

# 5 Financial Challenges of Retirement & How Fixed Annuities May Help

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# ING Key Facts



- ◆ \$583.7 billion (U.S.) assets under management as of December 31, 2003
- ◆ ING currently has **60 million** clients
- ◆ ING is ranked as one of the top financial organizations in the world:



*#1 publicly traded life and health insurer on the Global Fortune 500, based on revenue\**



*10th among the top 20 global financial institutions by market capitalization*



*Top 50 organizations in the world based on profits*

Financial results reported for fourth quarter 2003. \*Fortune.com July 22, 2002. The Parent Company, ING Groep, N.V., is not responsible for the contractual obligations of its member insurance companies.

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

Are you ready to move from accumulating your retirement income to spending it? Will you have enough?



Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.



Source: Creating Retirement Income, 1998.

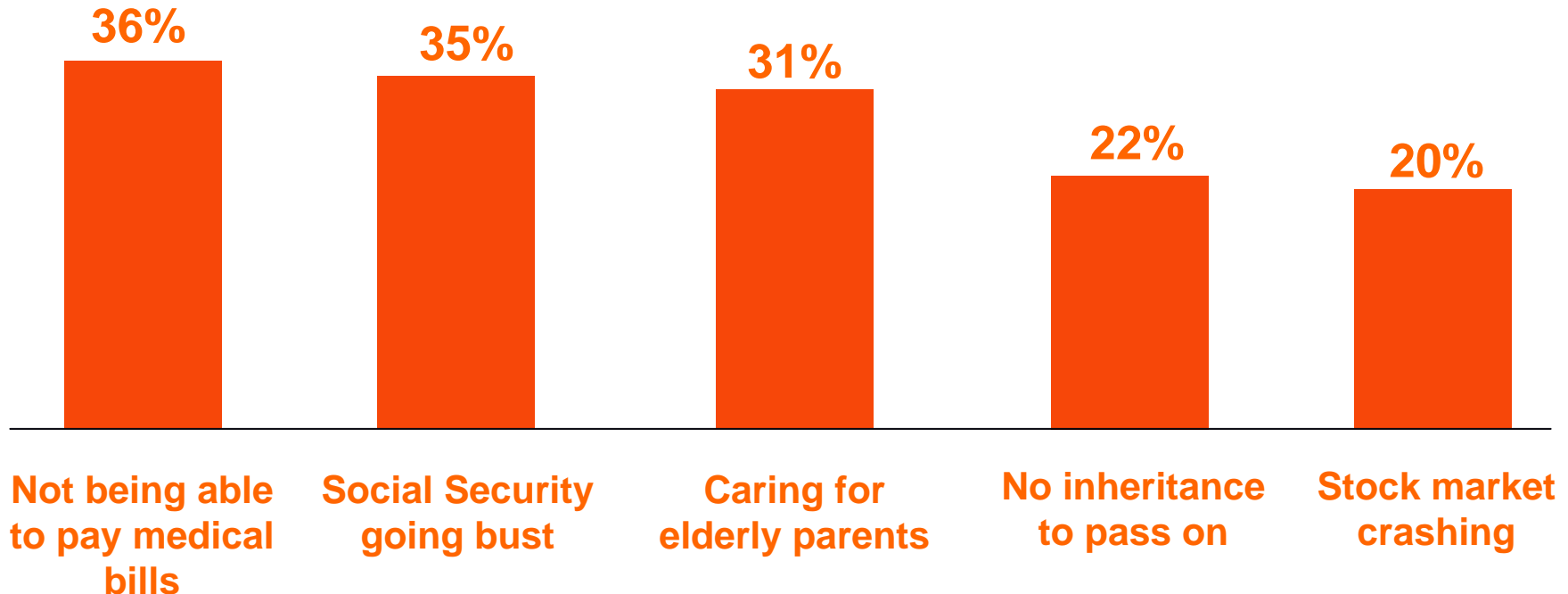
It is estimated  
that you will need  
**70 to 80%** of your  
pre-retirement  
income to live  
comfortably in  
retirement.

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Financial Fears



Percentage of people who are extremely or somewhat fearful of these potential problems in the new century:



Source: USA Today, 2000.

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Challenges Facing Retirees Today



- ◆ Will we outlive our retirement savings?
- ◆ Will our retirement dollars keep pace with inflation (purchasing power risk)?
- ◆ Will we need to pay for long-term care?
- ◆ Will there be anything left for loved ones?
- ◆ Will taxation on social security erode our income?

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Where will Your Retirement Income and Security Come From?



Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

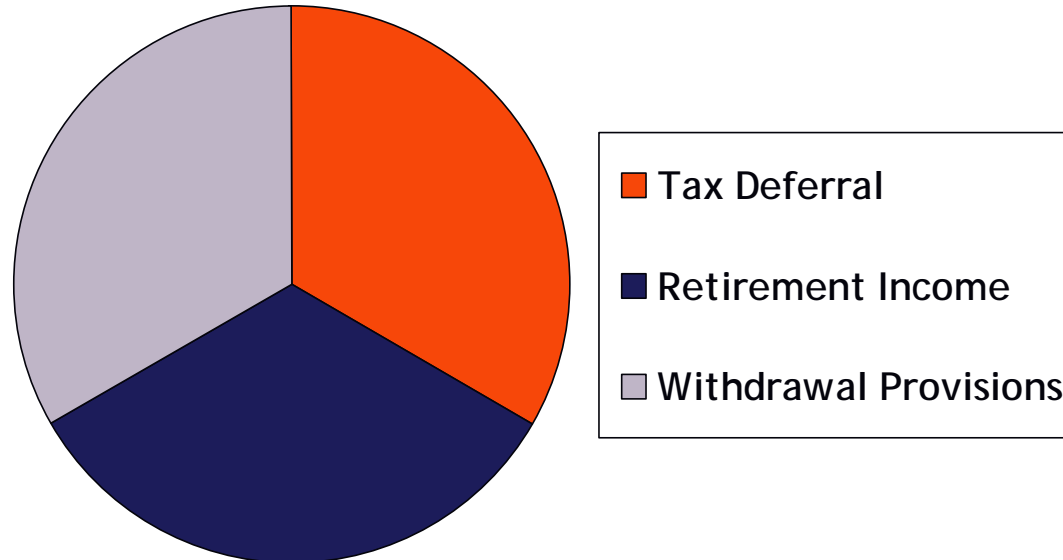


Fixed annuities may provide you with the **lifetime income** source and **security** you need to live comfortably in your retirement years.

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.



**Fixed annuities are flexible, long-term insurance products that offer specific tax-deferred advantages for retirement planning. They consist of three key components:**



Withdrawals may be subject to federal income tax and a 10% IRS penalty tax prior to age 59 1/2.

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Fixed Annuities May Provide



- ◆ An income that you can't outlive
- ◆ Tax-deferred growth
- ◆ Protection against inflation
- ◆ Income source for long-term care
- ◆ Nursing home waiver (in most states)

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Fixed Annuities May Provide



- ◆ Tax-deferred accumulation not included when calculating social security taxation
- ◆ Death benefits for beneficiaries
- ◆ A way to possibly avoid the probate process by naming a living beneficiary (not an estate)

Early withdrawals may be subject to surrender charges and an Market Value Adjustment, if applicable. Withdrawals are subject to ordinary income tax, and if taken prior to age 59 1/2, a 10% federal penalty tax may also apply. Withdrawals have the effect of reducing the death benefit and cash surrender value.

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Challenge #1:

Will you have a guaranteed source of retirement income that you can't outlive?

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Even at \$5 a Meal...



20 years in retirement



365 days



\$5 per meal...

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Even at \$5 a Meal...



20 years

365 days

\$5 per meal

at 3 meals per day

X

2 (you and spouse)



# \$219,000

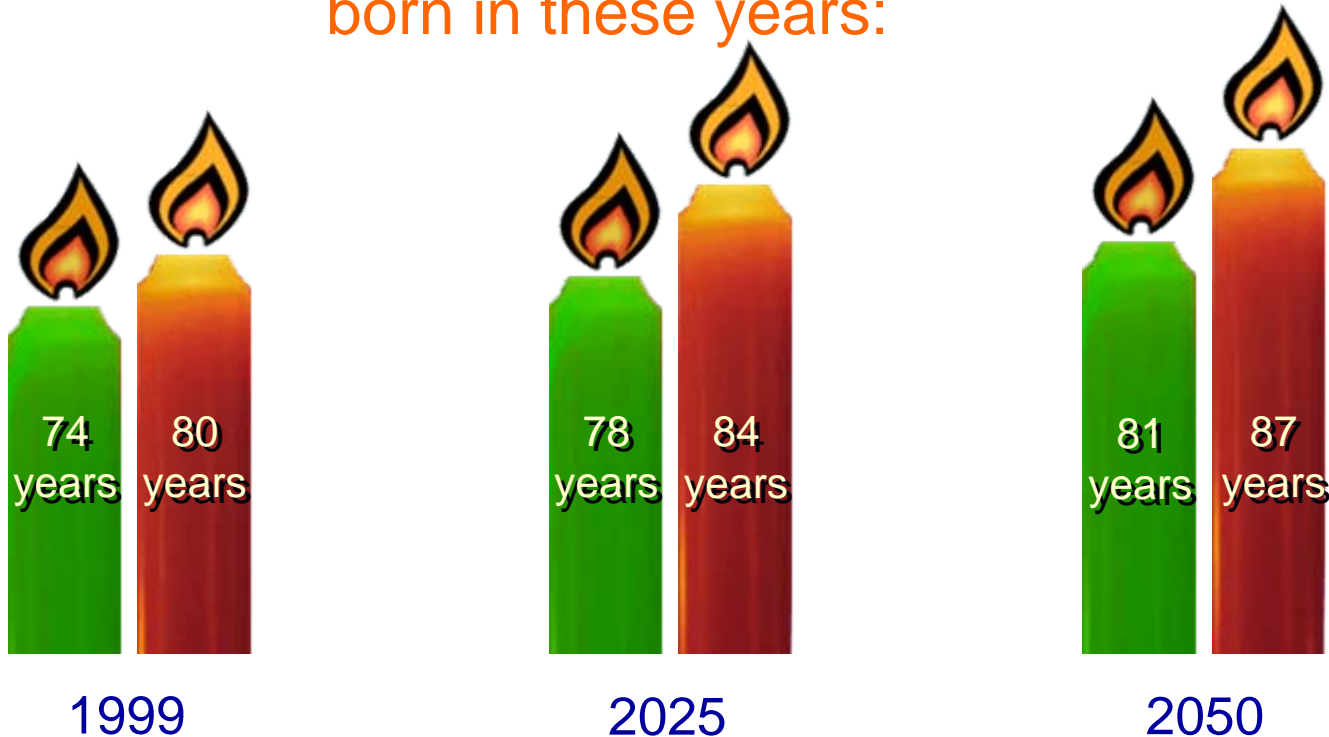
Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Longer Lives Ahead



Projected life expectancy for American men and women born in these years:

Men  
Women



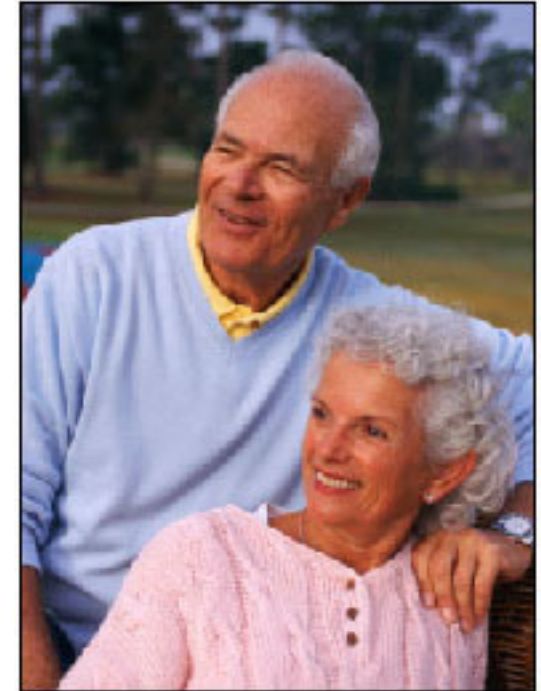
Source: U.S. Census Bureau.

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Living Longer in Retirement



- ◆ For a healthy couple age 65, there is now a 55% chance that one partner will live to at least age 90
- ◆ One-third of people over age 65 and almost half ages 25-64 are concerned about outliving their assets



Source: LIMRA Survey Results, 1999.

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.



# Annuities Provide Flexible Income Options

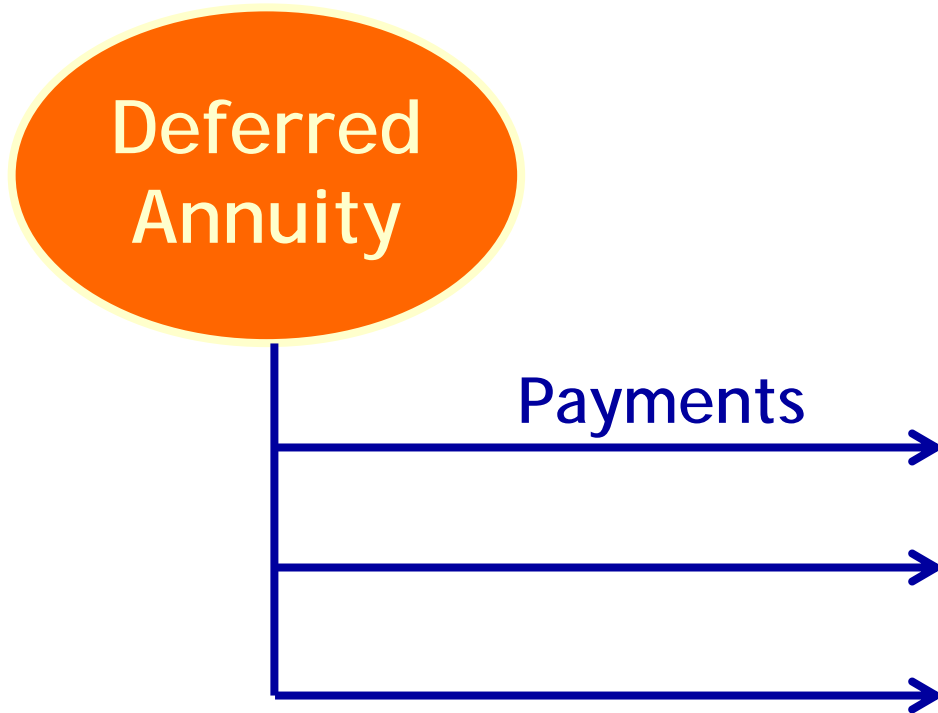
(Assuming there is a contract balance)



- ◆ Annuitization - guaranteed income for one or more lifetimes and/or a specific number of years.
- ◆ Lump Sum Withdrawal - receive a payment for the amount you request, up to the balance in your contract.
- ◆ Systematic Withdrawals - withdraw a percentage or a specific dollar amount from your contract monthly, quarterly, semiannually, or annually.

Withdrawals may be subject to federal income tax, and a 10% federal penalty tax prior to age 59 ½.

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.



**Annuitization allows you to receive a series of payments for a period of time (including lifetime)**

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Annuitization



- ◆ Income for life
- ◆ May not have any protection/benefits for loved ones
- ◆ Greatest tax benefits; taxes due are spread over lifetime payments

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Lump Sum



- ◆ One time withdrawal of all money in contract
- ◆ Tax consequences are greatest with lump sum withdrawal

Withdrawals may be subject to federal income tax, and a 10% federal penalty tax prior to age 59 ½.

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Systematic Withdrawal Option

(Assuming there is a contract balance)



- ◆ Flexibility- different withdrawal options
- ◆ Turn income stream off/on
- ◆ Greater control of tax consequences
- ◆ No guarantee of lifetime income

Withdrawals may be subject to federal income tax, and a 10% federal penalty tax prior to age 59 ½.

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Annuities Provide Flexible Income Options to Help Meet Your Many Retirement Income Needs!



**Annuitization**  
(Lifetime Income)

**Systematic Withdrawals**  
(For a Specified Period)

**Lump Sum**  
(One Time  
Withdrawal)

Withdrawals may be subject to federal income tax, and a 10% federal penalty tax prior to age 59 ½.

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

## Challenge #2:

Will inflation erode your purchasing power?

## Taxes & Inflation/Purchasing Power Risk

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

## Inflation is taking its toll on our buying and saving power



Source: Historical Statistics of the United States.

### The Cost of Inflation

**In 1969 the cost for 18 holes of golf was \$12.89.  
In 2000 the average cost for 18 holes of golf was \$60.00.**

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.



# Rising Inflation



## The Cost of Inflation

**In 1973 the average cost of a new home was \$32,000. Today the average new home costs \$196,900.**

Source: Bureau of Economic Analysis, U.S. Department of Commerce

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Inflation and Retirement Income



Assume: 2.50% Inflation  
35% Marginal Tax Bracket

**5.50% Gross Rate of Return**

- **2.00% Taxes**

**3.50% After Tax Return**

- **2.50% Inflation**

---

**1.00% REAL Rate of Return**

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

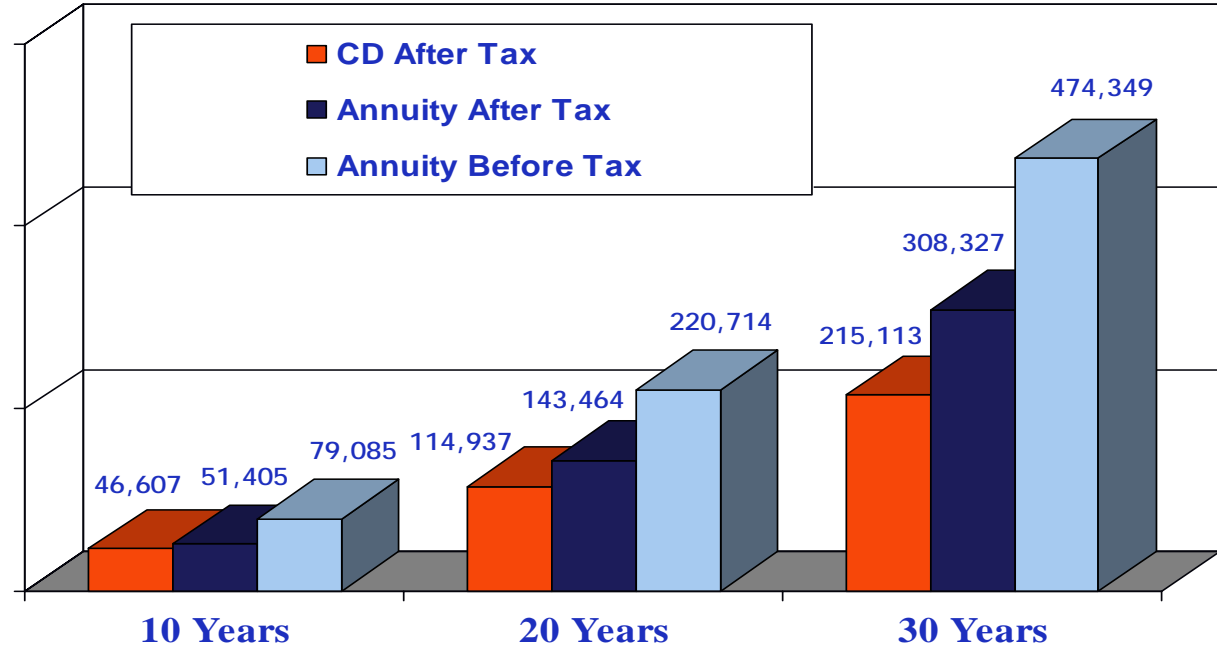


**The potential solution  
is the power of  
annuities combined  
with tax deferred  
accumulation over a  
long timeframe.**

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# The Power of Tax Deferral

Example illustrates the difference in gain on \$100,000 premium between a taxable CD and a tax-deferred annuity (before and after taxes). Assumes a 6% interest rate and a 35% tax rate.



There is no additional tax deferral benefit for contracts purchased in an IRA or other tax-qualified plan, since these are already afforded tax-deferred status. Thus, an annuity should only be purchased in an IRA or qualified plan if the client values some of the other features of the annuity and is willing to incur any additional costs associated with the annuity to receive such benefits. Hypothetical example only which should not be considered a representation of current or future performance.

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

## Challenge #3:

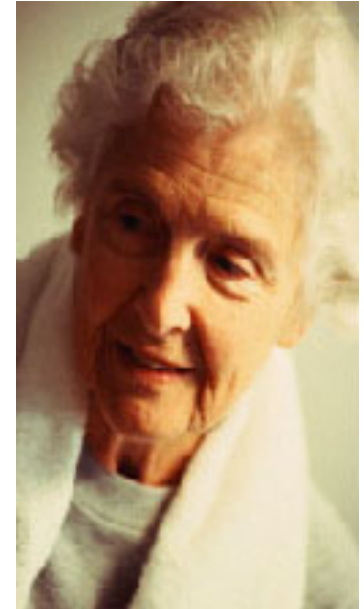
How will you pay for medical emergencies and nursing home care?

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Medical & Nursing Home Care



- ◆ **71%** of baby boomers feel LTC is the greatest threat to their standard of living during retirement
- ◆ **66%** could only afford to stay in a nursing home two years or less
- ◆ Only **12%** of those surveyed had made financial preparations for LTC needs



Source: NCOA/Hancock 1999 Long Term Care Survey

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

- ◆ Provide a guaranteed income stream to pay premiums or the cost of long-term care
- ◆ Protect an individual's future income if he/she or a family member become ill

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Nursing Home Waiver



- ◆ You can access up to 100% of your money if the annuitant is confined to a hospital or qualified nursing home for at least thirty consecutive days beginning after the contract effective date
- ◆ Any surrender charge may be waived
- ◆ Any Market Value Adjustment may be waived

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.



## Challenge #4:

How much of your social security retirement income is going to taxes?

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

- ◆ Much of your social security income could go to taxes if you are:
  - Single with AGI of \$34,000 or more
  - Married with AGI of \$44,000 or more
- ◆ As much as 50% to 85% of social security income could be subject to ordinary income tax greatly reducing retirement income

Source: Tax Facts 1 2001.

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# What counts in social security taxation calculation?

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

Source: Tax Facts 1/2001

# Included in Social Security Taxation Calculation (Provisional Income)



- ◆ Pension/IRA distributions
- ◆ Taxable interest, dividends, capital gains
- ◆ Tax-free interest
- ◆ Other earnings
- ◆ 50% of Social Security benefits

Source: Tax Facts 1 2001.

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Annuities and Social Security Taxation



- ◆ Accumulation of a deferred fixed annuity does not count in determining whether Social Security retirement income will be taxed because the cash value buildup is **tax-deferred**.



Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

## Challenge #5:

Will there be anything left for your loved ones?

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Fixed Annuities Can Provide Protection Through Death Benefits



- ◆ Upon the death of the owner or annuitant, your survivors generally receive the full accumulation value of the contract
- ◆ Any surrender charge may be waived
- ◆ Any Market Value Adjustment may be waived

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.



## Fixed annuities may be the right choice for YOU!

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.



# Your Financial Services Agent Can Help



- ◆ Assist you in identifying and developing your financial goals
- ◆ Design an retirement strategy tailored to your risk tolerance
- ◆ Develop a long-term strategy
- ◆ Adjust your financial plan to meet your changing needs

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.

# Questions?

Contracts issued by ING USA Annuity and Life Insurance Company. Service Office: 909 Locust Street, Des Moines, Iowa 50309. Fixed annuities are long-term insurance products designed for retirement purposes. This is a summary only. Annuities may not be available in all states. Certain provisions may vary or may not be available. State premium states may reduce the final value of your annuity. Federal law requires that withdrawals be taken first from interest earnings. All distributions from qualified annuities may be taxable. Read your contract for details. Neither the company nor its agents can offer tax or legal advice. Please consult an independent tax advisor or attorney. Fixed annuities are not insured or guaranteed by the FDIC. Guarantees are based upon the claims-paying ability of the insurer. IRA's/qualified plans are already tax deferred; consider other annuity features. Taxable distributions may also be subject to state income tax.