



STABILITY

An overview of fixed annuity products

SAVING : INVESTING : PLANNING

VALIC

When it comes to your clients' fixed annuity needs, VALIC is your source. Our range of products are designed to meet a variety of customer financial goals.

A Secure Retirement

Are your clients looking for a tax-advantaged solution to help secure their financial freedom? Like many Americans, they want to enjoy retirement free from the worry of changing market conditions. And outliving retirement income is a big concern. So you are right in exploring solutions that can help ensure the safety and growth of your clients' hard-earned money.

Stability. Tax-deferred growth. Competitive rates.

Why do fixed annuities appeal to some people who want greater control over their finances? Benefits such as safety of principal, guaranteed growth and a guaranteed income stream for life are just a few of the reasons. When the market volatility and economic downturns cause your clients to be uncomfortable, it pays to offer some protection from financial risks.

An annuity from VALIC is a conservative addition to any retirement portfolio. Here is what you and your clients can expect:

- > The safety of your clients' principal and a guaranteed rate of return.
- > Tax deferral allows clients to control when they will pay taxes on their gains. Unlike investments in a taxable account, clients will not have to pay current taxes on any interest or earnings until money is withdrawn. Money that otherwise would have gone toward federal income taxes stays in the account, earning interest. Over time, the money compounds at a faster rate than it would in a taxable account. Keep in mind that lower maximum capital gains rates may apply to certain investments in a taxable account.
- > There are no initial sales charges or annual administrative fees. That means your clients' money can start working right away.
- > Even if interest rates in general decline, the annuity will pay the minimum guaranteed renewal rate stated in the policy or applicable endorsement.
- > During retirement, clients can choose a payout option that will transform their policy balance into a guaranteed income stream for life.
- > All guarantees are subject to the claims-paying ability of VALIC.

How do fixed annuities work?

Fixed annuities are a type of savings vehicle that can provide your clients with a guaranteed rate of return. Technically, a fixed annuity is a contract with an insurance company. That guarantee is backed by the claims-paying ability of the insurance company.

- > The premiums paid represent the value of the client's annuity contract, minus any applicable charges, plus interest credited.
- > The insurance company uses the value to figure the amount of most of the benefits clients can choose to receive from their annuity contract.

Fixed annuities — the right choice for your customer?

Fixed annuities can help your customers prepare for retirement and achieve financial security. Benefits such as safety of principal, tax deferral and a guaranteed income stream that you cannot outlive, are just a few of the reasons annuities appeal to customers who are concerned with having greater control over their finances.

Making decisions about retirement can be confusing. Your customers will rely on your knowledge and expertise to help them find the right solutions to their various needs. VALIC offers a wide range of fixed annuity products to help you find appropriate solutions to meet their needs — including traditional fixed annuities and annuity rate bonus products.

To determine if a VALIC product might be a suitable and appropriate purchase for your customer, you must first determine suitability. The suitability process will require you to share and manage a great deal of information while keeping track of your customers' individual goals and situation — including their financial objectives, investment time horizon and overall needs.

Standard advantages

Your customers may rely on you to help them make sound fixed annuity decisions. Ensure every customer is aware of and considers all of the advantages of fixed annuity products. Fixed annuity products:

- > Are not subject to market volatility like mutual funds or stocks.
- > Generally offer a competitive yield and a minimum guaranteed renewal rate.
- > Are intended to achieve long-term investment goals.
- > Provide tax-deferred growth.
- > Are guaranteed by the strength of the insurance company, including the safety of legal reserve requirements.

It bears noting that while all fixed annuity products have some common features, products vary. Some fixed annuities may have more market exposure, carry more risk and have fewer guaranteed provisions than others. A withdrawal from the fixed annuity may trigger contractual withdrawal penalties and a 10% federal tax penalty. A Market Value Adjustment may also apply to early withdrawals. Insurance companies also offer different guaranteed interest rates.

Choose a company with financial strength: As of March 31, 2009, VALIC had more than \$52 billion in assets, including more than \$2.9 billion of capital, surplus and asset reserves. VALIC's general account supports only obligations of VALIC. All general account assets are invested in accordance with state regulations, which include conservative investment requirements intended to help minimize the risk to client assets and maximize the insurer's ability to pay claims from that account. Our ratings are comparable to and competitive with those of our industry peers.

Product Comparison Table

VALIC ProFlex Annuity (IFA-608)															
OVERVIEW															
Premium Type	Salary reduction and flexible Deposits														
Plan Types Available	IRA, Roth IRA, NQDA, 403(b), 457(b) with side by side 403(b)														
Interest Rate Enhancement	An interest rate enhancement is available on each deposit for one year.														
Guaranteed Return of Principal	Yes														
AMOUNTS															
Minimum Purchase Premium	\$2,000 or \$50 per month														
Minimum Subsequent Premium	\$50														
Maximum Premium Amount (without prior company approval)	\$1 million (\$500,000 above age 75)														
OWNERSHIP															
Types of Ownership	Individual, living trust (NQDA only) and minor child (UTMA/UGMA)														
CHARGES AND FEES															
Withdrawal Charge Schedule	<table border="1"> <thead> <tr> <th>Premium Year</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6+</th> </tr> </thead> <tbody> <tr> <td>Charge %*</td> <td>5</td> <td>5</td> <td>5</td> <td>5</td> <td>5</td> <td>0</td> </tr> </tbody> </table>	Premium Year	1	2	3	4	5	6+	Charge %*	5	5	5	5	5	0
	Premium Year	1	2	3	4	5	6+								
Charge %*	5	5	5	5	5	0									
*No withdrawal charges after the 12th policy year (may be less in some states).															
Free Partial Withdrawals	No free out in first year. After first contract year, 10% of annuity value free of charges.														
Loans	Not available in IRAs. If the employer-sponsored plan allows for loans, clients may access a portion of their accumulated account value without permanently reducing their account balance or incurring federal tax penalties. A \$60 loan initiation fee may be applied and will be considered part of the loan amount. Income taxes and early withdrawal penalties may apply upon default..														
Minimum Guaranteed	Index														

Product Comparison Table

Premiere 5 and 7 (FLEX5-805-X and FLEX7-805-X)

Offers a flexible premium with a five- or seven-year surrender charge and with a one-, three-, five- or seven-year interest rate guarantee.

IRA, Roth IRA, SEP IRA, NQDA, 403(b)

One-Year Guarantee: An interest rate enhancement is payable for the first year. Initial premiums of \$100,000 or more from a non-VALIC source will receive an additional 1% interest enhancement payable for the first year. Three-Year Guarantee: An interest rate enhancement is payable for three years. Initial premiums of \$100,000 or more from a non-VALIC source will receive an additional .30% interest enhancement payable for three years. (there is also a 15 bp bonus for IRAs only). Five-Year Guarantee: Available with Premiere 5 only. Interest rate on initial deposit guaranteed for five years. Additional 20 bp paid for initial deposits of \$100,000 or more from a non-VALIC source. Seven-Year Guarantee: Available with Premiere 7 only. Interest rate on initial deposit guaranteed for seven years. Additional 20 bp paid for initial deposits of \$100,000 or more from a non-VALIC source.

Yes

\$5,000 nonqualified, \$2,000 qualified

\$2,000

\$1 million (\$500,000 above age 75)

Single, joint, living trust, corporate, minor child (UTMA/UGMA)

Premium Year	1	2	3	4	5	6	7	8+
Charge % 7 Year	9	8	7	6	5	4	2	0
Charge % 5 Year	9	8	7	6	5	0	0	0

After first contract year, greater of accumulated interest or 10% of previous anniversary account value free of charges. Any unused portion may be carried over to next year up to a maximum of 20% in any year. After 30 days, can take systematic withdrawals of accumulated interest with no withdrawal charges. If withdrawals are less than 10%, then the remaining percentage is carried over to the next year (not to exceed 20%).

N/A

All states except WA are Index. WA is currently at 3%.

Product Comparison Table

VALIC Assured Choice Annuity (MBIFA-1007)

Single Premium with five- or seven-year rate guarantees and a Market Value Adjustment.

IRA, Roth IRA, NQDA, 403(b)

N/A

No

\$10,000

No

\$1 million

Single, joint, living trust, Roth IRA, IRA, minor child (UTMA/UGMA), and 403(b)

Contract Year	1	2	3	4	5	6	7	8+
Charge % (all states)	7	7	7	6	5	4	3	0
Charge % (NY only)	7	6	5	4	3	2	1	0

No charges for withdrawals made within 30 days of the end of an interest rate guarantee period. After the first contract year, 10% of previous anniversary account value free of withdrawal charges or Market Value Adjustment.

N/A

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VALIC is the right organization for you. With VALIC, you have access to leads, online and real-time support, and advanced financial planning tools and products to serve your clients. VALIC is a leading plan provider for K-12, higher education and healthcare institutions, currently servicing more than 25,000 group plans. We have more than half a century of experience in helping Americans plan for and enjoy a secure retirement.

We are committed to the same unchanging standard of service we have delivered since our founding. We can help your clients live retirement on their terms.

Early withdrawals could be subject to withdrawal charges.
A Market Value Adjustment may also apply to early withdrawals.

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