



P.O. Box 4830  
Syracuse, NY 13221

**Interest Option**  
Form No. 11049 (10/2004)

I, \_\_\_\_\_ hereby elect that \$ \_\_\_\_\_  
*(Rightsholder/ Beneficiary of policy/contract)* "all" or \$ amount  
of the proceeds on Policy/Contract Number(s) \_\_\_\_\_  
on the life of \_\_\_\_\_ be settled as follows:

**TERM**

**INTEREST OPTION - \$1,000 Minimum Required**

Interest is paid on your proceeds at a rate set by the Company once a year. You may make withdrawals of at least \$250 or elect another payment option at any time.

**Please see second page for additional description of this option.**

**PAYMENT FREQUENCY**

\*Pay the interest: (check one)       Monthly       Quarterly       Semi-Annually       Annually

\*Payments can be directly deposited into a bank account. If interested, ask for a Direct Deposit Brochure.

Let the interest accumulate.

**CONTINGENT PAYEE(S)**

At the primary payee's death, pay any remaining principal and accrued interest in one sum to the contingent payee(s) designated below. Please print or type all names:

FULL NAME - Including relationship to primary payee

FIRST, if living -  
if not  
  
SECOND, if living -  
if not

\_\_\_\_\_  
  
\_\_\_\_\_  
(If more than one is named, they will receive equal shares, unless otherwise specified.)

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if none is living, pay the primary payee's estate.

**CHANGE OF PRIMARY PAYEE AND OWNER**

Complete this section if the primary payee to receive the interest and become the owner is other than the Rightsholder/Beneficiary entered above.

\_\_\_\_\_  
*Primary payee name and relationship to Rightsholder/Beneficiary entered above.*

\_\_\_\_\_  
*Address*

I authorize the Company to issue the supplementary contract providing for this settlement based on its understanding of this request and to conform with Company rules and practices. Upon approval by the Company at its Home Office, this election cancels, as of its effective date, any previous election or contract issued for these proceeds.

**TAXPAYER ID NUMBER CERTIFICATION**

If the taxpayer ID or Social Security number is not supplied, the policy(ies) may be subject to federal and state withholding. Under penalties of perjury I certify that (1) the number shown on this form is my correct taxpayer identification number and (2) I am not subject to back-up withholding either because I have not been notified by the Internal Revenue Service (IRS) that I am subject to back-up withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to back-up withholding.

**Certification Instructions.** You must cross out item (2) above if you have been notified by the IRS that you are currently subject to back-up withholding because of under reporting interest or dividends on your tax return.

Dated at \_\_\_\_\_ State of \_\_\_\_\_ on \_\_\_\_\_ (Date)

\_\_\_\_\_  
*Social Security Number or Taxpayer ID Number*

**X**  
\_\_\_\_\_  
*Signature of person entitled to proceeds (Rightsholder/Beneficiary)*

\_\_\_\_\_  
\_\_\_\_\_  
*Address including Zip Code*

## TERMS AND CONDITIONS

With the interest option, you can leave your insurance proceeds on deposit with the Company. The proceeds earn interest, which can be paid periodically to you or to a person you name, or can be left to accumulate. The interest option is referred to as Settlement Option 1 in your policy/contract.

### TERMS

1. **INTEREST RATE.** An interest rate is declared by the Company once each calendar year. The rate will never be less than the rate guaranteed in the original policy/contract.
2. **MINIMUMS.** The minimum balance must be \$1,000. The minimum interest payment at the guaranteed rate must be \$10.
3. **TRANSFERS.** The primary payee may transfer all or part of the balance to another option at any time, subject to the terms and conditions of these options and the withdrawal limitations described in paragraph 4 below.
4. **WITHDRAWALS.** Full or partial withdrawals may be made at any time without penalty. A partial withdrawal must be at least \$250 and the remaining principal must be at least \$1,000.

### GENERAL CONDITIONS

1. **PAYMENT FREQUENCY.** Interest payments will be made at the frequency elected, with the first payment payable at the end of the period elected. Interest compounds annually. More frequent payments than annual reduce the amount of compound interest. If elected to accumulate, the interest will become part of the principal on the contract anniversary.

The primary payee may change the frequency of interest payments being paid in cash.

The primary payee may change from periodic payment of interest to accumulating interest, or from accumulating interest to periodic payment of interest. This change can only be made on a Contract Anniversary and then only with 30 days' prior written notice. Such a change shall become effective as of the Contract Year immediately following the Contract anniversary when the change was made.

2. **CONTINGENT PAYEE(S).** The primary payee may change the contingent payee(s).
3. **AVAILABILITY.** This option is not available for proceeds from the surrender of a single premium deferred annuity.
4. **TAX LIABILITY.** The tax aspects described reflect the Company's understanding of the tax laws as currently interpreted. Tax laws and their interpretations are, of course, always subject to change. You may wish to consult your own tax advisor.

The interest is taxable annually as it is received or credited and it is reported on IRS Form 1099INT.

**Matured or surrendered policy proceeds:** If the interest option is elected prior to maturity/surrender of the original policy, tax on the gain of the original policy is postponed as long as you retain the right to switch to the Life Income Option. Otherwise, the taxable gain of the original policy will be reported on IRS Form 1099R as ordinary income.

**If this interest option is funded from matured or surrendered annuity proceeds, to the extent a partial withdrawal is attributable to post 8/13/82 annuity investments, and Modified Endowment Contract (MEC) proceeds:** If a partial withdrawal is made, deferred taxable gain will be reportable to the extent of such withdrawal.

**If this interest option is funded from matured or surrendered life insurance proceeds, endowment proceeds, pre-8/14/82 annuity investments or full surrender of any annuity or MEC:** If a partial withdrawal or full surrender, as the case may be, is made, deferred taxable gain will be reportable to the extent the withdrawal exceeds the unrecovered cost of (or investment in) the original policy.

**Death proceeds of deferred annuity contract:** Any deferred income is taxable to the beneficiary when received as "income in respect of a decedent."