

# Regal Choice 3 SPDA

*Offering Flexibility and Guaranteed Interest*

Royal Neighbors of America has prepared this summary to help you understand the features and benefits of the Regal Choice 3-Year Single Premium Deferred Annuity (Form Series 1021).

## TAX ADVANTAGES

Although an annuity does not eliminate your tax liability on interest earnings, under current tax law all interest earned accumulates on a tax-deferred basis. Individual owners and certain trusts can enjoy the benefits of tax-deferred growth with this annuity.

## NO SALES CHARGES OR ANNUAL FEES

100% of your money earns interest for you.

**MINIMUM SINGLE PREMIUM** . . . . . \$50,000

**MAXIMUM SINGLE PREMIUM** . . . . . \$300,000 (without prior written approval)

## INTEREST CREDITING

Interest is credited and compounded on a daily basis. The rate shown below is the current annual effective yield as of \_\_\_/\_\_\_/\_\_\_\_. **The actual rate credited will be the rate in effect at the time of issue.**

Initial Guaranteed Interest Rate (\$50,000-\$99,999): \_\_\_\_\_ (first 3 yrs.)

Initial Guaranteed Interest Rate (\$100,000+): \_\_\_\_\_ (first 3 yrs.)

### 3-year Guaranteed Periods

The initial interest rate is guaranteed for three (3) years. The initial interest rate is determined by the single premium amount on deposit at the time of issue. Premiums between \$50,000 and \$99,999 receive the standard rate in effect at the time of issue. Premiums over \$100,000 are eligible for a 0.10% bonus above the standard rate.

30 days prior to the end of the first 3-year guarantee period (1st renewal date), you will be notified of the new interest rate for the next 3-year period. During these 30 days, you can make a full or partial withdrawal without a surrender charge. No action is necessary if you wish to continue the certificate with the new guaranteed interest rate for another 3 years. This process is repeated 30 days prior to the end of the second 3-year guarantee period (2nd renewal date). At the end of the second renewal period, beginning in the 109th month, the interest crediting rate will renew on a non-guaranteed basis as designated periodically by Royal Neighbors.

Issue Date		1st Renewal Date		2nd Renewal Date	
Initial Guarantee Rate Period	0% Withdrawal Charge Open Window*	1st New Guaranteed Rate Renewal Period	0% Withdrawal Charge Open Window*	2nd New Guaranteed Rate Renewal Period	0% Withdrawal Charge in all future years
Last 30 days		Last 30 days			
3 years		3 years		3 years	

\* Renewal Notices will be sent to the member and agent 30 and 15 days prior to the renewal date.

## SCHEDULED & UNSCHEDULED WITHDRAWALS

In addition to any automatic monthly interest withdrawals, you may request a partial withdrawal of at least \$500 at any time prior to the maturity date as long as your Accumulation Value does not fall below \$50,000.

## WITHDRAWAL CHARGES

The Withdrawal Charge will apply to a full amount of withdrawal, less accrued interest, multiplied by the withdrawal charge percentage (%) which corresponds to the certificate year of the withdrawal.

Certificate Year	1	2	3	4	5	6	7	8	9	10+
Withdrawal Charge %	8	7	6*	8	7	6*	8	7	6	0

\* The withdrawal charge percentage shown above applies for the certificate year except for the final 30 days. No withdrawal charge applies during the final 30 days of this certificate year.

## WITHDRAWAL CHARGES DO NOT APPLY TO:

- 1) Withdrawals up to the amount of accumulated interest (gain in the certificate).
- 2) Death Benefit Proceeds paid at the death of the Annuitant who is the Owner, or at the death of the Owner who is not the Annuitant if the Owner was age 75 or younger on the date of issue.
- 3) As current practice, withdrawal charges will not apply to Required Minimum Distribution (RMD) in excess of accumulated interest, taken after the 1st certificate year.

## ISSUE AGES

Annuitant . . . . . 0 through 85 (if different from owner)

Owner . . . . . 16-99 non-qualified  
 21-85 SEP IRA\*  
 16-85 IRA, above 70½ must be rollover or transfer of funds  
 16-85 Roth IRA\*

\*Can accept premiums after age 70½ as a qualified contribution

## MINIMUM GUARANTEED INTEREST CREDITING RATE

For the life of the certificate, Royal Neighbors offers a Minimum Guaranteed Credited Interest Rate. This rate is established on the issue date and will not change during the life of your certificate. This means that the interest crediting rate offered on the 1st and 2nd renewal dates are guaranteed to never go below the minimum rate for the life of the certificate. The Minimum Guaranteed Rate is determined by a formula, and will not exceed 3% or be less than 1%, dependent on current market conditions.

## MONTHLY INTEREST AVAILABLE

You may elect to receive your monthly interest earnings as a check or a direct deposit to your bank account.

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## DEATH BENEFIT PROCEEDS

- If the Owner dies prior to the certificate maturing, death benefit proceeds will be paid.
- If the Owner is the Annuitant, proceeds paid will equal the Accumulation Value.
- If the Owner who is not the Annuitant dies, and the Owner was age 16 through 75 at the certificate issue, proceeds paid will equal the Accumulation Value.
- If the Owner who is not the Annuitant dies, and the Owner was age 76 through 99 at the certificate issue, proceeds paid will equal the Cash Surrender Value<sup>1</sup>

## BENEFICIARY

At death of the Owner, the Beneficiary will be paid the death benefit proceeds. At death of the Annuitant who is not the Owner, the Owner will have 60 days to name a new Annuitant, or will become the Annuitant of the certificate.

## RIGHT TO EXAMINE YOUR ANNUITY

Your annuity certificate allows at least 20 days during which you may return the annuity and we will return 100% of your premium, less any benefits paid.

## TAXATION OF WITHDRAWALS

Withdrawals may be subject to income tax. If withdrawals are made before the Owner's age 59½, the taxable portion may be subject to an additional 10% IRS penalty.

## NOTES

- The **Regal Choice** Annuity is not available in all states.
- All rates described in this summary are effective annual interest rates.
- This document is not a legal contract. For the exact terms and conditions, please refer to the annuity certificate.
- Annuities are products of the insurance industry and are not guaranteed by any bank or insured by the FDIC.
- Tax laws are subject to varying interpretation and possible changes. Please consult your tax advisor for further information.

## At a Glance *Financial Strength*

### A.M. BEST RATING:

A- Excellent (4th highest out of 15 possible)

### ASSETS:

\$719.2 million

### SURPLUS:

\$221.5 million

### SURPLUS RATIO:

30.8% (significantly higher than the estimated industry average of 8.0%)

### SOLVENCY RATIO:

1.44 (compares favorably to industry average of 1.09)

*(as of December 31, 2009)*

## Member Benefits<sup>2</sup>



Discounts on prescription drugs



Discounts on dental and vision care, hearing aids, life-savings diagnostic testing, and health screenings



Fraternal Aid and Disaster Aid



Scholarship Program



Membership magazine and discounts on popular magazines



INSURING LIVES • SUPPORTING WOMEN • SERVING COMMUNITIES<sup>SM</sup>

**Royal Neighbors of America**

[www.royalneighbors.org](http://www.royalneighbors.org)

(800) 770-4561, Option 1

<sup>1</sup> Not applicable in Florida

<sup>2</sup> These member benefits are provided to you at the discretion of Royal Neighbors of America. They are not part of any insurance or annuity contract and are not guaranteed.