SECURITY BENEFIT

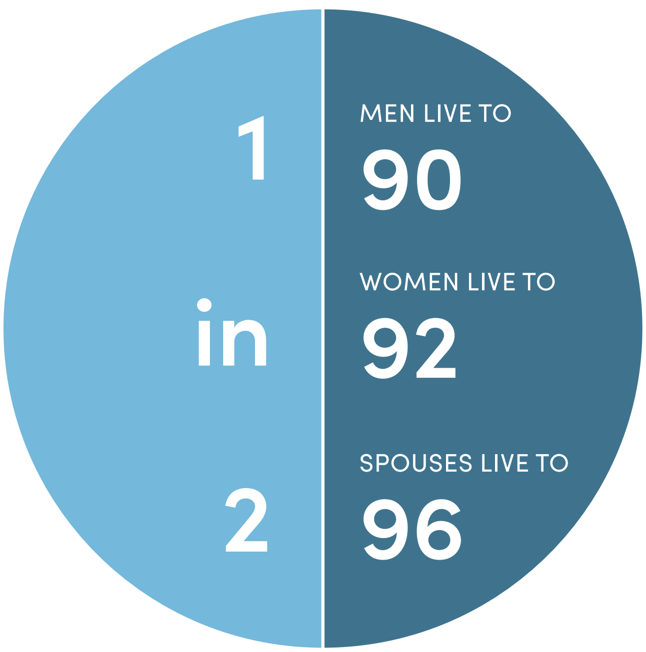
What is a Fixed Index Annuity?

HOW A FIXED INDEX ANNUITY CAN HELP YOU GENERATE AND PROTECT YOUR RETIREMENT INCOME

Thanks to advances in medicine and technology, we're living longer. Many Americans can expect to live 20, 30, even 40 years in retirement. It's possible that you'll be retired for as many years as you worked!

For example, with a 65-year-old couple, there is a 50% chance that one of them will live to age 95.

So as you near retirement, a fixed index annuity can give you a way to protect a portion of your retirement income and create income that lasts for life. It's a promise that you will receive a guaranteed stream of income for as long as you live.



Women Living to	
Age 92	50%
Age 98	25%
Age 102	10%
Men Living to	
Age 90	50%
Age 96	25%
Age 100	10%
At least one spouse living to	
Age 96	50%
Age 100	25%

What is a fixed index annuity:

A fixed index annuity is a contract between you and an insurance company. When you purchase a fixed index annuity, you pay money called a premium or purchase payment to an insurance company. In exchange for your purchase payment, the company agrees to provide you with certain benefits.

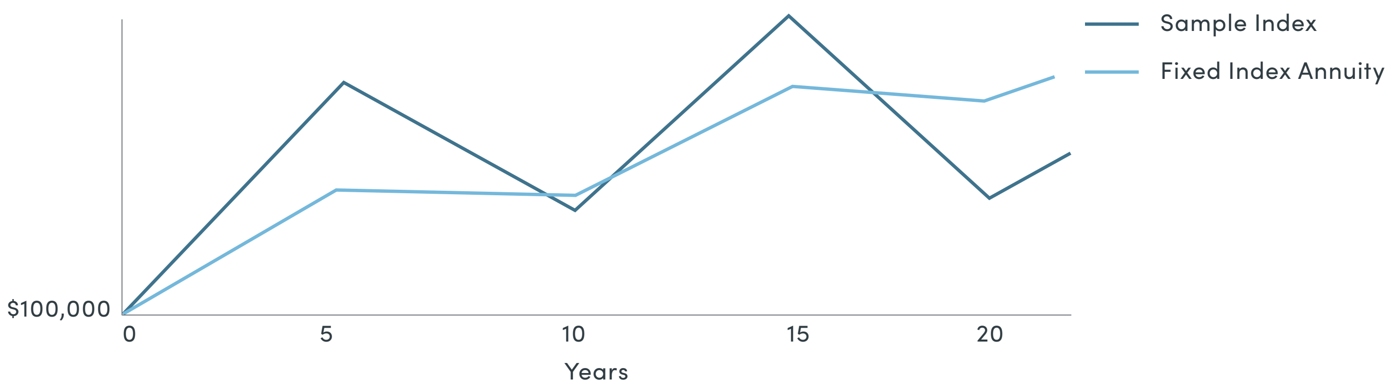
These fixed index annuity benefits can help you:

- Protect the money you've put into the annuity from market risks,
- Create a guaranteed stream of income you can't outlive, and
- Give you access to your money in case of unexpected expenses.

Security Benefit®

1 A fixed index annuity can help protect a portion of your money from market risks.

When you purchase a fixed index annuity, you are buying a contract. You are not investing in securities or in an insurance company. The chart below shows a typical stock index compared to a typical fixed index annuity over a 20 year time period. You'll notice where the stock index has ups and downs, or is more volatile, the FIA is not — there's no potential market downside.



Your money is not invested in the stock market. Instead, if you so choose, interest is credited to your annuity based on part of the performance of an available financial market index, such as the S&P 500® Index (without dividends).

Because it is "linked" to Index performance, a formula determines how much interest will be credited to your contract after a certain period of time.

In order to provide downside protection, index crediting strategies need to have limits on the amount of interest that may be credited. Common interest limits could come in the form of a spread and/or cap. Caps put an upper limit on the amount of interest that can be credited to your contract. As a very simple example of a cap, if the S&P 500® Index goes up by 5% from one point of time to another, but the interest cap is 2%, your contract will be credited with 2% interest. Caps on upside Index growth are a trade-off for the downside protection you receive. As a very simple example of a spread, you have 5% interest credited to your index account at the end of a year — but the spread is 2%. You would take the difference of the spread from the interest credited and your account would receive 3% in interest credits.

Once interest is credited to the annuity, it is locked in. Later on, if the Index is negative, the negative Index performance will not reduce the locked-in values. Your interest would be 0% in that case.

2 A fixed index annuity can help you create a stream of income that you can't outlive.

Most fixed index annuities give you two ways to take these payments: annuitization or income riders.

Annuitization is the process of converting an annuity into a series of periodic income payments. Annuitized contract values are not necessarily paid out completely to the beneficiaries if you die, it could be dependent upon which annuitization option you choose and how long you live. If you choose an annuitization option with a provision to provide income payments for as long as you live, it is possible to receive more in annuity payments than the cash value of your contract at the time you annuitized, but you could also receive less in annuity payments if you pass away sooner than expected.

Depending on the terms of the annuity contract, some or all of the money could go to the insurance company. Annuities may be annuitized regularly, over a long or short time period. Consult the annuity contract for a description of annuitization options that are available to you.

A popular alternative to annuitization is income riders. An income rider, or Guaranteed Lifetime Withdrawal Benefit (GLWB), gives you the ability to receive regular income payments for life without having to annuitize your contract. Even if the annuity contract value falls to zero, you'll still continue to receive regular payments through the income rider. But unlike annuitization, any remaining account value upon death is paid out to your beneficiaries.

3 A fixed index annuity can give you access to your money in case of unexpected expenses, such as:

- Free Withdrawals — allowing you to access a portion of your money up to certain contract limits each year.
- Nursing Home and/or Terminal Illness Waivers — allows you to access your money penalty free under certain circumstances, such as nursing home confinement or terminal illness.

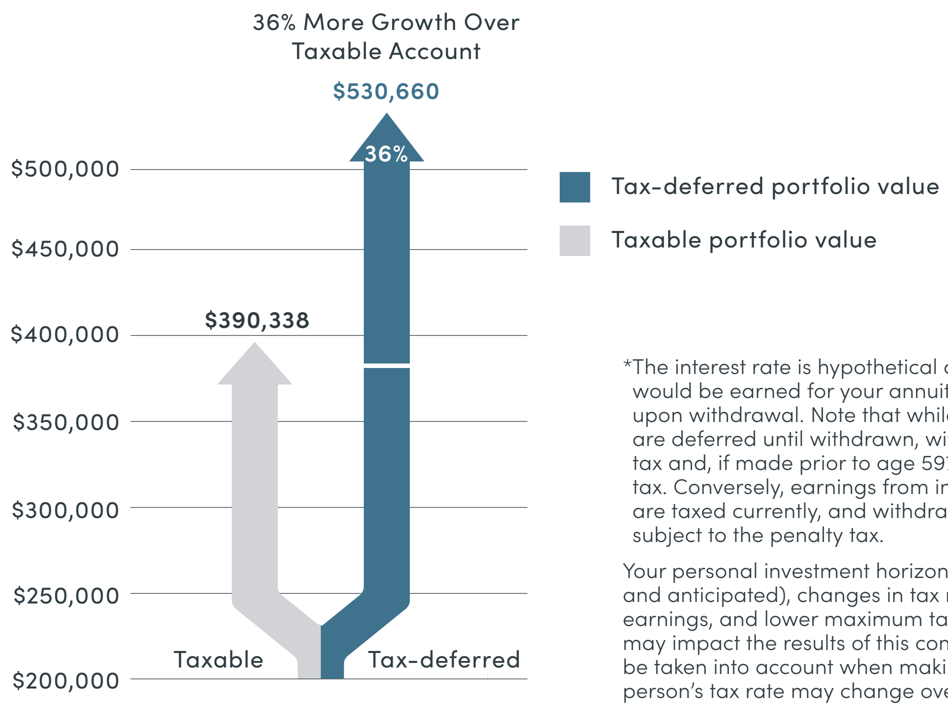
When you own a fixed index annuity, you can protect a portion of your retirement assets from market risks, create a stream of income that you cannot outlive, and access your money through withdrawal options.

4 A fixed index annuity offers tax deferred growth.

Your purchase payments may receive interest on a tax-deferred basis, which means you're not paying taxes until you take withdrawals. This means the value in your annuity contract reaps more of the benefit of compounding since more interest remains on which future interest can be credited.

The example below demonstrates how tax deferral works. This hypothetical infographic assumes a $200,000 initial investment over 20 years at a 5% rate of return with a 28% federal income tax rate and state tax rate of 4%.

Portfolio Value at 5% Rate of Return Over 20 Years



*The interest rate is hypothetical and in no way relates to the interest that would be earned for your annuity. The tax-deferred account is taxable upon withdrawal. Note that while taxes on amounts earned in an annuity are deferred until withdrawn, withdrawals are subject to ordinary income tax and, if made prior to age 59½, may be subject to a 10% IRS penalty tax. Conversely, earnings from investments that do not offer tax deferral are taxed currently, and withdrawals from such an investment are not subject to the penalty tax.

Your personal investment horizon and income tax brackets (both current and anticipated), changes in tax rates and tax treatment of investment earnings, and lower maximum tax rates on capital gains and dividends may impact the results of this comparison. Other considerations must be taken into account when making a purchase decision. Additionally, a person's tax rate may change over time.

Your path *To and Through Retirement*®
begins here.

Talk to your financial professional to learn more.

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