

Insurance Company Research Report

Executive Summary

- **Long-Term Average Annual Returns:**
 - Cash-value life insurance = 1-2%
 - Fixed Annuity = 2-4%
 - Fixed Indexed Annuity = 2-5%
 - Variable Annuity = 1-12%, depends on sub accounts selected
 - Insurance companies are only obligated to pay a minimum guaranteed yield; thus, you give control of what you earn to the insurance company.
- **Risk to Capital:**
 - Cash-value life insurance, fixed annuities, fixed indexed annuities = 0%
 - Variable Annuity = 8-90%, depends on sub account investments selected
- **Costs:**
 - Cash-value life insurance = yield spread, cost of insurance, surrender charge
 - Fixed Annuity = yield spread, surrender charge
 - Fixed Indexed Annuity = return cap, participation rate, no dividend, surrender charge
 - Variable Annuity = mortality & expense risk charge, administrative fee, contract maintenance fee, subaccount fees, rider fees, surrender charge
- **Taxes:**
 - Your money grows tax deferred, however any gains on cash value life insurance withdrawals, annuity sales and inheritances are taxed at higher income tax rates vs. lower qualified dividend tax rates on stock dividends and stepped-up cost basis on stocks inherited.

*The information presented is for informational purposes only and shall not be construed as an offer, recommendation, or solicitation to buy or sell a security or any other investment vehicle.
Past performance is no guarantee of future results, and a risk of loss is involved with investing.*

Executive Summary

- **If You Own Life Insurance or an Annuity:**

- Life insurance - conduct an in-force illustration analysis to determine the true rate of return of your policy to see if you should continue to own it.
- Annuity- conduct a 1035 tax-free exchange analysis to determine the true rate of return of your annuity to see if you should continue to own it.

- **Reasons why a Growing Stock Dividend Strategy is Better Than Insurance Products:**

- insurance product costs are eliminated
- stocks provide higher long-term average annual returns
- stock dividends provide increasing future income to keep up with inflation
- stock dividends, sales and inheritances are subject to lower taxes than insurance products

- **Useful Websites:**

- Current Fixed Annuity Interest Rates: www.annuityadvantage.com/annuity-rates-quotes/traditional-fixed-annuities
- Current Fixed Indexed Annuity Returns: https://members.annuityratewatch.com/rates/fia_historical_rates.cfm

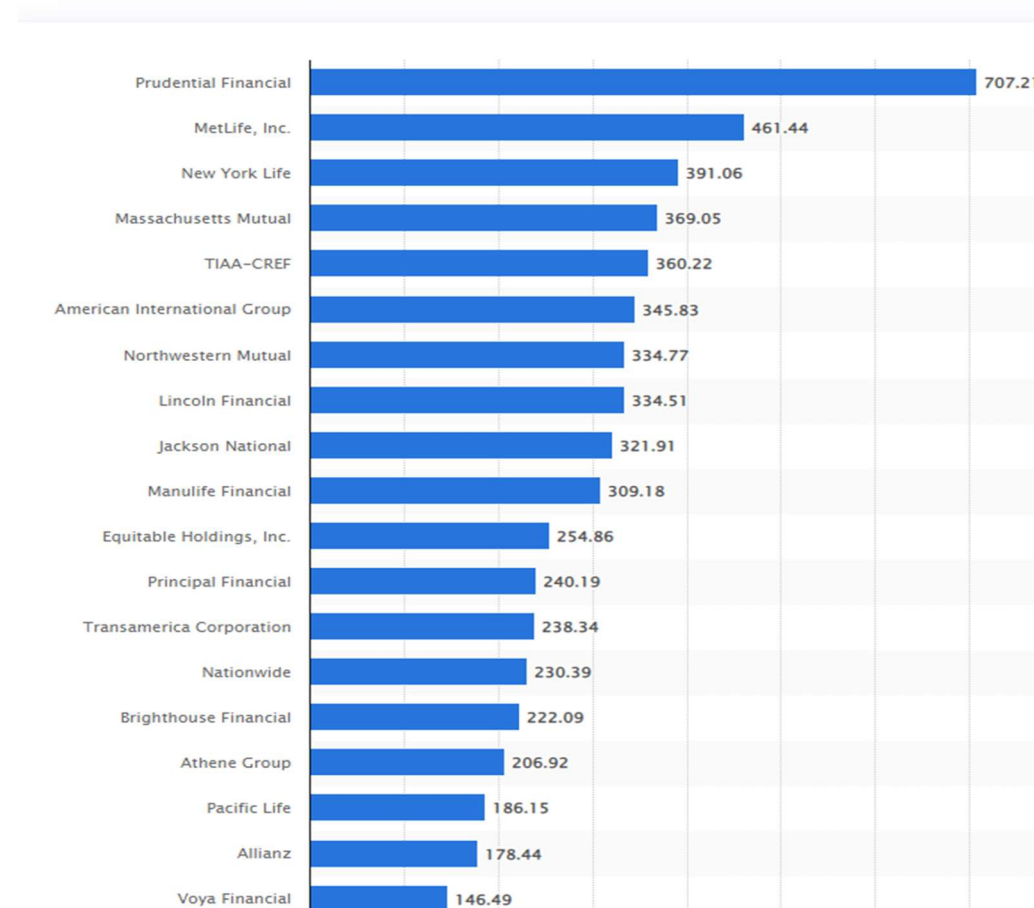
- **Current Tax Rates:**

- Federal: www.nerdwallet.com/article/taxes/federal-income-tax-brackets
- State: www.nerdwallet.com/article/taxes/state-income-tax-rates
- Qualified Dividend Tax Rates: www.nerdwallet.com/article/taxes/dividend-tax-rate

*The information presented is for informational purposes only and shall not be construed as an offer, recommendation, or solicitation to buy or sell a security or any other investment vehicle.
Past performance is no guarantee of future results, and a risk of loss is involved with investing.*

Largest Insurance Companies

(in billion U.S. dollars)



Cash Value Life Insurance



Cash value life insurance is a type of permanent life insurance that includes a cash value feature. Cash value is the portion of your policy that accumulates in value^(Footnote1)

^(Footnote1) Cash value is guaranteed to accumulate at a given minimum rate; there is also a nonguaranteed rate that is higher—but not guaranteed.

Source: www.newyorklife.com/articles/cash-value-life-insurance

Cash Value Life Insurance

What is the guaranteed rate of return for whole life insurance?

Guaranteed rate of return

According to Consumer Reports, the average annual rate of return on a whole life policy is **1.5%**. While that is low, it does beat the interest rate on many banking products, including interest-bearing savings accounts and money market accounts (MMAs). Feb 20, 2023



fool.com

<https://www.fool.com> › the-ascent › whole-life-insurance

What Is Whole Life Insurance? | The Motley Fool



The information presented is for informational purposes only and shall not be construed as an offer, recommendation, or solicitation to buy or sell a security or any other investment vehicle. Past performance is no guarantee of future results, and a risk of loss is involved with investing.

Annuity Sales 2023

LIMRA: U.S. Annuity Sales Post Another Record Year in 2023



1/24/2024

Strong economic conditions coupled with growing demand for protected investment growth drive record sales for fixed annuity products

WINDSOR, Conn., Jan. 24, 2023 — For the second consecutive year, U.S. annuity sales set an all-time record high, according to preliminary results from LIMRA's U.S. Individual Annuity Sales Survey, representing 83% of the total U.S. annuity market.

Powered by unprecedented fixed annuity sales, total annuity sales were \$385 billion in 2023, 23% higher than the record set in 2022.

"Economic conditions and growing demand for protected investment growth propelled fixed annuity sales to a remarkable \$286.2 billion, a 36% jump from the record sales set in 2022," said Bryan Hodgens, head of LIMRA research. "To put this into perspective, prior to 2022, total annuity sales never reached this level. Despite equity markets climbing more than 20% in 2023, investors worried about a downturn. This sentiment, combined with strong interest rates, prompted investors to lock in crediting and payout rates offered in fixed annuity products."

In the fourth quarter, U.S. annuity sales set a new record. Total annuity sales were \$115.3 billion in the fourth quarter, a 29% increase from the fourth quarter of 2022 and 23% higher than the record set in first quarter 2023.

2023 Preliminary Annuity Sales Highlights

- Total U.S. annuity sales grew 23% to \$385 billion in 2023.
- All fixed annuity product lines set sales records in 2023.
- Record-high RILA product sales for a second consecutive year.

Fixed Annuity Rates Example

Fixed annuities advertise the current yield, the most important yield is the term guaranteed yield, see the definition. The insurance company is only obligated to pay you the term guaranteed minimum interest rate.


The annual yield, including bonuses if applicable, up to the first penalty free full withdrawal window, assuming the interest rate is reduced to the contractually guaranteed minimum at the first available opportunity, for the duration of the term.

Product Name	Company Name	AM Best ^①	Max Issue Age	Minimum Premium ^①	Years	Penalty Free Withdrawals ^①		First Year Yield ^①	Term Guaranteed Yield ^①	Term Current Yield ^①
						First Year	Years 2+			
5 Year Surrender Period										
American Pathway Fixed 5 (Three-Year) without ROP <i>High-Band</i>	American General Life Insurance Company	A	90	\$100,000	5	Interest Only	15%	4.95%	3.35%	4.78%
American Pathway Fixed 5 (One-Year) without ROP <i>High-Band</i>	American General Life Insurance Company	A	90	\$100,000	5	Interest Only	15%	6.01%	1.98%	4.76%
WealthQuest Citadel 5 Diamond <i>High-Band</i>	American National Insurance Company	A	85	\$100,000	5	10%	10%	5.55%	3.81%	4.75%
WealthQuest Citadel 5 Diamond <i>Low-Band</i>	American National Insurance Company	A	85	\$5,000	5	10%	10%	5.45%	3.78%	4.65%
Liberty Choice	Liberty Bankers Life Insurance Company	A-	90	\$5,000	5	Interest Only	Interest Only	5.25%	1.84%	4.45%
American Pathway Fixed 5 (Three-Year) with ROP <i>High-Band</i>	American General Life Insurance Company	A	90	\$100,000	5	Interest Only	15%	4.55%	3.11%	4.42%
American Pathway Fixed 5 (One-Year) with ROP <i>High-Band</i>	American General Life Insurance Company	A	90	\$100,000	5	Interest Only	15%	5.24%	1.83%	4.40%
American Pathway Fixed 5 (One-Year) without ROP <i>Low-Band</i>	American General Life Insurance Company	A	90	\$5,000 <i>NonQ</i> \$2,000 <i>Qual</i>	5	Interest Only	15%	3.51%	1.49%	3.10%

Source: www.annuityadvantage.com/annuity-rates-quotes/traditional-fixed-annuities

The information presented is for informational purposes only and shall not be construed as an offer, recommendation, or solicitation to buy or sell a security or any other investment vehicle. Past performance is no guarantee of future results, and a risk of loss is involved with investing.

Top 2 Insurance Company Fixed Annuity “Guaranteed Minimum Interest Rate” Footnotes

Our AnnuitiesIndividualsAdvisor ResourcesWho We Are

Advisor Login

Q


OverviewLiterature**Rates**

CLEAR INCOME FIXED ANNUITY

SECURE TERM CHOICE FIXED ANNUITY II

SECURE TERM MVA FIXED ANNUITY II

4. Withdrawals during the first 7 years of the policy may be subject to surrender charges and/or a Market Value Adjustment (MVA). The interest rate is an effective annual yield based upon a nominal rate that is compounded daily. Yields assume no additions or withdrawals made during the guaranteed period. After the initial guaranteed interest rate period, the policy will receive a renewal rate that is guaranteed for one year. The Guaranteed Minimum Interest Rate (GMIR) is 1%. Please call your representative for current interest rates on premium amounts of \$1,500,000 or more. Policies with premium amounts of \$1 million or more require prior NYLIAC approval.

Insurance ▼Retirement ▼Investment ▼Financial Wellness ▼

How do interest earnings accumulate in a deferred annuity?

The value of your annuity grows based on a guaranteed rate of return. These guaranteed rates are based on current interest rates and your contract period. Your contract will continue to grow in value over time unless you make withdrawals.

Fixed Indexed Annuity Returns

Fixed indexed annuities really earn on average 2 to 4.6%, depending on the surrender charge years. The insurance companies advertise the returns of the index without the cap or participation rate.

Top performers over thousands of issue dates
for the period 1/1/1950 to 12/31/2023

5-Year Surrender Period

Product	Issue Dates	1-Year	3-Year	5 Year
Reliance Standard Life	(17,460)		2.36	2.56
Keystone 5 Index Annuity				2.61
The Standard	(6,064)		1.85	1.84
Index Select Annuity 5				1.84

7-Year Surrender Period

Product	Issue Dates	1-Year	3-Year	5-Year	7 Year
National Western Life	(14,915)		3.23	4.01	4.19
NWL IMPACT 7®				4.19	4.29
American General Life Insurance Company	(9,628)		3.03	3.92	4.08
Power 7 Protector Plus Income				4.08	4.01
American General Life Insurance Company	(9,460)		2.95	3.72	3.90
Power Index Plus Income (LIP)				3.90	3.90

9-Year Surrender Period

Product	Issue Dates	1-Year	3-Year	5-Year	7-Year	9 Year
National Western Life	(11,055)		3.36	3.93	4.07	4.09
NWL Ultra Value®				4.07	4.09	4.11
Americo	(4,425)		3.14	3.41	3.42	3.30
Ultimate One Index 9				3.41	3.42	3.21
National Western Life	(9,318)		2.55	3.00	3.08	3.08
NWL Ultra Future® - State Variation				3.00	3.08	3.06

10-Year Surrender Period

Product	Issue Dates	1-Year	3-Year	5-Year	7-Year	10 Year
EquiTrust Life Insurance Company	(22,099)		3.10	3.92	4.25	4.37
Market Value Index				3.92	4.25	4.59
American General Life Insurance Company	(1,140)		3.68	4.48	4.80	4.45
AG Choice Index 10				4.48	4.80	4.22
National Western Life	(14,928)		2.92	3.53	3.73	3.81
NWL IMPACT 10®				3.53	3.73	3.91

Source: https://members.annuityratewatch.com/rates/fia_historical_rates.cfm

The information presented is for informational purposes only and shall not be construed as an offer, recommendation, or solicitation to buy or sell a security or any other investment vehicle. Past performance is no guarantee of future results, and a risk of loss is involved with investing.

Fixed Indexed Annuity Investment Return Calculation Terms (Complicated & Misleading)

One element of indexed annuities that is often misunderstood is the calculation of the investment return credited to your account. To determine how the insurance company calculates the return, it is important to understand how the index is tracked, as well as how much of the index return is credited to you.

Index tracking. The amount credited to your account depends, in part, on how much the index changes. Insurance companies use various methods to track changes in the index value over a defined time period. It is important to understand how the index is tracked, as it will have a direct impact on the **return credited to you**.

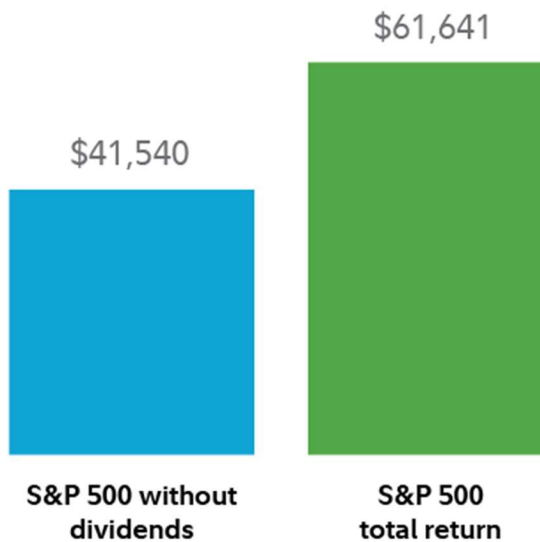
The amount an insurance company credits to you depends on a variety of factors (any of which can potentially be combined), such as:

- **Cap**, which is an upper limit put on the return over a certain time period. For example, if the index returned 10% but the annuity had a cap of 3%, your account receives a maximum return of 3%. Many indexed annuities put a cap on the return.
- **Participation rate**, which is the percentage of the index's return the insurance company credits to the annuity. For example, if the market went up 8% and the annuity's participation rate was 80%, a 6.4% return (80% of the gain) would be credited. Many indexed annuities that have a participation rate also have a cap, which in this example would limit the credited return to 3% instead of 6.4%.
- **Spread/margin/asset fee**, which is a percentage fee that may be subtracted from the gain in the index linked to the annuity. For example, if an index gained 6% and the spread fee was 2%, then the gain credited to the annuity would be 4%.
- **Bonus**, which is a percentage of the first-year premiums received that is added to the contract value. Typically, the bonus amount plus any earnings on the bonus are subject to a vesting schedule that may be longer than the surrender charge period schedule.^{2, 3} Given the typical vesting schedule, the bonus may be entirely forfeited upon surrender in the first few contract years.
- **Riders**, which are extra features, such as minimum lifetime guaranteed income, that can be added to the annuity for additional costs, further reducing the return credited to the account.

Fixed Indexed Annuity Investment Returns Exclude Dividends (Reduce Your Returns)

In addition, an often-overlooked point is that for the purposes of the insurance company calculation, an index return excludes dividends, so your return from an indexed annuity will also exclude dividend income. This is important because history indicates that dividends have been a strong component of equity returns over the course of time. For example, over the past 20 years, ending December 2021, the S&P 500 index has gained 7.38% annually without dividends and 9.52% with dividends.

Value of a \$10,000 investment in 20 years



Fixed Indexed Annuity Investment Returns Are Capped (Reduce Your Returns)

How does a cap impact potential returns?

Let's consider the following chart, which uses a hypothetical indexed annuity with an annual cap of 3.5% on upside returns.

Over the 10 years ending December 2021, the S&P 500 average annual return was 16.63% (14.25% without dividends), while the indexed annuity returned only 2.79% annually—despite a guaranteed annual floor of 0%.

Ten-Year Illustration

Results of annual point-to-point^a crediting Dec. 2011 to Dec. 2021

Period	S&P 500 Close	S&P 500 Change	Credited Result
Dec 11	1,258		
Dec 11-12	1,426	13.35%	3.50%
Dec 12-13	1,848	29.59%	3.50%
Dec 13-14	2,059	11.42%	3.50%
Dec 14-15	2,044	-0.73%	0.00%
Dec 15-16	2,239	9.54%	3.50%
Dec 16-17	2,674	19.43%	3.50%
Dec 17-18	2,507	-6.25%	0.00%
Dec 18-19	3,231	28.88%	3.50%
Dec 19-20	3,756	16.25%	3.50%
Dec 20-21	4,766	26.89%	3.50%

Indexed Annuity Average Earnings	2.79%
S&P 500 Average Return	14.25%
S&P 500 Average Return With Dividends	16.63%

Difference: 13.84%

- * Each year's return is currently capped at 3.5% and a floor of 0% is applied.
- * Over the 10 year period, the average annual return for the S&P 500 index was 16.63% including dividends
- * With annual crediting, the annuity had an average annual crediting rate (policy earnings) of 2.79%

Top Selling Fixed & Indexed Annuities

U.S. Individual Fixed Annuity Sales Breakout 3rd Quarter 2023 YTD (\$ in thousands)

Rank	Company name	Fixed-Rate Deferred	Company name	Indexed	Company name	Payout Annuities ¹
1	Athene Annuity & Life	13,783,763	Allianz Life of North America	8,544,233	New York Life	3,869,853
2	Massachusetts Mutual Life	10,606,734	Athene Annuity & Life	7,593,590	MetLife	2,296,600
3	New York Life	6,732,040	Corebridge Financial	6,869,579	Massachusetts Mutual Life	2,006,855
4	Corebridge Financial	6,348,444	Sammons Financial Companies	5,437,273	USAA Life	1,644,135
5	Global Atlantic Financial Group	4,450,368	American Equity Investment Life	5,055,656	Pacific Life	1,180,620
6	Western Southern Group	4,264,501	Nationwide	4,435,100	Guardian Life of America	1,164,831
7	Symetra Financial	4,036,591	Security Benefit Life	3,893,291	Northwestern Mutual Life	900,776
8	American National	3,789,451	Fidelity & Guaranty Life	3,558,577	Nationwide	852,500
9	USAA Life	3,552,346	Massachusetts Mutual Life	2,561,280	Prudential Annuities	702,269
10	Fidelity & Guaranty Life	3,306,829	Global Atlantic Financial Group	2,539,406	Western Southern Group	668,868
11	Pacific Life	2,679,632	Lincoln Financial Group	2,089,143	Corebridge Financial	566,826
12	Delaware Life	2,373,409	Pacific Life	2,008,316	Penn Mutual	344,938
13	Nationwide	2,225,400	National Life Group	1,374,753	Symetra Financial	138,225
14	Brighthouse Financial	1,783,382	Symetra Financial	1,264,253	RiverSource Life Insurance	100,123
15	Security Benefit Life	1,564,267	EquiTrust Life	1,072,851	Mutual of Omaha	90,950
16	Reliance Standard Life	1,380,786	Prudential Annuities	1,004,881	Securian Financial	88,872
17	The Standard	1,210,698	Bankers Life & Casualty	985,869	Global Atlantic Financial Group	85,293
18	National Life Group	1,114,529	Nassau	821,035	The Standard	76,289
19	EquiTrust Life	975,809	Delaware Life	641,537	Thrivent Financial for Lutherans	74,635
20	Thrivent Financial for Lutherans	952,180	Ameritas Life	618,062	Lincoln Financial Group	71,417
	Top 20	\$77,131,158	Top 20	\$62,368,685	Top 20	\$16,924,874
	Total industry	\$106,400,000	Total industry	\$71,000,000	Total industry	\$18,740,000
	Top 20 share	72%	Top 20 share	88%	Top 20 share	90%

Source: LIMRA U.S. Individual Annuities Sales Survey

¹ Payout Annuities = fixed immediate + deferred income + structured settlements

The information presented is for informational purposes only and shall not be construed as an offer, recommendation, or solicitation to buy or sell a security or any other investment vehicle.
Past performance is no guarantee of future results, and a risk of loss is involved with investing.

Top Selling Annuities

U.S. Individual Annuity Sales 3rd Quarter 2023 YTD (\$ in thousands)

Rank	Company name	Total	Company name	Variable	Company name	Fixed
1	Athene Annuity & Life	22,028,071	Equitable Financial	13,021,912	Athene Annuity & Life	21,378,471
2	Corebridge Financial	16,817,395	Jackson National Life	8,880,408	Massachusetts Mutual Life	15,174,869
3	Massachusetts Mutual Life	15,850,509	Lincoln Financial Group	5,932,137	Corebridge Financial	13,784,849
4	New York Life	14,420,413	Brighthouse Financial	5,533,414	New York Life	10,601,893
5	Allianz Life of North America	13,420,935	TIAA	5,467,059	Allianz Life of North America	8,548,229
6	Equitable Financial	13,061,183	Allianz Life of North America	4,872,706	Nationwide	7,513,000
7	Nationwide	11,054,925	New York Life	3,818,521	Global Atlantic Financial Group	7,075,068
8	Jackson National Life	9,219,724	Prudential Annuities	3,731,898	Fidelity & Guaranty Life	6,871,071
9	Lincoln Financial Group	8,643,557	Nationwide	3,541,925	Sammons Financial Companies	6,340,961
10	Pacific Life	8,000,341	Corebridge Financial	3,032,546	Pacific Life	5,868,568
11	Brighthouse Financial	7,453,319	RiverSource Life Insurance	2,903,912	American Equity Investment Life	5,610,049
12	Global Atlantic Financial Group	7,161,552	Pacific Life	2,131,772	Security Benefit Life	5,457,558
13	Fidelity & Guaranty Life	6,871,071	Thrivent Financial for Lutherans	1,134,584	Symetra Financial	5,439,069
14	Sammons Financial Companies	6,561,204	Fidelity Investments Life	976,204	USAA Life	5,196,681
15	Prudential Annuities	6,191,523	Transamerica	962,108	Western Southern Group	5,107,730
16	Symetra Financial	5,719,523	TruStage	776,986	American National	4,111,433
17	American Equity Investment Life	5,610,049	Massachusetts Mutual Life	675,639	Delaware Life	3,014,947
18	Security Benefit Life	5,582,737	Athene Annuity & Life	649,600	Lincoln Financial Group	2,711,420
19	TIAA	5,467,059	Protective Life	586,951	National Life Group	2,491,767
20	USAA Life	5,196,681	Northwestern Mutual Life	569,788	Prudential Annuities	2,459,625
	Top 20	\$194,331,770	Top 20	\$69,200,070	Top 20	\$144,757,257
	Total industry	\$269,640,000	Total industry	\$73,500,000	Total industry	\$196,140,000
	Top 20 share	72%	Top 20 share	94%	Top 20 share	74%

Source: LIMRA U.S. Individual Annuities Sales Survey

The information presented is for informational purposes only and shall not be construed as an offer, recommendation, or solicitation to buy or sell a security or any other investment vehicle.
Past performance is no guarantee of future results, and a risk of loss is involved with investing.

Top Selling Variable Annuities

U.S. Individual Annuity Sales – Variable Annuity Breakout 3rd Quarter 2023 YTD (\$ in thousands)

Rank	Company name	Traditional Variable	Company name	Registered Index-Linked
1	Jackson National Life	7,184,507	Equitable Financial	8,184,515
2	TIAA	5,467,059	Brighthouse Financial	5,047,215
3	Equitable Financial	4,837,397	Allianz Life of North America	4,850,618
4	Corebridge Financial	3,032,546	Prudential Annuities	3,607,255
5	Nationwide	2,881,625	Lincoln Financial Group	3,339,283
6	Lincoln Financial Group	2,592,855	RiverSource Life Insurance	2,218,244
7	Pacific Life	2,131,772	New York Life	1,827,768
8	New York Life	1,990,753	Jackson National Life	1,695,901
9	Thrivent Financial for Lutherans	1,134,584	TruStage	775,603
10	Fidelity Investments Life	976,204	Nationwide	660,300
11	RiverSource Life Insurance	685,668	Athene Annuity & Life Assurance Company	649,600
12	Transamerica	604,080	Massachusetts Mutual Life	540,384
13	Protective Life	571,345	Transamerica	358,028
14	Northwestern Mutual Life	569,788	Symetra Financial	279,301
15	Brighthouse Financial	486,199	Sammons Financial Companies	100,566
16	Principal Financial Group	280,278	Principal Financial Group	99,618
17	Horace Mann Life Insurance Company	261,578	Global Atlantic Financial Group	68,570
18	Penn Mutual	195,767	Protective Life	15,605
19	Securian Financial	185,678		
20	Massachusetts Mutual Life	135,255		
	Top 20	\$36,204,937	Top 20	\$34,318,374
	Total industry	\$39,100,000	Total industry	\$34,400,000
	Top 20 share	93%	Top 20 share	100%

Source: LIMRA U.S. Individual Annuities Sales Survey

The information presented is for informational purposes only and shall not be construed as an offer, recommendation, or solicitation to buy or sell a security or any other investment vehicle. Past performance is no guarantee of future results, and a risk of loss is involved with investing.

Top Selling Variable Annuity Sub-Account Performance

When you include big down-market periods, only high-risk stock asset classes have >10% long-term average annual returns, all bond funds have low long-term average annual returns.

Sub-account Name	Morningstar Category	Inception Date	Since Inception	Includes 2000-2002 & 2007-2009 Bear Markets
JNL/American Funds [®] Growth ^{3,4,5,7,11,13,14,15,16}	Large Growth	02/08/84	11.27%	Y
JNL/American Funds [®] Growth-Income ^{3,4,5,7,11,13,14,15,17}	Large Blend	02/08/84	9.52%	Y
JNL/American Funds [®] International ^{3,4,5,6,11,13,14,15,40,43}	Foreign Large Growth	05/01/90	5.54%	Y
JNL/BlackRock [®] Large Cap Select Growth ^{3,4,5,6,7,11}	Large Growth	05/15/95	9.12%	Y
JNL/T. Rowe Price Established Growth ^{3,4,5,6,7,11}	Large Growth	05/15/95	9.59%	Y
JNL/JPMorgan MidCap Growth ^{1,3,4,5,6}	Mid-Cap Growth	05/15/95	8.56%	Y
JNL/T. Rowe Price Mid-Cap Growth ^{1,3,4,5,6,7}	Mid-Cap Growth	05/15/95	10.74%	Y
JNL/WMC Balanced	Moderate Allocation	05/15/95	7.16%	Y
JNL/William Blair International Leaders ^{3,4,5,6,11,14,39,40}	Foreign Large Growth	05/15/95	3.49%	Y
JNL/Fidelity Institutional Asset Management [®] Total Bond	Intermediate Core-Plus Bond	05/15/95	3.78%	Y
JNL/JPMorgan U.S. Government & Quality Bond	Intermediate Government	05/15/95	2.83%	Y
JNL/American Funds [®] Bond Fund of America	Intermediate Core Bond	01/02/96	2.43%	Y
JNL/DFA U.S. Core Equity ^{1,3,4,5,6,9}	Large Blend	09/16/96	7.02%	Y
JNL Multi-Manager Small Cap Growth	Small Growth	09/16/96	7.95%	Y
JNL/American Funds [®] Global Growth ^{3,4,5,6,7,11,13,14,15,41}	Global Large-Stock Growth	04/30/97	8.30%	Y
JNL/Causeway International Value Select	Foreign Large Value	03/02/98	3.17%	Y
JNL/PPM America High Yield Bond	High Yield Bond	03/02/98	3.91%	Y
JNL/DoubleLine [®] Core Fixed Income ^{4,5,14,19,21,22,25,28,55}	Intermediate Core-Plus Bond	03/02/98	3.09%	Y
JNL/Goldman Sachs Managed Aggressive Growth	Aggressive Allocation	04/08/98	5.70%	Y
JNL/Goldman Sachs Managed Growth	Moderately Aggressive Allocation	04/08/98	5.45%	Y
JNL/Goldman Sachs Managed Moderate Growth	Moderate Allocation	04/09/98	4.59%	Y
JNL/American Funds [®] Global Small Capitalization	Global Small/Mid Stock	04/30/98	7.02%	Y
JNL/American Funds [®] New World ^{1,3,4,5,6,7,8,11,13,14,15,19,28,40,44}	Diversified Emerging Mkts	06/17/99	6.02%	Y
JNL/Mellon Information Technology Sector ^{3,5,6,27,29,33,50}	Technology	07/02/99	7.11%	Y
JNL/Mellon Consumer Discretionary Sector ^{3,5,6,27,29,33,50}	Consumer Cyclical	07/02/99	7.57%	Y
JNL/Mellon Healthcare Sector ^{3,5,6,27,29,33,50}	Health	07/02/99	7.16%	Y
JNL/Mellon Dow SM Index ^{3,5,11,23,29,30}	Large Value	07/02/99	5.39%	Y
JNL/Mellon Financial Sector ^{3,5,6,27,29,33,50,52}	Financial	07/02/99	3.74%	Y
JNL/Mellon World Index ^{3,5,6,11,14,23,29,33}	Global Large-Stock Blend	07/02/99	5.45%	Y
JNL/Mellon Communication Services Sector ^{3,5,6,27,29,33,50}	Communications	07/02/99	1.84%	Y
JNL/Mellon Energy Sector ^{3,5,6,27,29,33,50,51}	Equity Energy	07/02/99	6.56%	Y

The information presented is for informational purposes only and shall not be construed as an offer, recommendation, or solicitation to buy or sell a security or any other investment vehicle. Past performance is no guarantee of future results, and a risk of loss is involved with investing.

Top Selling Variable Annuity Sub-Account Performance

When you include big down-market periods, only high-risk stock asset classes have >10% long-term average annual returns, all bond funds have low long-term average annual returns.

Sub-account Name	Morningstar Category	Inception Date	Since Inception	Includes 2007-2009 Bear Market
JNL/T. Rowe Price Value ^{3,4,5,6,10,11}	Large Value	05/01/00	7.14%	Y
JNL/American Funds [®] Balanced ^{3,4,5,13,14,19,55}	Moderate Allocation	05/01/00	3.74%	Y
JNL/Invesco Global Growth ^{3,4,5,6,7,11,14,39}	Global Large-Stock Growth	05/01/01	6.26%	Y
JNL/American Funds [®] Washington Mutual Investors	Large Value	07/05/01	5.69%	Y
JNL/Invesco Small Cap Growth ^{3,4,5,6,8,9}	Small Growth	10/29/01	7.20%	Y
JNL/Mellon S&P 500 [®] Index ^{3,5,11,23,29,32}	Large Blend	01/15/02	7.14%	Y
JNL/Mellon S&P 400 [®] MidCap Index ^{1,3,5,13,23,29,32}	Mid-Cap Blend	01/15/02	7.99%	Y
JNL/Mellon Small Cap Index ^{3,5,9,13,23,29,32}	Small Blend	01/15/02	7.11%	Y
JNL/Mellon International Index ^{3,5,6,11,13,14,23,29}	Foreign Large Blend	01/15/02	4.43%	Y
JNL/Mellon Bond Index ^{5,13,19,22,23,28,29,55}	Intermediate Core Bond	01/15/02	1.80%	Y
JNL/WMC Value ^{3,4,5,6,10,11}	Large Value	09/30/02	8.68%	Y
JNL/Mellon Nasdaq [®] 100 Index ^{3,5,11,23,29,31}	Large Growth	10/04/04	11.43%	Y
JNL/RAFI [®] Multi-Factor U.S. Equity	Large Value	10/04/04	6.49%	Y
JNL/Goldman Sachs Managed Moderate	Moderately Conservative Allocation	10/04/04	3.92%	Y
JNL/Goldman Sachs Managed Conservative	Conservative Allocation	10/04/04	2.60%	Y
JNL/MFS Mid Cap Value ^{1,3,4,5,6,10}	Mid-Cap Value	05/02/05	7.23%	Y
JNL Multi-Manager Small Cap Value	Small Blend	05/02/05	6.50%	Y
JNL/WMC Global Real Estate ^{3,4,5,14,27,48,50}	Global Real Estate	05/02/05	3.23%	Y
JNL/Franklin Templeton Income ^{3,4,5,8,14,21,22,28,74}	Moderate Allocation	05/01/06	4.18%	Y
JNL/T. Rowe Price Short-Term Bond ^{4,5,19,22,25,28,55,61}	Short-Term Bond	05/01/06	0.56%	Y
JNL Multi-Manager Emerging Markets Equity	Diversified Emerging Mkts	05/01/06	1.52%	Y
JNL/American Funds [®] Capital World Bond	Global Bond	10/04/06	1.04%	Y
JNL Aggressive Growth Allocation	Aggressive Allocation	01/16/07	4.33%	Y
JNL/JPMorgan U.S. Value ^{3,4,5,6,10,11}	Large Value	01/16/07	4.15%	Y
JNL Growth Allocation	Moderately Aggressive Allocation	01/16/07	4.40%	Y
JNL Moderate Growth Allocation	Moderate Allocation	01/16/07	4.09%	Y
JNL/PIMCO Real Return ^{4,5,14,19,20,21,22,25,28,55,60,61,67,68}	Inflation-Protected Bond	01/16/07	2.63%	Y
JNL/BlackRock [®] Global Natural Resources	Natural Resources	01/16/07	1.27%	Y
JNL/RAFI [®] Fundamental U.S. Small Cap	Small Value	04/30/07	5.35%	Y
JNL/Goldman Sachs	Large Value	12/03/07	8.76%	Y

The information presented is for informational purposes only and shall not be construed as an offer, recommendation, or solicitation to buy or sell a security or any other investment vehicle. Past performance is no guarantee of future results, and a risk of loss is involved with investing.

Variable Annuity Fees

- **Surrender charge.** Most variable annuities do not have an initial sales charge. However, insurance companies usually assess a surrender charge — often called a contingent deferred sales charge (CDSC) — to an annuity owner who liquidates a contract or makes a withdrawal in excess of the free withdrawal provision (typically 10%) during the surrender charge period specified in the prospectus. Please read the prospectus carefully with regard to the applicable surrender charges.
- **Mortality & Expense Risk charge (M&E).** The insurance company charges you this fee for the insurance risks it assumes by providing you guaranteed¹ future payments and basic death benefits. In addition, this fee helps offset the cost of commissions paid.
- **Administrative fees.** These fees cover administrative costs associated with servicing the annuity, including the cost of transferring funds, tracking purchase payments, issuing confirmations and statements, recordkeeping, and customer service.
- **Contract maintenance fee.** This is an annual flat fee — approximately \$25 or \$30 a year — to keep the contract active. This fee may be waived on variable annuity contracts with account values over a certain dollar amount (for example, \$50,000). See the prospectus for details.
- **Underlying fund expenses on subaccounts.** These fees cover the cost of managing the investments within the subaccounts.
- **Rider costs.** Additional riders that provide protection for death and/or provide income may cost extra.

All guarantees are backed by the continued claims-paying ability of the issuing insurance company.

The information presented is for informational purposes only and shall not be construed as an offer, recommendation, or solicitation to buy or sell a security or any other investment vehicle.
Past performance is no guarantee of future results, and a risk of loss is involved with investing.