

# Bulletin

December 2002

## **MONTHLY INTEREST INCOME OPTION**

We've had a number of requests for calculations of interest-only monthly payouts from single premium deferred annuities. To facilitate your discussion with clients interested in this option we've developed a chart showing approximate monthly income at various current annuity interest crediting rates (see reverse). We have recently updated the chart to include credited rates of 3.00% and up. These interest income figures are based on 1/12th of a year. Actual monthly interest payouts, however, may be slightly more or slightly less than shown.

Announcement

Presidential Life Insurance Company Nyack, NY 10960  
1-800-926-7599 or 1-888-PRES LIF  
[www.presidentiallife.com](http://www.presidentiallife.com)

## Monthly Interest per \$100,000

### Annualized Interest

Credited Rate	Monthly Interest	(12 x mthly)	Credited Rate	Monthly Interest	(12 x mthly)
3.00%	246.63	2959.52	4.85%	395.45	4745.42
3.05%	250.68	3008.18	4.90%	399.44	4793.28
3.10%	254.73	3056.81	4.95%	403.43	4841.13
3.15%	258.78	3105.42	5.00%	407.41	4888.95
3.20%	262.83	3154.00	5.05%	411.40	4936.75
3.25%	266.88	3202.57	5.10%	415.38	4984.53
3.30%	270.93	3251.12	5.15%	419.36	5032.29
3.35%	274.97	3299.64	5.20%	423.34	5080.03
3.40%	279.01	3348.14	5.25%	427.31	5127.75
3.45%	283.05	3396.62	5.30%	431.29	5175.45
3.50%	287.09	3445.08	5.35%	435.26	5223.13
3.55%	291.13	3493.52	5.40%	439.23	5270.79
3.60%	295.16	3541.93	5.45%	443.20	5318.42
3.65%	299.19	3590.33	5.50%	447.17	5366.04
3.70%	303.22	3638.70	5.55%	451.14	5413.63
3.75%	307.25	3687.05	5.60%	455.10	5461.21
3.80%	311.28	3735.38	5.65%	459.06	5508.76
3.85%	315.31	3783.69	5.70%	463.02	5556.29
3.90%	319.33	3831.98	5.75%	466.98	5603.81
3.95%	323.35	3880.24	5.80%	470.94	5651.30
4.00%	327.37	3928.49	5.85%	474.90	5698.77
4.05%	331.39	3976.71	5.90%	478.85	5746.22
4.10%	335.41	4024.91	5.95%	482.80	5793.65
4.15%	339.42	4073.10	6.00%	486.76	5841.06
4.20%	343.44	4121.26	6.05%	490.70	5888.45
4.25%	347.45	4169.39	6.10%	494.65	5935.82
4.30%	351.46	4217.51	6.15%	498.60	5983.17
4.35%	355.47	4265.61	6.20%	502.54	6030.49
4.40%	359.47	4313.68	6.25%	506.48	6077.80
4.45%	363.48	4361.74	6.30%	510.42	6125.09
4.50%	367.48	4409.77	6.35%	514.36	6172.36
4.55%	371.48	4457.78	6.40%	518.30	6219.60
4.60%	375.48	4505.77	6.45%	522.24	6266.83
4.65%	379.48	4553.74	6.50%	526.17	6314.03
4.70%	383.47	4601.69			
4.75%	387.47	4649.62			
4.80%	391.46	4697.53			

The figures above assume a \$100,000 Single Premium Deferred Annuity premium on which interest-only payments are made based on an "average month" equivalent to 1/12th of a 365-day year. Actual monthly interest payments, however, will vary depending on the number of days in a given month and where the last business processing day falls within that particular month.

Interest on deferred annuity premiums is compounded daily and credited monthly. Crediting of earnings equal to the declared annual interest crediting rate assumes that neither principal nor accumulated interest is withdrawn from the annuity contract at any time during the entire policy year, which runs from one policy anniversary date to the day preceding the subsequent policy anniversary date.



Monthly, quarterly, and semi-annual interest-only withdrawals will always result in lower annual earnings than projected based on the declared annual interest crediting rate.