Maximum Daily Value and is assessed on each Quarterly Contract Anniversary. This rider fee will be automatically deducted from your Contract Value on your Quarterly Contract Anniversary. A pro-rated charge will be deducted in the event of a full Surrender of this Contract; revocation of this rider; or election of this rider other than on the Contract Anniversary. The charge for the rider will be withdrawn from each Sub-Account in the same proportion that the value of each Sub-Account bears to the total Contract Value excluding the Fixed Account. Except as otherwise provided below, we will continue to deduct this charge until we begin to make Annuity Payouts.

The rider charge may increase up to the maximum described in the Fee Table or decrease on each Contract Anniversary.

**Is this rider designed to pay you Death Benefits?**

Yes. This Death Benefit is equal to the greater of A or B:

A = Contract Value;

B = Maximum Daily Value.

The death benefit before the Annuity Commencement Date under this rider is limited. The death benefit cannot exceed the Contract Value at the time we receive due proof of death, plus \$1 million.

The Premium Based Charge is not assessed when the Death Benefit is paid.

Please refer to the Maximum Daily Value III Example Footnotes 2 and 3 in Appendix A for illustrations of the Maximum Daily Value.

**Does this rider replace the standard Death Benefit?**

Yes

**Can you terminate this rider?**

Yes. At anytime on or after the first anniversary of the rider effective date, the Owner may elect to terminate this rider if the rider charge on the date of termination is greater than the rider charge on the rider issue date. If this rider is terminated, then a pro-rated rider charge will be assessed on the termination date, and will no longer be assessed thereafter. The Death Benefit will be reset to the Standard Death Benefit. No other optional Death Benefit may be elected following the termination. Please also see "Other Information" at the end of this section for other ways the rider may terminate.

**What effect do Partial Withdrawals have on your benefits under the rider?**

**Partial Withdrawals reduce your Death Benefit on a proportionate basis. If your Contract Value is less than your Death Benefit, reductions on a proportionate basis will be greater than if done on a dollar-for-dollar basis.**

Please refer to the Maximum Daily Value III Example Footnote 4 in Appendix A for an illustration on the effects of Partial Withdrawals.

If you elect another Optional Benefit, Partial Withdrawals (including Lifetime Annual Payments) may affect those other riders differently than they affect this rider.

**What happens if you change ownership?**

An ownership change will terminate this rider and the Death Benefit will be reset to the Standard Death Benefit (please refer to section 7.b. State Variations). A final pro-rated rider charge will be assessed on the termination date, and then will no longer be assessed. If the ownership change is a result of Spousal Contract continuation, the Contract Value will be reset to equal the Death Benefit payable

on the deceased Spouse's death and the surviving Spouse who continues the Contract may choose to elect any optional Death Benefit rider then available. Please see "Can your Spouse continue your Death Benefit?" below for additional information.

Ownership changes may be taxable to you. We recommend that you consult with a tax adviser before making any ownership changes.

### **Can your Spouse continue your Death Benefit?**

No. This rider terminates upon the death of the Owner however, the Spouse may continue the Contract under the "Spouse Beneficiary" provision of the Contract, whereby the Contract Owner's Spouse will become the Contract Owner if the Spouse was named as sole Beneficiary. The Spouse may either choose to continue the Contract or may elect to be paid a Death Benefit option, if eligible. If the Spouse chooses to continue the Contract, we will increase the Contract Value to the Death Benefit value as of the Valuation Day We receive due proof of death according to the future contribution allocation then in effect. The surviving Spouse becomes the new Owner on the effective Valuation Day of the Spousal Contract continuation. This right may be exercised only once during the term of the Contract.

Once the surviving Spouse is the new Contract Owner, the Spouse may re-elect this rider, subject to the election rules that are then in place.

### **What happens if you annuitize your Contract?**

This rider terminates once an Annuity Payout Option is elected and the Death Benefit terminates without value. If you elect to annuitize your Contract prior to reaching the Annuity Commencement Date, you may only annuitize your Contract Value. If your Contract reaches the Annuity Commencement Date, the Contract will automatically be annuitized unless we agree to extend the Annuity Commencement Date, at our discretion. In this circumstance, the Contract may be annuitized under our standard annuitization rules.

### **Are there restrictions on how you must invest?**

Yes. You must invest your Contract Value (including future investments) within Sub-Account(s) approved and designated by us that correspond with the rider version chosen. You must invest in the approved Sub-Account(s) listed in Appendix D. This means you will be limited in your choice of Sub-Account investments. This also means you will not be able to allocate your Contract Value to all available Sub-Accounts. Current Investment Restrictions are listed in Appendix D.

We may modify, add, delete, or substitute (to the extent permitted by applicable law), the Sub-Accounts, portfolio rebalancing requirements, and other Investment Restrictions that apply while the rider is in effect. For instance, we might amend these restrictions if a Sub-Account (i) merges into another fund, (ii) changes investment objectives, (iii) closes to further investments, and/or (iv) fails to meet acceptable risk parameters. These changes will not be applied with respect to then existing investments, except in a case where the underlying Sub-Account is liquidated by its Board of Directors or substituted in accordance with an order from the Securities and Exchange Commission. We will give you advance notice of these changes.

Upon violation of these Investment Restrictions, you will have a five business day window during which you must allocate to approved Sub-Accounts. Except as provided below, failure to comply with any applicable Investment Restriction will result in termination of the rider. If the rider is terminated by us for violation of applicable Investment Restrictions, we will assess a pro-rated share of the rider charge and will no longer assess a rider charge thereafter. In the event of a conflict between the Investment Restrictions of this rider and those imposed by any Optional Withdrawal Benefit, the Investment Restrictions of such Optional Withdrawal Benefit shall prevail.

**If the rider is terminated by us due to a failure to comply with these Investment Restrictions, you will have one opportunity to reinstate the rider by reallocating your Contract Value in accordance with then prevailing Investment Restrictions. You will have a five business day reinstatement period to do this. If you do make a reallocation to approved Sub-Accounts during this five business day period, all rights and benefits will be reinstated at the same values in effect immediately prior to the termination. The reinstatement period will begin upon termination of the rider. Your right to reinstate the rider will be terminated if during the reinstatement period you make a subsequent Premium Payment, take a Partial Withdrawal, or make an ownership change.**

We may require that you comply with then prevailing Investment Restrictions upon Spousal Contract continuation or permissible ownership changes.

The Investment Restrictions could mitigate losses but also hamper potential gains. Other investment options that are available if Investment Restrictions did not apply may offer the potential for higher returns. We are not responsible for lost investment opportunities associated with the implementation and enforcement of these Investment Restrictions. Investment Restrictions may reduce the overall volatility in investment performance. Such reduced volatility may reduce the returns on investments and mitigate our guarantee obligations under the Contract. These Investment Restrictions may limit your Contract Value and benefits. Before you elect an Optional Benefit that is subject to Investment Restrictions, you and your Financial Intermediary should carefully consider whether the investment options available under the Investment Restrictions meet your investment objectives and risk tolerance.

**Investment Restrictions may reduce the overall volatility in investment performance. Such reduced volatility may reduce returns on investments and mitigate our guarantee obligations under the Contract. Investment Restrictions do not guarantee reduced volatility.**

If you elect this rider in combination with an Optional Withdrawal Benefit, then in the event of a conflict between the Investment Restrictions above and those set forth in such Optional Withdrawal Benefit, the Investment Restrictions in such Optional Withdrawal Benefit shall prevail.

**Are there restrictions on the amount of subsequent Premium Payments?**

Yes. We reserve the right to approve all subsequent Premium Payments received after the first Contract Anniversary following the rider effective date. We do not currently enforce the right to approve subsequent Premium Payments, except where a subsequent Premium Payment would result in your total Premium Payments equaling or exceeding \$1 million. In the future, we may expand the circumstances under which we require prior approval of subsequent Premium Payments. There are a variety of factors that could influence our decision to prohibit or restrict subsequent Premium Payments, for example, we could do so in the event of a market disturbance or to help protect our ability to provide guarantees under these riders in the future, for example, if there significant changes to mortality assumptions. Any action we take with respect to subsequent Premium Payment restriction or approval will be done on a non-discriminatory basis. Following your Annuity Commencement Date, we will no longer accept subsequent Premium Payments. A limitation on subsequent Premium Payments means that you would not be able to increase your Death Benefits by making additional deposits into the Contract. We will provide 30 days' written notice in the event we begin limiting subsequent Premium Payments.

**Other information**

The rider may not be appropriate for all investors. Several factors, among others, should be considered:

- **If you are electing this rider after your Contract has been issued, the starting values for the benefit will be the Contract Value on the rider effective date and not your initial Premium Payment or any other prior values.**
- The benefits under the rider cannot be directly or indirectly assigned, collateralized, pledged or securitized in any way. Any such actions will invalidate the rider and allow us to terminate the rider.
- We may terminate this rider based upon the following conditions: Spousal Contract continuation, ownership changes, annuitization and/or violation of the Investment Restrictions. If we terminate the rider, it cannot be re-elected by you.
- The selection of an Annuity Payout Option and the timing of the selection may have an impact on the tax treatment of the benefit.
- Any withdrawal will trigger a proportionate reduction to your Death Benefit.
- The fee for the rider may change at every Contract Anniversary. Please carefully review the maximum fee disclosed in Section 2. Fee Summary.
- We may share non-personally identifiable Contract Owner information, such as ages and rider elections, with our affiliates and designees to assist us in managing our risks under the Contracts.
- You should consult with your Financial Intermediary for assistance in determining whether these Investment Restrictions are suitable for your financial needs and risk tolerance.
- **Any payment obligation we make under the Contract, including Death Benefits payments, is subject to our financial strength and claims-paying ability and our long-term ability to make such payments.**

**e. How is the Death Benefit paid?**

The Death Benefit may be taken in one lump sum or under any of the Annuity Payout Options then being offered by us, unless the Owner has designated the manner in which the Beneficiary will receive the Death Benefit. We will calculate the Death Benefit as of the date we receive a certified death certificate or other legal documents acceptable to us. The Death Benefit amount remains invested according to the last instructions on file and is subject to market fluctuation until complete settlement instructions are received from each Beneficiary. On the date we receive complete instructions from the Beneficiary, we will compute the Death Benefit amount to be paid out or applied to a selected Annuity Payout Option. When there is more than one Beneficiary, we will calculate the Death Benefit amount for each Beneficiary's portion of the proceeds and then pay it out or apply it to a selected Annuity Payout Option according to each Beneficiary's instructions. If we receive the complete instructions on a Non-Valuation Day, computations will take place on the next Valuation Day.

The Beneficiary may elect to leave proceeds from the Death Benefit invested with us for up to five years from the date of death of the Owner if death occurred before the Annuity Commencement Date. Once we receive a certified death certificate or other legal documents acceptable to us, the Beneficiary can: (a) make Sub-Account transfers (subject to applicable restrictions) and (b) take Partial Withdrawals without paying CDSCs, if any. We shall endeavor to fully discharge the last instructions from the Owner wherever possible or practical.

The Beneficiary of a non-qualified Contract or IRA (prior to the required distribution date) may also elect an Annuity Payout Option that allows the Beneficiary to take the Death Benefit in a series of payments spread over a period equal to the Beneficiary's remaining life expectancy. Distributions are calculated based on IRS life expectancy tables. This option is subject to different limitations and conditions depending on whether the Contract is non-qualified or an IRA.

If the Owner dies before the Annuity Commencement Date, the Death Benefit must be distributed within five years after death or be distributed under a distribution option or Annuity Payout Option that satisfies the Alternatives to the Required Distributions described below. Please see Section 8(C)(2)(f) Federal Tax Considerations for more information.

If the Owner dies on or after the Annuity Commencement Date under an Annuity Payout Option that permits the Beneficiary to elect to continue Annuity Payouts or receive the Commuted Value, any remaining value must be distributed at least as rapidly as under the payment method being used as of the Owner's death.

If the Owner is not an individual (e.g. a trust), then the original Annuitant will be treated as the Owner in the situations described above.

#### **f. Who Will Receive the Death Benefit?**

The distribution of the Death Benefit applies only when death is before the Annuity Commencement Date.

If death occurs on or after the Annuity Commencement Date, there may be no payout at death unless the Owner has elected an Annuity Payout Option that permits the Beneficiary to elect to continue Annuity Payouts, or receive any remaining value such as a cash refund.

#### **If death occurs before the Annuity Commencement Date:**

<b>If the deceased is the . . .</b>	<b>and . . .</b>	<b>and . . .</b>	<b>then the . . .</b>
Owner	There is a surviving joint Owner	The Annuitant is living or deceased	Joint Owner receives the Death Benefit.
Owner	There is no surviving joint Owner	The Annuitant is living or deceased	Beneficiary receives the Death Benefit.
Owner	There is no surviving joint Owner and the Beneficiary (including the contingent Beneficiary) predeceases the Owner	The Annuitant is living or deceased	Owner's estate receives the Death Benefit.
Annuitant	The Owner is living		The Owner becomes the Annuitant and the Contract continues. The Owner may name a new Annuitant.

#### **If death occurs on or after the Annuity Commencement Date:**

<b>If the deceased is the . . .</b>	<b>and . . .</b>	<b>then the . . .</b>
Owner	The Annuitant is living	Beneficiary becomes the Owner.
Annuitant	The Owner is living	Owner receives the payout at death.
Annuitant	The Annuitant is also the Owner	Beneficiary receives the payout at death.

**These are the most common scenarios. Some of the Annuity Payout Options may not result in a payout at death.**

In the event that the Owner is a non-natural person, the death of the Annuitant will be treated as the death of the Owner.

## **6. Optional Withdrawal Benefits**

### **Objective**

The objective of these Optional Withdrawal Benefits is to provide longevity protection in the form of Lifetime Annual Payments that may periodically increase based on the daily performance of your Contract and/or Deferral Bonuses.

You have two options to elect from when purchasing an Optional Withdrawal Benefit: Daily +5 and Daily 7. These options differ as described in the chart and discussion below. The election must be made at the time you purchase the rider and is irrevocable. Before making this election, you should carefully consider and discuss with your Financial Intermediary which option is right for you.



	Daily +5	Daily 7
	Provides a Lifetime Annual Payment based on both a <b>5%</b> Deferral Bonus <b>and</b> a market based Step Up.	Provides a Lifetime Annual Payment based on the greater of a <b>7%</b> Deferral Bonus <b>or</b> market-based Step Up, if greater.
<b>Deferral Bonus</b>	<b>5%</b> during the Deferral Bonus Period.	<b>7%</b> during the Deferral Bonus Period.
<b>Deferral Bonus Period</b>	15 Years	15 Years
<b>Lifetime Annual Payments</b>	Prior to your first withdrawal, the Lifetime Annual Payment is set on each Valuation Day equal to the Lifetime Withdrawal Percentage multiplied by your then current Withdrawal Base.	Prior to your first withdrawal, the Lifetime Annual Payment is set on each Valuation Day equal to the Lifetime Withdrawal Percentage multiplied by your then current Withdrawal Base.
<b>Anniversary Withdrawal Base</b>	Not Applicable.	Your Anniversary Withdrawal Base is used to calculate if your Withdrawal Base will reset. The Anniversary Withdrawal Base will be reset on each Contract Anniversary and will equal the Withdrawal Base.
<b>High Water Mark</b>	The High Water Mark is used to determine if your Withdrawal Base will be reset. The High Water Mark reset is equal to the greater of your prior High Water Mark, adjusted for Premium Payments or Partial Withdrawals or your Contract Value prior to the deduction of any applicable rider charge.	Not Applicable.
<b>Deferral Bonus Base</b>	The Deferral Bonus Base will not reset on the Contract Anniversary. The Deferral Bonus Base will only be increased by subsequent Premium Payments.	The Deferral Bonus Base may reset on each Contract Anniversary during the Deferral Bonus Period. The Deferral Bonus Base will be increased by subsequent Premium Payments and may be reset annually to equal the Withdrawal Base.
<b>Partial Withdrawals</b>	<p>Partial Withdrawals reduce your Withdrawal Base and High Water Mark in different ways depending on whether they are Excess Withdrawals or not.</p> <ul style="list-style-type: none"> <li>• Partial Withdrawals that are not Excess Withdrawals will not reduce the Withdrawal Base or High Water Mark.</li> <li>• Excess Withdrawals will reduce the Withdrawal Base and High Water Mark on a proportionate basis.</li> </ul>	<p>Partial Withdrawals reduce your Withdrawal Base and Anniversary Withdrawal Base in different ways depending on whether they are Excess Withdrawals or not.</p> <ul style="list-style-type: none"> <li>• Partial Withdrawals that are not Excess Withdrawals will not reduce the Withdrawal Base or Anniversary Withdrawal Base.</li> <li>• Excess Withdrawals will reduce the Withdrawal Base and Anniversary Withdrawal Base on a proportionate basis.</li> </ul>
<b>Step Up</b>	A Step Up is a potential increase to your Withdrawal Base, based on market performance. You will receive both the Step Up and the Deferral Bonus.	A Step Up is a potential increase to your Withdrawal Base, based on market performance. You will receive the greater of a Step Up or the Deferral Bonus.
<b>Subsequent Premium Payments</b>	Subsequent Premium Payments increase your Withdrawal Base, High Water Mark, and Deferral Bonus Base.	Subsequent Premium Payments increase your Withdrawal Base, Anniversary Withdrawal Base, and Deferral Bonus Base.
<b>Investment Restrictions</b>	Yes, including allocation to approved Sub-Accounts and the <b>Fixed Account</b> .	Yes, including allocation to approved Sub-Accounts and the <b>Fixed Account</b> .

## a. Daily +5 — Daily Step Up Withdrawal Benefit

### Objective

The objective of Daily +5 is to provide longevity protection in the form of Lifetime Annual Payments that may periodically increase based on the daily performance of your Contract and/or Deferral Bonuses.

Before electing Daily +5, you should carefully consider and discuss with your Financial Intermediary which option is right for you. Lifetime Annual Payments are subject to conditions described throughout this section. Please review these conditions carefully.

Please consider the following prior to electing the rider:

- Please note — 20% of initial and subsequent Premium Payments must be allocated to the Fixed Account.
- The rider has Investment Restrictions. Violation of the Investment Restrictions may result in termination of the rider.
- Excess Withdrawals will reduce the rider's benefit, as described below.

### How does the rider help achieve this goal?

The rider provides an opportunity to receive withdrawals in the form of Lifetime Annual Payments until the death of either the first Covered Life (Single Life Option) or the Covered Life that is second to die (Joint/Spousal Option). This rider also provides a Deferral Bonus. Daily +5 provides a 5% annual Deferral Bonus *and* market based Step Ups. A Step Up is the potential increase to your Withdrawal Base, based on market performance.

### When can you buy the rider?

You may elect this rider at any time, provided you have not *previously* elected any Optional Withdrawal Benefit. Non-natural Owners cannot elect this rider after the Contract issue date.

**If you elect this rider other than at Contract issuance, rider benefits will be calculated from the rider effective date not the Contract issue date. The starting values for determining your Withdrawal Base, High Water Mark and Deferral Bonus Base will be your Contract Value as of the rider effective date, not your initial Premium Payment or any other prior values.**

This rider may not be available in all states or through all broker-dealers and may be subject to additional restrictions set by your broker-dealer or by us. We reserve the right to withdraw this rider for new sales at any time without notice. Such a withdrawal will not affect you if you have already elected to purchase the rider. The maximum age of any Covered Life when electing this rider is 80. The minimum age of any Covered Life when electing this rider is 50.

If you elect this rider after the Contract issue date, and have not previously elected an optional Death Benefit, you will have a one-time opportunity to add Legacy Lock IV concurrently.

We look at the age of Contract parties (e.g., Owner, joint Owners, Spouses, Annuitant and/or Beneficiary) when setting rider benefits (such living persons are called a Covered Life and the specific person whose life and age is used to set benefits is called the relevant Covered Life). For instance, when setting your Lifetime Withdrawal Percentage, the older Covered Life is the relevant Covered Life when selecting the Single Life Option and the younger Covered Life is the relevant Covered Life when selecting the Joint/Spousal Option. We reserve the right to impose designation restrictions such as making sure that your Spouse is a joint Owner when selecting the Joint/Spousal Option.

### Does buying the rider forfeit your ability to buy other riders?

Yes, buying the rider precludes you from electing the Legacy Lock IV rider at a future date. You may only elect Legacy Lock IV at the time you elect this rider. Buying this rider also precludes you from electing any other Optional Withdrawal Benefit.

### How is the charge for the rider calculated?

The rider has a current charge and maximum rider charge and both are based on your Withdrawal Base. We will deduct the rider charge on each Quarterly Contract Anniversary on a pro-rated basis from each Sub-Account.

We may increase or decrease the rider charge on a prospective basis on each Contract Anniversary up to the maximum described in the Fee Table. **The rider charge may increase irrespective of whether you receive either a Step Up or a Deferral Bonus.** We will not increase the rider charge by more than 0.50% during any Contract Year. We will provide advance notice of changes to your rider charge. You may decline a rider charge change in which event your Lifetime Withdrawal Percentage will be reduced by 1%. For example, if your Lifetime Withdrawal Percentage would be 5%, but you declined a rider fee change at some point, your Lifetime Withdrawal Percentage will be 4%. This declination is irrevocable and no future Daily +5 Withdrawal Benefit rider fee changes will apply to you. The Rider Charge may also increase if you elect this rider following Spousal Contract continuation, but only if the Single Life option was elected and the rider terminated upon the death of your Spouse.



If the rider is terminated, or if there is a full Surrender from your Contract, then we will deduct a pro-rated share of the rider charge from your Contract Value based on your Withdrawal Base immediately prior to such termination or full Surrender.

**Does your benefit base change under the rider?**

Yes, this rider provides an opportunity to take a maximum withdrawal each year in the form of a Lifetime Annual Payment. We calculate your Lifetime Annual Payments by multiplying your Lifetime Withdrawal Percentage by your Withdrawal Base. The Withdrawal Base will fluctuate as described below.

• **Withdrawal Base and High Water Mark**

Under Daily +5, we use the Withdrawal Base to calculate your Lifetime Annual Payment. In Daily +5 you receive a 5% Deferral Bonus every year during the Deferral Bonus Period *in addition to* any Step Up. A Step Up is the potential increase to your Withdrawal Base, based on market performance. In order to calculate your Step Up, we use your High Water Mark. Your High Water Mark is generally your highest Contract Value as described below.

We automatically reset your Contract's High Water Mark each day to equal the greater of (i) your prior High Water Mark adjusted to include any additional Premium Payments or Partial Withdrawals or (ii) the Contract Value prior to the deduction of any applicable rider charge.

Your initial Withdrawal Base and High Water Mark are equal to your initial Premium Payment (without deduction of sales charges, if any). Your Withdrawal Base and High Water Mark may fluctuate based on Step Ups, Deferral Bonuses, subsequent Premium Payments, or Excess Partial Withdrawals.

If you are electing this rider after your Contract has been issued, the Withdrawal Base and High Water Mark will be based on the Contract Value on the date the rider is effective. This may be less than your initial Premium Payment or Contract Value on any day prior to your rider effective date.

Your Withdrawal Base may be reset each Valuation Day following the effective date of the rider until the Owner or the Covered Life is age 95. The reset is equal to the sum of (A), (B) and (C) where:

A = Your Withdrawal Base as of the prior Valuation Day adjusted to include the current Valuation Day Premium Payment and Partial Withdrawals.

B = The Contract Value High Water Mark as of the current Valuation Day less the Contract Value High Water Mark as of the prior Valuation Day adjusted to include the current Valuation Day Premium Payment and Partial Withdrawals.

C = The Deferral Bonus, if applicable. The Deferral Bonus is only applicable on the Contract Anniversary and during the Deferral Bonus Period.

Please refer to the Daily +5 Withdrawal Benefit Example Footnotes 2, 3 and 5 in Appendix A for illustrations of ways that your Withdrawal Base may increase based on a Step Up or Deferral Bonus.

Subsequent Premium Payments increase your Withdrawal Base, High Water Mark and Contract Value by the dollar amount of that Premium Payment.

Partial Withdrawals reduce your Withdrawal Base in different ways depending on whether they are Excess Withdrawals or not:

- Partial Withdrawals that are not Excess Withdrawals will not reduce the Withdrawal Base or High Water Mark.
- Excess Withdrawals will reduce the Withdrawal Base and High Water Mark on a proportionate basis. If your Contract Value is less than your Withdrawal Base, reductions on a proportionate basis will be greater than if done on a dollar-for-dollar basis.

Your Withdrawal Base can never be less than \$0 or more than \$10 million. Any transactions that would otherwise increase the Withdrawal Base outside these limits will not be included for any benefits under the rider.

Please refer to this rider's section entitled "What happens if you change ownership?" and "Can your Spouse continue your Lifetime Withdrawal Benefit?" for a discussion regarding how your Withdrawal Base can be recalculated following a Covered Life change. Please refer to the section entitled "How is the charge for the rider calculated?" for more information regarding the decrease of your Lifetime Withdrawal Percentage associated with declining rider charge increases.

Partial Withdrawals taken during any Contract Year that cumulatively exceed the Free Withdrawal Amount, but do not exceed Lifetime Annual Payments will be free of any applicable CDSC.

Please refer to the Daily +5 Withdrawal Benefit Example Footnotes 4 and 6 in Appendix A for illustrations of withdrawals.

### Deferral Bonus Base

The Deferral Bonus for Daily +5 is 5%. The Deferral Bonus will be calculated as a percentage of the Deferral Bonus Base during an effective Deferral Bonus Period.

If you elect this rider when the Contract is issued, your Deferral Bonus Base is equal to your initial Premium Payment and any subsequent Premium Payments made during your first Contract Year (without deduction of sales charges, if any). The Deferral Bonus Base will not reset on the Contract Anniversary.

If you are electing this rider after your Contract has been issued the Deferral Bonus Base is equal to your Contract Value on the date the rider is effective. Contract Value and Premium Payments prior to the election of the rider (as well as those values that would have been used to set the Deferral Bonus Base had this rider been elected upon Contract issuance), will be disregarded.

**The Deferral Bonus Period will cease upon the earlier of the 15th Contract Anniversary following the rider effective date, Annuity Commencement Date, or when you take any Partial Withdrawal.**

During the Deferral Bonus Period, subsequent Premium Payments will increase your Deferral Bonus Base by the dollar amount of the Premium Payment. The Deferral Bonus Base will not be increased by anything other than subsequent Premium Payments.

Your Deferral Bonus Base can never be less than \$0 or more than \$10 million. Any activities that would otherwise increase the Deferral Bonus Base above these limits will not be included for any benefits under the rider.

Please refer to the sections entitled “What happens if you change ownership?” and “Can your Spouse continue your Lifetime Withdrawal Benefit?” for a discussion regarding how your Deferral Bonus Base can be recalculated following a Covered Life change.

### Is the rider designed to pay you withdrawal benefits for your lifetime?

**Yes. However, withdrawals taken prior to the Minimum Income Age (age 55) are not guaranteed to be available throughout your lifetime. Such withdrawals will reduce (and may even eliminate) the Withdrawal Base otherwise available to establish lifetime benefits. Additionally, if your Contract Value falls below the Minimum Amount Rule before the relevant Covered Life attains age 55, your Lifetime Annual payments will be reduced to zero.**

Lifetime Annual Payments are calculated by multiplying your Withdrawal Base by the applicable Lifetime Withdrawal Percentage. The Lifetime Withdrawal Percentage varies based on the age of the relevant Covered Life and whether or not you’ve taken your first Partial Withdrawal.

Prior to your first Partial Withdrawal, your Lifetime Annual Payment is set on each Valuation Day and is equal to your applicable Lifetime Withdrawal Percentage multiplied by your then current Withdrawal Base. Thereafter, your Lifetime Annual Payment may reset on any of the following events:

- a) Contract Anniversary;
- b) The Lifetime Withdrawal Percentage changes;
- c) A subsequent Premium Payment;
- d) An Excess Withdrawal; or
- e) A change of Owner, because of Spousal Contract continuation.

The applicable Lifetime Withdrawal Percentages are as follows:

Attained Age	Lifetime Withdrawal Percentage	
	Single Option	Joint/Spousal Option
55 – 59	3.5%	3.0%
60 – 64	4.0%	3.5%
65 – 74	5.0%	4.5%
75 – 84	5.5%	5.0%
85+	6.0%	5.5%

Withdrawals taken prior to age 59½ may be subject to a 10% penalty tax if not taken as part of a substantially equal periodic payment. In order to qualify for the exception to the 10% penalty, a system of substantially equal periodic payments must last until the later of 5 years

from the date of the first payment or the date you turn 59½. Any modification during this time may result in retroactive taxes. You should discuss any withdrawals prior to age 59½ with your tax adviser.

- Except as provided below, the Lifetime Withdrawal Percentage will be based on the age of the relevant Covered Life at the time of the first Partial Withdrawal. If a Partial Withdrawal HAS NOT been taken, your new Lifetime Withdrawal Percentage will be effective on the last birthday that brought the relevant Covered Life into a new Lifetime Withdrawal Percentage age band; or
- If a Partial Withdrawal HAS been taken, the Lifetime Withdrawal Percentage will be locked at the time of the Partial Withdrawal. The Lifetime Withdrawal Percentage may increase based on the current attained age of the Covered Life provided there is a Step Up and a new age band is reached.

**Is the rider designed to pay you Death Benefits?**

No.

**Does the rider replace the standard Death Benefit?**

No.

**Can you revoke the rider?**

No. Please also see “Other Information” at the end of this section for other ways the rider may terminate.

**What effect do Partial Withdrawals or full Surrenders have on your benefits under the rider?**

Please refer to “Does your benefit base change under the rider?” for the effect of Partial Withdrawals. You may make a full Surrender of your entire Contract at any time. However, you will receive your Contract Value with any applicable charges (and Premium Tax) deducted and not your Withdrawal Base, Deferral Bonus Base and any future Lifetime Annual Payments.

If your Contract Value on any Contract Anniversary is ever reduced below the Minimum Amount Rule (equal to the greater of the Minimum Contract Value described in Section 4.c or one Lifetime Annual Payment) as a result of investment performance or deduction of fees and/or charges, or if on any Valuation Day a Partial Withdrawal is taken that reduces your Contract Value below this Minimum Amount Rule, we will no longer accept subsequent Premium Payments. You may then either make a full Surrender and terminate your Contract and your rider, or you may continue the Contract provided the following:

- You must Transfer your remaining Contract Value to an approved Sub-Account(s) and/or Program(s) within ten business days. Failure to do so will be deemed as your acquiescence to our exercising reserved contractual right to terminate the rider;
- Lifetime Annual Payments will continue;
- Step Ups and Deferral Bonuses, if applicable, will no longer apply; and
- All other privileges under the rider will terminate and you will no longer be charged a rider fee, Premium Based Charge or Annual Maintenance Fee.

Once your Contract Value is reduced below the Minimum Amount Rule, any Excess Withdrawal will result in the contract being liquidated and the rider terminating.

**What happens if you change ownership?**

An ownership change which changes the Covered Life will terminate this rider. A final pro-rated rider charge will be assessed on the termination date, and then will no longer be assessed. If the ownership change is a result of Spousal Contract continuation and the Joint/Spousal option was elected, the rider will not terminate. The rider will terminate on Spousal Contract continuation if the Single Life Option was elected. Please see “Can your Spouse continue your Lifetime Withdrawal Benefit?” below for additional information.

Ownership changes may be taxable to you. We recommend that you consult with a tax adviser before making any ownership changes.

**Can your Spouse continue your Lifetime Withdrawal Benefit?**

- *Single Life Option:*

No. This rider terminates upon the death of the Owner however, the Spouse may continue the Contract under the “Spouse Beneficiary” provision of the Contract, whereby the Contract Owner’s Spouse will become the Contract Owner if the Spouse was named as Beneficiary. The Spouse may either choose to continue the Contract or may elect to be paid a Death Benefit option, if eligible. If the Spouse chooses to continue the Contract, we will increase the Contract Value to the Death Benefit value as of the Valuation Day We receive due proof of death according to the future contribution allocation then in effect. The surviving Spouse becomes the new Owner on the effective Valuation Day of the Spousal Contract continuation. This right may be exercised only once during the term of the Contract.

Once the surviving Spouse is the new Contract Owner, the Spouse may re-elect this rider, subject to the election rules that are then in place.

- *Joint/Spousal Option:*

The rider is designed to facilitate the continuation of your rights by your Spouse through the inclusion of a Joint/Spousal Option. If a Covered Life dies and the Contract and the rider are continued as described below, the rider will continue with respect to all benefits at the then current rider charge. The benefits will be reset as follows:

- The Withdrawal Base will be equal to the greater of Contract Value or the Withdrawal Base on the Spousal Contract continuation date;
- The Deferral Bonus Base will be equal to the greater of Contract Value or the Deferral Bonus Base on the Spousal Contract continuation date;
- The High Water Mark will be equal to the greater of Contract Value or the High Water Mark on the Spousal Contract continuation date;
- The Deferral Bonus Period, if applicable, will not reset; the Deferral Bonus Period will continue uninterrupted;
- The Lifetime Annual Payment will be recalculated; and
- The Lifetime Withdrawal Percentage will remain at the current percentage if Partial Withdrawals have commenced; otherwise the Lifetime Withdrawal Percentage will be based on the attained age of the remaining Covered Life on the Spousal Contract continuation date.

The remaining Covered Life cannot name a new Owner on the Contract. Any new Beneficiary that is added to the Contract will not be taken into consideration as a Covered Life. The rider will terminate upon the death of the remaining Covered Life.

### **What happens if you annuitize your Contract?**

If you elect to annuitize your Contract prior to reaching the Annuity Commencement Date, you may only annuitize your Contract Value, not your Withdrawal Base. If your Contract reaches the Annuity Commencement Date, your Contract must be annuitized unless we agree to extend the Annuity Commencement Date, at our discretion. Upon annuitization, your Contract Value, not your Withdrawal Base, will be annuitized. In this circumstance, the Contract may be annuitized under our standard annuitization rules.

- *Single Life Option:*

At the Annuity Commencement Date, the Contract may be annuitized under our standard Annuity Options or as Lifetime Annual Payments With a Cash Refund — an annuity payable during the lifetime of the Covered Life. At the death of the Covered Life, any remaining value will be paid to the Beneficiary. The remaining value equals the Contract Value on the Annuity Commencement, less Premium Tax, minus the sum of all Annuity Payments made.

- *Joint/Spousal Option:*

At the Annuity Commencement Date, the Contract may be annuitized under our standard Annuity Options or as Lifetime Annual Payments With a Cash Refund — an annuity payable during the lifetime of the Covered Lives. At the death of the second Covered Life, any remaining value will be paid to the Beneficiary. The remaining value equals the Contract Value on the Annuity Commencement Date, less Premium Tax, minus the sum of all Annuity Payments made.

Should your Contract Value go below our Minimum Amount Rule then in effect, Lifetime Annual Payments will continue as described in this section under “What effect do Partial Withdrawals or full Surrenders have on your benefits under the rider?”

### **Are there restrictions on how you must invest?**

Yes. You must invest your Contract Value (including future investments) within Sub-Account(s) and the Fixed Account approved and designated by us that correspond with the rider version chosen. This means you will be limited in your choice of Sub-Account investments. This also means you will not be able to allocate your Contract Value to all available Sub-Accounts. You must also allocate 20% of your initial and subsequent Premium Payments to the Fixed Account, including C share, which otherwise cannot invest in the Fixed Account. Current Investment Restrictions are listed in Appendix D.

We may modify, add, delete, or substitute (to the extent permitted by applicable law), the Sub-Accounts, the Fixed Account, portfolio rebalancing requirements, and other Investment Restrictions that apply while the rider is in effect. For instance, we might amend these restrictions if a Sub-Account (i) merges into another fund, (ii) changes investment objectives, (iii) closes to further investments and/or (iv) fails to meet acceptable risk parameters. These changes will not be applied with respect to then existing investments, except in a case where the underlying Sub-Account is liquidated by its Board of Directors or substituted in accordance with an order from the Securities and Exchange Commission. We will give you advance notice of these changes.

You are required to allocate a portion of your initial and subsequent Premium Payments to the Fixed Account (please see Section 3 for more information on the Fixed Account). In that situation, you may not transfer additional amounts in or out of the Fixed Account, even in the event of declining interest rates.

Upon violation of these Investment Restrictions, you will have a five business day window during which you must allocate to approved Sub-Accounts. Except as provided below, failure to comply with any applicable Investment Restriction will result in termination of the rider. If the rider is terminated by us, for violation of applicable Investment Restrictions, we will assess a pro-rated share of the rider charge and will no longer assess a rider charge thereafter. In the event of a conflict between the Investment Restrictions of this rider and those imposed by any guaranteed minimum death benefit rider, the Investment Restrictions of this rider shall prevail.

**If the rider is terminated by us due to a failure to comply with these Investment Restrictions, you will have one opportunity to reinstate the rider by reallocating your Contract Value in accordance with then prevailing Investment Restrictions. You will have a five business day reinstatement period to do this. The reinstatement period will begin upon termination of the rider. Your right to reinstate the rider will be terminated if during the reinstatement period you make a subsequent Premium Payment, take a Partial Withdrawal, or make a Covered Life change. Your Lifetime Withdrawal Percentage will be reset to equal the Lifetime Withdrawal Percentage prior to termination unless during the reinstatement period the relevant Covered Life qualifies for a new age band.**

**If applicable, your Withdrawal Base, Deferral Bonus Base, and High Water Mark will be reset at the lower of the Contract Value or the Withdrawal Base, Deferral Bonus, or High Water Mark Base respectively, prior to the revocation as of the date of the reinstatement. We will deduct a pro-rated rider charge on your Quarterly Contract Anniversary following the reinstatement for the time period between the reinstatement date and your first Quarterly Contract Anniversary following the reinstatement. Violation of these Investment Restrictions could result in a serious erosion of the value in this rider.**

We may require that you comply with then prevailing Investment Restrictions upon Spousal Contract continuation or permissible Covered Life changes. Investment in certain Funds could mitigate losses but also hamper potential gains. We are not responsible for lost investment opportunities associated with the implementation and enforcement of these Investment Restrictions. Investment Restrictions may reduce the overall volatility in investment performance. Such reduced volatility may reduce the returns on investments and mitigate our guarantee obligations under the Contract.

It may be presumed that investment in any of the Sub-Account(s) and the Fixed Account could mitigate losses but also hamper potential gains. The approved Sub-Account(s) and the Fixed Account provide very different potential risk/reward characteristics. Other investment options that are available if Investment Restrictions did not apply may offer the potential for higher returns. We are not responsible for lost investment opportunities associated with the implementation and enforcement of these Investment Restrictions. These Investment Restrictions may limit your Contract Value and benefits. Before you elect an Optional Benefit that is subject to Investment Restrictions, you and your Financial Intermediary should carefully consider whether the investment options available under the Investment Restrictions meet your investment objectives and risk tolerance.

**Investment Restrictions may reduce the overall volatility in investment performance. Such reduced volatility may reduce returns on investments and mitigate our guarantee obligations under the Contract. Investment Restrictions do not guarantee reduced volatility.**

#### **Are there restrictions on the amount of subsequent Premium Payments?**

Yes. We require prior approval of subsequent Premium Payments after the first Contract Anniversary after the rider effective date. We do not currently enforce the right to approve subsequent Premium Payments, except where a subsequent Premium Payment would result in your total Premium Payments equaling or exceeding \$1 million. In the future, we may expand the circumstances under which we require prior approval of subsequent Premium Payments. There are a variety of factors that could influence our decision to prohibit or restrict subsequent Premium Payments, for example, we could do so in the event of a market disturbance or to help protect our ability to provide guarantees under these riders in the future, for example, if there significant changes to mortality assumptions. We also prohibit subsequent Premium Payments if your Contract Value falls below Minimum Contract Value. Any action we take with respect to subsequent Premium Payment restriction or approval will be done on a non-discriminatory basis. We will not accept Premium Payments after the Annuity Commencement Date. A limitation on subsequent Premium Payments means that you would not be able to increase your Lifetime Annual Payments by making additional deposits into the Contract. We will provide 30 days' written notice in the event we begin limiting subsequent Premium Payments.

#### **Other information**

The rider may not be appropriate for all investors. Several factors, among others, should be considered:

- **20% of initial and subsequent Premium Payments must be allocated to the Fixed Account. The remaining 80% of initial and subsequent Premium Payments must be allocated amongst the approved Sub-Accounts in Appendix D. If you become subject to these Investment Restrictions after the date your Contract is issued (i.e. you post-issue elect one of these Optional Benefits) the 20% and 80% allocations will be based on your Contract Value on the rider effective date.**
- The minimum age of any Covered Life when electing this rider is 50.



- **If you are electing this rider after your Contract has been issued, the starting values for all benefits will be the Contract Value on the rider effective date and not your initial Premium Payment or any other prior values.**
- We reserve the right to impose a daily Withdrawal Base Cap for new sales only. We do not currently enforce a daily Withdrawal Base Cap.
- If your Contract Value falls below the Minimum Amount Rule before the relevant Covered Life attains age 55, your Lifetime Annual Payment will be reduced to zero.
- The benefits under the rider cannot be directly or indirectly assigned, collateralized, pledged or securitized in any way. Any such actions will invalidate the rider and allow us to terminate the rider.
- We may terminate this rider based upon the following conditions: Spousal Contract continuation, ownership changes, violation of the Investment Restrictions and/or if your Contract Value on any Contract Anniversary is reduced below the Minimum Amount Rule and you failed to transfer your remaining Contract Value to approved Sub-Accounts within ten business days. If we terminate the rider, it cannot be re-elected by you.
- Annuitizing your Contract, whether voluntary or not, will impact and possibly eliminate this benefit.
- Even though the rider is designed to provide living benefits, you should not assume that you will necessarily receive payments for life if you have violated any of the terms of the rider or if you commence taking Partial Withdrawals prior to your Minimum Income Age. Partial Withdrawals taken prior to the Minimum Income Age are not guaranteed to be available throughout your lifetime. Such Partial Withdrawals will reduce (and may even eliminate) the Withdrawal Base otherwise available to establish lifetime benefits.
- This rider may not be appropriate for you if you are interested in maximizing the Contract's potential for long-term accumulation rather than taking current withdrawals and ensuring a stream of income.
- We may withdraw the rider for new Contract sales at any time.
- Any Excess Withdrawal will trigger a proportionate reduction in your benefit.
- Transfers made pursuant to a Systematic Withdrawal Program may violate this rider if made during the reinstatement period following a violation of Investment Restrictions under this rider.
- When the Single Life Option is chosen, Spouses may find continuation of the rider to be unavailable or unattractive after the death of the Owner. Continuation of the benefits available in this rider is dependent upon its availability at the time of death of the first Covered Life.
- Not all Annuity Payout Options will provide a stream of income for your lifetime and payments may be less than Lifetime Annual Payments. The amount and duration of an annuity payout will depend on the Annuity Payout Option you elect. You should carefully review the Annuity Payout Options available when making your annuitization election.
- The fee for the rider may change at every Contract Anniversary. Please carefully review the maximum fee disclosed in Section 2. Fee Summary.
- **We do not automatically increase payments under the Systematic Withdrawal Program if your Lifetime Annual Payment increases. If you are enrolled in our Systematic Withdrawal Program to make Lifetime Annual Payments and your eligible Lifetime Annual Payment increases, you need to request an increase in your Systematic Withdrawal Program. We will not individually notify you of this privilege.**
- We may share non-personally identifiable Contract Owner information, such as ages and rider elections, with our affiliates and designees to assist us in managing our risks under the Contracts.
- The purchase of the rider may not be appropriate for custodial owned Contracts, Beneficiary or inherited IRAs or Contracts owned by certain types of non-natural entities, including Charitable Trusts. Because these types of owners and many non-natural entities may be required to make certain periodic distributions and those amounts may be different than the withdrawal limits permitted under the rider, you should discuss this with your tax adviser or Financial Intermediary to determine the appropriateness of this benefit. We are not responsible for violations to riders due to your obligation to comply with RMD obligations.
- The Daily +5 Withdrawal Benefit is referred to as Enhanced Guaranteed Lifetime Withdrawal Benefit Rider II in your Contract.
- You should consult with your Financial Intermediary for assistance in determining whether these Investment Restrictions are suitable for your financial needs and risk tolerance.
- **Any payment obligation we make under the Contract, including Optional Withdrawal Benefit payments, is subject to our financial strength and claims-paying ability and our long-term ability to make such payments.**



## b. Daily 7 — Daily Step Up Withdrawal Benefit

### Objective

The objective of Daily 7 is to provide longevity protection in the form of Lifetime Annual Payments that may periodically increase based on the daily performance of your Contract and/or Deferral Bonuses.

Before electing Daily 7, you should carefully consider and discuss with your Financial Intermediary which option is right for you. Lifetime Annual Payments are subject to conditions described throughout this section. Please review these conditions carefully.

Please consider the following prior to electing the rider:

- Please note — 20% of initial and subsequent Premium Payments must be allocated to the Fixed Account.
- The rider has Investment Restrictions. Violation of the Investment Restrictions may result in termination of the rider.
- Excess Withdrawals will reduce the rider's benefit, as described below.

### How does the rider help achieve this goal?

The rider provides an opportunity to receive withdrawals in the form of Lifetime Annual Payments until the death of either the first Covered Life (Single Life Option) or the Covered Life that is second to die (Joint/Spousal Option). This rider also provides a Deferral Bonus. Daily 7 provides a 7% annual Deferral Bonus or market based Step Ups, if greater. A Step Up is the potential increase to your Withdrawal Base, based on market performance.

### When can you buy the rider?

You may elect this rider at any time, provided you have not *previously* elected any Optional Withdrawal Benefit. Non-natural Owners cannot elect this rider after the Contract issue date.

**If you elect this rider other than at Contract issuance, rider benefits will be calculated from the rider effective date not the Contract issue date. The starting values for determining your Withdrawal Base, Anniversary Withdrawal Base and Deferral Bonus Base will be your Contract Value as of the rider effective date, not your initial Premium Payment or any other prior values.**

This rider may not be available in all states or through all broker-dealers and may be subject to additional restrictions set by your broker-dealer or by us. We reserve the right to withdraw this rider for new sales at any time without notice. Such a withdrawal will not affect you if you have already elected to purchase the rider. The maximum age of any Covered Life when electing this rider is 80. The minimum age of any Covered Life when electing this rider is 60.

If you elect this rider after the Contract issue date, and have not previously elected an optional Death Benefit, you will have a one-time opportunity to add Legacy Lock IV concurrently.

We look at the age of Contract parties (e.g., Owner, joint Owners, Spouses, Annuitant and/or Beneficiary) when setting rider benefits (such living persons are called a Covered Life and the specific person whose life and age is used to set benefits is called the relevant Covered Life). For instance, when setting your Lifetime Withdrawal Percentage, the older Covered Life is the relevant Covered Life when selecting the Single Life Option and the younger Covered Life is the relevant Covered Life when selecting the Joint/Spousal Option. We reserve the right to impose designation restrictions such as making sure that your Spouse is a joint Owner when selecting the Joint/Spousal Option.

### Does buying the rider forfeit your ability to buy other riders?

Yes, buying the rider precludes you from electing the Legacy Lock IV rider at a future date. You may only elect Legacy Lock IV at the time you elect this rider. Buying this rider also precludes you from electing any other Withdrawal Benefit.

### How is the charge for the rider calculated?

The rider has a current charge and maximum rider charge and both are based on your Withdrawal Base. We will deduct the rider charge on each Quarterly Contract Anniversary on a pro-rated basis from each Sub-Account.

We may increase or decrease the rider charge on a prospective basis on each Contract Anniversary up to the maximum described in the Fee Table. **The rider charge may increase irrespective of whether you receive either a Step Up or a Deferral Bonus.** We will not increase the rider charge by more than 0.50% during any Contract Year. We will provide advance notice of changes to your rider charge. You may decline a rider charge change in which event your Lifetime Withdrawal Percentage will be reduced by 1%. For example, if your Lifetime Withdrawal Percentage would be 5%, but you declined a rider fee change at some point, your Lifetime Withdrawal Percentage will be 4%. This declination is irrevocable and no future Daily 7 Withdrawal Benefit rider fee changes will apply to you. The Rider Charge may also increase if you elect this rider following Spousal Contract continuation, but only if the Single Life option was elected and the rider terminated upon the death of your Spouse.

If the rider is terminated, or if there is a full Surrender from your Contract, then we will deduct a pro-rated share of the rider charge from your Contract Value based on your Withdrawal Base immediately prior to such termination or full Surrender.

**Does your benefit base change under the rider?**

Yes, this rider provides an opportunity to take a maximum withdrawal each year in the form of a Lifetime Annual Payment. We calculate your Lifetime Annual Payments by multiplying your Lifetime Withdrawal Percentage by your Withdrawal Base. The Withdrawal Base will fluctuate as described below.

• **Withdrawal Base and Anniversary Withdrawal Base**

Under Daily 7, we use the Withdrawal Base to calculate your Lifetime Annual Payment. In Daily 7 you receive a 7% Deferral Bonus or a Step Up, whichever is greater. A Step Up is the potential increase to your Withdrawal Base, based on market performance.

Your initial Withdrawal Base and Anniversary Withdrawal Base are equal to your initial Premium Payment (without deduction of sales charges, if any). Your Withdrawal Base and Anniversary Withdrawal Base will fluctuate based on Step Ups, Deferral Bonuses, subsequent Premium Payments, or Excess Partial Withdrawals.

If you are electing this rider after your Contract has been issued, the Withdrawal Base and Anniversary Withdrawal Base will be based on the Contract Value on the date the rider is effective. This may be less than your initial Premium Payment or Contract Value on any day prior to your rider effective date.

Your Withdrawal Base may be reset each Valuation Day following the effective date of the rider until the Owner or the Covered Life is age 95. The reset is equal to the greater of (A), (B) or (C) where:

A = Your Withdrawal Base as of the prior Valuation Day adjusted to include the current Valuation Day Premium Payment and Partial Withdrawals.

B = Your Contract Value, prior to the deduction of any applicable Rider Charge.

C = Your Anniversary Withdrawal Base as of the prior Valuation Day adjusted to include the current Valuation Day Premium Payment and Partial Withdrawals, plus the Deferral Bonus, if applicable. The Deferral Bonus is only applicable on the Contract Anniversary and during the Deferral Bonus Period.

Your Anniversary Withdrawal Base may be reset each Contract Anniversary to equal the greater of the Withdrawal Base or the Anniversary Withdrawal Base as of the prior Valuation Day adjusted to include the current Valuation Day Premium Payment and Partial Withdrawals. The Anniversary Withdrawal Base includes any applicable Deferral Bonus (the amount added to your Anniversary Withdrawal Base during the Deferral Bonus Period if a Step Up does not occur).

Please refer to the Daily 7 Withdrawal Benefit Example Footnotes 2, 3 and 6 in Appendix A for illustrations of ways that your Withdrawal Base may increase based on a Step Up or Deferral Bonus.

Subsequent Premium Payments increase your Withdrawal Base, Anniversary Withdrawal Base and Contract Value by the dollar amount of that Premium Payment.

Partial Withdrawals reduce your Withdrawal Base and Anniversary Withdrawal Base in different ways depending on whether they are Excess Withdrawals or not:

- Partial Withdrawals that are not Excess Withdrawals will not reduce the Withdrawal Base or Anniversary Withdrawal Base.
- Excess Withdrawals will reduce the Withdrawal Base and Anniversary Withdrawal Base on a proportionate basis. If your Contract Value is less than your Withdrawal Base, reductions on a proportionate basis will be greater than if done on a dollar-for-dollar basis.

Your Withdrawal Base can never be less than \$0 or more than \$10 million. Any transactions that would otherwise increase the Withdrawal Base outside these limits will not be included for any benefits under the rider.

Please refer to this rider's section entitled "What happens if you change ownership?" and "Can your Spouse continue your Lifetime Withdrawal Benefit?" for a discussion regarding how your Withdrawal Base can be recalculated following a Covered Life change. Please refer to the section entitled "How is the charge for the rider calculated?" for more information regarding the decrease of your Lifetime Withdrawal Percentage associated with declining rider charge increases.

Partial Withdrawals taken during any Contract Year that cumulatively exceed the Free Withdrawal Amount, but do not exceed Lifetime Annual Payments will be free of any applicable CDSC.

Please refer to the Daily 7 Withdrawal Benefit Example Footnotes 5 and 7 in Appendix A for illustrations of different types of withdrawals.

### Deferral Bonus Base

On each Contract Anniversary during the Deferral Bonus Period, we may apply a Deferral Bonus to your Withdrawal Base. You will not receive a Deferral Bonus if your Step Up (as of the date of your Contract Anniversary) is greater than or equal to your Deferral Bonus Base multiplied by the Deferral Bonus. The Deferral Bonus for Daily 7 is 7%. The Deferral Bonus will be calculated as a percentage of the Deferral Bonus Base during an effective Deferral Bonus Period.

If you elect this rider when the Contract is issued, your Deferral Bonus Base is equal to your initial Premium Payment and any subsequent Premium Payments made during your first Contract Year (without deduction of sales charges, if any). If you are electing this rider after your Contract has been issued the Deferral Bonus Base is equal to your Contract Value on the date the rider is effective. Contract Value and Premium Payments prior to the election of the rider (as well as those values that would have been used to set the Deferral Bonus Base had this rider been elected upon Contract issuance), will be disregarded. Thereafter, your Deferral Bonus Base will be reset on each Contract Anniversary during the Deferral Bonus Period.

If, on your Contract Anniversary, you have a Step Up that is greater than your Deferral Bonus, we will reset your Deferral Bonus Base to equal your Withdrawal Base. If, on your Contract Anniversary, a Step Up does not occur or is less than your Deferral Bonus, your Deferral Bonus Base is not reset.

Please refer to the Daily 7 Withdrawal Benefit Example Footnote 4 in Appendix A for an illustration of a Deferral Bonus Base being reset.

**The Deferral Bonus Period will cease upon the earlier of the 15th Contract Anniversary following the rider effective date, the Annuity Commencement Date, or when you take any Partial Withdrawal.**

During the Deferral Bonus Period, subsequent Premium Payments will increase your Deferral Bonus Base by the dollar amount of the Premium Payment. The Deferral Bonus Base will not be increased by anything other than subsequent Premium Payments.

Your Deferral Bonus Base can never be less than \$0 or more than \$10 million. Any activities that would otherwise increase the Deferral Bonus Base above these limits will not be included for any benefits under the rider.

Please refer to the sections entitled “What happens if you change ownership?” and “Can your Spouse continue your Lifetime Withdrawal Benefit?” for a discussion regarding how your Deferral Bonus Base can be recalculated following a Covered Life change.

### Is the rider designed to pay you withdrawal benefits for your lifetime?

**Yes. However, withdrawals taken prior to the Minimum Income Age (age 60) are not guaranteed to be available throughout your lifetime. Such withdrawals will reduce (and may even eliminate) the Withdrawal Base otherwise available to establish lifetime benefits. Additionally, if your Contract Value falls below the Minimum Amount Rule before the relevant Covered Life attains age 60, your Lifetime Annual payments will be reduced to zero.**

Lifetime Annual Payments are calculated by multiplying your Withdrawal Base by the applicable Lifetime Withdrawal Percentage. The Lifetime Withdrawal Percentage varies based on the age of the relevant Covered Life and whether or not you’ve taken your first Partial Withdrawal.

Prior to your first Partial Withdrawal, your Lifetime Annual Payment is set on each Valuation Day and is equal to your applicable Lifetime Withdrawal Percentage multiplied by your then current Withdrawal Base. Thereafter, your Lifetime Annual Payment may reset on any of the following events:

- a) Contract Anniversary;
- b) The Lifetime Withdrawal Percentage changes;
- c) A subsequent Premium Payment;
- d) An Excess Withdrawal; or
- e) A change of Owner, because of Spousal Contract continuation.

The applicable Lifetime Withdrawal Percentages are as follows:

Attained Age	Lifetime Withdrawal Percentage	
	Single Option	Joint/Spousal Option
60 – 64	4.0%	3.5%
65 – 74	5.0%	4.5%
75 – 84	5.5%	5.0%
85+	6.0%	5.5%

- Except as provided below, the Lifetime Withdrawal Percentage will be based on the age of the relevant Covered Life at the time of the first Partial Withdrawal. If a Partial Withdrawal HAS NOT been taken, your new Lifetime Withdrawal Percentage will be effective on the last birthday that brought the relevant Covered Life into a new Lifetime Withdrawal Percentage age band; or
- If a Partial Withdrawal HAS been taken, the Lifetime Withdrawal Percentage will be locked at the time of the Partial Withdrawal. The Lifetime Withdrawal Percentage may increase based on the current attained age of the Covered Life provided there is a Step Up and a new age band is reached.

**Is the rider designed to pay you Death Benefits?**

No.

**Does the rider replace the standard Death Benefit?**

No.

**Can you revoke the rider?**

No. Please also see “Other Information” at the end of this section for other ways the rider may terminate.

**What effect do Partial Withdrawals or full Surrenders have on your benefits under the rider?**

Please refer to “Does your benefit base change under the rider?” for the effect of Partial Withdrawals. You may make a full Surrender of your entire Contract at any time. However, you will receive your Contract Value with any applicable charges (and Premium Tax) deducted and not your Withdrawal Base, Deferral Bonus Base and any future Lifetime Annual Payments.

If your Contract Value on any Contract Anniversary is ever reduced below the Minimum Amount Rule (equal to the greater of the Minimum Contract Value described in Section 4.c or one Lifetime Annual Payment) as a result of investment performance or deduction of fees and/or charges, or if on any Valuation Day a Partial Withdrawal is taken that reduces your Contract Value below this Minimum Amount Rule, we will no longer accept subsequent Premium Payments. You may then either make a full Surrender and terminate your Contract and your rider, or you may continue the Contract provided the following:

- You must Transfer your remaining Contract Value to an approved Sub-Account(s) and/or Program(s) within ten business days. Failure to do so will be deemed as your acquiescence to our exercising reserved contractual right to terminate the rider;
- Lifetime Annual Payments will continue;
- Step Ups and Deferral Bonuses, if applicable, will no longer apply; and
- All other privileges under the rider will terminate and you will no longer be charged a rider fee, Premium Based Charge or Annual Maintenance Fee.

Once your Contract Value is reduced below the Minimum Amount Rule, any Excess Withdrawal will result in the contract being liquidated and the rider terminating.

**What happens if you change ownership?**

An ownership change which changes the Covered Life will terminate this rider. A final pro-rated rider charge will be assessed on the termination date, and then will no longer be assessed. If the ownership change is a result of Spousal Contract continuation and the Joint/Spousal option was elected, the rider will not terminate. The rider will terminate on Spousal Contract continuation if the Single Life Option was elected. Please see “Can your Spouse continue your Lifetime Withdrawal Benefit?” below for additional information.

Ownership changes may be taxable to you. We recommend that you consult with a tax adviser before making any ownership changes.

**Can your Spouse continue your Lifetime Withdrawal Benefit?**

- *Single Life Option:*

No. This rider terminates upon the death of the Owner however, the Spouse may continue the Contract under the “Spouse Beneficiary” provision of the Contract, whereby the Contract Owner’s Spouse will become the Contract Owner if the Spouse was named as Beneficiary.

The Spouse may either choose to continue the Contract or may elect to be paid a Death Benefit option, if eligible. If the Spouse chooses to continue the Contract, we will increase the Contract Value to the Death Benefit value as of the Valuation Day We receive due proof of death according to the future contribution allocation then in effect. The surviving Spouse becomes the new Owner on the effective Valuation Day of the Spousal Contract continuation. This right may be exercised only once during the term of the Contract.

Once the surviving Spouse is the new Contract Owner, the Spouse may re-elect this rider, subject to the election rules that are then in place.

• *Joint/Spousal Option:*

The rider is designed to facilitate the continuation of your rights by your Spouse through the inclusion of a Joint/Spousal Option. If a Covered Life dies and the Contract and the rider are continued as described below, the rider will continue with respect to all benefits at the then current rider charge. The benefits will be reset as follows:

- The Withdrawal Base will be equal to the greater of Contract Value or the Withdrawal Base on the Spousal Contract continuation date;
- The Deferral Bonus Base will be equal to the greater of Contract Value or the Deferral Bonus Base on the Spousal Contract continuation date;
- The Anniversary Withdrawal Base will be equal to the greater of Contract Value or the Anniversary Withdrawal Base on the Spousal Contract continuation date;
- The Deferral Bonus Period, if applicable, will not reset; the Deferral Bonus Period will continue uninterrupted;
- The Lifetime Annual Payment will be recalculated; and
- The Lifetime Withdrawal Percentage will remain at the current percentage if Partial Withdrawals have commenced; otherwise the Lifetime Withdrawal Percentage will be based on the attained age of the remaining Covered Life on the Spousal Contract continuation date.

The remaining Covered Life cannot name a new Owner on the Contract. Any new Beneficiary that is added to the Contract will not be taken into consideration as a Covered Life. The rider will terminate upon the death of the remaining Covered Life.

**What happens if you annuitize your Contract?**

If you elect to annuitize your Contract prior to reaching the Annuity Commencement Date, you may only annuitize your Contract Value, not your Withdrawal Base. If your Contract reaches the Annuity Commencement Date, your Contract must be annuitized unless we agree to extend the Annuity Commencement Date, at our discretion. Upon annuitization, your Contract Value, not your Withdrawal Base, will be annuitized. In this circumstance, the Contract may be annuitized under our standard annuitization rules.

• *Single Life Option:*

At the Annuity Commencement Date, the Contract may be annuitized under our standard Annuity Options or as Lifetime Annual Payments With a Cash Refund — an annuity payable during the lifetime of the Covered Life. At the death of the Covered Life, any remaining value will be paid to the Beneficiary. The remaining value equals the Contract Value on the Annuity Commencement, less Premium Tax, minus the sum of all Annuity Payments made.

• *Joint/Spousal Option:*

At the Annuity Commencement Date, the Contract may be annuitized under our standard Annuity Options or as Lifetime Annual Payments With a Cash Refund — an annuity payable during the lifetime of the Covered Lives. At the death of the second Covered Life, any remaining value will be paid to the Beneficiary. The remaining value equals the Contract Value on the Annuity Commencement Date, less Premium Tax, minus the sum of all Annuity Payments made.

Should your Contract Value go below our Minimum Amount Rule then in effect, Lifetime Annual Payments will continue as described in this section under “What effect do Partial Withdrawals or full Surrenders have on your benefits under the rider?”

**Are there restrictions on how you must invest?**

Yes. You must invest your Contract Value (including future investments) within Sub-Account(s) and the Fixed Account approved and designated by us that correspond with the rider version chosen. This means you will be limited in your choice of Sub-Account investments. This also means you will not be able to allocate your Contract Value to all available Sub-Accounts. You must also allocate 20% of your initial and subsequent Premium Payments to the Fixed Account, including C share, which otherwise cannot invest in the Fixed Account. Current Investment Restrictions are listed in Appendix D.

We may modify, add, delete, or substitute (to the extent permitted by applicable law), the Sub-Accounts, the Fixed Account, portfolio rebalancing requirements, and other Investment Restrictions that apply while the rider is in effect. For instance, we might amend these



restrictions if a Sub-Account (i) merges into another fund, (ii) changes investment objectives, (iii) closes to further investments and/or (iv) fails to meet acceptable risk parameters. These changes will not be applied with respect to then existing investments, except in a case where the underlying Sub-Account is liquidated by its Board of Directors or substituted in accordance with an order from the Securities and Exchange Commission. We will give you advance notice of these changes.

You are required to allocate a portion of your initial and subsequent Premium Payments to the Fixed Account (please see Section 3 for more information on the Fixed Account). In that situation, you may not transfer additional amounts in or out of the Fixed Account, even in the event of declining interest rates.

Upon violation of these Investment Restrictions, you will have a five business day window during which you must allocate to approved Sub-Accounts. Except as provided below, failure to comply with any applicable Investment Restriction will result in termination of the rider. If the rider is terminated by us, for violation of applicable Investment Restrictions, we will assess a pro-rated share of the rider charge and will no longer assess a rider charge thereafter. In the event of a conflict between the Investment Restrictions of this rider and those imposed by any guaranteed minimum death benefit rider, the Investment Restrictions of this rider shall prevail.

**If the rider is terminated by us due to a failure to comply with these Investment Restrictions, you will have one opportunity to reinstate the rider by reallocating your Contract Value in accordance with then prevailing Investment Restrictions. You will have a five business day reinstatement period to do this. The reinstatement period will begin upon termination of the rider. Your right to reinstate the rider will be terminated if during the reinstatement period you make a subsequent Premium Payment, take a Partial Withdrawal, or make a Covered Life change. Your Lifetime Withdrawal Percentage will be reset to equal the Lifetime Withdrawal Percentage prior to termination unless during the reinstatement period the relevant Covered Life qualifies for a new age band.**

**If applicable, your Withdrawal Base, Deferral Bonus Base, and Anniversary Withdrawal Base will be reset at the lower of the Contract Value or the Withdrawal Base, Deferral Bonus Base, or Anniversary Withdrawal Base respectively, prior to the revocation as of the date of the reinstatement. We will deduct a pro-rated rider charge on your Quarterly Contract Anniversary following the reinstatement for the time period between the reinstatement date and your first Quarterly Contract Anniversary following the reinstatement. Violation of these Investment Restrictions could result in a serious erosion of the value in this rider.**

We may require that you comply with then prevailing Investment Restrictions upon Spousal Contract continuation or permissible Covered Life changes. Investment in certain Funds could mitigate losses but also hamper potential gains. We are not responsible for lost investment opportunities associated with the implementation and enforcement of these Investment Restrictions. Investment Restrictions may reduce the overall volatility in investment performance. Such reduced volatility may reduce the returns on investments and mitigate our guarantee obligations under the Contract.

It may be presumed that investment in any of the approved Sub-Account(s) and the Fixed Account could mitigate losses but also hamper potential gains. The approved Sub-Account(s) and the Fixed Account provide very different potential risk/reward characteristics. Other investment options that are available if Investment Restrictions did not apply may offer the potential for higher returns. We are not responsible for lost investment opportunities associated with the implementation and enforcement of these Investment Restrictions. These Investment Restrictions may limit your Contract Value and benefits. Before you elect an Optional Benefit that is subject to Investment Restrictions, you and your Financial Intermediary should carefully consider whether the investment options available under the Investment Restrictions meet your investment objectives and risk tolerance.

**Investment Restrictions may reduce the overall volatility in investment performance. Such reduced volatility may reduce returns on investments and mitigate our guarantee obligations under the Contract. Investment Restrictions do not guarantee reduced volatility.**

#### **Are there restrictions on the amount of subsequent Premium Payments?**

Yes. We require prior approval of subsequent Premium Payments after the first Contract Anniversary after the rider effective date. We do not currently enforce the right to approve subsequent Premium Payments, except where a subsequent Premium Payment would result in your total Premium Payments equaling or exceeding \$1 million. In the future, we may expand the circumstances under which we require prior approval of subsequent Premium Payments. There are a variety of factors that could influence our decision to prohibit or restrict subsequent Premium Payments, for example, we could do so in the event of a market disturbance or to help protect our ability to provide guarantees under these riders in the future, for example, if there significant changes to mortality assumptions. We also prohibit subsequent Premium Payments if your Contract Value falls below Minimum Contract Value. Any action we take with respect to subsequent Premium Payment restriction or approval will be done on a non-discriminatory basis. We will not accept Premium Payments after the Annuity Commencement Date. A limitation on subsequent Premium Payments means that you would not be able to increase your Lifetime Annual Payments by making additional deposits into the Contract. We will provide 30 days' written notice in the event we begin limiting subsequent Premium Payments.



## Other information

The rider may not be appropriate for all investors. Several factors, among others, should be considered:

- **20% of initial and subsequent Premium Payments must be allocated to the Fixed Account. The remaining 80% of initial and subsequent Premium Payments must be allocated amongst the approved Sub-Accounts in Appendix D. If you become subject to these Investment Restrictions after the date your Contract is issued (i.e. you post-issue elect one of these Optional Benefits) the 20% and 80% allocations will be based on your Contract Value on the rider effective date.**
- The minimum age of any Covered Life when electing this rider is 60.
- **If you are electing this rider after your Contract has been issued, the starting values for all benefits will be the Contract Value on the rider effective date and not your initial Premium Payment or any other prior values.**
- We reserve the right to impose a daily Withdrawal Base Cap for new sales only. We do not currently enforce a daily Withdrawal Base Cap.
- If your Contract Value falls below the Minimum Amount Rule before the relevant Covered Life attains age 60, your Lifetime Annual Payment will be reduced to zero.
- The benefits under the rider cannot be directly or indirectly assigned, collateralized, pledged or securitized in any way. Any such actions will invalidate the rider and allow us to terminate the rider.
- We may terminate this rider based upon the following conditions: Spousal Contract continuation, ownership changes, violation of the Investment Restrictions and/or if your Contract Value on any Contract Anniversary is reduced below the Minimum Amount Rule and you failed to transfer your remaining Contract Value to approved Sub-Accounts within ten business days. If we terminate the rider, it cannot be re-elected by you.
- Annuitizing your Contract, whether voluntary or not, will impact and possibly eliminate this benefit.
- Even though the rider is designed to provide living benefits, you should not assume that you will necessarily receive payments for life if you have violated any of the terms of the rider or if you commence taking Partial Withdrawals prior to your Minimum Income Age. Partial Withdrawals taken prior to the Minimum Income Age are not guaranteed to be available throughout your lifetime. Such Partial Withdrawals will reduce (and may even eliminate) the Withdrawal Base otherwise available to establish lifetime benefits.
- This rider may not be appropriate for you if you are interested in maximizing the Contract's potential for long-term accumulation rather than taking current withdrawals and ensuring a stream of income.
- We may withdraw the rider for new Contract sales at any time.
- Any Excess Withdrawal will trigger a proportionate reduction in your benefit.
- Transfers made pursuant to a Systematic Withdrawal Program may violate this rider if made during the reinstatement period following a violation of Investment Restrictions under this rider.
- When the Single Life Option is chosen, Spouses may find continuation of the rider to be unavailable or unattractive after the death of the Owner. Continuation of the benefits available in this rider is dependent upon its availability at the time of death of the first Covered Life.
- Not all Annuity Payout Options will provide a stream of income for your lifetime and payments may be less than Lifetime Annual Payments. The amount and duration of an annuity payout will depend on the Annuity Payout Option you elect. You should carefully review the Annuity Payout Options available when making your annuitization election.
- The fee for the rider may change at every Contract Anniversary. Please carefully review the maximum fee disclosed in Section 2. Fee Summary.
- **We do not automatically increase payments under the Systematic Withdrawal Program if your Lifetime Annual Payment increases. If you are enrolled in our Systematic Withdrawal Program to make Lifetime Annual Payments and your eligible Lifetime Annual Payment increases, you need to request an increase in your Systematic Withdrawal Program. We will not individually notify you of this privilege.**
- We may share non-personally identifiable Contract Owner information, such as ages and rider elections, with our affiliates and designees to assist us in managing our risks under the Contracts.
- The purchase of the rider may not be appropriate for custodial owned Contracts, Beneficiary or inherited IRAs or Contracts owned by certain types of non-natural entities, including Charitable Trusts. Because these types of owners and many non-natural entities may be required to make certain periodic distributions and those amounts may be different than the withdrawal limits permitted under the rider, you should discuss this with your tax adviser or Financial Intermediary to determine the appropriateness of this benefit. We are not responsible for violations to riders due to your obligation to comply with RMD obligations.

- The Daily 7 Withdrawal Benefit is referred to as Enhanced Guaranteed Lifetime Withdrawal Benefit Rider II in your Contract.
- You should consult with your Financial Intermediary for assistance in determining whether these Investment Restrictions are suitable for your financial needs and risk tolerance.
- **Any payment obligation we make under the Contract, including Optional Withdrawal Benefit payments, is subject to our financial strength and claims-paying ability and our long-term ability to make such payments.**

## 7. Additional Information

### a. Glossary

Except as provided elsewhere in this prospectus, the following capitalized terms shall have the meaning ascribed below:

**Account:** Any of the Sub-Accounts or the Fixed Accounts.

**Accumulation Units:** If you allocate your Premium Payment to any of the Sub-Accounts, we will convert Premium Payments into Accumulation Units in the selected Sub-Accounts. Accumulation Units are valued at the end of each Valuation Day and are used to calculate Contract Value prior to Annuitization.

**Accumulation Unit Value:** The daily price of Accumulation Units on any Valuation Day.

**Allowable Withdrawals:** The annual amount available per Contract Year as a Partial Withdrawal under the Legacy Lock IV rider that will not reduce the Enhanced Return of Premium component of that rider.

**Anniversary Withdrawal Base:** The value on any Contract Anniversary during the Deferral Bonus Period used to determine if a reset to the Withdrawal Base will occur, if you have elected the Daily 7 Withdrawal Benefit.

**Annual Maintenance Fee:** An annual charge deducted on a Contract Anniversary or upon full Surrender.

**Annuitant:** The person on whose life Annuity Payouts are based.

**Annuity Calculation Date:** The date we calculate the first Annuity Payout.

**Annuity Commencement Date:** The first day of the first period for which a distribution is received as an Annuity Payout under the Contract.

**Annuity Payout:** The money we pay out after the Annuity Commencement Date for the duration and frequency you select.

**Annuity Payout Option:** Any of the options available for payout after the Annuity Commencement Date, the death of the Owner or Annuitant.

**Annuity Service Center:** Correspondence, service or transaction requests, and inquiries to P.O. Box 758507 Topeka, Kansas, 66675-8507 or via fax 785-286-6104. Please note: Premium payments must be sent to P.O. Box 758502, Topeka, Kansas, 66675-8502. The overnight mailing address is Mail Zone 507, 5801 SW 6th Avenue, Topeka, Kansas 66636 and should only be used for mail delivered via a courier.

**Base Return of Premium:** Premium Payments adjusted for Partial Withdrawals. In the case of an Optional Benefit elected after the Contract is issued, Base Return of Premium equals Contract Value on the rider effective date, plus subsequent Premium Payments, adjusted for Partial Withdrawals.

**Beneficiary:** The person(s) entitled to receive benefits pursuant to the terms of the Contract upon the death of any Owner.

**Code:** The Internal Revenue Code of 1986, as amended.

**Commuted Value:** The present value of any Annuity Payout due and payable during guaranteed Annuity Payouts. This amount is calculated using the applicable discount rate determined by us for applicable fixed dollar amount Annuity Payouts.

**Contingent Deferred Sales Charge (CDSC):** The deferred sales charge, if applicable, that may apply when you make a full Surrender or Partial Withdrawal.

**Contract:** The individual Annuity Contract and any endorsements or riders.

**Contract Anniversary:** The anniversary of the date we issued your Contract. If the Contract Anniversary falls on a Non-Valuation Day, then the Contract Anniversary will be the next Valuation Day.

**Contract Owner, Owner or you:** The owner or holder of the Contract described in this prospectus including any joint Owner(s). We do not capitalize "you" in the prospectus.

**Contract Value:** The total value of the Sub-Account and the Fixed Accounts on any Valuation Day.

**Contract Year:** Any 12 month period between Contract Anniversaries, beginning with the date the Contract was issued.

**Covered Life:** The governing life or lives used for determining the lifetime withdrawal feature under the Optional Withdrawal Benefit guaranteed lifetime withdrawal benefit riders.

**Death Benefit:** Except as otherwise provided, the amount payable if any Owner, or Annuitant in the case of a non-natural Owner, dies before the Annuity Commencement Date. Where applicable, your Death Benefit includes the standard or an optional Death Benefit.

**Deferral Bonus:** A percentage of the Deferral Bonus Base that:

- a) For the Daily 7 Withdrawal Benefit, We may add to your Anniversary Withdrawal Base on each Contract Anniversary during the Deferral Bonus Period.
- b) For the Daily +5 Withdrawal Benefit, We will add to your Withdrawal Base on each Contract Anniversary during the Deferral Bonus Period.

**Deferral Bonus Period:** The period during which a Deferral Bonus may be added to either your Anniversary Withdrawal Base for the Daily 7 Withdrawal Benefit or your Withdrawal Base for the Daily +5 Withdrawal Benefit.

**Dollar Cost Averaging:** A program that allows you to systematically make transfers into Funds.

**Enhanced Return Of Premium:** One of two components used to determine the Legacy Lock IV Death Benefit that provides a Death Benefit amount that will not be reduced by Allowable Withdrawals.

**Excess Withdrawals:** The portion of any Partial Withdrawal which, on a cumulative basis with all other Partial Withdrawals in a Contract Year, exceeds the Lifetime Annual Payment. Any Partial Withdrawal taken prior to the Minimum Income Age is considered an Excess Withdrawal. Any Partial Withdrawal taken from a Contract that does not have a Lifetime Annual Payment associated with it is considered an Excess Withdrawal. If an Optional Withdrawal Benefit has been elected, any Partial Withdrawal taken to satisfy the Required Minimum Distribution (RMD) requirements, related to this Contract for either one of the calendar years in which the Contract Year occurs, imposed by federal law will not be considered an Excess Withdrawal.

**Financial Intermediary:** The investment professional through whom you purchase your Contract.

**Fixed Account:** Part of our General Account, where you may allocate all or a portion of your Contract Value. Not all classes of Contracts we offer contain a Fixed Account. The Fixed Account includes the DCA Plus Fixed Account. If you elect certain Optional Benefits, you may be required to allocate a portion of your Premium Payments to the Fixed Account.

**Free Withdrawal Amount (FWA):** The amount you may Surrender each Contract Year without incurring a CDSC.

**Fund:** A registered investment company or a series thereof in which assets of a Sub-Account may be invested. We sometimes call the Funds you select Sub-Accounts.

**General Account:** The General Account includes our Company assets, including any money you may have invested in the Fixed Account, if available.

**Guaranteed Payout Duration:** The time period (sometimes referred to as a period certain) specified in Annuity Payout Options Three, Five and Six.

**High Water Mark:** The value on any Valuation Day used to determine if a reset to the Withdrawal Base will occur if you have elected Daily +5 Withdrawal Benefit.

**In Good Order:** Certain transactions require your authorization and completion of requisite forms. Such transactions will not be considered in good order unless received by us in our Annuity Service Center or via telephone, facsimile or through an internet transaction. Generally, our request for documentation will be considered in good order when we receive all of the requisite information, on the form required by us.

**Investment Restrictions:** The approved Sub-Account(s) and the Fixed Account we may require you to invest in if you elect an Optional Benefit. Please refer to "Are there restrictions on how you must invest?" under each Optional Benefit in Sections 5 and 6.

**Joint Annuitant:** The person on whose life Annuity Payouts are based if the Annuitant dies after Annuitization. Prior to annuitization you may name a Joint Annuitant provided your contract is non-qualified and the owner is a natural owner. You may also change the Joint Annuitant any time prior to annuitization. At annuitization you may name a Joint Annuitant only if your Annuity Payout Option provides for a survivor. The Joint Annuitant may not be changed once the contract has been annuitized.

**Lifetime Annual Payment:** The maximum guaranteed amount that can be withdrawn each Contract Year under an Optional Withdrawal Benefit.

**Lifetime Withdrawal Percentage:** The percentage of your Withdrawal Base that you may withdraw each Contract Year in the form of a Lifetime Annual Payment.

**Maximum Daily Value:** The highest attained Contract Value prior to the first to occur of the date of death or the oldest Owner's, or Annuitant's in the case of a non-natural Owner, 81st birthday, and adjusted for any Premium Payments and any Partial Withdrawals.

**Minimum Amount Rule:** The greater of Minimum Contract Value or one Lifetime Annual Payment, if applicable.

**Minimum Contract Value:** The minimum value your Contract can reach before we have the right to liquidate it. The Minimum Contract Value for your Contract is set forth in your Contract (between \$2,500 and \$10,000).

**Minimum Income Age:** The Valuation Day when the Covered Life has an attained age of 55 when the Daily +5 Withdrawal Benefit is elected or 60 when the Daily 7 Withdrawal Benefit is elected.

**Net Investment Factor:** This is used to measure the investment performance of a Sub-Account from one Valuation Day to the next.

**1933 Act:** The Securities Act of 1933, as amended.

**1934 Act:** The Securities Exchange Act of 1934, as amended.

**1940 Act:** The Investment Company Act of 1940, as amended.

**Non-Valuation Day:** Any day the New York Stock Exchange is not open for trading.

**Optional Benefit:** Return of Premium III, Legacy Lock IV, Maximum Daily Value III, Daily +5 — Daily Step Up Withdrawal Benefit, and Daily 7 — Daily Step Up Withdrawal Benefit.

**Optional Withdrawal Benefit:** Daily +5 — Daily Step Up Withdrawal Benefit and Daily 7 — Daily Step Up Withdrawal Benefit.

**Payee:** The person or party you designate to receive Annuity Payouts.

**Partial Withdrawal:** Any withdrawal of a portion of your Contract Value. May be subject to charges, if applicable.

**Premium or Premium Payment:** Money sent to us to be invested in your Sub-Accounts and your Fixed Account.

**Quarterly Contract Anniversary:** Each successive three-month anniversary of the Issue Date of the Contract. If the Quarterly Contract Anniversary falls on a Non-Valuation Day, then the Quarterly Contract Anniversary will be the next Valuation Day.

**Remaining Gross Premium:** Equals the Premium Payments adjusted by Partial Withdrawals. During the CDSC period, Premium Payments will be adjusted for Partial Withdrawals in excess of the FWA; after the CDSC period, Premium Payments will be adjusted for all Partial Withdrawals.

**Required Minimum Distribution:** A federal requirement that individuals age 70½ and older generally must take a distribution from their tax-qualified retirement account by December 31, each year. For employer sponsored qualified Contracts, the individual must generally begin taking distributions at the age of 70½ or upon retirement, whichever comes later.

**Spouse:** A person related to a Owner by marriage pursuant to the Code.

**Step Up:** A potential increase to your Withdrawal Base prior to the deduction of rider charges based on market performance subject to the applicable Withdrawal Base Cap, if any.

**Sub-Account:** A division of the Separate Account containing shares of a Fund. There is a Sub-Account for each Fund. We sometimes call the Funds you select your Sub-Account.

**Sub-Account Value:** The value of each Sub-Account on or before the Annuity Calculation Date, which is determined on any day by multiplying the number of Accumulation Units by the Accumulation Unit Value for each Sub-Account.

**Surrender:** A complete withdrawal from your Contract.

**Surrender Value:** The amount we pay you if you terminate your Contract before the Annuity Commencement Date. The Surrender Value is equal to the Contract Value minus any applicable charges and Premium Tax (subject to rounding).

**Valuation Day:** Every day the New York Stock Exchange is open for trading. Values of the Separate Account are determined as of the close of the New York Stock Exchange. The New York Stock Exchange generally closes at 4:00 p.m. Eastern Time but may close earlier on certain days and as conditions warrant.

**Valuation Period:** The time span between the close of trading on the New York Stock Exchange from one Valuation Day to the next.

**We, us or our:** Forethought Life Insurance Company.

**Withdrawal Base:** The amount used to determine the Lifetime Annual Payment and rider charge under an Optional Withdrawal Benefit.

**Withdrawal Base Cap:** The maximum percentage the Withdrawal Base may be increased due to a Step Up or a Deferral Bonus under an Optional Withdrawal Benefit.

**You:** The Owner including any joint Owner(s). We do not capitalize “you” or “your” in this prospectus.

## **b. State Variations**

The following section describes modifications to this prospectus required by one or more state insurance departments as of the date of this prospectus. Unless otherwise noted, variations apply to all forms of Contracts we issue. References to certain state’s variations do not imply that we actually offer Contracts in each such state. These variations are subject to change without notice and additional variations may be imposed as specific states approve new riders.

### **Delaware, District of Columbia, Montana, North Dakota**

- Right to Examine and Return this Contract provision of your Contract — If for any reason you are not satisfied, you may cancel your Contract by returning it within 30 days after you receive it. A written request for cancellation must accompany the Contract. In such an event, we will pay you the Contract Value on the date of Surrender, plus any fees and charges deducted from the Premiums or imposed under such Contract.
- The Minimum Contract Value may be increased after the Contract is issued.
- The default annuitization option is Annuity Payout Option I — Life Annuity with Cash Refund.

### **California**

- Right to Examine and Return this Contract provision of your Contract — If for any reason you are not satisfied, you may cancel the Contract by returning it within 30 days after you receive it. During that 30-day period, your money will be placed in a fixed account or money-market fund, unless you direct that the Premium be invested in a stock or bond portfolio underlying the policy during the 30-day period. If you do not direct that the Premium be invested in a stock or bond portfolio, and if you return the policy within the 30-day period, you will be entitled to a refund of the Premium and any policy fee paid. If you direct that the Premium be invested in a stock or bond portfolio during the 30-day period, and if you return the policy during that period, you will be entitled to a refund of the Contract Value on the date of Surrender, plus any fees and charges deducted from the Premiums or imposed under such Contract.
- The Annuitant may not be changed at any time if the Owner is a non-natural person, unless the non-natural person is a transferee of a natural person.
- A change in Contract Owner will not terminate an Optional Death Benefit rider.
- The contract maturity date is based on the Owner’s age (or Annuitant’s age for a non-natural Owner) in effect on the issue date of the Contract.
- The CDSC, known as Surrender Charge in California, will not be waived for Surrenders if you are a patient in a certified long-term care facility or other eligible facility.
- The Minimum Contract Value may be increased after the contract is issued.
- The default annuitization option is Annuity Payout Option I — Life Annuity with Cash Refund.

### **Connecticut**

- Right to Examine and Return this Contract provision of your Contract — If for any reason you are not satisfied with your purchase, you may cancel the Contract by returning it within 10 days after you receive it. A written request for cancellation must accompany the Contract. In such an event, we will pay you the Contract Value on the date of Surrender, plus any fees and charges deducted from the Premiums or imposed under such Contract. If you request cancellation before you receive the Contract, any Premium paid will be refunded in full. In such case, we will notify you of your right to receive the Surrender Value in lieu of the Premium in the event that the Surrender Value would provide an amount greater than the Premium. If you choose to Surrender rather than exercise your right to free-look your Contract, any earnings may be subject to taxation, and, if you are under age 59½, a penalty tax may apply. You should consult with a qualified tax advisor to discuss your options.
- The CDSC will not be waived for Surrenders if you are a patient in a certified long-term care facility or other eligible facility on the issue date of the Contract.



- The Minimum Contract Value may be increased after the Contract is issued.
- The default annuitization option is Annuity Payout Option I — Life Annuity with Cash Refund.

**Florida**

- Right to Examine and Return this Contract provision of your Contract — If for any reason you are not satisfied, you may cancel your Contract by returning it within 30 days after you receive it. A written request for cancellation must accompany the Contract. In such an event, we will pay you the Contract Value on the date of Surrender, plus any fees and charges deducted from the Premiums or imposed under such Contract.
- If you were age 65 or older on the Contract Issue Date, the CDSC will be capped at 10% or the amount withdrawn. However, the cap does not apply to persons whose net worth or joint net worth with his or her spouse at the time of purchase exceeds \$1 million; or the person had an individual income in excess of \$200,000 in each of the two most recent years, or joint income with his or her spouse in excess of \$300,000 in each of those years, and has a reasonable expectation of reaching the same income level in the current year.
- The Minimum Contract Value may be increased after the Contract is issued.
- The default annuitization option is Annuity Payout Option I — Life Annuity with Cash Refund.

**South Dakota**

- Right to Examine and Return this Contract provision of your Contract — If for any reason you are not satisfied, you may cancel the Contract by returning it within 30 days after you receive it. A written request for cancellation must accompany the Contract. In such an event, we will pay you the Contract Value on the date of Surrender, plus any fees and charges deducted from the Premiums or imposed under such Contract.
- The CDSC will not be waived for Surrenders if you are a patient in a certified long-term care facility or other eligible facility.
- The Minimum Contract Value may be increased after the Contract is issued.
- The default annuitization option is Annuity Payout Option I — Life Annuity with Cash Refund.

**c. Legal Proceedings**

There continues to be significant federal and state regulatory activity relating to financial services companies. We are subject to various legal proceedings and claims incidental to or arising in the ordinary course of our business. In the future, we may be subject to additional lawsuits, arbitration proceedings and/or regulatory/legal proceedings. While it is not possible to predict with certainty the ultimate outcome of any pending or future case, legal proceeding or regulatory action, we do not expect the ultimate result of any of our known legal proceedings or claims to result in a material adverse effect on the Company or its Separate Account. Nonetheless, given the indeterminate amounts sought in certain of these proceedings, and the inherent unpredictability of litigation, an adverse outcome in certain matters could, from time to time, have a material adverse effect on the Company's results of operations or cash flows.

**d. How Contracts Are Sold**

We have entered into a distribution agreement with our affiliate Global Atlantic Distributors, LLC under which serves as the principal underwriter for the Contracts, which are offered on a continuous basis. Global Atlantic Distributors, LLC is registered with the Securities and Exchange Commission under the 1934 Act as a broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA). The principal business address of Global Atlantic Distributors, LLC is 82 Hopmeadow Street, Suite 200, Simsbury, CT 06089. Global Atlantic Distributors, LLC has entered into selling agreements with affiliated and unaffiliated broker-dealers for the sale of the Contracts. We pay compensation to Global Atlantic Distributors, LLC for sales of the Contracts by broker-dealers. Global Atlantic Distributors, LLC in its role as Principal Underwriter, did not retain any underwriting commissions for the fiscal year ended December 31, 2016. Contracts will be sold by individuals (Financial Intermediaries) who have been appointed by us as insurance agents and who are investment professionals.

We list below types of arrangements that help to incentivize sales representatives to sell our suite of variable annuities. Not all arrangements necessarily affect each variable annuity. These types of arrangements could create an incentive for the selling firm or its sales representative to recommend or sell this Contract to you. You may wish to take such incentives into account when considering and evaluating any recommendations relating to this Contract.

Broker-dealers receive commissions from us for selling you this Contract (described below under Commissions). Certain selected broker-dealers also receive additional compensation (described below under Additional Payments). All or a portion of the payments we make to broker-dealers may be passed on to Financial Intermediaries according to a broker-dealer's internal compensation practices.

Affiliated broker-dealers also employ individuals called wholesalers in the sales process, who provide sales support and training to sales representatives. Wholesalers typically receive commissions based on the type of Contract or Optional Benefits sold. Commissions are based on a specified amount of Premium Payments or Contract Value.



## • Commissions

Up front commissions paid to broker-dealers generally range from 0% to up to 7.5% of each Premium Payment you make. Trail commissions (fees paid for customers that maintain their Contracts generally for more than 1 year) range up to 1% of your Contract Value. We pay different commissions based on the Contract variation that you buy. We may pay a lower commission for sales to Owners over age 80.

Commission arrangements vary from one broker-dealer to another. We are not involved in determining your Financial Intermediary's compensation. Under certain circumstances, your Financial Intermediary may be required to return all or a portion of the commissions paid.

Check with your Financial Intermediary to verify whether your account is a brokerage or an advisory account. Your interests may differ from ours and your Financial Intermediary (or the broker-dealer with which they are associated). Please ask questions to make sure you understand your rights and any potential conflicts of interest. If you are an advisory client, your Financial Intermediary (or the broker-dealer with which they are associated) can be paid both by you and by us based on what you buy. Therefore, profits, and your Financial Intermediary's (or their broker-dealer's) compensation, may vary by product and over time. Contact an appropriate person at your broker-dealer with whom you can discuss these differences and inquire about any revenue sharing arrangements that we and our affiliates may have with the selling firm.

## • Additional Payments

Subject to FINRA and broker-dealer rules, we or our affiliates also pay the following types of fees to, among other things, encourage the sale of this Contract. These additional payments could create an incentive for your Financial Intermediary, and the broker-dealer with which they are associated, to recommend products that pay them more than others, which may not necessarily be to your benefit.

Additional Payment Type	What it's used for
Access	Access to Financial Intermediaries and/or broker-dealers such as one-on-one wholesaler visits or attendance at national sales meetings or similar events.
Gifts & Entertainment	Occasional meals and entertainment, tickets to sporting events and other gifts.
Marketing	Joint marketing campaigns and/or broker-dealer event advertising/participation; sponsorship of broker-dealer sales contests and/or promotions in which participants (including Financial Intermediaries) receive prizes such as travel Awards, merchandise and recognition; client generation expenses.
Marketing Expense Allowances	Pay Fund related parties for wholesaler support, training and marketing activities for certain Funds.
Support	Sales support through such things as providing hardware and software, operational and systems integration, links to our website from a broker-dealer's websites; shareholder services (including sub-accounting sponsorship of broker-dealer due diligence meetings; and/or expense allowances and reimbursements).
Training	Educational (due diligence), sales or training seminars, conferences and programs, sales and service desk training, and/or client or prospect seminar sponsorships.
Visibility	Inclusion of our products on a broker-dealer's preferred list; participation in, or visibility at, national and regional conferences; and/or articles in broker-dealer publications highlighting our products and services.
Volume	Pay for the overall volume of their sales or the amount of money investing in our products.

As of December 31, 2016, we have entered into ongoing contractual arrangements to make Additional Payments to the following Financial Intermediaries for our suite of variable annuities: AIG Advisor Group, Inc.; BBVA Compass Investment Solutions; Cambridge Investment Research, Inc.; Capital Investment Companies; Cetera Financial Group; CFD Investments; Commonwealth Financial Network; Corecap Investments, Inc.; ELE Wealth Advisors, Inc.; First Heartland Capital, Inc.; Geneos Wealth Management, Inc.; Infinex Financial Group; Investacorp, Inc.; Investment Professionals, Inc.; J. J. B. Hilliard, W. L. Lyons, LLC; Janney Montgomery Scott LLC; Key Investment Services LLC; KMS Financial Services, Inc.; Lincoln Financial Advisors Corporation; Lincoln Financial Securities Corporation; LPL Financial LLC; Morgan Stanley Smith Barney, LLC; Producers Choice Network; Raymond James & Associates, Inc.; Raymond James Financial Services, Inc.; RBC Capital Markets, LLC; Securities America, Inc.; Securities Service Network, Inc.; TFS Securities, Inc.; The Huntington Investment Company; Transamerica Financial Advisors, Inc.; Triad Advisors, Inc.; UBS Financial Services Insurance Agency Inc.; Union Bank of CA; U.S. Bancorp Investments, Inc.; and VOYA Financial Advisors, Inc.

Inclusion on this list does not imply that these sums necessarily constitute “special cash compensation” as defined by FINRA Conduct Rule 2830(l)(4). We will endeavor to update this listing annually and interim arrangements may not be reflected. We assume no duty to notify any investor whether their Financial Intermediary is or should be included in any such listing.

For the fiscal year ended December 31, 2016, Additional Payments did not in the aggregate exceed approximately \$4,979,900 (excluding corporate-sponsorship related perquisites and Marketing Expense Allowances) or approximately 0.16% of average total individual variable annuity assets. Broker-dealers that received Additional Payments in 2016, but do not have an ongoing contractual relationship, are listed in the Statement of Additional Information.

No specific charge is assessed directly to Owners to cover commissions, Additional Payments or Marketing Expense Allowances described above. We do intend to recoup the sales expenses and incentives we pay, however, through fees and charges deducted under the Contract and other revenue sharing arrangements.

#### **e. Delay of Payment and Transfers**

If, pursuant to SEC rules, the Invesco V.I. Government Money Market Fund suspends payment of redemption proceeds in connection with a liquidation of such Fund, we will delay payment of any transfer, Partial Withdrawal, full Surrender, or Death Benefit from the Invesco V.I. Government Money Market Fund until the Fund is liquidated.

If you have submitted a check or draft, we have the right to defer payment of Partial Withdrawals, full Surrenders, Death Benefit proceeds, or payments under a settlement option until such check or draft has been honored. We also reserve the right to defer payment of transfers, Partial Withdrawals, full Surrenders, or death benefit proceeds from the Fixed Account for up to six months.

In addition, federal laws designed to counter terrorism and prevent money laundering by criminals might require us to reject a Premium Payment and/or “freeze” an Owner’s account. If these laws apply in a particular situation, we would not be able to pay any request for Partial Withdrawals, full Surrenders, or Death Benefits, make transfers or continue making annuity payments absent instructions from the appropriate federal regulator. We may also be required to provide information about you and your Contract to government agencies or departments.

## **8. Federal Tax Considerations**

### **A. Introduction**

The following summary of tax rules does not provide or constitute any tax advice. It provides only a general discussion of certain of the expected federal income tax consequences with respect to amounts contributed to, invested in or received from a Contract, based on our understanding of the existing provisions of the Internal Revenue Code (“Code”), Treasury Regulations thereunder, and public interpretations thereof by the IRS (e.g., Revenue Rulings, Revenue Procedures or Notices) or by published court decisions. This summary discusses only certain federal income tax consequences to United States Persons, and does not discuss state, local or foreign tax consequences. The term United States Persons means citizens or residents of the United States, domestic corporations, domestic partnerships, trust or estates that are subject to United States federal income tax, regardless of the source of their income. See “Annuity Purchases by Nonresident Aliens and Foreign Corporations,” regarding annuity purchases by non-U.S. Persons or residents.

This summary has been prepared by us after consultation with tax counsel, but no opinion of tax counsel has been obtained. We do not make any guarantee or representation regarding any tax status (e.g., federal, state, local or foreign) of any Contract or any transaction involving a Contract. In addition, there is always a possibility that the tax treatment of an annuity contract could change by legislation or other means (such as regulations, rulings or judicial decisions). Moreover, it is always possible that any such change in tax treatment could be made retroactive (that is, made effective prior to the date of the change). Accordingly, you should consult a qualified tax adviser for complete information and advice before purchasing a Contract.

In addition, although this discussion addresses certain tax consequences if you use the Contract in various arrangements, including Charitable Remainder Trusts, tax-qualified retirement arrangements, deferred compensation plans, split-dollar insurance arrangements, or other employee benefit arrangements, this discussion is not exhaustive. The tax consequences of any such arrangement may vary depending on the particular facts and circumstances of each individual arrangement and whether the arrangement satisfies certain tax qualification or classification requirements. In addition, the tax rules affecting such an arrangement may have changed recently, e.g., by legislation or regulations that affect compensatory or employee benefit arrangements. Therefore, if you are contemplating the use of a Contract in any arrangement the value of which to you depends in part on its tax consequences, you should consult a qualified tax adviser regarding the tax treatment of the proposed arrangement and of any Contract used in it.

The federal, as well as state and local, tax laws and regulations require the Company to report certain transactions with respect to your contract (such as an exchange of or a distribution from the contract) to the Internal Revenue Service and state and local tax authorities, and generally to provide you with a copy of what was reported. This copy is not intended to supplant your own records. It is your

responsibility to ensure that what you report to the Internal Revenue Service and other relevant taxing authorities on your income tax returns is accurate based on your books and records. You should review whatever is reported to the taxing authorities by the Company against your own records, and in consultation with your own tax adviser, and should notify the Company if you find any discrepancies in case corrections have to be made.

**THE DISCUSSION SET FORTH BELOW IS INCLUDED FOR GENERAL PURPOSES ONLY. SPECIAL TAX RULES MAY APPLY WITH RESPECT TO CERTAIN SITUATIONS THAT ARE NOT DISCUSSED HEREIN. EACH POTENTIAL PURCHASER OF A CONTRACT IS ADVISED TO CONSULT WITH A QUALIFIED TAX ADVISER AS TO THE CONSEQUENCES OF ANY AMOUNTS INVESTED IN A CONTRACT UNDER APPLICABLE FEDERAL, STATE, LOCAL OR FOREIGN TAX LAW.**

## **B. Taxation of the Company and the Separate Account**

The Separate Account is taxed as part of the Company which is taxed as a life insurance company under Subchapter L of Chapter I of the Code. The Company is entitled to certain tax benefits related to the investment of company assets, including assets of the Separate Account. These tax benefits, which may include the foreign tax credit and the corporate dividends received deduction, are not passed back to you since the Company is the owner of the assets from which the tax benefits are derived.

## **C. Taxation of Annuities — General Provisions Affecting Contracts Not Held in Tax-Qualified Retirement Plans**

Section 72 of the Code governs the taxation of annuities in general.

### **I. Non-Natural Persons as Owners**

Pursuant to Code Section 72(u), an annuity contract held by a taxpayer other than a natural person generally is not treated as an annuity contract under the Code. Instead, such a non-natural Owner generally could be required to include in gross income currently for each taxable year the excess of (a) the sum of the Contract Value as of the close of the taxable year and all previous distributions under the Contract over (b) the sum of net premiums paid for the taxable year and any prior taxable year and the amount includable in gross income for any prior taxable year with respect to the Contract under Section 72(u). However, Section 72(u) does not apply to:

- A contract the nominal owner of which is a non-natural person but the beneficial owner of which is a natural person (e.g., where the non-natural owner holds the contract as an agent for the natural person),
- A contract acquired by the estate of a decedent by reason of such decedent's death,
- Certain contracts acquired with respect to tax-qualified retirement arrangements,
- Certain contracts held in structured settlement arrangements that may qualify under Code Section 130, or
- A single premium immediate annuity contract under Code Section 72(u)(4), which provides for substantially equal periodic payments and an annuity starting date that is no later than 1 year from the date of the contract's purchase.

A non-natural Owner that is a tax-exempt entity for federal tax purposes (e.g., a tax-qualified retirement trust or a Charitable Remainder Trust) generally would not be subject to federal income tax as a result of such current gross income under Code Section 72(u). However, such a tax-exempt entity, or any annuity contract that it holds, may need to satisfy certain tax requirements in order to maintain its qualification for such favorable tax treatment. See, e.g., IRS Tech. Adv. Memo. 9825001 for certain Charitable Remainder Trusts.

Pursuant to Code Section 72(s), if the Owner is a non-natural person, the primary annuitant is treated as the "holder" in applying the required distribution rules described below. These rules require that certain distributions be made upon the death of a "holder." In addition, for a non-natural owner, a change in the primary annuitant is treated as the death of the "holder." However, the provisions of Code Section 72(s) do not apply to certain contracts held in tax-qualified retirement arrangements or structured settlement arrangements.

### **2. Other Owners (Natural Persons).**

A Owner is not taxed on increases in the value of the Contract until an amount is received or deemed received, e.g., in the form of a lump sum payment (full or partial value of a Contract) or as Annuity payments under the settlement option elected.

The provisions of Section 72 of the Code concerning distributions are summarized briefly below. Also summarized are special rules affecting distributions from Contracts obtained in a tax-free exchange for other annuity contracts or life insurance contracts which were purchased prior to August 14, 1982.

#### **a. Amounts Received as an Annuity**

Contract payments made periodically at regular intervals over a period of more than one full year, such that the total amount payable is determinable from the start ("amounts received as an annuity") are includable in gross income to the extent the payments exceed the amount determined by the application of the ratio of the allocable "investment in the contract" to the total amount of the payments to be made after the start of the payments (the "exclusion ratio") under Section 72 of the Code. Total premium payments less amounts received which were not includable in gross income equal the "investment in the contract." The start of the payments may be the Annuity

Commencement Date, or may be an annuity starting date assigned should any portion less than the full Contract be converted to periodic payments from the Contract (Annuity Payouts).

- i. When the total of amounts excluded from income by application of the exclusion ratio is equal to the allocated investment in the contract for the Annuity Payout, any additional payments (including Surrenders) will be entirely includable in gross income.
- ii. To the extent that the value of the Contract (ignoring any surrender charges except on a full Surrender) exceeds the “investment in the contract,” such excess constitutes the “income on the contract”. It is unclear what value should be used in determining the “income on the contract.” We believe that the “income on the contract” does not include some measure of the value of certain future cash-value type benefits, but the IRS could take a contrary position and include such value in determining the “income on the contract”.
- iii. Under Section 72(a)(2) of the Code, if any amount is received as an annuity (i.e., as one of a series of periodic payments at regular intervals over more than one full year) for a period of 10 or more years, or during one or more lives, under any portion of an annuity, endowment, or life insurance contract, then that portion of the contract shall be treated as a separate contract with its own annuity starting date (otherwise referred to as a partial annuitization of the contract). This assigned annuity starting date for the new separate contract can be different from the original Annuity Commencement Date for the Contract. Also, for purposes of applying the exclusion ratio for the amounts received under the partial annuitization, the investment in the contract before receiving any such amounts shall be allocated pro rata between the portion of the Contract from which such amounts are received as an annuity and the portion of the Contract from which amounts are not received as an annuity. These provisions apply to payments received in taxable years beginning after December 31, 2010.

**b. Amounts Not Received as an Annuity**

- i. To the extent that the “cash value” of the Contract (ignoring any surrender charges except on a full Surrender) exceeds the “investment in the contract,” such excess constitutes the “income on the contract.”
- ii. Any amount received or deemed received prior to the Annuity Commencement Date (e.g., upon a withdrawal or Partial Withdrawal), which is non-periodic and not part of a partial annuitization, is deemed to come first from any such “income on the contract” and then from “investment in the contract,” and for these purposes such “income on the contract” is computed by reference to the aggregation rule described in subparagraph 2.c. below. As a result, any such amount received or deemed received (1) shall be includable in gross income to the extent that such amount does not exceed any such “income on the contract,” and (2) shall not be includable in gross income to the extent that such amount does exceed any such “income on the contract.” If at the time that any amount is received or deemed received there is no “income on the contract” (e.g., because the gross value of the Contract does not exceed the “investment in the contract,” and no aggregation rule applies), then such amount received or deemed received will not be includable in gross income, and will simply reduce the “investment in the contract.”
- iii. Generally, non-periodic amounts received or deemed received after the Annuity Commencement Date (or after the assigned annuity starting date for a partial annuitization) are not entitled to any exclusion ratio and shall be fully includable in gross income. However, upon a full Surrender after such date, only the excess of the amount received (after any surrender charge) over the remaining “investment in the contract” shall be includable in gross income (except to the extent that the aggregation rule referred to in the next subparagraph 2.c. may apply).
- iv. The receipt of any amount as a loan under the Contract or the assignment or pledge of any portion of the value of the Contract shall be treated as an amount received for purposes of this subparagraph 2.b. and the previous subparagraph 2.a.
- v. In general, the transfer of the Contract, without full and adequate consideration, will be treated as an amount received for purposes of this subparagraph 2.b. and the previous subparagraph 2.a. This transfer rule does not apply, however, to certain transfers of property between Spouses or incident to divorce.
- vi. In general, any amount actually received under the Contract as a Death Benefit, including an optional Death Benefit, if any, will be treated as an amount received for purposes of this subparagraph 2.b. and the previous subparagraph 2.

**c. Aggregation of Two or More Annuity Contracts.**

Contracts issued after October 21, 1988 by the same insurer (or affiliated insurer) to the same owner within the same calendar year (other than certain contracts held in connection with tax-qualified retirement arrangements) will be aggregated and treated as one annuity contract for the purpose of determining the taxation of distributions prior to the Annuity Commencement Date. An annuity contract received in a tax-free exchange for another annuity contract or life insurance contract may be treated as a new contract for this purpose. We believe that for any Contracts subject to such aggregation, the values under the Contracts and the investment in the contracts will be added together to determine the taxation under subparagraph 2.a., above, of amounts received or deemed received prior to the Annuity Commencement Date. Withdrawals will be treated first as withdrawals of income until all of the income from all such Contracts is withdrawn. In addition, the Treasury Department has specific authority under the aggregation rules in Code Section 72(e)(12) to issue regulations

to prevent the avoidance of the income-out-first rules for non-periodic distributions through the serial purchase of annuity contracts or otherwise. As of the date of this prospectus, there are no regulations interpreting these aggregation provisions.

**d. 10% Penalty Tax — Applicable to Certain Withdrawals and Annuity Payments.**

- i. If any amount is received or deemed received on the Contract (before or after the Annuity Commencement Date), the Code applies a penalty tax equal to ten percent of the portion of the amount includable in gross income, unless an exception applies.
- ii. The 10% penalty tax will not apply to the following distributions:
  1. Distributions made on or after the date the taxpayer has attained the age of 59½.
  2. Distributions made on or after the death of the holder or where the holder is not an individual, the death of the primary annuitant.
  3. Distributions attributable to a taxpayer becoming disabled.
  4. A distribution that is part of a scheduled series of substantially equal periodic payments (not less frequently than annually) for the life (or life expectancy) of the taxpayer (or the joint lives or life expectancies of the taxpayer and the taxpayer's designated Beneficiary).
  5. Distributions made under certain annuities issued in connection with structured settlement agreements.
  6. Distributions of amounts which are allocable to the "investment in the contract" prior to August 14, 1982 (see next subparagraph e.).
  7. Distributions purchased by an employer upon termination of certain qualified plans and held by the employer until the employee separates from service.

If the taxpayer avoids this 10% penalty tax by qualifying for the substantially equal periodic payments exception and later such series of payments is modified (other than by death or disability), the 10% penalty tax will be applied retroactively to all the prior periodic payments (i.e., penalty tax plus interest thereon), unless such modification is made after both (a) the taxpayer has reached age 59½ and (b) 5 years have elapsed since the first of these periodic payments.

**e. Special Provisions Affecting Contracts Obtained Through a Tax-Free Exchange of Other Annuity or Life Insurance Contracts Purchased Prior to August 14, 1982.**

If the Contract was obtained by a tax-free exchange of a life insurance or annuity Contract purchased prior to August 14, 1982, then any amount received or deemed received prior to the Annuity Commencement Date shall be deemed to come (1) first from the amount of the "investment in the contract" prior to August 14, 1982 ("pre-8/14/82 investment") carried over from the prior Contract, (2) then from the portion of the "income on the contract" (carried over to, as well as accumulating in, the successor Contract) that is attributable to such pre-8/14/82 investment, (3) then from the remaining "income on the contract" and (4) last from the remaining "investment in the contract." As a result, to the extent that such amount received or deemed received does not exceed such pre-8/14/82 investment, such amount is not includable in gross income. In addition, to the extent that such amount received or deemed received does not exceed the sum of (a) such pre-8/14/82 investment and (b) the "income on the contract" attributable thereto, such amount is not subject to the 10% penalty tax. In all other respects, amounts received or deemed received from such post-exchange Contracts are generally subject to the rules described in this subparagraph e.

**f. Required Distributions**

- i. Death of Owner or Primary Annuitant

Subject to the alternative election or Spouse beneficiary provisions in ii or iii below:

1. If any Owner dies on or after the Annuity Commencement Date and before the entire interest in the Contract has been distributed, the remaining portion of such interest shall be distributed at least as rapidly as under the method of distribution being used as of the date of such death;
2. If any Owner dies before the Annuity Commencement Date, the entire interest in the Contract shall be distributed within 5 years after such death; and
3. If the Owner is not an individual, then for purposes of 1. or 2. above, the primary annuitant under the Contract shall be treated as the Owner, and any change in the primary annuitant shall be treated as the death of the Owner. The primary annuitant is the individual, the events in the life of whom are of primary importance in affecting the timing or amount of the payout under the Contract.



ii. **Alternative Election to Satisfy Distribution Requirements**

If any portion of the interest of a Owner described in i. above is payable to or for the benefit of a designated beneficiary, such beneficiary may elect to have the portion distributed over a period that does not extend beyond the life or life expectancy of the beneficiary. Such distributions must begin within a year of the Owner's death.

iii. **Spouse Beneficiary**

If any portion of the interest of a Owner is payable to or for the benefit of his or her Spouse, and the Annuitant is living, such Spouse shall be treated as the Owner of such portion for purposes of Section i. above. This Spousal Contract continuation shall apply only once for this Contract.

**g. Addition of Rider or Material Change.**

The addition of a rider to the Contract, or a material change in the Contract's provisions, could cause it to be considered newly issued or entered into for tax purposes, and thus could cause the Contract to lose certain grandfathered tax status. Please contact your tax adviser for more information.

**h. Partial Exchanges.**

The IRS, in Rev. Rul. 2003-76, confirmed that the owner of an annuity contract can direct its insurer to transfer a portion of the contract's cash value directly to another annuity contract (issued by the same insurer or by a different insurer), and such a direct transfer can qualify for tax-free exchange treatment under Code Section 1035 (a "partial exchange").

The IRS issued additional guidance, Rev. Proc. 2011-38, that addresses partial exchanges. Rev. Proc. 2011-38 modifies and supersedes Rev. Proc. 2008-24 and applies to the direct transfer of a portion of the cash Surrender Value of an existing annuity contract for a second annuity contract, regardless of whether the two annuity contracts are issued by the same or different companies and is effective for transfers that are completed on or after October 24, 2011. The Rev. Proc. does not apply to transactions to which the rules for partial annuitization under Code Section 72(a)(2) apply.

Under Rev. Proc. 2011-38, a transfer within the scope of the Rev. Proc. will be treated as a tax-free exchange under Section 1035 if no amount, other than an amount received as an annuity for a period of 10 years or more or during one or more lives, is received under either the original contract or the new contract during the 180 days beginning on the date of the transfer (in the case of a new contract, the date the contract is placed in-force). A subsequent direct transfer of all or a portion of either contract is not taken into account for purposes of this characterization if the subsequent transfer qualifies (or is intended to qualify) as a tax-free exchange under Code Section 1035.

If a transfer falls within the scope of the Rev. Proc. but is not described above (for example — if a distribution is made from either contract within the 180 day period), the transfer will be characterized in a manner consistent with its substance, based on general tax principles and all the facts and circumstances. The IRS will not require aggregation (under Code Section 72(e)(12)) of an original, pre-existing contract with a second contract that is the subject of a tax-free exchange, even if both contracts are issued by the same insurance company, but will instead treat the contracts as separate annuity contracts. The applicability of the IRS's partial exchange guidance to the splitting of an annuity contract is not clear. You should consult with a qualified tax adviser as to potential tax consequences before attempting any partial exchange or split of annuity contracts.

**3. Diversification Requirements.**

The Code requires that investments supporting your Contract be adequately diversified. Code Section 817(h) provides that a variable annuity contract will not be treated as an annuity contract for any period during which the investments made by the separate account or Fund are not adequately diversified. If a contract is not treated as an annuity contract, the Owner will be subject to income tax on annual increases in cash value.

The Treasury Department's diversification regulations under Code Section 817(h) require, among other things, that:

- no more than 55% of the value of the total assets of the segregated asset account underlying a variable contract is represented by any one investment,
- no more than 70% is represented by any two investments,
- no more than 80% is represented by any three investments and
- no more than 90% is represented by any four investments.

In determining whether the diversification standards are met, all securities of the same issuer, all interests in the same real property project, and all interests in the same commodity are each treated as a single investment. In the case of government securities, each government agency or instrumentality is treated as a separate issuer.



A separate account must be in compliance with the diversification standards on the last day of each calendar quarter or within 30 days after the quarter ends. If an insurance company inadvertently fails to meet the diversification requirements, the company may still comply within a reasonable period and avoid the taxation of contract income on an ongoing basis. However, either the insurer or the Owner must agree to make adjustments or pay such amounts as may be required by the IRS for the period during which the diversification requirements were not met.

Fund shares may also be sold to tax-qualified plans pursuant to an exemptive order and applicable tax laws. If Fund shares are sold to non-qualified plans, or to tax-qualified plans that later lose their tax-qualified status, the affected Funds may fail the diversification requirements of Code Section 817(h), which could have adverse tax consequences for Owners with premiums allocated to affected Funds.

#### **4. Tax Ownership of the Assets in the Separate Account.**

In order for a variable annuity contract to qualify for tax income deferral, assets in the separate account supporting the contract must be considered to be owned by the insurance company, and not by the Owner, for tax purposes. The IRS has stated in published rulings that a variable Owner will be considered the “owner” of separate account assets for income tax purposes if the Owner possesses sufficient incidents of ownership in those assets, such as the ability to exercise investment control over the assets. In circumstances where the variable Owner is treated as the “tax owner” of certain separate account assets, income and gain from such assets would be includable in the variable Owner’s gross income. The Treasury Department indicated in 1986 that it would provide guidance on the extent to which Owners may direct their investments to particular Sub-Accounts without being treated as tax owners of the underlying shares. Although no such regulations have been issued to date, the IRS has issued a number of rulings that indicate that this issue remains subject to a facts and circumstances test for both variable annuity and life insurance contracts.

Rev. Rul. 2003-92, amplified by Rev. Rul. 2007-7, indicates that, where interests in a partnership offered in an insurer’s separate account are not available exclusively through the purchase of a variable insurance contract (e.g., where such interests can be purchased directly by the general public or others without going through such a variable contract), such “public availability” means that such interests should be treated as owned directly by the Owner (and not by the insurer) for tax purposes, as if such Owner had chosen instead to purchase such interests directly (without going through the variable contract). None of the shares or other interests in the fund choices offered in our Separate Account for your Contract are available for purchase except through an insurer’s variable contracts or by other permitted entities.

Rev. Rul. 2003-91 indicates that an insurer could provide as many as 20 fund choices for its variable Owners (each with a general investment strategy, e.g., a small company stock fund or a special industry fund) under certain circumstances, without causing such a Owner to be treated as the tax owner of any of the Fund assets. The ruling does not specify the number of fund options, if any, that might prevent a variable Owner from receiving favorable tax treatment. As a result, although the owner of a Contract has more than 20 fund choices, we believe that any owner of a Contract also should receive the same favorable tax treatment. However, there is necessarily some uncertainty here as long as the IRS continues to use a facts and circumstances test for investor control and other tax ownership issues. Therefore, we reserve the right to modify the Contract as necessary to prevent you from being treated as the tax owner of any underlying assets.

#### **D. Federal Income Tax Withholding**

The portion of an amount received under a Contract that is taxable gross income to the Payee is also subject to federal income tax withholding, pursuant to Code Section 3405, which requires the following:

1. **Non-Periodic Distributions.** The portion of a non-periodic distribution that is includable in gross income is subject to federal income tax withholding unless an individual elects not to have such tax withheld (“election out”). We will provide such an “election out” form at the time such a distribution is requested. If the necessary “election out” form is not submitted to us in a timely manner, generally we are required to withhold 10 percent of the includable amount of distribution and remit it to the IRS.
2. **Periodic Distributions (payable over a period greater than one year).** The portion of a periodic distribution that is includable in gross income is generally subject to federal income tax withholding as if the Payee were a married individual claiming 3 exemptions, unless the individual elects otherwise. An individual generally may elect out of such withholding, or elect to have income tax withheld at a different rate, by providing a completed election form. We will provide such an election form at the time such a distribution is requested. If the necessary “election out” forms are not submitted to us in a timely manner, we are required to withhold tax as if the recipient were married claiming 3 exemptions, and remit this amount to the IRS.

Generally no “election out” is permitted if the distribution is delivered outside the United States and any possession of the United States. Regardless of any “election out” (or any amount of tax actually withheld) on an amount received from a Contract, the Payee is generally liable for any failure to pay the full amount of tax due on the includable portion of such amount received. A Payee also may be required to pay penalties under estimated income tax rules, if the withholding and estimated tax payments are insufficient to satisfy the Payee’s total tax liability.

### **E. Annuity Purchases by Nonresident Aliens and Foreign Corporations**

The discussion above provides general information regarding U.S. federal income tax consequences to annuity purchasers that are U.S. citizens or residents. Purchasers that are not U.S. citizens or residents will generally be subject to U.S. federal income tax and mandatory withholding on U.S. source taxable annuity distributions at a 30% rate, unless a lower treaty rate applies and any required tax forms are submitted to us. If withholding applies, we are required to withhold tax at the 30% rate, or a lower treaty rate if applicable, and remit it to the IRS. In addition, purchasers may be subject to state premium tax, other state and/or municipal taxes, and taxes that may be imposed by the purchaser's country of citizenship or residence.

### **F. Estate, Gift and Generation-Skipping Tax and Related Tax Considerations**

Any amount payable upon a Owner's death, whether before or after the Annuity Commencement Date, is generally includable in the Owner's estate for federal estate tax purposes. Similarly, prior to the Owner's death, the payment of any amount from the Contract, or the transfer of any interest in the Contract, to a beneficiary or other person for less than adequate consideration may have federal gift tax consequences. In addition, any transfer to, or designation of, a non-Spouse beneficiary who either is (1) 37½ or more years younger than a Owner or (2) a grandchild (or more remote further descendent) of a Owner may have federal generation-skipping-transfer ("GST") tax consequences under Code Section 2601. Regulations under Code Section 2662 may require us to deduct any such GST tax from your Contract, or from any applicable payment, and pay it directly to the IRS. However, any federal estate, gift or GST tax payment with respect to a Contract could produce an offsetting income tax deduction for a beneficiary or transferee under Code Section 691(c) (partially offsetting such federal estate or GST tax) or a basis increase for a beneficiary or transferee under Code Section 691(c) or Section 1015(d). In addition, as indicated above in "Distributions Prior to the Annuity Commencement Date," the transfer of a Contract for less than adequate consideration during the Owner's lifetime generally is treated as producing an amount received by such Owner that is subject to both income tax and the 10% penalty tax. To the extent that such an amount deemed received causes an amount to be includable currently in such Owner's gross income, this same income amount could produce a corresponding increase in such Owner's tax basis for such Contract that is carried over to the transferee's tax basis for such Contract under Code Section 72(e)(4)(C)(iii) and Section 1015.

### **G. Tax Disclosure Obligations**

In some instances certain transactions must be disclosed to the IRS or penalties could apply. See, for example, IRS Notice 2004-67. The Code also requires certain "material advisers" to maintain a list of persons participating in such "reportable transactions," which list must be furnished to the IRS upon request. It is possible that such disclosures could be required by The Company, the Owner(s) or other persons involved in transactions involving annuity contracts. It is the responsibility of each party, in consultation with their tax and legal advisers, to determine whether the particular facts and circumstances warrant such disclosures.

### **H. Medicare Tax**

Beginning in 2013, distributions from non-qualified annuity policies will be considered "investment income" for purposes of the newly enacted Medicare tax on investment income. Thus, in certain circumstances, a 3.8% tax may be applied to some or all of the taxable portion of distributions (e.g. earnings) to individuals whose income exceeds certain threshold amounts. Please consult a tax adviser for more information.

## **Information Regarding IRAs**

This summary does not attempt to provide more than general information about the federal income tax rules associated with use of a Contract by IRAs. State income tax rules applicable to IRAs may differ from federal income tax rules, and this summary does not describe any of these differences. Because of the complexity of the tax rules, owners and beneficiaries are encouraged to consult their own tax advisers as to specific tax consequences.

### **I. Individual Retirement Annuities ("IRAs").**

In addition to "traditional" IRAs governed by Code Sections 408(a) and (b) ("Traditional IRAs"), there are Roth IRAs governed by Code Section 408A, SEP IRAs governed by Code Section 408(k), and SIMPLE IRAs governed by Code Section 408(p). Also, Qualified Plans under Code Section 401, 403(b) or 457(b) may elect to provide for a separate account or annuity contract that accepts after-tax employee contributions and is treated as a "Deemed IRA" under Code Section 408(q), which is generally subject to the same rules and limitations as Traditional IRAs. Contributions to each of these types of IRAs are subject to differing limitations. The following is a very general description of each type of IRA for which a Contract is available.

#### *a. Traditional IRAs*

Traditional IRAs are subject to limits on the amounts that may be contributed each year, the persons who may be eligible, and the time when minimum distributions must begin. Depending upon the circumstances of the individual, contributions to a Traditional IRA may be made on a deductible or non-deductible basis. Failure to make required minimum distributions ("RMDs") when the Owner reaches age 70½ or dies, as described below, may result in imposition of a 50% penalty tax on any excess of the RMD amount over the amount actually

distributed. In addition, any amount received before the Owner reaches age 59½ or dies is subject to a 10% penalty tax on premature distributions, unless a special exception applies, as described below. Under Code Section 408(e), an IRA may not be used for borrowing (or as security for any loan) or in certain prohibited transactions, and such a transaction could lead to the complete tax disqualification of an IRA.

You (or your surviving spouse if you die) may rollover funds tax-free from certain existing Qualified Plans (such as proceeds from existing insurance contracts, annuity contracts or securities) into a Traditional IRA under certain circumstances, as indicated below. In addition, under Code Section 402(c)(11) a non-spouse “designated beneficiary” of a deceased Plan participant may make a tax-free “direct rollover” (in the form of a direct transfer between Plan fiduciaries, as described below in “Rollover Distributions”) from certain Qualified Plans to a Traditional IRA for such beneficiary, but such Traditional IRA must be designated and treated as an “inherited IRA” that remains subject to applicable RMD rules (as if such IRA had been inherited from the deceased Plan participant).

IRAs generally may not invest in life insurance contracts. However, an annuity contract that is used as an IRA may provide a death benefit that equals the greater of the premiums paid or the contract’s cash value. The Contract offers an enhanced death benefit that may exceed the greater of the Contract Value or total premium payments. The tax rules are unclear as to what extent an IRA can provide a death benefit that exceeds the greater of the IRA’s cash value or the sum of the premiums paid and other contributions into the IRA. Please note that the IRA rider for the Contract has provisions that are designed to maintain the Contract’s tax qualification as an IRA, and therefore could limit certain benefits under the Contract (including endorsement, rider or option benefits) to maintain the Contract’s tax qualification.

#### b. *SEP IRAs*

Code Section 408(k) provides for a Traditional IRA in the form of an employer-sponsored defined contribution plan known as a Simplified Employee Pension (“SEP”) or a SEP IRA. A SEP IRA can have employer contributions, and in limited circumstances employee and salary reduction contributions, as well as higher overall contribution limits than a Traditional IRA, but a SEP is also subject to special tax-qualification requirements (e.g., on participation, nondiscrimination and withdrawals) and sanctions. Otherwise, a SEP IRA is generally subject to the same tax rules as for a Traditional IRA, which are described above. Please note that the IRA rider for the Contract has provisions that are designed to maintain the Contract’s tax qualification as an IRA, and therefore could limit certain benefits under the Contract (including endorsement, rider or option benefits) to maintain the Contract’s tax qualification.

#### c. *SIMPLE IRAs*

SIMPLE IRAs permit certain small employers to establish SIMPLE plans as provided by Code Section 408(p), under which employees may elect to defer to a SIMPLE IRA a specified percentage of compensation. The sponsoring employer is required to make matching or non-elective contributions on behalf of employees. Distributions from SIMPLE IRAs are subject to the same restrictions that apply to IRA distributions and are taxed as ordinary income. Subject to certain exceptions, premature distributions prior to age 59½ are subject to a 10 percent penalty tax, which is increased to 25.

#### d. *Roth IRAs*

Code Section 408A permits eligible individuals to establish a Roth IRA. Contributions to a Roth IRA are not deductible, but withdrawals of amounts contributed and the earnings thereon that meet certain requirements are not subject to federal income tax. In general, Roth IRAs are subject to limitations on the amounts that may be contributed by the persons who may be eligible to contribute, certain Traditional IRA restrictions, and certain RMD rules on the death of the Owner. Unlike a Traditional IRA, Roth IRAs are not subject to RMD rules during the Owner’s lifetime. Generally, however, upon the Owner’s death the amount remaining in a Roth IRA must be distributed by the end of the fifth year after such death or distributed over the life expectancy of a designated beneficiary. The Owner of a Traditional IRA or other qualified plan assets may convert a Traditional IRA into a Roth IRA under certain circumstances. The conversion of a Traditional IRA or other qualified plan assets to a Roth IRA will subject the fair market value of the converted Traditional IRA to federal income tax in the year of conversion. In addition to the amount held in the converted Traditional IRA, the fair market value may include the value of additional benefits provided by the annuity contract on the date of conversion, based on reasonable actuarial assumptions. Tax-free rollovers from a Roth IRA can be made only to another Roth IRA under limited circumstances, as indicated below. Distributions from eligible Qualified Plans can be “rolled over” directly (subject to tax) into a Roth IRA under certain circumstances. Anyone considering the purchase of a Qualified Contract as a Roth IRA or a “conversion” Roth IRA should consult with a qualified tax adviser. Please note that the Roth IRA rider for the Contract has provisions that are designed to maintain the Contract’s tax qualification as a Roth IRA, and therefore could limit certain benefits under the Contract (including endorsement, rider or option benefits) to maintain the Contract’s tax qualification.

### **5. Taxation of Amounts Received from IRAs**

Except under certain circumstances in the case of Roth IRAs or Roth accounts in certain Qualified Plans, amounts received from Qualified Contracts or Plans generally are taxed as ordinary income under Code Section 72, to the extent that they are not treated as a tax-free recovery of after-tax contributions or other “investment in the contract.” For annuity payments and other amounts received after the Annuity Commencement Date from a Qualified Contract or Plan, the tax rules for determining what portion of each amount received represents a tax-free recovery of “investment in the contract” are generally the same as for Non-Qualified Contracts, as described above.

For non-periodic amounts from certain Qualified Contracts or Plans, Code Section 72(e)(8) provides special rules that generally treat a portion of each amount received as a tax-free recovery of the “investment in the contract,” based on the ratio of the “investment in the contract” over the Contract Value at the time of distribution. However, in determining such a ratio, certain aggregation rules may apply and may vary, depending on the type of Qualified Contract or Plan. For instance, all Traditional IRAs owned by the same individual are generally aggregated for these purposes, but such an aggregation does not include any IRA inherited by such individual or any Roth IRA owned by such individual.

In addition, penalty taxes, mandatory tax withholding or rollover rules may apply to amounts received from a Qualified Contract or Plan, as indicated below, and certain exclusions may apply to certain distributions (e.g., distributions from an eligible Government Plan to pay qualified health insurance premiums of an eligible retired public safety officer). Accordingly, you are advised to consult with a qualified tax adviser before taking or receiving any amount (including a loan) from a Qualified Contract or Plan.

## 6. Penalty Taxes for IRAs

Unlike Non-Qualified Contracts, IRAs are subject to federal penalty taxes not just on premature distributions, but also on excess contributions and failures to make required minimum distributions (“RMDs”).

### a. *Penalty Taxes on Premature Distributions*

Code Section 72(t) imposes a penalty income tax equal to 10% of the taxable portion of a distribution from certain types of Qualified Plans that is made before the employee reaches age 59½. However, this 10% penalty tax does not apply to a distribution that is either:

- (i) made to a beneficiary (or to the employee’s estate) on or after the employee’s death;
- (ii) attributable to the employee’s becoming disabled under Code Section 72(m)(7);
- (iii) part of a series of substantially equal periodic payments (not less frequently than annually — “SEPPs”) made for the life (or life expectancy) of the employee or the joint lives (or joint life expectancies) of such employee and a designated beneficiary (“SEPP Exception”), and for certain Qualified Plans (other than IRAs) such a series must begin after the employee separates from service;
- (iv) (except for IRAs) made to an alternate payee pursuant to a qualified domestic relations order under Code Section 414(p) (a similar exception for IRAs in Code Section 408(d)(6) covers certain transfers for the benefit of a spouse or ex-spouse);
- (v) not greater than the amount allowable as a deduction to the employee for eligible medical expenses during the taxable year;
- (vi) certain qualified reservist distributions under Code Section 72(t)(2)(G) upon a call to active duty;
- (vii) made an account of an IRS levy on the Qualified Plan under Code Section 72(t)(2)(A)(vii); or
- (viii) made as a “direct rollover” or other timely rollover to an Eligible Retirement Plan, as described below.

In addition, the 10% penalty tax does not apply to a distribution from an IRA that is either:

- (ix) made after separation from employment to an unemployed IRA owner for health insurance premiums, if certain conditions in Code Section 72(t)(2)(D) are met;
- (x) not in excess of the amount of certain qualifying higher education expenses, as defined by Code Section 72(t)(7); or
- (xi) for a qualified first-time home buyer and meets the requirements of Code Section 72(t)(8).

If the taxpayer avoids this 10% penalty tax by qualifying for the SEPP Exception and later such series of payments is modified (other than by death, disability or a method change allowed by Rev. Rul. 2002-62), the 10% penalty tax will be applied retroactively to all the prior periodic payments (i.e., penalty tax plus interest thereon), unless such modification is made after both (a) the employee has reached age 59½ and (b) 5 years have elapsed since the first of these periodic payments.

### b. *RMDs and 50% Penalty Tax*

If the amount distributed from a Qualified Contract or Plan is less than the amount of the required minimum distribution (“RMD”) for the year, the participant is subject to a 50% penalty tax on the amount that has not been timely distributed.

An individual’s interest in an IRA generally must be distributed, or begin to be distributed, not later than the Required Beginning Date. Generally, the Required Beginning Date is April 1 of the calendar year following the calendar year in which the individual attains age 70½, or

The entire interest of the individual must be distributed beginning no later than the Required Beginning Date over —

- (a) the life of the individual or the lives of the individual and a designated beneficiary (as specified in the Code), or

- (b) over a period not extending beyond the life expectancy of the individual or the joint life expectancy of the individual and a designated beneficiary.

If an individual dies before reaching the Required Beginning Date, the individual's entire interest generally must be distributed within 5 years after the individual's death. However, this RMD rule will be deemed satisfied if distributions begin before the close of the calendar year following the individual's death to a qualifying designated beneficiary and distribution is over the life of such designated beneficiary (or over a period not extending beyond the life expectancy of such beneficiary). If the individual's surviving spouse is the sole designated beneficiary, distributions may be delayed until the deceased individual would have attained age 70½.

If an individual dies after RMDs have begun for such individual, any remainder of the individual's interest generally must be distributed at least as rapidly as under the method of distribution in effect at the time of the individual's death.

The RMD rules that apply while the Owner is alive do not apply with respect to Roth IRAs. The RMD rules applicable after the death of the Owner apply to Roth IRAs. In addition, if the Owner of a Traditional or Roth IRA dies and the Owner's surviving spouse is the sole designated beneficiary, this surviving spouse may elect to treat the Traditional or Roth IRA as his or her own.

The RMD amount for each year is determined generally by dividing the account balance by the applicable life expectancy. This account balance is generally based upon the Contract Value as of the close of business on the last day of the previous calendar year. RMD incidental benefit rules also may require a larger annual RMD amount, particularly when distributions are made over the joint lives of the Owner and an individual other than his or her spouse. RMDs also can be made in the form of annuity payments that satisfy the rules set forth in Regulations under the Code relating to RMDs.

In addition, in computing any RMD amount based on a contract's Contract Value, such Contract Value must include the actuarial value of certain additional benefits provided by the contract. As a result, electing an Optional Benefit under an IRA may require the RMD amount for such IRA to be increased each year, and expose such additional RMD amount to the 50% penalty tax for RMDs if such additional RMD amount is not timely distributed.

## 7. Tax Withholding for IRAs

Distributions from an IRA generally are subject to federal income tax withholding requirements. These federal income tax withholding requirements, including any "elections out" and the rate at which withholding applies, generally are the same as for periodic and non-periodic distributions from a Non-Qualified Contract, as described above, except where the distribution is an "eligible rollover distribution" from a Qualified Plan.

Regardless of any "election out" (or any actual amount of tax actually withheld) on an amount received from an IRA the payee is generally liable for any failure to pay the full amount of tax due on the includable portion of such amount received. A payee also may be required to pay penalties under estimated income tax rules, if the withholding and estimated tax payments are insufficient to satisfy the payee's total tax liability.

## 8. Rollover Distributions

Rollover rules for distributions from IRAs under Code Sections 408(d)(3) and 408A(d)(3) vary according to the type of transferor IRA and type of transferee IRA or other Plan. For instance, generally no tax-free "direct rollover" or "60-day rollover" can be made between a "NonRoth IRA" (Traditional, SEP or SIMPLE IRA) and a Roth IRA, and a transfer from NonRoth IRA to a Roth IRA, or a "conversion" of a NonRoth IRA to a Roth IRA, is subject to special rules. In addition, generally no tax-free "direct rollover" or "60-day rollover" can be made between an "inherited IRA" (NonRoth or Roth) for a beneficiary and an IRA set up by that same individual as the original owner. Generally, any amount other than an RMD distributed from a Traditional or SEP IRA is eligible for a "direct rollover" or a "60-day rollover" to another Traditional IRA for the same individual. Similarly, any amount other than an RMD distributed from a Roth IRA is generally eligible for a "direct rollover" or a "60-day rollover" to another Roth IRA for the same individual. However, in either case such a tax-free 60-day rollover is limited to 1 per year (365-day period); whereas no 1-year limit applies to any such "direct rollover." Similar rules apply to a "direct rollover" or a "60-day rollover" of a distribution from a SIMPLE IRA to another SIMPLE IRA or a Traditional IRA, except that any distribution of employer contributions from a SIMPLE IRA during the initial 2-year period in which the individual participates in the employer's SIMPLE Plan is generally disqualified (and subject to the 25% penalty tax on premature distributions) if it is not rolled into another SIMPLE IRA for that individual. Amounts other than RMDs distributed from a Traditional or SEP IRA (or SIMPLE IRA after the initial 2-year period) also are eligible for a "direct rollover" or a "60-day rollover" to an Eligible Retirement Plan (e.g., a TSA) that accepts such a rollover, but any such rollover is limited to the amount of the distribution that otherwise would be includable in gross income (i.e., after-tax contributions are not eligible).

Special rollover rules also apply to (1) transfers or rollovers for the benefit of a spouse (or ex-spouse) or a nonspouse designated beneficiary, (2) Plan distributions of property, (3) distributions from a Roth account in certain Plans, (4) recontributions within 3 years of "qualified hurricane distributions" made before 2007 under Code Section 1400Q(a), (5) transfers from a Traditional or Roth IRA to certain health savings accounts under Code Section 408(d)(9), and (6) obtaining a waiver of the 60-day limit for a tax-free rollover from the IRS.



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### **Contingent Deferred Sales Charge Examples (Class B shares)**

All CDSC Examples reflect gross withdrawals that deduct the CDSC from the amount of the Partial Withdrawals requested.

**Example 1: Illustrates a Partial Withdrawal that is equal to the Free Withdrawal Amount (FWA) in a down market. Assume a Partial Withdrawal taken in Contract Year 2 equals \$5,000.**

**Step 1 does not apply** because Premiums have not been invested for longer than the applicable CDSC as referenced in the CDSC section of the prospectus.

Values immediately prior to the Partial Withdrawal:

- Premiums subject to CDSC are \$100,000
- Remaining Gross Premiums are \$100,000
- Contract Value is \$90,000
- Earnings are \$0
  - Your earnings are the greater of (1) Contract Value – Remaining Gross Premiums, or (2) \$0
- FWA is \$5,000
  - Your FWA is the greater of (1) 5% of total Premiums subject to CDSC, or (2) earnings

**Step 2:** As the amount withdrawn is equal to the FWA, there are no CDSC incurred on the transaction. Also, there is no adjustment to Remaining Gross Premiums. The FWA has been exhausted for the duration of the Contract Year. There are no additional steps.

Values after the Partial Withdrawal:

- Premiums subject to CDSC are \$100,000
- Remaining Gross Premiums are \$100,000
- Contract Value is \$85,000
- FWA is \$0

**Example 2: Illustrates a Partial Withdrawal in excess of the FWA in a down market and impacts to subsequent FWA calculations. Assume a Partial Withdrawal taken in Contract Year 2 equals \$5,000.**

**Step 1 does not apply** because Premiums have not been invested for longer than the applicable CDSC as referenced in the CDSC section of the prospectus.

Values immediately prior to the first Partial Withdrawal:

- Premiums subject to CDSC are \$100,000
- Remaining Gross Premiums are \$100,000
- Contract Value is \$90,000
- Earnings are \$0
  - Your earnings are the greater of (1) Contract Value – Remaining Gross Premiums, or (2) \$0
- FWA is \$5,000
  - Your FWA is the greater of (1) 5% of total Premiums subject to CDSC, or (2) earnings

**Step 2:** As the amount Surrendered is equal to the FWA, there are no CDSC incurred on the transaction. Also, there is no adjustment to Remaining Gross Premiums. The FWA has been exhausted for the duration of the Contract Year. There are no additional steps.

Values after the Partial Withdrawal:

- Premiums subject to CDSC are \$100,000
- Remaining Gross Premiums are \$100,000

- Contract Value is \$85,000
- FWA is \$0

**Next, assume an additional withdrawal during the same Contract Year equals \$5,000. The Contract Value has changed due to market fluctuation, but no other transactions have occurred.**

**Step 1 does not apply** because Premiums have not been invested for longer than the applicable CDSC as referenced in the CDSC section of the prospectus.

**Step 2:** Determines that the transaction is in excess of the FWA.

Values immediately prior to the second Partial Withdrawal:

- Premiums are \$100,000
- Remaining Gross Premiums are \$100,000
- Contract Value is \$75,000
- Earnings are \$0
- FWA is \$0

**Step 3:** As the FWA is \$0; the entire \$5,000 is in excess of the FWA.

**Step 4:** We determine the amount that is subject to CDSC by applying a proportional factor to the Remaining Gross Premiums.

The factor is derived as  $[A/B]$ :

A = The amount in Step 3

B = Contract Value immediately prior to the withdrawal – FWA

The amount subject to CDSC is \$6,667 ( $\$100,000 \times [\$5,000/\$75,000]$ )

Your Remaining Gross Premiums are adjusted dollar-for-dollar for the amount subject to CDSC.

**Step 5:** The applicable CDSC is 7.5%. We apply this to the amount subject to CDSC as determined in Step 4, and the resulting CDSC incurred is \$500 [ $7.5\% \times \$6,667$ ].

**Step 6:** We deduct the CDSC of \$500 from the excess amount \$5,000. The amount paid to you is \$4,500.

Values after the second Partial Withdrawal:

- Premiums are \$100,000
- Remaining Gross Premium is \$93,333 ( $\$100,000 - \$6,667$ )
- Contract Value is \$70,000
- FWA is \$0

**Next, assume that a third Partial Withdrawal is taken during Contract Year 3 for an amount equal to \$15,000. The Contract Value has changed due to market fluctuation, but no other transactions have occurred.**

**Step 1 does not apply** because Premiums have not been invested for longer than the applicable CDSC as referenced in the CDSC section of the prospectus.

**Step 2:** Determines that the transaction is in excess of the FWA.

Values prior to the third Partial Withdrawal:

- Premiums are \$100,000
- Remaining Gross Premium is \$93,333
- Contract Value is \$78,000
- Earnings are \$0
- FWA is \$5,000

**Step 3:** We deduct the available FWA of \$5,000; the remaining \$10,000 is in excess of the FWA.

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**Step 4:** We determine the amount that is subject to CDSC by applying a proportional factor to the Remaining Gross Premiums.

The factor is derived as  $[A/B]$ :

A = The amount in Step 3

B = Contract Value immediately prior to the withdrawal – FWA

The amount subject to CDSC is \$12,785 ( $\$93,333 \times [\$10,000/\$73,000]$ )

Your Remaining Gross Premiums are adjusted dollar-for-dollar for the amount subject to CDSC.

**Step 5:** The applicable CDSC is 6.5%. We apply this to the amount subject to CDSC as determined in Step 4, and the resulting CDSC incurred is \$831 [ $6.5\% \times \$12,785$ ].

**Step 6:** We deduct the CDSC of \$831 from the excess amount \$10,000, and combine this with your FWA of \$5,000. The amount paid to you is \$14,169.

Values after the third Partial Withdrawal:

- Premiums are \$100,000
- Remaining Gross Premium is \$80,548 ( $\$93,333 - \$12,785$ )
- Contract Value is \$63,000
- FWA is \$0

**Example 3: Illustrates a Partial Withdrawal in excess of the FWA in an up market, the non-cumulative feature of the FWA and impacts to future FWA calculations. Assume a Partial Withdrawal is taken in Contract Year 1 for \$10,000.**

**Step 1 does not apply** because Premiums have not been invested for longer than the applicable CDSC as referenced in the CDSC section of the prospectus.

Values prior to the first Partial Withdrawal:

- Premiums are \$100,000
- Remaining Gross Premiums are \$100,000
- Contract Value is \$110,000
- Earnings are \$10,000
  - Your earnings are the greater of (1) Contract Value – Remaining Gross Premiums, or (2) \$0
- FWA is \$10,000
  - Your FWA is the greater of (1) 5% of total Premiums subject to CDSC, or (2) earnings

**Step 2:** As the amount Surrendered is equal to the FWA, there are no CDSC incurred on the transaction. Also, there is no adjustment to Remaining Gross Premiums. The FWA has been exhausted for the duration of the Contract Year. There are no additional steps.

Values after the first Partial Withdrawal:

- Premiums are \$100,000
- Remaining Gross Premium is \$100,000
- Contract Value is \$100,000
- FWA is \$0

**Next, assume an additional Partial Withdrawal is taken in Contract Year 1 for \$10,000. The Contract Value has changed due to market fluctuation, but no other transactions have occurred.**

**Step 1 does not apply** because Premiums have not been invested for longer than the applicable CDSC as referenced in the CDSC section of the prospectus.

**Step 2:** Determines that the transaction is in excess of the FWA.

Values prior to the second Partial Withdrawal:

- Premiums are \$100,000
- Remaining Gross Premiums are \$100,000
- Contract Value is \$100,000
- Earnings are \$0
- FWA is \$0

**Step 3:** As the FWA is \$0; the entire \$10,000 is in excess of the FWA.

**Step 4:** We determine the amount that is subject to CDSC by applying a proportional factor to the Remaining Gross Premiums.

The factor is derived as  $[A/B]$ :

A = The amount in Step 3

B = Contract Value immediately prior to the withdrawal – FWA

The amount subject to CDSC is \$10,000 ( $\$100,000 \times [\$10,000/\$100,000]$ )

Your Remaining Gross Premiums are adjusted dollar-for-dollar for the amount subject to CDSC.

**Step 5:** The applicable CDSC is 8.5%. We apply this to the amount subject to CDSC as determined in Step 4, and the resulting CDSC incurred is \$850 [ $8.5\% \times \$10,000$ ].

**Step 6:** We deduct the CDSC of \$850 from the excess amount \$10,000. The amount paid to you is \$9,150.

Values after the second Partial Withdrawal:

- Premiums are \$100,000
- Remaining Gross Premiums are \$90,000 ( $\$100,000 - \$10,000$ )
- Contract Value is \$90,000
- FWA is \$0

**Next, assume an additional Partial Withdrawal is taken in Contract Year 3 for \$15,000. The Contract Value has changed due to market fluctuation, but no other transactions have occurred.**

**Step 1 does not apply** because Premiums have not been invested for longer than the applicable CDSC as referenced in the CDSC section of the prospectus.

**Step 2:** Determines that the transaction is in excess of the FWA.

Values prior to the third Partial Withdrawal:

- Premiums are \$100,000
- Remaining Gross Premiums are \$90,000
- Contract Value is \$99,000
- Earnings are \$9,000
- FWA is \$9,000

**Step 3:** We deduct the available FWA of \$9,000; the remaining \$6,000 is in excess of the FWA.

**Step 4:** We determine the amount that is subject to CDSC by applying a proportional factor to the Remaining Gross Premiums.

The factor is derived as  $[A/B]$ :

A = The amount in Step 3

B = Contract Value immediately prior to the withdrawal – FWA

The amount subject to CDSC is \$6,000 ( $\$90,000 \times [\$6,000/\$90,000]$ )

Your Remaining Gross Premiums are adjusted dollar-for-dollar for the amount subject to CDSC.

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**Step 5:** The applicable CDSC is 6.5%. We apply this to the amount subject to CDSC as determined in Step 4, and the resulting CDSC incurred is \$390 [ $6.5\% \times \$6,000$ ].

**Step 6:** We deduct the CDSC of \$390 from the excess amount \$6,000, and combine this with your FWA of \$9,000. The amount paid to you is \$14,610.

Values after the third Partial Withdrawal:

- Premiums are \$100,000
- Remaining Gross Premiums are \$84,000 ( $\$90,000 - \$6,000$ )
- Contract Value is \$84,000
- FWA is \$0

**Example 4: Illustrates a full Surrender calculation with one of two Premiums out of the applicable CDSC schedule. Assume two Premiums were made for \$100,000 each invested in the Sub-Accounts. The first was applied at the beginning of Contract Year 1, the second in the beginning of Contract Year 3. A full Surrender is taken in Contract Year 8.**

**Step 1:** Your initial Premium of \$100,000 is available without a CDSC.

Values prior to the full Surrender:

- Premiums are \$200,000
- Remaining Gross Premiums is \$200,000
  - Remaining Gross Premium subject to CDSC is \$100,000
- Contract Value just prior to the full Surrender is \$300,000
- Earnings are \$100,000
  - Your earnings are the greater of (1) Contract Value – Remaining Gross Premiums, or (2) \$0
- FWA is \$100,000
  - Your FWA is the greater of (1) 5% of total Premiums subject to CDSC, or (2) earnings.

**Step 2:** The full Surrender is in excess of the sum of the FWA of \$100,000 plus the amount determined in Step 1 of \$100,000.

**Step 3:** We deduct the available FWA; the remaining \$100,000 is in excess of the FWA.

**Step 4:** We determine the amount that is subject to CDSC by applying a proportional factor to the Remaining Gross Premiums.

The factor is derived as  $[A/B]$ :

A = The amount in Step 3

B = Contract Value immediately prior to the withdrawal – FWA

The amount subject to CDSC is \$100,000 ( $\$100,000 \times [\$100,000/\$100,000]$ )

Your Remaining Gross Premiums are adjusted dollar-for-dollar for the amount subject to CDSC.

**Step 5:** The applicable CDSC is 3.5%. We apply this to the amount subject to CDSC as determined in Step 4, and the resulting CDSC incurred is \$3,500 [ $3.5\% \times \$100,000$ ].

**Step 6:** We deduct the CDSC of \$3,500 from the excess amount \$100,000, and combine this with your FWA of \$200,000. The amount paid to you is \$296,500.

Values after the full Surrender:

- Contract Value is \$0

The Contract is terminated.



**Example 5: Illustrates a full Surrender calculation in a down market. Assume \$100,000 is invested in the Sub-Accounts, and a full Surrender occurs in Contract Year 3.**

**Step 1 does not apply** because Premiums have not been invested for longer than the applicable CDSC as referenced in the CDSC section of the prospectus.

**Step 2:** Determines that the full Surrender is in excess of the FWA.

Values prior to the full Surrender:

- Premiums are \$100,000
- Remaining Gross Premiums are \$100,000
- Contract Value just prior to the full Surrender is \$50,000
- Earnings are \$0
  - Your earnings are the greater of (1) Contract Value – Remaining Gross Premiums, or (2) \$0
- FWA is \$5,000
  - Your FWA is the greater of (1) 5% of total Premiums subject to CDSC, or (2) earnings

**Step 3:** We deduct the available FWA of \$5,000; the remaining \$45,000 is in excess of the FWA.

**Step 4:** We determine the amount that is subject to CDSC by applying a proportional factor to the Remaining Gross Premiums.

The factor is derived as  $[A/B]$ :

A = The amount in Step 3

B = Contract Value immediately prior to the withdrawal – FWA

The amount subject to CDSC is \$100,000 ( $\$100,000 \times [\$45,000/\$45,000]$ )

Your Remaining Gross Premiums are adjusted dollar-for-dollar for the amount subject to CDSC.

**Step 5:** The applicable CDSC is 6.5%. We apply this to the amount subject to CDSC as determined in Step 4, and the resulting CDSC incurred is \$6,500 [ $6.5\% \times \$100,000$ ].

**Step 6:** We deduct the CDSC of \$6,500 from the excess amount \$45,000, and combine this with your FWA of \$5,000. The amount paid to you is \$43,500.

Values after the full Surrender:

- Contract Value is \$0

The Contract is terminated.

**Example 6: Illustrates a full Surrender calculation with the Premium out of the applicable CDSC schedule. Assume the optional liquidity feature was selected. Assume a single Premium was made for \$100,000 invested in the Sub-Accounts. A full Surrender is taken in Contract Year 5.**

**Step 1:** Your initial Premium of \$100,000 is available without a CDSC since the liquidity feature was chosen.

Values prior to the full Surrender:

- Premiums are \$100,000
- Remaining Gross Premiums is \$100,000
- Remaining Gross Premium subject to CDSC is \$0
- Contract Value just prior to the full Surrender is \$150,000
- Earnings are \$50,000
  - Your earnings are the greater of (1) Contract Value – Remaining Gross Premiums, or (2) \$0
- FWA is \$50,000
  - Your FWA is the greatest of (1) 5% of total Premiums subject to CDSC, or (2) earnings.

**Step 2:** As the amount withdrawn is equal to the FWA (\$150,000), there are no CDSC incurred on the transaction. Also, there is no adjustment to Remaining Gross Premiums. The FWA has been exhausted for the duration of the Contract Year. There are no additional steps.

**Premium Based Charge Examples (Class B Shares)**

**Example 1: Assume that your initial Premium is \$100,000. No withdrawals occur during Contract Year 1. On Day 70 of Contract Year 2 you make a Partial Withdrawal in excess of the FWA by \$5,000.**

Upon each Quarterly Contract Anniversary, your annual Premium Based Charge is calculated solely on the Remaining Gross Premium upon each Quarterly Contract Anniversary. As there were no Partial Withdrawals during Contract Year 1, the amount deducted from your Contract Value is \$125  $[(\$100,000 \times 0.50\%)/4]$  upon each Quarterly Contract Anniversary.

Upon the Partial Withdrawal in Contract Year 2, the Premium Based Charge is not deducted at the time of the Partial Withdrawal. The Remaining Gross Premium after the Partial Withdrawal is \$95,000.

At the next Quarterly Contract Anniversary, the Premium Based Charge applied to the Remaining Gross Premium is \$118.75  $[(\$95,000 \times 0.50\%)/4]$ .

**Example 2: Assume that your initial Deposit into your B-Share variable annuity is \$100,000. On Day 75 of Contract Year 5 you choose to Surrender your entire Contract Value, which is equal to \$120,000.**

A prorated Premium Based Charge is assessed upon the full Surrender and the entire Remaining Gross Premium is subject to the charge. The Premium Based Charge is equal to \$104.17  $[(\$100,000 \times 0.50\%)/4 \times (75 / 90)]$ . We would also assess a CDSC on the amount of Remaining Gross Premium subject to CDSC. The CDSC is equal to \$4,500  $[(\$120,000 - \$20,000)/(\$120,000 - \$20,000) \times \$100,000 \times 0.045\%]$  as the \$20,000 in earnings is the Free Withdrawal Amount that is not subject to a CDSC. Therefore, the Surrender Value of the Contract is \$115,395.83  $(\$120,000 - \$104.17 - \$4,500)$ .

**Return of Premium III Example**

Assume a contract was issued on 1/1/2014 with an initial premium of \$100,000 and the Return of Premium III rider was elected. Hypothetical values for withdrawals, Contract Value and Premium Payments adjusted for Partial Withdrawals are shown as of select dates to illustrate their impact on the Death Benefit. See the footnotes for further details.

Date	Withdrawals	Contract Value (1)	Premium Payments adjusted for Partial Withdrawals	Death Benefit
1/1/2014	0	100,000	100,000	100,000
6/2/2014	0	104,580	100,000	104,580(2)
12/31/2014	500	106,297	99,532(3)	106,297
1/1/2015	0	109,486	99,532	109,486
6/2/2015	10,000	81,202	88,618(4)	88,618
12/31/2015	0	78,766	88,618	88,618

- (1) For illustration purposes only, net of illustrated withdrawals. Does not indicate actual Contract Value performance. Excludes deduction of any applicable Premium Based Charges.
- (2) **Death Benefit:** The Death Benefit on this day would be the Contract Value because it is the maximum of the Contract Value and Premium Payments adjusted for Partial Withdrawals.
- (3) **Partial Withdrawals:** Assume you take a Partial Withdrawal of \$500 on 12/31/2014. As a result of this Partial Withdrawal, Premium Payments are adjusted by a factor of 0.9953. This factor is derived as  $[1 - (\text{Partial Withdrawal}/\text{Contract Value prior to the Partial Withdrawal})] = [1 - (500/106,797)]$ .
- (4) **Partial Withdrawals:** Assume you take a Partial Withdrawal of \$10,000 on 6/2/2015. As a result of this Partial Withdrawal, Premium Payments are adjusted by a factor of 0.8904. This factor is derived as  $[1 - (\text{Partial Withdrawal}/\text{Contract Value prior to the Partial Withdrawal})] = [1 - (10,000/91,202)]$ . Note that because the Contract Value prior to the Partial Withdrawal (\$91,202) is less than the prior day's Premium Payments adjusted for Partial Withdrawals (\$99,532), the amount of reduction is greater than \$10,000.

## Legacy Lock IV Example

Assume a contract was issued on 1/1/2014 to a 65 year old with an initial premium of \$100,000 and the Legacy Lock IV rider was elected. Hypothetical values for withdrawals, Allowable Withdrawal, Contract Value, Base Return of Premium and Enhanced Return of Premium are shown as of select dates to illustrate their impact on the Death Benefit. See the footnotes for further details.

Date	Withdrawals	Allowable Withdrawal	Contract Value (1)	Base Return of Premium	Enhanced Return of Premium	Death Benefit
1/1/2014	0	5,000	100,000	100,000	100,000	100,000
6/2/2014	0	5,229	104,580	100,000	100,000	104,580(2)
12/31/2014	500	5,315	106,297	99,532(3)	106,797(4)	106,797
1/1/2015	0	5,474	109,486	99,532	106,797	109,486
6/2/2015	10,000	5,185	81,202	88,618(5)	101,159(6)	101,159
12/31/2015	0	5,185	78,766	88,618	101,159	101,159
1/1/2044	0	5,185	78,766	88,618	0(7)	88,618(7)

- (1) For illustration purposes only, net of illustrated withdrawals. Does not indicate actual Contract Value performance. Excludes deduction of any applicable Premium Based Charges.
- (2) **Death Benefit:** The Death Benefit on this day would be the Contract Value because it is the maximum of the Contract Value, Base Return of Premium and Enhanced Return of Premium.
- (3) **Partial Withdrawals:** Assume you take your first Partial Withdrawal of \$500 on 12/31/2014. As a result of this Partial Withdrawal, the Base Return of Premium is adjusted by a factor of 0.9953. This factor is derived as  $[1 - (\text{Partial Withdrawal}/\text{Contract Value prior to the Partial Withdrawal})] = [1 - (500/106,797)]$ .
- (4) **Enhanced Return of Premium Step-Up:** Since the Partial Withdrawal on 12/31/2014 is the first withdrawal, the Enhanced Return of Premium will step up to the Contract Value prior to the withdrawal. The Enhanced Return of Premium is not adjusted down since the Partial Withdrawal does not exceed the Allowable Withdrawal.
- (5) **Partial Withdrawals:** Assume you take a Partial Withdrawal of \$10,000 on 6/2/2015. As a result of this Partial Withdrawal, Base Return of Premium is adjusted by a factor of 0.8904. This factor is derived as  $[1 - (\text{Partial Withdrawal}/\text{Contract Value prior to the Partial Withdrawal})] = [1 - (10,000/91,202)]$ . Note that because the Contract Value prior to the Partial Withdrawal (\$91,202) is less than the prior day's Base Return of Premium (\$99,532), the amount of reduction is greater than \$10,000.
- (6) **Partial Withdrawals:** Since the Partial Withdrawal on 6/2/2015 exceeds the Allowable Withdrawal amount, this is considered an Excess Withdrawal. As a result, the Enhanced Return of Premium is adjusted by a proportional factor of 0.9472. This factor is derived as  $(\text{Contract Value after the Partial Withdrawal}/\text{Contract Value prior to the Partial Withdrawal less the Allowable Withdrawal}) = (81,202)/(91,202 - 5,474)$ .
- (7) **Enhanced Return of Premium Termination at Age 90:** The Enhanced Return of Premium component reduces to zero on the date the oldest Owner, or Annuitant in the case of a non-natural Owner, attains age 90. This has the effect of providing a Death Benefit that is reduced by all prior Partial Withdrawals, including Allowable Withdrawals, if applicable.

### Maximum Daily Value III Example

Assume a contract was issued on 1/1/2014 with an initial premium of \$100,000 and the Maximum Daily Value III rider was elected. Hypothetical values for withdrawals, Contract Value and Maximum Daily Value are shown as of select dates to illustrate their impact on the Death Benefit. See the footnotes for further details.

Date	Withdrawals	Contract Value (1)	Maximum Daily Value	Death Benefit
1/1/2014	0	100,000	100,000	100,000
5/30/2014	0	100,000	100,000	100,000
6/2/2014	0	104,580	104,580(2)	104,580
12/30/2014	0	104,580	104,580	104,580
12/31/2014	500	106,297	106,297(3)	106,297
1/1/2015	0	109,486	109,486	109,486
6/1/2015	0	93,063	109,486	109,486
6/2/2015	10,000	81,202	97,481(4)	97,481
12/31/2015	0	78,766	97,481	97,481

- (1) For illustration purposes only, net of illustrated withdrawals. Does not indicate actual Contract Value performance. Excludes deduction of any applicable Premium Based Charges.
- (2) **Maximum Daily Value:** The Maximum Daily Value steps up to the current Contract Value since it exceeds the prior day's Maximum Daily Value.
- (3) **Maximum Daily Value:** Assume you take a Partial Withdrawal of \$500 on 12/31/2014. Despite the withdrawal, the Maximum Daily Value steps up to the current Contract Value since it exceeds the prior day's Maximum Daily Value.
- (4) **Partial Withdrawals:** Assume you take a Partial Withdrawal of \$10,000 on 6/2/2015. As a result of this Partial Withdrawal, the Maximum Daily Value is adjusted by a factor of 0.8904. This factor is derived as  $[1 - (\text{Partial Withdrawal}/\text{Contract Value prior to the Partial Withdrawal})] = [1 - (10,000/91,202)]$ . Note that because the Contract Value prior to the Partial Withdrawal (\$91,202) is less than the prior day's Maximum Daily Value (\$109,486), the amount of reduction is greater than \$10,000.

### Daily +5 Withdrawal Benefit Example

Assume a contract was issued on 1/1/2014 with an initial premium of \$100,000 and the Daily +5 (Single Option) rider was elected. The age of the Covered Life is 65 at issue. Hypothetical values for withdrawals, Contract Value and rider benefit amounts are shown as of select dates to illustrate: Step Ups, Deferral Bonuses, Lifetime Annual Payment increases and the impact of non-excess and Excess Withdrawals. See the footnotes for further details.

Date	Withdrawals	Contract Value (1)	Withdrawal Base	Contract Value High Water Mark	Deferral Bonus Base	Lifetime Annual Payment
1/1/2014	0	100,000	100,000	100,000	100,000	5,000
1/2/2014	0	101,200	101,200(2)	101,200	100,000	5,060(2)
1/3/2014	0	97,658	101,200	101,200	100,000	5,060
12/31/2014	0	102,541	102,541(2)	102,541	100,000	5,127(2)
1/1/2015	0	101,515	107,541(3)	102,541	100,000	5,377
1/2/2015	0	102,023	107,541	102,541	100,000	5,377
12/31/2015	0	115,921	120,921	115,921	100,000	6,046
1/1/2016	0	114,762	125,921(3)	115,921	100,000	6,296
1/4/2016	500(4)	114,262	125,921	115,921	0(4)	6,296
12/31/2016	0	117,690	127,690(5)	117,690	0	6,296(5)
1/1/2017	0	116,513	127,690	117,690	0	6,384
1/2/2017	0	118,843	128,843	118,843	0	6,384
1/3/2017	10,000(6)	108,843	124,701(6)	115,022(6)	0	6,235(6)

- (1) For illustration purposes only, net of illustrated withdrawals. Does not indicate actual Contract Value performance. Excludes deduction of any applicable Premium Based Charges.

- (2) **Step Ups with Lifetime Annual Payment increases:** When the Contract Value exceeds the Withdrawal Base as of the prior Valuation Day, the Withdrawal Base increases. As no Partial Withdrawal has occurred, the Lifetime Annual Payment also increases.
- (3) **Deferral Bonus:** On each of the first and second Contract Anniversaries, a Deferral Bonus of \$5,000 (5% of Deferral Bonus Base) is credited to the Withdrawal Base.
- (4) **Non-Excess Withdrawals:** Assume you take your first Partial Withdrawal of \$500. The Deferral Bonus Period terminates upon the Partial Withdrawal, and the Deferral Bonus Base resets to zero.
- (5) **Step Ups without Lifetime Annual Payment increases:** Step Ups continue to be credited to the Withdrawal Base, however, following the first Partial Withdrawal, the Lifetime Annual Payment amount does not increase due to the Step Up alone.
- (6) **Excess Withdrawals:** The Partial Withdrawal in excess of the Lifetime Annual Payment adjusts the Withdrawal Base and the Contract Value High Water Mark by a factor of 0.96785. The factor is derived as  $(\text{Contract Value after the Partial Withdrawal} / \text{Contract Value prior to the Partial Withdrawal less the Lifetime Annual Payment}) = (108,843) / (108,843 + 10,000 - 6,384)$ . Upon the Excess Withdrawal, the Lifetime Annual Payment is reset. There is zero Available Lifetime Annual Payment for the remainder of the year.

### Daily 7 Withdrawal Benefit Example

Assumes a contract was issued on 1/1/2014 with an initial premium of \$100,000 and the Daily 7 (Single Option) rider was elected. The age of the Covered Life is 65 at issue. Hypothetical values for withdrawals, Contract Value and rider benefit amounts are shown as of select dates to illustrate: Step Ups, Deferral Bonuses, Deferral Bonus Base resets, Lifetime Annual Payment increases and the impact of non-excess and Excess Withdrawals. See the footnotes for further details.

Date	Withdrawals	Contract Value (1)	Withdrawal Base	Anniversary Withdrawal Base	Deferral Bonus Base	Lifetime Annual Payment
1/1/2014	0	100,000	100,000	100,000	100,000	5,000
1/2/2014	0	101,200	101,200(2)	100,000	100,000	5,060(2)
1/3/2014	0	97,658	101,200	100,000	100,000	5,060
12/31/2014	0	102,541	102,541(2)	100,000	100,000	5,127(2)
1/1/2015	0	101,515	107,000(3)	107,000	100,000	5,350
1/2/2015	0	102,023	107,000	107,000	100,000	5,350
12/31/2015	0	115,921	115,921	107,000	100,000	5,796
1/1/2016	0	114,762	115,921	115,921	115,921(4)	5,796
1/4/2016	500(5)	114,262	115,921	115,921	0(5)	5,796
12/31/2016	0	117,690	117,690(6)	115,921	0	5,796(6)
1/1/2017	0	116,513	117,690	117,690	0	5,884
1/2/2017	0	118,843	118,843	117,690	0	5,884
1/3/2017	10,000(7)	108,843	114,513(7)	113,402(7)	0	5,726(7)

- (1) For illustration purposes only, net of illustrated withdrawals. Does not indicate actual Contract Value performance. Excludes deduction of any applicable Premium Based Charges.
- (2) **Step Ups with Lifetime Annual Payment increases:** When the Contract Value exceeds the Withdrawal Base as of the prior Valuation Day, the Withdrawal Base increases. As no Partial Withdrawal has occurred, the Lifetime Annual Payment also increases.
- (3) **Deferral Bonus:** On the first Contract Anniversary, the Withdrawal Base is reset to the sum of the Anniversary Withdrawal Base as of the prior Valuation Day (\$100,000) plus 7% of the Deferral Bonus Base (\$7,000) because that amount exceeds both the Withdrawal Base as of the prior Valuation Day (\$102,541) and the current Contract Value (\$101,515).
- (4) **Deferral Bonus Base reset:** On the second Contract Anniversary, the Deferral Bonus Base is reset to the Withdrawal Base because the Withdrawal Base as of the prior Valuation Day (\$115,921) exceeds the sum of the Anniversary Withdrawal Base as of the prior Valuation Day (\$107,000) plus 7% of the Deferral Bonus Base (\$7,000).

- (5) **Non-Excess Withdrawals:** Assume you take your first Partial Withdrawal of \$500. The Deferral Bonus Period terminates upon the Partial Withdrawal, and the Deferral Bonus Base resets to zero.
- (6) **Step Ups without Lifetime Annual Payment increases:** Step Ups continue to be credited to the Withdrawal Base, however, following the first Partial Withdrawal, the Lifetime Annual Payment amount does not increase due to the Step Up alone.
- (7) **Excess Withdrawals:** The Partial Withdrawal in excess of the Lifetime Annual Payment adjusts the Withdrawal Base and the Anniversary Withdrawal Base by a factor of 0.9636. The factor is derived as  $(\text{Contract Value after the Partial Withdrawal} / \text{Contract Value prior to the Partial Withdrawal less the Lifetime Annual Payment}) = (108,843) / (108,843 + 10,000 - 5,884)$ . Upon the Excess Withdrawal, the Lifetime Annual Payment is reset. There is zero Available Lifetime Annual Payment for the remainder of the year.



## Appendix B — Accumulation Unit Values

The following information should be read in conjunction with the financial statements for the Separate Account included in the Statement of Additional Information.

The following table lists the Condensed Financial Information of Accumulation Units outstanding under the Contracts as of December 31, 2016.

### ForeRetirement IV Variable Annuity

#### B-Share

Sub-Account	As of December 31, 2016
<b>American Century VP Capital Appreciation Fund — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.351
Number of Units Outstanding at End of Period (in thousands)	3.658
<b>American Century VP Value Fund — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 11.281
Number of Units Outstanding at End of Period (in thousands)	2.595
<b>American Funds Insurance Series® Asset Allocation Fund — Class 4</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.589
Number of Units Outstanding at End of Period (in thousands)	9.007
<b>American Funds Insurance Series® Global Growth Fund — Class 4</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.313
Number of Units Outstanding at End of Period (in thousands)	1.408
<b>American Funds Insurance Series® Growth Fund — Class 4</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.846
Number of Units Outstanding at End of Period (in thousands)	10.135
<b>American Funds Insurance Series® Managed Risk Asset Allocation Fund — Class P2</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.513
Number of Units Outstanding at End of Period (in thousands)	2247.989
<b>American Funds Insurance Series® New World Fund — Class 4</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.348
Number of Units Outstanding at End of Period (in thousands)	3.406
<b>BlackRock Global Allocation V.I. Fund — Class III</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.250
Number of Units Outstanding at End of Period (in thousands)	1.258
<b>BlackRock S&amp;P 500 Index V.I. Fund — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.841
Number of Units Outstanding at End of Period (in thousands)	7.824

# APP B-2

	As of December 31,
Sub-Account	2016
<b>BlackRock Total Return V.I. Fund — Class III</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 9.922
Number of Units Outstanding at End of Period (in thousands)	0.113
<b>Calvert VP EAFE International Index Portfolio — Class F</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 9.985
Number of Units Outstanding at End of Period (in thousands)	1.449
<b>Calvert VP Investment Grade Bond Index Portfolio — Class F</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 9.858
Number of Units Outstanding at End of Period (in thousands)	2.538
<b>Calvert VP Russell 2000 Small Cap Index Portfolio — Class F</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 11.923
Number of Units Outstanding at End of Period (in thousands)	10.801
<b>Calvert VP S&amp;P MidCap 400 Index Portfolio — Class F</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 11.302
Number of Units Outstanding at End of Period (in thousands)	11.381
<b>Franklin Income VIP Fund — Class 4</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.923
Number of Units Outstanding at End of Period (in thousands)	5.024
<b>Franklin Rising Dividends VIP Fund — Class 4</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.787
Number of Units Outstanding at End of Period (in thousands)	5.471
<b>Templeton Global Bond VIP Fund — Class 4</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.417
Number of Units Outstanding at End of Period (in thousands)	1.061
<b>Global Atlantic American Funds® Managed Risk Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.218
Number of Units Outstanding at End of Period (in thousands)	846.230
<b>Global Atlantic Balanced Managed Risk Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.093
Number of Units Outstanding at End of Period (in thousands)	460.827
<b>Global Atlantic BlackRock Global Allocation Managed Risk Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 9.969
Number of Units Outstanding at End of Period (in thousands)	1048.262

<b>Sub-Account</b>	<b>As of December 31,</b>
	<b>2016</b>
<b>Global Atlantic Franklin Dividend and Income Managed Risk Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.338
Number of Units Outstanding at End of Period (in thousands)	1499.923
<b>Global Atlantic Goldman Sachs Dynamic Trends Allocation Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.255
Number of Units Outstanding at End of Period (in thousands)	478.756
<b>Global Atlantic Growth Managed Risk Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.074
Number of Units Outstanding at End of Period (in thousands)	1317.784
<b>Global Atlantic Moderate Growth Managed Risk Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.132
Number of Units Outstanding at End of Period (in thousands)	563.622
<b>Global Atlantic PIMCO Tactical Allocation Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.126
Number of Units Outstanding at End of Period (in thousands)	297.887
<b>Global Atlantic Select Advisor Managed Risk Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.221
Number of Units Outstanding at End of Period (in thousands)	236.855
<b>Global Atlantic Wellington Research Managed Risk Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.233
Number of Units Outstanding at End of Period (in thousands)	1751.872
<b>Global Atlantic Wilshire Dynamic Conservative Allocation Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.206
Number of Units Outstanding at End of Period (in thousands)	1.059
<b>Global Atlantic Wilshire Dynamic Global Allocation Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.266
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>Global Atlantic Wilshire Dynamic Growth Allocation Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.425
Number of Units Outstanding at End of Period (in thousands)	1.060
<b>Global Atlantic Wilshire Dynamic Moderate Allocation Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.286
Number of Units Outstanding at End of Period (in thousands)	0.000

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	As of December 31,
Sub-Account	2016
<b>Goldman Sachs High Quality Floating Rate Fund — Advisor Shares</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.053
Number of Units Outstanding at End of Period (in thousands)	2.526
<b>Goldman Sachs Strategic Income Fund — Advisor Shares</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.146
Number of Units Outstanding at End of Period (in thousands)	3.551
<b>Goldman Sachs Strategic International Equity Fund — Service Shares</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 9.599
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>Invesco V.I. Global Real Estate Fund — Series II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 9.664
Number of Units Outstanding at End of Period (in thousands)	6.643
<b>Invesco V.I. Government Money Market Fund — Series I</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 9.960
Number of Units Outstanding at End of Period (in thousands)	8.484
<b>Lord Abbett Bond Debenture Portfolio — Class VC</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.713
Number of Units Outstanding at End of Period (in thousands)	5.286
<b>Lord Abbett Short Duration Income Portfolio — Class VC</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.114
Number of Units Outstanding at End of Period (in thousands)	2.526
<b>MFS® Blended Research® Small Cap Equity Portfolio — Service Class</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 11.602
Number of Units Outstanding at End of Period (in thousands)	0.095
<b>MFS® Growth Series — Service Class</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.271
Number of Units Outstanding at End of Period (in thousands)	1.862
<b>MFS® Mid Cap Growth Series — Service Class</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.377
Number of Units Outstanding at End of Period (in thousands)	1.707
<b>MFS® Mid Cap Value Portfolio — Service Class</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.844
Number of Units Outstanding at End of Period (in thousands)	0.101

<b>Sub-Account</b>	<b>As of December 31,</b>
	<b>2016</b>
<b>Oppenheimer Discovery Mid Cap Growth Fund/VA — Service Shares</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.352
Number of Units Outstanding at End of Period (in thousands)	1.102
<b>Oppenheimer Main Street Small Cap Fund®/VA — Service Shares</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 11.504
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>PIMCO CommodityRealReturn® Strategy Portfolio — Advisor Class</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.427
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>PIMCO Foreign Bond Portfolio (U.S. Dollar-Hedged) — Advisor Class</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.311
Number of Units Outstanding at End of Period (in thousands)	0.054
<b>PIMCO Real Return Portfolio — Advisor Class</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.030
Number of Units Outstanding at End of Period (in thousands)	3.799
<b>PIMCO Total Return Portfolio — Advisor Class</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 9.985
Number of Units Outstanding at End of Period (in thousands)	3.801
<b>Putnam VT Equity Income Fund — Class IB</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.992
Number of Units Outstanding at End of Period (in thousands)	0.525
<b>Putnam VT Small Cap Value Fund — Class IB</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 12.596
Number of Units Outstanding at End of Period (in thousands)	0.576

**ForeRetirement IV Variable Annuity****C-Share**

<b>Sub-Account</b>	<b>As of December 31,</b>
	<b>2016</b>
<b>American Century VP Capital Appreciation Fund — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.283
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>American Century VP Value — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 11.207
Number of Units Outstanding at End of Period (in thousands)	0.000

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Sub-Account	As of December 31, 2016
<b>American Funds Insurance Series® Asset Allocation Fund — Class 4</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.520
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>American Funds Insurance Series® Global Growth Fund — Class 4</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.245
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>American Funds Insurance Series® Growth Fund — Class 4</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.774
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>American Funds Insurance Series® Managed Risk Asset Allocation Fund — Class P2</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.443
Number of Units Outstanding at End of Period (in thousands)	38.561
<b>American Funds Insurance Series® New World Fund — Class 4</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.280
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>BlackRock Global Allocation V.I. Fund — Class III</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.182
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>BlackRock S&amp;P 500 Index V.I. Fund — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.770
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>BlackRock Total Return V.I. Fund — Class III</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 9.857
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>Calvert VP EAFE International Index Portfolio — Class F</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 9.919
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>Calvert VP Investment Grade Bond Index Portfolio — Class F</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 9.793
Number of Units Outstanding at End of Period (in thousands)	1.026
<b>Calvert VP Russell 2000 Small Cap Index Portfolio — Class F</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 11.844
Number of Units Outstanding at End of Period (in thousands)	0.000



Sub-Account	As of December 31, 2016
<b>Calvert VP S&amp;P MidCap 400 Index Portfolio — Class F</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 11.228
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>Franklin Income VIP Fund — Class 4</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.851
Number of Units Outstanding at End of Period (in thousands)	0.728
<b>Franklin Rising Dividends VIP Fund — Class 4</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.716
Number of Units Outstanding at End of Period (in thousands)	0.123
<b>Templeton Global Bond VIP Fund — Class 4</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.348
Number of Units Outstanding at End of Period (in thousands)	0.131
<b>Global Atlantic American Funds® Managed Risk Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.150
Number of Units Outstanding at End of Period (in thousands)	0.151
<b>Global Atlantic Balanced Managed Risk Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.026
Number of Units Outstanding at End of Period (in thousands)	50.411
<b>Global Atlantic BlackRock Global Allocation Managed Risk Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 9.904
Number of Units Outstanding at End of Period (in thousands)	0.155
<b>Global Atlantic Franklin Dividend and Income Managed Risk Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.270
Number of Units Outstanding at End of Period (in thousands)	1.028
<b>Global Atlantic Goldman Sachs Dynamic Trends Allocation Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.188
Number of Units Outstanding at End of Period (in thousands)	0.311
<b>Global Atlantic Growth Managed Risk Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.008
Number of Units Outstanding at End of Period (in thousands)	4.323
<b>Global Atlantic Moderate Growth Managed Risk Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.065
Number of Units Outstanding at End of Period (in thousands)	0.315

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Sub-Account	As of December 31, 2016
<b>Global Atlantic PIMCO Tactical Allocation Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.059
Number of Units Outstanding at End of Period (in thousands)	0.131
<b>Global Atlantic Select Advisor Managed Risk Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.154
Number of Units Outstanding at End of Period (in thousands)	0.152
<b>Global Atlantic Wellington Research Managed Risk Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.166
Number of Units Outstanding at End of Period (in thousands)	4.080
<b>Global Atlantic Wilshire Dynamic Conservative Allocation Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.139
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>Global Atlantic Wilshire Dynamic Global Allocation Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.198
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>Global Atlantic Wilshire Dynamic Growth Allocation Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.356
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>Global Atlantic Wilshire Dynamic Moderate Allocation Portfolio — Class II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.218
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>Goldman Sachs High Quality Floating Rate Fund — Advisor Shares</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 9.987
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>Goldman Sachs Strategic Income Fund — Advisor Shares</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.079
Number of Units Outstanding at End of Period (in thousands)	1.020
<b>Goldman Sachs Strategic International Equity Fund — Service Shares</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 9.535
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>Invesco V.I. Global Real Estate Fund — Series II</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 9.601
Number of Units Outstanding at End of Period (in thousands)	0.000

<b>Sub-Account</b>	<b>As of December 31,</b>
	<b>2016</b>
<b>Invesco VI. Government Money Market Fund — Series I</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 9.894
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>Lord Abbett Bond Debenture Portfolio — Class VC</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.643
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>Lord Abbett Short Duration Income Portfolio — Class VC</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.047
Number of Units Outstanding at End of Period (in thousands)	0.130
<b>MFS® III Blended Research® Small Cap Equity Portfolio — Service Class</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 11.525
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>MFS® Growth Series — Service Class</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.204
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>MFS® Mid Cap Growth Series — Service Class</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.309
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>MFS® Mid Cap Value Portfolio — Service Class</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.772
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>Oppenheimer Discovery Mid Cap Growth Fund/VA — Service Shares</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.284
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>Oppenheimer Main Street Small Cap Fund®/VA — Service Shares</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 11.428
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>PIMCO CommodityRealReturn® Strategy Portfolio — Advisor Class</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.358
Number of Units Outstanding at End of Period (in thousands)	0.000
<b>PIMCO Foreign Bond Portfolio (U.S. Dollar-Hedged) — Advisor Class</b>	
<b>Unit Value:</b>	
Beginning of Period	\$ 10.000
End of Period	\$ 10.243
Number of Units Outstanding at End of Period (in thousands)	0.128

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As of December 31,

2016

**Sub-Account**

**PIMCO Real Return Portfolio — Advisor Class**

**Unit Value:**

Beginning of Period \$ 10.000

End of Period \$ 9.974

Number of Units Outstanding at End of Period (in thousands) 0.000

**PIMCO Total Return Portfolio — Advisor Class**

**Unit Value:**

Beginning of Period \$ 10.000

End of Period \$ 9.920

Number of Units Outstanding at End of Period (in thousands) 0.000

**Putnam VT Equity Income Fund — Class IB**

**Unit Value:**

Beginning of Period \$ 10.000

End of Period \$ 10.919

Number of Units Outstanding at End of Period (in thousands) 0.000

**Putnam VT Small Cap Value Fund — Class IB**

**Unit Value:**

Beginning of Period \$ 10.000

End of Period \$ 12.514

Number of Units Outstanding at End of Period (in thousands) 0.000

## Appendix C — Fund Data

Funding Option	Investment Objective Summary	Investment Adviser/Sub-Adviser
<b>AIM Variable Insurance Funds (Invesco Variable Insurance Funds)</b>		
Invesco V.I. Global Real Estate Fund — Series II	Seeks total return through growth of capital and current income.	Invesco Advisers, Inc. Sub-advised by Invesco Asset Management Limited
Invesco V.I. Government Money Market Fund — Series I	Seeks to provide current income consistent with preservation of capital and liquidity.	Invesco Advisers, Inc.
<b>American Century Variable Portfolios, Inc.</b>		
American Century VP Capital Appreciation Fund — Class II	Seeks capital growth.	American Century Investment Management, Inc.
American Century VP Value Fund — Class II	Seeks long-term capital growth. Income is a secondary objective	American Century Investment Management, Inc.
<b>American Funds Insurance Series®</b>		
Asset Allocation Fund — Class 4	Seeks to provide high total return (including income and capital gains) consistent with preservation of capital over the long term.	Capital Research and Management Company
Global Growth Fund — Class 4	Seeks to provide long-term growth of capital.	Capital Research and Management Company
Growth Fund — Class 4	Seeks to provide growth of capital.	Capital Research and Management Company
Managed Risk Asset Allocation Fund — Class P2 (1)	Seeks high total return (including income and capital gains) consistent with preservation of capital over the long term while seeking to manage volatility and provide downside protection.	Capital Research and Management Company Sub-advised by Milliman Financial Risk Management LLC
New World Fund — Class 4	Seeks long-term capital appreciation.	Capital Research and Management Company
<b>BlackRock Variable Series Funds, Inc.</b>		
BlackRock Global Allocation V.I. Fund — Class III	Seeks high total investment return.	BlackRock Advisors, LLC
BlackRock S&P 500 Index V.I. Fund — Class II	Seeks investment results that, before expenses, correspond to the aggregate price and yield performance of the Standard & Poor's 500 Index (the "S&P 500").	BlackRock Advisors, LLC
BlackRock Total Return V.I. Fund — Class III	Seeks to maximize total return, consistent with income generation and prudent investment management.	BlackRock Advisors, LLC
<b>Calvert Variable Products, Inc.</b>		
Calvert VP EAFE International Index Portfolio — Class F	Seeks investment results that correspond to the total return performance of common stocks as represented by the MSCI EAFE (Standard) Index ("MSCI EAFE Index").	Calvert Research and Management

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Funding Option	Investment Objective Summary	Investment Adviser/Sub-Adviser
Calvert VP Investment Grade Bond Index Portfolio — Class F	Seeks investment results that correspond to the total return performance of the bond market, as represented by the Barclays U.S. Aggregate Bond Index (the “Barclays Index”).	Calvert Research and Management Sub-advised by Ameritas Investment Partners, Inc.
Calvert VP Russell 2000 Small Cap Index Portfolio — Class F	Seeks investment results that correspond to the investment performance of U.S. common stocks, as represented by the Russell 2000 Index.	Calvert Research and Management Sub-advised by Ameritas Investment Partners, Inc.
Calvert VP S&P MidCap 400 Index Portfolio — Class F	Seeks investment results that correspond to the total return performance of U.S. common stocks, as represented by the S&P MidCap 400 Index.	Calvert Research and Management Sub-advised by Ameritas Investment Partners, Inc.
<b>Forethought Variable Insurance Trust</b>		
Global Atlantic American Funds® Managed Risk Portfolio — Class II (I)	Seeks to provide capital appreciation and income while seeking to manage volatility.	Global Atlantic Investment Advisors, LLC Sub-advised by Milliman Financial Risk Management LLC and Wilshire Associates Incorporated
Global Atlantic Balanced Managed Risk Portfolio — Class II (I)	Seeks to provide capital appreciation and income while seeking to manage volatility.	Global Atlantic Investment Advisors, LLC Sub-advised by Milliman Financial Risk Management LLC and BlackRock Financial Management, Inc.
Global Atlantic BlackRock Global Allocation Managed Risk Portfolio — Class II (I)	Seeks to provide capital appreciation and income while seeking to manage volatility.	Global Atlantic Investment Advisors, LLC Sub-advised by Milliman Financial Risk Management LLC
Global Atlantic Franklin Dividend and Income Managed Risk Portfolio — Class II (I)	Seeks to provide capital appreciation and income while seeking to manage volatility.	Global Atlantic Investment Advisors, LLC Sub-advised by Franklin Advisory Services, LLC and Milliman Financial Risk Management LLC
Global Atlantic Goldman Sachs Dynamic Trends Allocation Portfolio — Class II (I)	Seeks to provide capital appreciation and income while seeking to manage volatility.	Global Atlantic Investment Advisors, LLC Sub-advised by Goldman Sachs Asset Management, L.P.
Global Atlantic Growth Managed Risk Portfolio — Class II (I)	Seeks to provide capital appreciation and income while seeking to manage volatility.	Global Atlantic Investment Advisors, LLC Sub-advised by Milliman Financial Risk Management LLC and BlackRock Financial Management, Inc.
Global Atlantic Moderate Growth Managed Risk Portfolio — Class II (I)	Seeks to provide capital appreciation and income while seeking to manage volatility.	Global Atlantic Investment Advisors, LLC Sub-advised by Milliman Financial Risk Management LLC and BlackRock Financial Management, Inc.
Global Atlantic PIMCO Tactical Allocation Portfolio — Class II (I)	Seeks to provide capital appreciation and income while seeking to manage volatility.	Global Atlantic Investment Advisors, LLC Sub-advised by Pacific Investment Management Company LLC
Global Atlantic Select Advisor Managed Risk Portfolio — Class II (I)	Seeks to provide capital appreciation and income while seeking to manage volatility.	Global Atlantic Investment Advisors, LLC Sub-advised by Milliman Financial Risk Management LLC and Wilshire Associates Incorporated
Global Atlantic Wellington Research Managed Risk Portfolio — Class II (I)	Seeks to provide capital appreciation and income while seeking to manage volatility.	Global Atlantic Investment Advisors, LLC Sub-advised by Milliman Financial Risk Management LLC and Wellington Management Company LLP



Funding Option	Investment Objective Summary	Investment Adviser/Sub-Adviser
Global Atlantic Wilshire Dynamic Conservative Allocation Portfolio — Class II	Seeks to provide current income and long-term capital appreciation.	Global Atlantic Investment Advisors, LLC Sub-advised by Wilshire Associates Incorporated
Global Atlantic Wilshire Dynamic Global Allocation Portfolio — Class II	Seeks to provide long-term capital appreciation and current income.	Global Atlantic Investment Advisors, LLC Sub-advised by Wilshire Associates Incorporated
Global Atlantic Wilshire Dynamic Growth Allocation Portfolio — Class II	Seeks to provide long-term capital appreciation.	Global Atlantic Investment Advisors, LLC Sub-advised by Wilshire Associates Incorporated
Global Atlantic Wilshire Dynamic Moderate Allocation Portfolio — Class II	Seeks to provide long-term capital appreciation and current income.	Global Atlantic Investment Advisors, LLC Sub-advised by Wilshire Associates Incorporated
<b>Franklin Templeton Variable Insurance Products Trust</b>		
Franklin Income VIP Fund — Class 4	Seeks to maximize income while maintaining prospects for capital appreciation.	Franklin Advisers, Inc.
Franklin Rising Dividends VIP Fund — Class 4	Seeks long-term capital appreciation, with preservation of capital as an important consideration.	Franklin Advisory Services, LLC
Templeton Global Bond VIP Fund — Class 4	Seeks high current income, consistent with preservation of capital, with capital appreciation as a secondary consideration.	Franklin Advisers, Inc.
<b>Goldman Sachs Variable Insurance Trust</b>		
Goldman Sachs High Quality Floating Rate Fund — Advisor Shares	Seeks to provide a high level of current income, consistent with low volatility of principal.	Goldman Sachs Asset Management, L.P.
Goldman Sachs Strategic Income Fund — Advisor Shares	Seeks total return comprised of income and capital appreciation.	Goldman Sachs Asset Management, L.P.
Goldman Sachs Strategic International Equity Fund — Service Shares	Seeks long-term growth of capital.	Goldman Sachs Asset Management, L.P.
<b>Lord Abbett Series Fund, Inc.</b>		
Bond Debenture Portfolio — Class VC	Seeks high current income and the opportunity for capital appreciation to produce a high total return.	Lord, Abbett & Co. LLC
Short Duration Income Portfolio — Class VC	Seeks a high level of income consistent with the preservation of capital.	Lord, Abbett & Co. LLC
<b>MFS® Variable Insurance Trust</b>		
MFS® Growth Series — Service Class	Seeks capital appreciation.	MFS® Investment Management
MFS® Mid Cap Growth Series — Service Class	Seeks capital appreciation.	MFS® Investment Management
<b>MFS® Variable Insurance Trust III</b>		
MFS® Blended Research® Small Cap Equity Portfolio — Service Class	Seeks capital appreciation.	MFS® Investment Management
MFS® Mid Cap Value Portfolio — Service Class	Seeks capital appreciation.	MFS® Investment Management
<b>Oppenheimer Variable Account Funds</b>		
Oppenheimer Discovery Mid Cap Growth Fund/VA — Service Shares	Seeks capital appreciation.	OFI Global Asset Management Inc. Sub-advised by OppenheimerFunds, Inc.

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Funding Option	Investment Objective Summary	Investment Adviser/Sub-Adviser
Oppenheimer Main Street Small Cap Fund®/VA — Service Shares	Seeks capital appreciation.	OFI Global Asset Management Inc. Sub-advised by OppenheimerFunds, Inc.
<b>PIMCO Variable Insurance Trust</b>		
PIMCO CommodityRealReturn® Strategy Portfolio — Advisor Class	Seeks maximum real return, consistent with prudent investment management.	PIMCO
PIMCO Foreign Bond Portfolio (U.S. Dollar-Hedged) — Advisor Class	Seeks maximum total return, consistent with preservation of capital and prudent investment management.	PIMCO
PIMCO Real Return Portfolio — Advisor Class	Seeks maximum real return, consistent with preservation of real capital and prudent investment management.	PIMCO
PIMCO Total Return Portfolio — Advisor Class	Seeks maximum total return, consistent with preservation of capital and prudent investment management.	PIMCO
<b>Putnam Variable Trust</b>		
Putnam VT Equity Income Fund — Class IB	Seeks capital growth and current income.	Putnam Investment Management, LLC Sub-advised by Putnam Investments Limited
Putnam VT Small Cap Value Fund — Class IB	Seeks capital appreciation.	Putnam Investment Management, LLC Sub-advised by Putnam Investments Limited

(1) This Fund employs a managed volatility strategy.

## Appendix D — Optional Benefit Investment Restrictions

### DAILY +5, DAILY 7, AND LEGACY LOCK IV

20% of initial and subsequent Premium Payments must be allocated to the Fixed Account. The remaining 80% of initial and subsequent Premium Payments must be allocated amongst the below approved Sub-Accounts. If you become subject to these Investment Restrictions after the date your Contract is issued (i.e. you post-issue elect one of these Optional Benefits) the 20% and 80% allocations will be based on your Contract Value on the rider effective date.

**Any interest credited to amounts you allocate to the Fixed Account in excess of the minimum guaranteed interest rate will be determined at our sole discretion. You assume the risk that interest credited to the Fixed Account may not exceed the minimum guaranteed interest rate for any given year. While we do not charge a separate fee for investing in the Fixed Account, our expenses associated with offering this feature are factored into the Fixed Account credited rates. Amounts allocated to the Fixed Account and any interest accruing on those amounts may not be transferred out of the Fixed Account to the Sub-Accounts.**

### DAILY +5, DAILY 7, RETURN OF PREMIUM III, LEGACY LOCK IV, AND MAXIMUM DAILY VALUE III

If you elected Daily +5, Daily 7, Return of Premium III, Legacy Lock IV, or Maximum Daily Value III you must allocate your Contract Value to one or more of the approved Sub-Accounts below. If you have elected Daily +5 or Daily 7 along with Return of Premium III, Legacy Lock IV, or Maximum Daily Value III, the Investment Restrictions for Daily +5 or Daily 7 will prevail.

#### Approved Sub-Accounts

American Funds Insurance Series® — Managed Risk Asset Allocation Fund

Global Atlantic American Funds® Managed Risk Portfolio

Global Atlantic Balanced Managed Risk Portfolio

Global Atlantic BlackRock Global Allocation Managed Risk Portfolio

Global Atlantic Franklin Dividend and Income Managed Risk Portfolio

Global Atlantic Goldman Sachs Dynamic Trends Allocation Portfolio

Global Atlantic Growth Managed Risk Portfolio

Global Atlantic Moderate Growth Managed Risk Portfolio

Global Atlantic PIMCO Tactical Allocation Portfolio

Global Atlantic Select Advisor Managed Risk Portfolio

Global Atlantic Wellington Research Managed Risk Portfolio

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To obtain a Statement of Additional Information, please complete the form below and mail to:

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Annuity Service Center  
P.O. Box 758507  
Topeka, Kansas 66675-8507

Please send a Statement of Additional Information to me at the following address:

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Address

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City/State

Zip Code

Contract Name  
Issue Date

