



GoldenPlus

Flexible Premium Deferred
Indexed Annuity







Building a Stable Future on A Solid Foundation

Why the GoldenPlus?

An indexed annuity is a cleverly constructed retirement savings vehicle that combines the principles of a traditional fixed annuity with the growth characteristics of an equity-invested product.

The GoldenPlus is a Flexible Premium Deferred Indexed Annuity that provides all of the benefits traditionally associated with a conventional fixed annuity contract, but also credits interest based, in part, on the performance of the Standard & Poor's 500 Composite Stock Price Index without dividends.

As the stock market rises, the indexed account of your GoldenPlus Indexed Annuity is credited with an interest rate linked to the rise in the market. If the market declines, your money is protected by a minimum guaranteed interest rate and is safe from any loss. Also, because interest gains are locked-in annually, interest already credited in prior years is never affected by future decreases in the S&P 500® index.

The GoldenPlus is not a mutual fund or any instrument that participates directly in stock or equity investments. The GoldenPlus is an indexed annuity that offers you the potential for attractive returns based on the performance of the stock market without ever exposing you to market risks.

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A Solid Foundation For Your Golden Years

The GoldenPlus gives you the choice between two kinds of interest accounts. Carefully consider how you want your premiums to be allocated between these accounts.

Fixed Account *(allocate 0-100%)*

The Fixed Account option provides you with a fixed rate of interest each policy year, so you will always know the exact rate of interest you will earn (just as you would with a traditional fixed annuity). A new interest rate is declared at the beginning of each new calendar year, and the newly declared rate is guaranteed to be in effect for the duration of each year. The interest rate credited to the Fixed Account will never be less than the guaranteed minimum interest rate shown in your policy.

Indexed Account *(allocate 0-100%)*

For the Indexed Account, interest is credited based on the difference between a starting and ending value of the S&P 500® during a one-year period. The account earns the full percentage increase of the S&P 500® Index, up to the cap. If the S&P 500® goes down, the account is credited at 0%. Interest is calculated and credited to each deposit one year from the date it is deposited into the indexed account. The company can change the cap at any time for new deposits, but it will never be less than the guaranteed minimum cap specified in the contract.

Regardless of what happens to the S&P 500® Index, indexed interest credited at the end of an indexed term is guaranteed never to be less than zero.

What is the Cap? – Stated as a percentage, this is the maximum rate of interest funds allocated to the indexed account will earn. The cap is set when your GoldenPlus annuity is issued. IAP may change the cap upon each premium payment anniversary at the end of each indexed term. However, the cap is guaranteed to never go below 2%.

Use of S&P Index Values

Tracking the stocks of 500 large-capitalization U.S. companies, the S&P 500® is one of the most commonly used benchmarks for the overall U.S. stock market. The 500 listed companies are highly diverse, spanning every relevant portion of the U.S. economy.

Although past performance of the S&P 500® Index is no guarantee of future results, the S&P 500® Index has traditionally outperformed other fixed interest investment alternatives. During market declines, the GoldenPlus protects your principal and credits, at minimum, a zero percent return.



Account Allocations

The initial allocations are made at the time of application. Premiums may be allocated between accounts in whole percentages, and the total must add up to 100%. You may elect to change your allocation percentages at any time.

Account Transfers/Reallocations

Funds may be reallocated from the Fixed Account to the Indexed Account on the 15th of each month. To reallocate funds, IAP must receive written notice of the request no later than the first day of the month in which the funds are to be reallocated. The minimum amount that may be reallocated is \$50.00.

Funds may be reallocated from the Indexed Account to the Fixed Account at any time, but as indexed interest is calculated and credited one year from the date of deposit, reallocating funds prior to the end of the year will result in no interest being credited to the amounts being moved. A minimum of \$50.00 must remain in the Indexed Account from which amounts have been reallocated.

Tax Advantages

The GoldenPlus is subject to the same taxation rules and requirements as a traditional fixed annuity. This means your policy value grows and compounds tax-deferred until you withdraw from your policy.

Accessing Your Money

The GoldenPlus is a long-term retirement policy. You should plan to keep it for at least the duration of the surrender charge period. However, you can access your money when you need it in a number of ways:

Withdrawals – After year one, and for each subsequent year, you can withdraw up to 10% of the accumulated policy value with no surrender charge (on a non-cumulative basis).

Partial withdrawals may be taken from your annuity, subject to IRS rules, and will reduce the cash surrender value of your policy by the amount of the partial withdrawal and any applicable withdrawal charges.

Withdrawals are made first from the Fixed Account until it is exhausted. Any withdrawals made from the Indexed Account prior to the end of a one year indexed term will result in no interest being credited to the amounts withdrawn.

TEFRA Loans – For 403(b) & 457 plans, TEFRA Loans are available from the fixed account and are permissible after the first contract month. Up to 95% of the cash surrender value may be borrowed, subject to IRS rules and regulations.

¹ You should consult with your tax advisor regarding the tax consequences of taking withdrawals from your policy. Withdrawals of taxable amounts will be subject to ordinary income tax and, if taken prior to age 59½, a 10% IRS tax penalty may apply.

Policy Values

At any time on or prior to the date upon which annuity payments begin, the policy value will be equal to:

- a) the premiums received; plus
- b) interest credited to the Fixed Account and Indexed Sub-Account(s); less
- c) any withdrawals; less
- d) premium taxes, if any.

Guaranteed Minimum Surrender Values

The Guaranteed Minimum Surrender Value of the policy is the accumulation of 87.5% of each premium at the guaranteed minimum interest rate, less any withdrawals, less any surrender charges, less any loans.

Guaranteed Death Benefit

Should you die before annuity payments begin, a death benefit is payable to your beneficiary. The death benefit is the greater of the full Policy Value or the aggregate amount of premiums paid, less withdrawals, less any loans, to the beneficiary upon death. No surrender charges apply to the death benefit.

Cash Surrender Values

The cash surrender value is the greater of either the guaranteed minimum surrender value or the policy value, less any surrender charges, less any loans.

No Administrative Fees

There are no annual administrative fees, front-end sales charges or loads.

Surrender Charges

The GoldenPlus is designed to be a long-term investment contract. Should you need to terminate your policy, your GoldenPlus annuity will be subject to surrender charges. Surrender charges are expressed as a percentage of the policy value, and are shown in the table below.

| | | | | | | | | | | | | | | | | |
|--------------------|----|----|----|----|----|----|---|---|---|----|----|----|----|----|----|----|
| End of Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| Surrender Charge % | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 |



Annuitization

For many people, the potential of outliving their retirement income is a real concern. Only an annuity can provide you with a guaranteed income you can't outlive. A life annuity settlement option provides the peace of mind that comes from knowing you will not outlive your income payments.

Whatever you decide, there are various customized settlement options available:

- Life Income Only
- Life Income with Minimum Guarantee (5, 10, or 20 years)
- Term Certain Income Only (5, 10, or 20 years)
- Joint & Survivor
- Life Expectancy Income Option – calculates the minimum distribution amount based on life expectancy each year according to IRS life expectancy tables. LEIO allows for another form of annuitization to be chosen at a later date, and can be taken at any time after the fifth policy year. Also, loans and withdrawals continue to be available with LEIO.

5x5 Provision

All settlement options taken after five full premium paying years are calculated without surrender charges so long as the pay-out schedule lasts for at least five years.

Nursing Home Waiver Benefit

Upon confinement to a covered nursing home, the annuitant may request a full or partial surrender of the policy value without incurring any surrender charges.

Right To Cancel Policy

You have the right to cancel your GoldenPlus Annuity policy within thirty (30) days after the policy is first received. You may cancel it for any reason by returning it to the agent through whom it was purchased or to the Company's Home Office. The return of this policy will void it from the beginning. We will refund all payments made for this policy within ten (10) days after receiving notice of cancellation and the return of this policy.

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This annuity is not a registered security or stock market investment and does not directly participate in any stock or equity investments. The S&P 500 Index is a price index and does not reflect dividends paid on the underlying stocks.

Interest rates, specified rates, indexed interest caps and monthly indexed caps are declared by Industrial Alliance Pacific Life Insurance Company, at its discretion.

A SOLID FOUNDATION

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