

# iStructure™ Annuity

iStructure Annuity Proposal  
IS00006327-0001  
January 4, 2025

Prepared for:  
John Doe

Guaranteed by:



Contact:

Home Office  
Independent Life  
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## Overview

- Total Premium - **\$250,000**
- Total Initial Guaranteed Payments - **\$280,118**
- Indexed certain payments from **02/01/2037** until **01/01/2052**
- Indexed certain payment on **02/01/2037** guaranteed to be at least **\$1,245**, with an expected range between **\$2,791** and **\$3,915**
- Expected Totals between **\$876,626** and **\$1,833,312**
- Participation Rate - **162%**
- Future payments grow based on the performance of the Franklin BofA World Index

<u>Expected</u>	<u>Low</u>	<u>25th</u>	<u>Median</u>
IRR	6.41%	8.73%	10.16%

## Your Expected iStructure Payments\*



\*Based on the Median historical scenario index performance and stated participation rate of 162.00%

**Welcome to iStructure Annuity™**, the first and only uncapped index-linked structured settlement annuity. iStructure is designed to provide upside potential that exceeds a fixed payout annuity, while still providing protection of your initial principal/premium. How so? iStructure offers uncapped growth of the periodic payment plan you select at settlement, while also providing guaranteed payments that at least protect your initial premium in full (Note: Unless opted out. Please see total guaranteed payments in illustration to confirm selection.).

Annuity payments in the iStructure Annuity are linked to the **Franklin BofA World Index**. The index was developed through the collaborative efforts of leading financial institutions **Franklin Templeton** and **Bank of America**. The Franklin BofA World Index is designed to capture long-term growth through the dynamic use of three asset classes: mid and large cap global equities, U.S. Treasury Futures, and cash. The index's allocation or exposure to these three asset classes is adjusted daily based upon pre-determined factors in the markets, with the primary goal of achieving consistent returns.

The pages that follow in this illustration will show you the power of iStructure and the projected payments and returns over the life of the designed payment plan.

#### **How do your payments grow?**

Each future payment in your plan has a defined starting amount at inception. These starting amounts can be found on the page titled "[iStructure Annuity Payment Starting Points](#)" and can be equal, increasing, or decreasing from one year to the next. No payments can be accelerated or deferred once in place.

- 1) On each anniversary of your starting index date, the index value will be compared to the previous year's index value to determine how the index performed.
- 2) If there was **positive growth**, the future payments will grow following the methodology described in detail in the contract.
- 3) If there was **no growth** or **negative growth** in the index value for the year, each individual payment amount will remain unchanged from its amount entering that year, except perhaps the payment sets starting within the immediately forthcoming year following the methodology described in detail in the contract.
- 4) This analysis repeats each year until all required payments are made.

**PLEASE NOTE:** if your starting amounts at inception are designed to decrease over time (an allocation strategy known as "**Balanced Growth**"), there is a possibility over the life of your contract that a payment amount may be less than a previous payment amount you received. This decrease does not represent a loss to you, but instead is a function of the decreasing starting amounts. This payment design is intended to provide moderate growth in payments over time, but since the future performance of the index is unknown, there may be times where the payout in a year is less than it was in the prior year. Electing **Cash Flow Stabilization** will reduce or may eliminate the risk of this phenomenon. If you cannot tolerate these occurrences, you may want to consider a "**High Growth**" allocation strategy that will provide lower projected payment amounts early in your contract and much higher but never decreasing projected payments later in your contract.

#### **PRODUCT HIGHLIGHTS**

- Uncapped growth of payments
- Return of premium guaranteed (unless opted out)
- Guarantees rise with index growth
- No ongoing fees
- Customized payouts
  - o Lifetime
  - o Certain Only
  - o Lump Sums
- Payments can begin immediately or deferred
- Up to 40 years of indexing available
- Tax-free for qualified cases
- Tax-deferred for all others

#### **COMPANY HIGHLIGHTS (as of June 30, 2022)**

- "A" rated by Egan-Jones Ratings Company
- Reinsurance treaty with company "A+" rated by AM Best
- Top-tier capital and surplus ratios in structured settlement market
- Published payee protection policy
- Highly experienced sales support team
- Please visit [www.independent.life](http://www.independent.life) to learn more

#### **DISCLOSURES**

- Please read this illustration in full.
- You are not investing directly in the Franklin BofA World Index.
- To learn more about the index, visit [www.independent.life](http://www.independent.life)

<b>Quote Date:</b> 01/04/2025	<b>Index:</b> Franklin BofA World Index	<b>Measuring Life:</b> John Doe
<b>Purchase Date:</b> 02/01/2025	<b>Participation Rate:</b> 162.00%	<b>Gender:</b> Male
<b>Index Start Date:</b> 02/17/2025	<b>Allocation Strategy:</b> High Growth	<b>DOB:</b> 01/04/2007

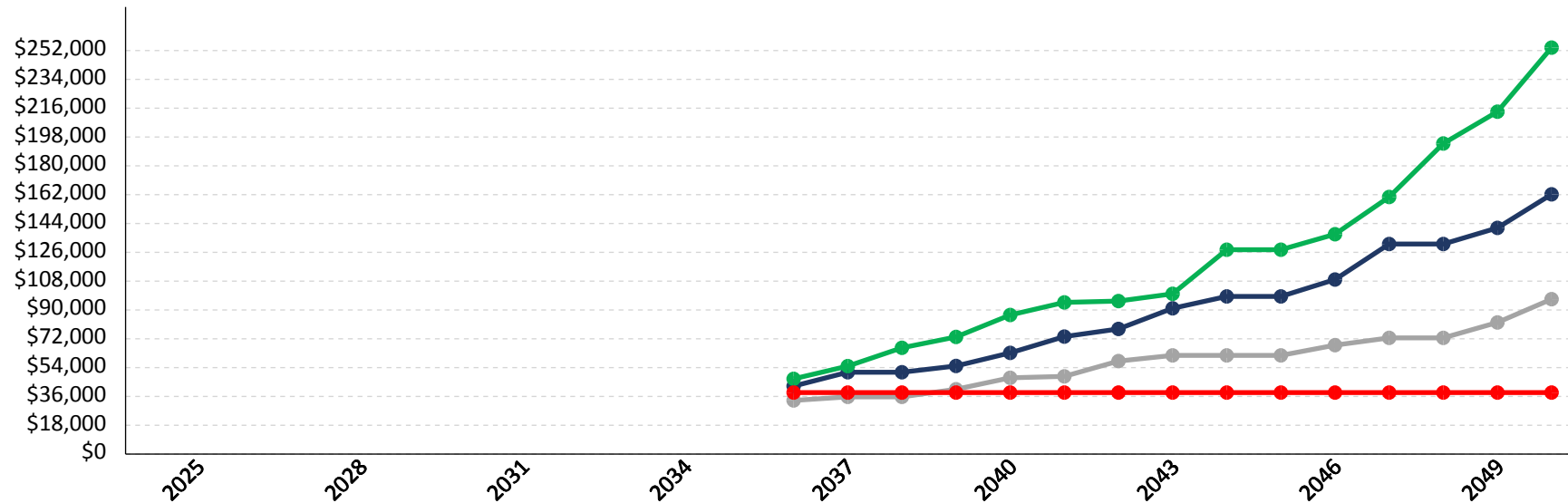
Benefit Description	Cost	Total Guaranteed	Historical Lowest	Historical 25th Percentile	Historical Median
<b>INDEXED BENEFITS</b>					
<b>Period Certain Annuity</b> – a monthly payment amount to be calculated based on the performance of the index and the participation rate, guaranteed for 15 years beginning on 02/01/2037, with the last guaranteed payment on 01/01/2052	\$ 250,000.00	\$ 280,118	\$ 876,626	\$ 1,377,190	\$ 1,833,312
<b>Total</b>	\$ 250,000.00	\$ 280,118	\$ 876,626	\$ 1,377,190	\$ 1,833,312
<b>Internal Rate of Return</b>			6.41%	8.73%	10.16%





**Prepared By:** Chris Bua

**Quote ID No.:** IS00006327-0001

**Case Type:** Name Image Likeness (NIL)

This proposal will expire on **01/11/2025** or the last date of **IS20241114**, whichever is earlier.



Certain	Illustrated Scenario	IRR	Total Expected Payments
	Median Historical Scenario	10.16%	\$ 1,833,312
	25th Percentile Historical Scenario	8.73%	\$ 1,377,190
	Lowest Historical Scenario	6.41%	\$ 876,626
	Fixed Rate Structure	4.48%	\$ 576,229

Based on historical scenario index performance and stated participation rate of 162.00%  
 Certain payments are paid to a beneficiary if the Measuring Life has died.

Fixed Rate Structure subject to home office approval

Year *	Age +	Starting Payment Date	Frequency	Duration	Historical Lowest	Historical 25th Percentile	Historical Median	vs.	Fixed Rate Structure
2037 - 2038	30	02/01/2037	monthly	12 months	\$ 2,791.29	\$ 3,538.71	\$ 3,914.91		\$ 3,201.27
2038 - 2039	31	02/01/2038	monthly	12 months	\$ 2,977.61	\$ 4,258.97	\$ 4,578.25		\$ 3,201.27
2039 - 2040	32	02/01/2039	monthly	12 months	\$ 2,977.61	\$ 4,258.97	\$ 5,529.97		\$ 3,201.27
2040 - 2041	33	02/01/2040	monthly	12 months	\$ 3,373.17	\$ 4,585.89	\$ 6,096.82		\$ 3,201.27
2041 - 2042	34	02/01/2041	monthly	12 months	\$ 3,969.77	\$ 5,266.06	\$ 7,237.67		\$ 3,201.27
2042 - 2043	35	02/01/2042	monthly	12 months	\$ 4,043.25	\$ 6,114.45	\$ 7,893.12		\$ 3,201.27
2043 - 2044	36	02/01/2043	monthly	12 months	\$ 4,839.39	\$ 6,513.16	\$ 7,962.90		\$ 3,201.27
2044 - 2045	37	02/01/2044	monthly	12 months	\$ 5,135.28	\$ 7,584.74	\$ 8,339.70		\$ 3,201.27
2045 - 2046	38	02/01/2045	monthly	12 months	\$ 5,135.28	\$ 8,204.28	\$ 10,635.12		\$ 3,201.27
2046 - 2047	39	02/01/2046	monthly	12 months	\$ 5,135.28	\$ 8,204.28	\$ 10,635.12		\$ 3,201.27
2047 - 2048	40	02/01/2047	monthly	12 months	\$ 5,668.51	\$ 9,083.39	\$ 11,441.29		\$ 3,201.27
2048 - 2049	41	02/01/2048	monthly	12 months	\$ 6,046.89	\$ 10,932.18	\$ 13,379.91		\$ 3,201.27
2049 - 2050	42	02/01/2049	monthly	12 months	\$ 6,046.89	\$ 10,932.18	\$ 16,161.29		\$ 3,201.27
2050 - 2051	43	02/01/2050	monthly	12 months	\$ 6,850.19	\$ 11,771.34	\$ 17,817.91		\$ 3,201.27
2051 - 2052	44	02/01/2051	monthly	12 months	\$ 8,061.75	\$ 13,517.24	\$ 21,152.02		\$ 3,201.27
<b>Total</b>					<b>\$ 876,626</b>	<b>\$ 1,377,190</b>	<b>\$ 1,833,312</b>		<b>\$ 576,229</b>

\* Fiscal Year: Ends on the day before the First Payment Update Date or its anniversary

+ Age is the age last birthday at the end of the fiscal year

\*\* The minimum payments are listed in the iStructure Annuity Payment Starting Points table, in the appendix  
Fixed Rate Structure subject to home office approval

	Lowest Scenario 05/13/2013 - 05/12/2023		25th Percentile Scenario 08/27/2012 - 08/26/2022		Median Scenario 12/30/2008 - 12/28/2018	
Year	Index Growth %	Policy Credit %	Index Growth %	Policy Credit %	Index Growth %	Policy Credit %
1	6.41%	10.38%	6.61%	10.72%	4.68%	7.58%
2	4.12%	6.68%	12.56%	20.35%	10.46%	16.94%
3	-0.33%	0.00%	-1.68%	0.00%	12.83%	20.79%
4	8.20%	13.28%	4.74%	7.68%	6.33%	10.25%
5	10.92%	17.69%	9.16%	14.83%	11.55%	18.71%
6	1.14%	1.85%	9.94%	16.11%	5.59%	9.06%
7	12.15%	19.69%	4.03%	6.52%	0.55%	0.88%
8	3.77%	6.11%	10.16%	16.45%	2.92%	4.73%
9	-4.44%	0.00%	5.04%	8.17%	16.99%	27.52%
10	-2.24%	0.00%	-10.08%	0.00%	-0.44%	0.00%
<b>Compound Annual Growth Rate (CAGR)</b>	<b>3.84%</b>	<b>7.34%</b>	<b>4.85%</b>	<b>9.89%</b>	<b>7.01%</b>	<b>11.32%</b>

- Compound Annual Growth Rate (CAGR) for the Index Growth % is the constant annual growth rate that grows to the same level as the varying index growth rate over the 10-year period being measured.
- Compound Annual Growth Rate (CAGR) for the Policy Credit % is the constant annual growth rate that grows to the same level as the varying policy growth rate over the 10-year period being measured where the policy growth rate is the index growth rate times the participation rate of 162.00% and not less than 0.00%
- Lowest Scenario represents the worst historical hypothetical index performance
- 25th Percentile Scenario represents 25th Percentile historical hypothetical index performance
- Median Scenario represents 50th percentile historical hypothetical index performance

Benefit Number	Payment Amount	Indexed (Yes/No)	Payment Frequency	Duration	Starting Date	Ending Date	Certain Only (Yes/No)
1	\$ 1,245.19	Yes	monthly	1 Year	02/01/2037	01/01/2038	Yes
2	\$ 1,245.19	Yes	monthly	1 Year	02/01/2038	01/01/2039	Yes
3	\$ 1,245.19	Yes	monthly	1 Year	02/01/2039	01/01/2040	Yes
4	\$ 1,245.19	Yes	monthly	1 Year	02/01/2040	01/01/2041	Yes
5	\$ 1,245.19	Yes	monthly	1 Year	02/01/2041	01/01/2042	Yes
6	\$ 1,245.19	Yes	monthly	1 Year	02/01/2042	01/01/2043	Yes
7	\$ 1,245.19	Yes	monthly	1 Year	02/01/2043	01/01/2044	Yes
8	\$ 1,245.19	Yes	monthly	1 Year	02/01/2044	01/01/2045	Yes
9	\$ 1,245.19	Yes	monthly	1 Year	02/01/2045	01/01/2046	Yes
10	\$ 1,245.19	Yes	monthly	1 Year	02/01/2046	01/01/2047	Yes
11	\$ 1,245.19	Yes	monthly	1 Year	02/01/2047	01/01/2048	Yes
12	\$ 1,245.19	Yes	monthly	1 Year	02/01/2048	01/01/2049	Yes
13	\$ 1,245.19	Yes	monthly	1 Year	02/01/2049	01/01/2050	Yes
14	\$ 1,245.19	Yes	monthly	1 Year	02/01/2050	01/01/2051	Yes
15	\$ 1,245.19	Yes	monthly	1 Year	02/01/2051	01/01/2052	Yes**

\*\* Last Certain Payment

Specifications
First Payment Update Date: 02/17/2026
Index: Franklin BofA World Index
Minimum Indexed Benefit Payout: \$ 280,118
Participation Rate: 162.00%
Total Guaranteed Payments: \$ 280,118

**Fixed Indexed Payout Annuity - Hypothetical Illustration**

The purpose of this hypothetical illustration is to demonstrate the effect of hypothetical non-guaranteed growth of this contract's values. This material is not a recommendation to buy, sell, hold, or rollover any asset, adopt a financial strategy or use a particular account type. Clients should work with their financial professional to discuss their specific situation. Please refer to the Statement of Understanding for additional information.

**Illustration Only**

This is an illustration only and designed to help you better understand how the annuity contract you are considering works and how it might look in the future under various conditions. This illustration is not intended to indicate actual performance nor predict future results. This illustration is hypothetical in nature, and you should expect actual payouts to be higher or lower than those shown in this illustration. *See the iStructure Indexed Annuity Statement of Understanding and other detailed documentation provided by Independent Life Insurance Company or your insurance or investment professional for details, definitions, and limitations.*

- Back-tested index performance is not indicative of future performance.
- Back-tested data covers a 10-year span within the date range of 07/10/2006 – 12/27/2023. This results in potential starting dates ranging from 07/10/2006 – 12/27/2013.
- Back-tested index performance is ranked based on the sum of expected payments.
- IRR listed on page 4 is the customer IRR based on the total consideration for the policy and the expected payments as illustrated in the scenario.
- Compound Annual Growth Rate (CAGR) is the constant annual growth rate that grows to the same level as the varying index growth rate over the 10-year period being measured.

**Product Description**

The Company, the Independent Life Insurance Company of Dallas, Texas, designed the iStructure Indexed Annuity as a custom payout fixed annuity providing payment growth potential linked to the performance of an index. The index is the Franklin BofA World Index, <https://www.franklinindices.com/franklin-bofa-world-index>. The owner defines a series of future payments at specific future dates. The Company sets the price and a Participation Rate, as shown in the contract. This annuity is a series of payment streams that each start at its own specific date in the future and, for streams described as "Certain", end at a specific date and for streams described as "Life Contingent" end when the specified person, the measuring life, is no longer alive, including never starting if that measuring life is no longer alive on the start date. The Payment Update Date is a date defined in the annuity contract. The method of increase is described in the contract. The amount of the increase is not guaranteed and could be zero. Once a payment has increased, it cannot decrease. Once a payment stream has made its first payment it is no longer eligible for increases from the index performance.

All guarantees and protections of the iStructure Indexed Annuity are backed by the claims-paying ability of Independent Life Insurance Company. This product is not FDIC or NCUSIF insured.

The iStructure Indexed Annuity is not a stock market investment and does not directly participate in any stock or equity or debt investments. The index does not include dividends paid on the stocks or actual interest on the bonds that comprise the index, and therefore do not reflect the total return of these stocks and bonds.

**General Tax Information**

iStructure has been designed to allow individuals who settle claims using periodic payments that qualify for treatment under IRC Section 104(a)(1) or Section 104(a)(2) to exclude their periodic payments (including any Indexed payments) from gross income. The iStructure can also be used to fund periodic payments to defer U.S. federal income taxation when neither the claim being settled, nor the agreed periodic payments (including any Indexed payments), qualify for treatment under IRC 104(a)(1) or IRC 104(a)(2) provided all other related tax rules are met. The iStructure can also be used to fund periodic payments as part of a IRC 453 installment sale provided all other related tax rules are met. For any of these case categories, the responsibility / liability to make future periodic payments to the recipient/payee can be transferred to a third party (assignee) and maintain the tax status to the recipient. If the transfer is made to a United States taxpayer/assignee, the transfer must satisfy the conditions of IRC 130 to be a "Qualified Assignment" and thereby avoid onerous tax results for that assignee. The iStructure has been designed to meet the requirements of a "Qualified Funding Asset" set forth in IRC 130(d) including: the amount of any payment from the iStructure to the recipient/payee "does not exceed the periodic payment to which it relates." In other words, the amounts paid from the iStructure to the assignee will exactly match the amounts the assignee pays to the recipient/payee. In most cases, Independent Life Insurance Company will make the iStructure payments directly to the recipient/payee as a service to the assignee. This servicing arrangement will have no effect on the tax status of either the recipient/payee or the assignee. If the transfer is to a non-US taxpayer / assignee, the assignee must satisfy its local tax requirements, which typically do not require a specific relationship between the iStructure payments and the amount the assignee owes the recipient/payee. Individuals considering an iStructure to fund future periodic payments are advised to seek tax advice from an attorney or financial advisor before agreeing to do so.

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