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Clear Form

☐ New Era Life Insurance Company
☐ Philadelphia American Life Insurance Company
☐ New Era Life Insurance Company of the Midwest

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# Exchange Choice 3 & 5

**Disclosure Form**

**This disclosure form highlights key features and benefits of the Exchange Choice 3 & 5 annuities.**

## Tax Advantages – Tax Deferred Plan

Although an annuity does not eliminate your tax liability on interest earnings, under current tax law all interest earned accumulates on a tax-deferred basis. Tax deferral is currently available only to individual owners and certain trusts, not to corporations or other non-individuals.

## Single Premium Deferred Annuities

The Exchange Choice 3 & 5 are single premium deferred annuities. Additional premiums may not be added in the future.

## No Sales Charges Or Fees

There are with no annual maintenance fees and no front-end sales loads. 100% of your money works for you! However, if applicable, a premium tax will be deducted from your premium. (Not Applicable in Texas!)

## Guarantee Period/Interest Crediting

You choose the guaranteed rate period that is best for you. The guarantee period begins on the date of issue and ends on the last day of the chosen period. After your chosen rate period ends, your annuity will earn a portfolio interest rate, which may go up or down, but can never earn less than the contract's minimum guaranteed rate at the time of your purchase.

Interest is credited and compounded on a daily basis. The rates shown below are the current effective annual yields.

**Special Offer – Internal Exchange Rates**

**Minimum Guaranteed Rates**

| | | |
|---|---|---|
| Exchange Choice 3 | % Years 1 – 3 | % Years 4 + |
| Exchange Choice 5 | % Years 1 – 5 | % Years 6 + |

Rates in effect on: _____

***Subject to Change Without Notice!***

## Issue Ages

There are no maximum issue ages for Internal Exchanges.

## Minimum/Maximum Premiums

The minimum premium is $10,000. Premiums in excess of $500,000 require prior company approval.

## Right To Examine Annuity

Within the first 20 days after you receive your annuity, you may return the annuity and receive 100% of your premium, minus any prior withdrawals.

## Right to Change Annuitant

As the owner of a non-qualified Exchange Choice 3 or 5 annuity, you may change the annuitant at any time before annuity payments begin.

## Withdrawals/Surrender Charges

A surrender charge will apply to a full or partial surrender of the principal, unless the surrender charge is waived as explained below.

| Year: | 1 | 2 | 3 | 4 | 5 | 6+ |
|---|---|---|---|---|---|---|
| 3 Year | 5% | 5% | 5% | None | | |
| 5 Year | 5% | 5% | 5% | 5% | 5% | None |

## Market Value Adjustment (MVA)

A market value adjustment (MVA) applies to a full surrender, or to any partial surrender (withdrawal), to which a surrender charge applies. The MVA is in addition to the surrender charge and is calculated using the MVA factor described in the annuity. This factor is based on changes in the yields on U.S. Treasuries. The MVA may increase or decrease your surrender value.

## Exceptions to Surrender Charges & MVA

1) You may withdraw 100% of your accumulated interest *free* of all charges at any time.
2) If you desire, we will mail you or direct deposit a check based on the daily nominal interest rate and subject to a minimum amount of $125. If the monthly payment is less than $125, the payment will be made on a quarterly basis.
3) Surrender charges and MVA are waived in the event of death of the Owner.
4) You may elect to annuitize at any time after one year from a wide range of options. Surrender charges and MVA are waived with a payout period of 5 years or longer.
5) If the Owner dies after electing to annuitize, but before all guaranteed income payments are received, the remaining guaranteed payments will be paid to the beneficiary.
6) If the Annuitant is different from the Owner and the Annuitant dies before the Owner elects to annuitize, the Owner may name a new Annuitant.
7) Required Minimum Distributions from qualified plans are not subject to surrender charges or the MVA.

## Taxation Of Withdrawals

Withdrawals may be subject to income tax. If withdrawals are made before age 59½, they also may be subject to a 10% IRS penalty.

## Financial Security

The New Era Companies are conservatively managed and financially strong life insurance companies, required by state regulation to maintain reserves equal to or greater than guaranteed surrender values.

## Notes

- The Exchange Choice 3 & 5 annuities are issued on Policy Forms A-0043E and A-0045E and not available in all states; certain restrictions, conditions, and state variations may apply.
- This document is not a legal contract. For the exact terms and conditions, please refer to the annuity policy/contract.
- Annuities are products of the insurance industry and are not guaranteed by any bank or insured by the FDIC.
- Tax laws are subject to varying interpretations and possible changes. Please consult your tax advisor for further information.

## Acknowledgement:

I acknowledge that I have read this disclosure and I understand the description of these provisions as they apply to my application. I acknowledge that there is a 20-day right to examine this annuity. I also understand that subject to the guaranteed values in the annuity, the cash surrender values in the annuity may increase or decrease based on an MVA adjustment prior to the date or dates specified in the annuity.

X _____

**Signature of Owner(s)**

X _____ _____

Signature of Agent — Date

_____

Agent Name and Address

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# Internal Exchange

Policy Number of Contract to be Exchanged: _____

| | Full Name | SSN or Tax ID # |
|---|---|---|
| Annuitant: | | |
| Owner (If different): | | |
| Joint Owner: | | |

**Please transfer the surrender value of the above policy and process as requested:**

(Specify Amount)

☐ Entire surrender value **or** ☐ $ _____

☐ Immediately **or** ☐ on _____

The amount indicated above is to be applied to a new policy issued by the New Era Company noted above on the plan indicated below. I request that the annuitant, owner and beneficiary designations on the new policy be identical to those on the above policy. I understand that the new annuity will be issued with a current issue date and will contain all of the provisions outlined in the Exchange Choice Disclosure Form.

**Plan applied for (please check one):**

☐ **Exchange Choice 3** (Form A-0043E) **or** ☐ **Exchange Choice 5** (Form A-0045E)

**My existing annuity contract is:**

☐ **Enclosed**

☐ **Lost or Destroyed –** I hereby certify that the above referenced contract has been lost or destroyed and that it is not assigned or pledged in any way whatsoever. If the entire surrender value is to be applied to a new policy, I understand that the original contract becomes null and void, and that I, and my heirs, have no further claim against the company with respect to this contract.

***During the first 3 years of form A-0043 and 5 years for form A-0045, amounts payable under the contract are subject to a Market Value Adjustment.***

I represent that my contract is not assigned or pledged as collateral and is not subject to any lien or legal proceeding of any kind, including bankruptcy or divorce. I further understand and agree that the Company and the undersigned agent have made no representations concerning the tax treatment of this election. The Company assumes no responsibility for any adverse income tax consequences caused by this election.

**Certification and Signatures:** Under penalty of perjury, I certify that the tax ID or social security number furnished above is true and correct.

X _____ _____ X _____ _____

**SIGNATURE OF OWNER** Date **SIGNATURE OF JOINT OWNER** Date

Company Officer **or** Date: _____

Agent Signature X _____ Agent Number: _____