

Royal Neighbors of America Choice Series Multi-Year Guarantee Annuities

The **Choice Series Multi-Year Guarantee Annuities** are a suite of three single premium deferred annuities (Form Series 1021 and 1022). Choice Series annuities earn interest tax-deferred until maturity. Three options offer guaranteed interest over a 3, 5 or 6-year period. After the initial guaranteed interest rate period is over, Royal Neighbors will not credit interest below a minimum guaranteed interest rate. With a minimum guaranteed interest rate, you can rest assured knowing you will be accumulating retirement wealth with a guaranteed return.

	Choice 3 (Form Series 1021)	Choice 5 (Form Series 1022)	Choice 6 (Form Series 1022)
Minimum Single Premium	\$50,000	\$10,000	\$5,000
Maximum Single Premium (without prior written approval)	\$300,000		
Initial Guaranteed Interest Crediting: Interest is credited and compounded on a daily basis. The rate shown at right is the current annual effective yield as of __/__/__. The actual rate credited will be the rate in effect at the time of issue.	First 3 years \$50,000 - \$99,999: _____ \$100,000+: _____	First 5 years \$10,000+: _____	First 6 years \$5,000 - \$19,999: _____ \$20,000 - \$99,999: _____ \$100,000+: _____
Minimum Interest Rate Guarantee: For the life of the certificate, Royal Neighbors offers a minimum guaranteed credited interest rate.	This rate is established on the issue date and will not change during the life of your certificate. The minimum guaranteed rate is determined by a formula and will not exceed 3% or be less than 1%, dependent on current market conditions.		

*Choice 3: 3-year Guaranteed Periods

The initial interest rate is guaranteed for three (3) years. The initial interest rate is determined by the single premium amount on deposit at the time of issue. Thirty days prior to the end of the first 3-year guarantee period (1st renewal date), you will be notified of the new interest rate for the next 3-year period. During these 30 days, you can make a full or partial withdrawal without a surrender charge. No action is necessary if you wish to continue the certificate with the new guaranteed interest rate for another 3 years. This process is repeated 30 days prior to the end of the second 3-year guarantee period (2nd renewal date). At the end of the second renewal period, beginning in the 109th month, the interest crediting rate will renew on a non-guaranteed basis as designated periodically by Royal Neighbors.

Annuities offer tax advantages

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. Individual owners and certain trusts can enjoy the benefits of tax-deferred growth with this annuity.

Options for scheduled and unscheduled withdrawals

You may elect to receive your monthly interest earnings as a check or a direct deposit to your bank account if you maintain minimum account values. In addition to any automatic monthly interest withdrawals, you may request a partial withdrawal of at least \$500 at any time prior to the maturity date as long as your Accumulation Value does not fall below the minimum premium on your certificate. Note that withdrawals may be subject to income tax. If withdrawals are made before the Owner's age 59½, the taxable portion may be subject to an additional 10% IRS penalty.

Withdrawal Charge Schedule

A withdrawal charge will apply to a full amount of withdrawal, less accrued interest, multiplied by the withdrawal charge percentage (%) which corresponds to the certificate year of the withdrawal.

Certificate Year	1	2	3	4	5	6	7	8	9	10
Withdrawal Charge %										
Choice 3	8	7	6*	8	7	6*	8	7	6	0
Choice 5	8.5	7.5	7	6	4	0	0	0	0	0
Choice 6	8.5	7.5	7	6	5	4.5	0	0	0	0

*The withdrawal charge percentage shown above applies for the certificate year except for the final 30 days. No withdrawal charge applies during the final 30 days of this certificate year.

Withdrawal charges do not apply to:

- 1) Withdrawals up to the amount of accumulated interest (gain in the certificate).
- 2) Death Benefit Proceeds paid at the death of the Annuitant who is the Owner, or at the death of the Owner who is not the Annuitant if the Owner was age 75 or younger on the date of issue.
- 3) As current practice, withdrawal charges will not apply to Required Minimum Distributions (RMD) in excess of accumulated interest taken after the 1st certificate year.

What happens if I die?

During the accumulation period – when your money is growing tax-deferred – if you die, your beneficiary will receive the death benefit proceeds generally free from probate costs, so long as you name a beneficiary who is a natural person or trust and not your “estate.”

Beneficiaries

At death of the Owner, the Beneficiary will be paid the death benefit proceeds. At death of the Annuitant who is not the Owner, the Owner (if a natural person) will have 60 days to name a new Annuitant, or will become the Annuitant of the certificate.

Additional considerations

The Choice Series Multi-Year Guarantee Annuities (Form Series 1021 and 1022) are not available in all states. All rates described in this summary are effective annual interest rates. This document is not a legal contract. For the exact terms and conditions, please refer to the annuity certificate. Annuities are products of the insurance industry and are not guaranteed by any bank or credit union.

They are not insured by the FDIC or any federal government agency. They are not a deposit and may lose value. Tax laws are subject to varying interpretation and possible changes. Please consult your tax advisor for further information.

at a glance

*Financial Strength
(as of December 31, 2012)*

A.M. BEST RATING:

A- Excellent (4th highest out of 15 possible) for overall financial strength and ability to meet ongoing obligations to policyholders.

ASSETS:

\$831 million

SURPLUS:

\$206 million

SURPLUS RATIO:

25% (significantly above the estimated industry benchmark)

SOLVENCY RATIO:

1.33 (above the industry average)



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