CONSUMER EDUCATION SERIES

Fixed Index Annuity Basics

With recent stock market volatility, many people are looking for new ways to protect and grow their savings. You may be asking, "What options do I have to protect my principal, enjoy an opportunity for higher interest crediting than many other fixed alternatives, and have the option of creating a guaranteed lifetime income, at the same time?" Talk with your financial representative about how a fixed index annuity can help you meet these financial goals.

Understanding a Traditional Fixed Annuity

A traditional fixed annuity is a contract between you and an insurance company. You agree with an insurance company to purchase an annuity with an initial sum of money and, in return, the insurer pays you interest at a rate they determine, subject to minimum guaranteed rates, for a set period of time. Traditional fixed annuities also provide you with the option to create a guaranteed lifetime income when you are ready to begin receiving payments.

Understanding a Fixed Index Annuity

Fixed index annuities operate in a similar manner and share many of the benefits of traditional fixed annuities:

- Protection of Principal
- Security from Negative Market Fluctuation
- Tax Deferral Until Withdrawals or Income Payments Begin[1]
- Most Offer Penalty-free Access to a Portion of Account Value Each Year
- Opportunity to Create Guaranteed Income for Life

What makes a fixed index annuity different is the opportunity to have interest crediting linked to the performance of a market index, such as the S&P 500®.

Understand the difference between a traditional fixed annuity and a fixed index annuity

What are the interest crediting options?

How is growth potential determined?

Why consider an index annuity?

Learn more. Contact

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[1] There is no additional tax deferral benefit for annuities purchased in an IRA, or any other tax-qualified plan, since these plans are already afforded tax-deferred status. The other benefits and costs should be carefully considered before purchasing an annuity in a tax-qualified plan.

Annuities are issued by Genworth Life & Annuity Insurance Company, Richmond, VA

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Interest Crediting Options

There may be a number of different crediting options available, but let's illustrate with an example using a "Performance Triggered" interest crediting strategy:

- Each contract year, the performance of the specified index is measured.
- If the index value at the end of the contract year is greater than or equal to the value at the beginning of the contract year, the contract is credited interest at a specified rate.
- If the index decreases in value, the contract is credited with no interest.

Note: The specified rate is a rate set for the crediting strategy at the beginning of each contract year and is not directly correlated with the actual performance of the index. Principal value will not decrease due to negative market performance and once interest is credited it cannot be lost if the market declines in any subsequent contract year.

How Is Growth Potential Determined?

Growth potential for the index crediting strategies is generally limited by a "cap rate" (maximum annual interest rate) and may also be limited by a participation rate[1] which is set by the issuing insurance company each contract year, based on market conditions. Some contracts have crediting strategies based on multi-year index performance.

The growth potential in any given year can be significantly greater than the interest rates guaranteed in many traditional fixed annuities. The actual interest credited will vary between zero and the cap or specified rate published by the insurance company, subject to how the index performs annually and the minimum cap rates specified in each contract.

[1] If a participation rate is less than 100%, it will limit how much the contract owner can participate in the index gains. E.g., if a participation rate is set at 50% and the cap is 6%, the index would have to rise more than 12% during the specified period to realize the entire 6% that the cap allows.

Why Consider an Index Annuity?

Now, more than ever, fixed index annuities deserve consideration as part of your retirement strategy. No matter the economic environment, a fixed index annuity can:

- protect your principal from negative market fluctuations,
- provide the opportunity for interest crediting greater than many other fixed alternatives,
- offer tax deferred growth, and
- create flexible options to receive retirement income for as long as you live.

Work with your financial professional to learn more.

The purchase of an annuity, like any financial product, is an important decision. You should carefully consider your own personal situation and goals. You should not expect fixed index annuities to mirror the exact performance of any stock market indices. Consult with your financial professional to determine if the purchase of an annuity could be complementary to your retirement goals.

All guarantees are based on the claims-paying ability of the issuing insurance company.

Withdrawals / surrenders have the effect of reducing the contract value and death benefit. Withdrawals/surrenders of taxable amounts are subject to ordinary income tax and if taken prior to age 59 ½ an additional 10% federal penalty tax.

Although the contract value may be affected by the performance of an index, the contract does not directly or indirectly participate in any stock or equity investment including but not limited to, any dividend payment attributable to any such stock or equity investment.

"S&P 500®" is a trademark of Standard & Poor's Financial Services LLC ('Standard & Poor's") and has been licensed for use by Genworth Life and Annuity Insurance Company. This Product is not sponsored, endorsed, sold, or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of purchasing the Product. The S&P 500® Index is a price index and does not reflect dividends paid on the underlying stocks.

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Are not guaranteed by a bank or its affiliates.	May decrease in value.
Are not insured by the FDIC or any other federal government agency.	