



IS A **FIXED ANNUITY** RIGHT FOR **YOU?**



KEY QUESTIONS:

- How can I generate retirement income that I won't outlive?
- How can I earn a competitive rate of return, save on taxes and not sacrifice safety?
- How can I protect my beneficiaries from a large tax burden?

A fixed annuity may be the right solution.

WHAT IS A FIXED ANNUITY?

A fixed annuity is an interest-paying contract issued by an insurance company. You may choose either a “**deferred**” annuity as a means to accumulate assets while deferring taxes ... or an “**immediate**” annuity as a means to pay you an income now and for as long as you need it.

Deferred Annuity

Purpose:	To accumulate assets on a tax-deferred basis
How Purchased:	A single premium or multiple premium payments
Accumulation Period:	Short- to long-term

Immediate Annuity

Purpose:	To convert a lump sum into guaranteed income
How Purchased:	A single premium payment
Payment Period:	Payments must begin within one year

FIXED DEFERRED ANNUITY TYPES

Multi-Year Guarantee Annuity

Offers a guaranteed, fixed interest rate for a set period of time. Withdrawal provisions give you access to a portion of your money. Earnings grow on a tax-deferred basis.

Index Annuity

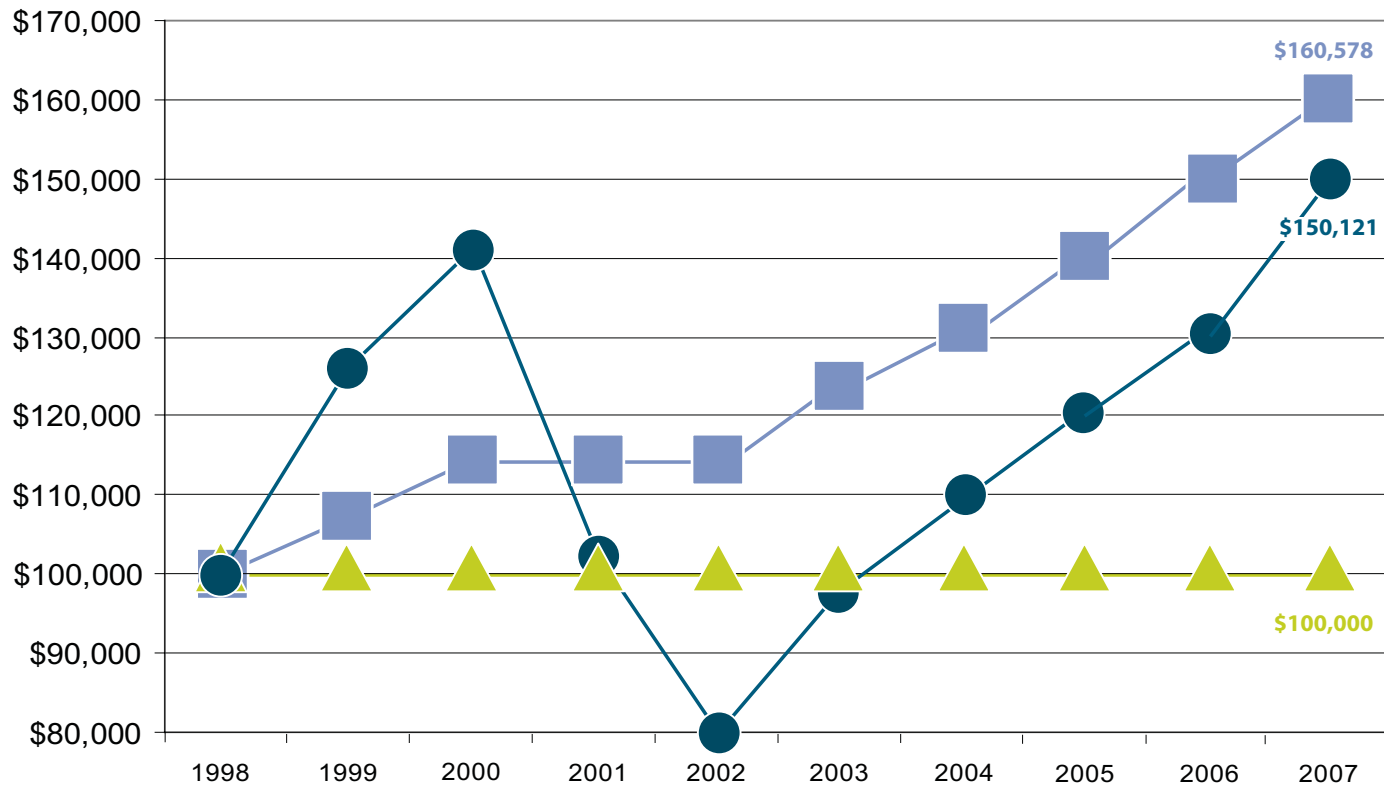
Provides earnings linked to the performance of an external market index, such as the S&P 500[®]. You share only in the index gains, not the losses. Index annuities pay a minimum guaranteed interest rate offering downside protection when the markets decline.

Withdrawals before age 59½ may result in a 10% IRS penalty tax. Withdrawals do not participate in index growth.

S&P500[®] is a trademark of The McGraw-Hill Companies, Inc., and has been licensed for use by EquiTrust Life Insurance Company[®]. The Product is not sponsored, endorsed, sold, or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding advisability of purchasing the Product. The S&P 500[®] Index does not reflect dividends paid on underlying stocks.

INDEX ANNUITIES PROVIDE UPSIDE POTENTIAL ... AND DOWNSIDE PROTECTION

Hypothetical comparison of annual values for index accounts to the S&P 500®



- 1-Year Point-To-Point Cap Index Account with 7.00% Cap
- S&P 500® Index
- ▲ Minimum Accumulation Value

Assuming a 10/1/1998 issue date and 10/1 contract anniversaries.

Historical performance of the S&P 500® Index should not be considered a representation of current or future performance of the Index or of your Annuity. Each example shown above assumes a \$100,000 initial premium with no withdrawals. The Cap is for hypothetical purposes only. Please contact the Company for current Caps.

ADVANTAGES OF A FIXED **DEFERRED** ANNUITY

SECURITY

AVOIDANCE OF PROBATE

FREE WITHDRAWALS

EVERLASTING INCOME

TAX DEFERRAL

YIELD

ADVANTAGES OF A FIXED DEFERRED ANNUITY

SECURITY

Annuities are a conservative vehicle issued only by life insurance companies. The issuer must set aside required reserves to back your money. There are also minimum guaranteed return requirements, so you can never lose your principal if the annuity is held for the full term.

AVOIDANCE **OF PROBATE**

An annuity contract properly set up with a designated beneficiary may bypass the probate process and allow your beneficiary immediate possession of your assets.

FREE WITHDRAWALS

Although annuity contracts have surrender penalties for a period of time, most contracts typically allow annual penalty-free withdrawals up to a certain percentage. This allows you access to your money while you enjoy the annuity contract benefits.

Guarantees are based on the claims-paying ability of EquiTrust Life Insurance Company.

Surrender of the contract may be subject to surrender charges or market value adjustment.

ADVANTAGES OF A FIXED DEFERRED ANNUITY

EVERLASTING **I**NCOME

An annuity offers what no other financial vehicle can: the ability to “annuitize” your contract for a guaranteed income stream – either for your lifetime, a certain period of time, or a combination of both!

TAX DEFERRAL

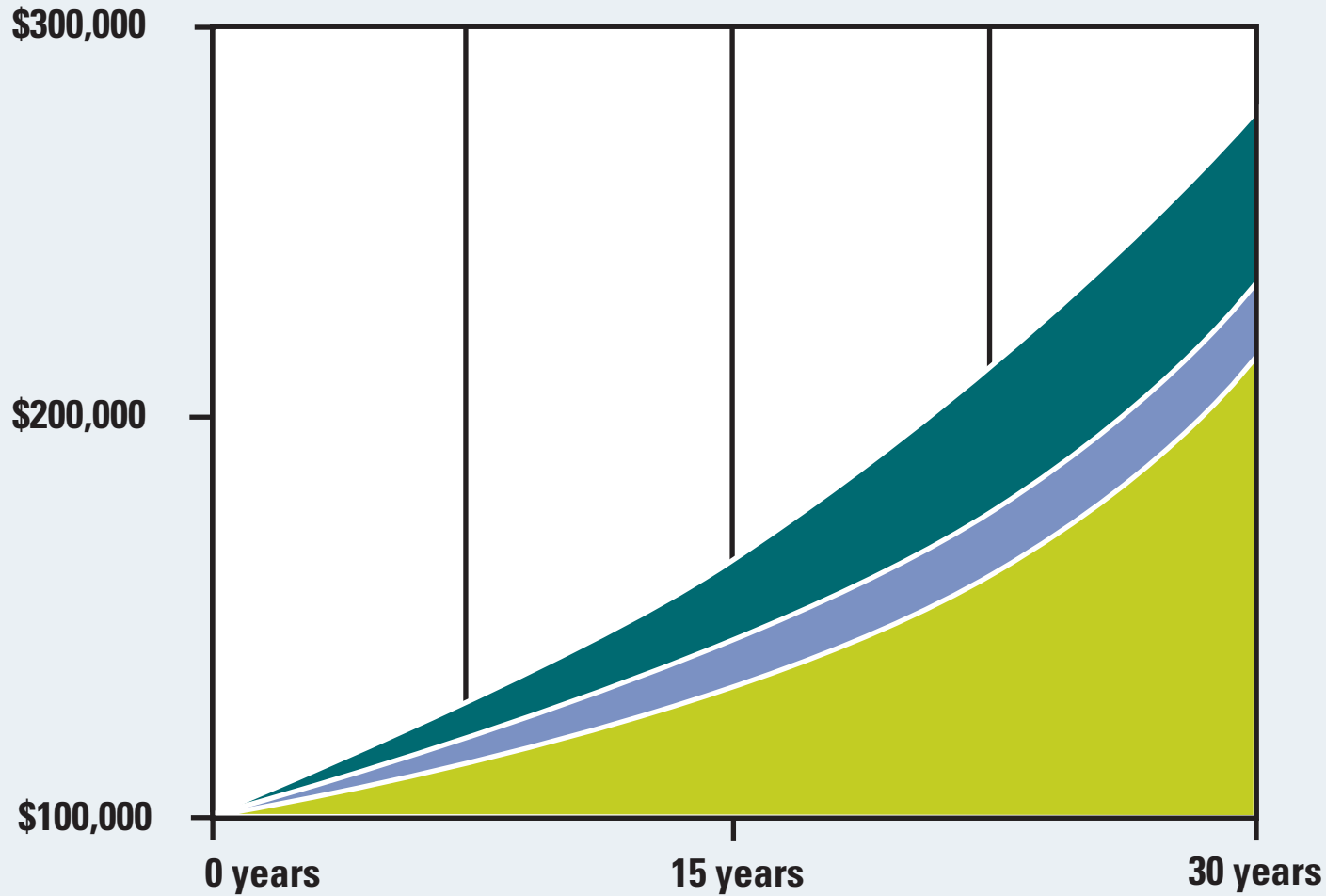
Interest credited to your annuity contract is not taxed at the Federal or State levels until you take receipt of your money – perhaps at a time you’re in a lower tax bracket. This allows you to earn interest on your premium, on your interest and on the money you would have normally used to pay your taxes!

YIELD

Depending on the annuity type, you earn either a guaranteed interest rate each year or earnings based on the growth of an external index.



TAXABLE vs. TAX DEFERRED



Example assumes \$100,000 growing at 5%, 25% tax bracket for 30 years.

COMPARE FIXED **DEFERRED** ANNUITIES TO OTHER FINANCIAL PRODUCTS

	Safety of Principal Guaranteed Interest	Tax Deferral	Guaranteed Lifetime Income	Inflation Protection	Index Linked Earnings	Growth Potential
Savings Account	✓					
Certificate of Deposit	✓					
Savings Bond	✓	✓				
Multi-Year Fixed Annuity	✓	✓	✓			
Fixed Index Annuity	✓	✓	✓	✓	✓	
Variable Annuity		✓		✓		✓
Stock Mutual Fund				✓		✓

IMMEDIATE ANNUITIES FOR STEADY, GUARANTEED GROWTH

An **immediate** annuity will pay you a guaranteed stream of income that includes principal and interest. You choose the duration that meets your needs and protects your beneficiaries: a fixed period ... for your lifetime ... or a combination of both.

Uses of a Fixed Immediate Annuity:

- Retirement income
- Life insurance funding
- Elderly parent support or child's education needs
- Charitable giving
- Child support or alimony
- Income replacement from deceased spouse
- Fixed-period debt obligations



DO AN ISSUER'S RATINGS MATTER?

Yes! Only life insurance companies can issue annuities. Payments from your annuity are backed by the insurance company's financial strength and stability. Ratings are based on such considerations as financial strength, operating performance and market profile. EquiTrust Life's investment portfolio consists mainly of investment-grade bonds and bonds issued or backed by the U.S. government.

EquiTrust Life Insurance Company

A.M. Best Company Rating	A
Standard & Poor's Rating	A

IMSA Member Organization

EquiTrust Life is a member of the Insurance Marketplace Standards Association, which provides a rigorous assessment of an insurance company's ethics with regard to marketing practices.

Commitment to Service

When you purchase an annuity from EquiTrust Life, you can rest assured that you will receive prompt, fair, reliable and accurate service.

EquiTrust Life Insurance Company is rated A by A.M. Best Company for its relative financial strength and ability to meet its obligations to policyholders. An A rating is the third highest of A.M. Best's 16 individual rates.

EquiTrust Life Insurance Company has a Standard & Poor's counterparty credit and financial strength rating of A.

IS A FIXED ANNUITY RIGHT FOR **YOU**?

If you seek a safe place to either accumulate assets or provide a steady stream of income – with unique features, tax advantages and guarantees – a fixed annuity may be a wise choice for you.

Ask your agent for more information about the exciting line of fixed annuity offerings from EquiTrust Life Insurance Company.

EquiTrust Life products not available in all states. Product features may vary by state.





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*MEMBERSHIP PROMOTES ETHICAL MARKET CONDUCT FOR INDIVIDUAL LIFE INSURANCE AND ANNUITIES.

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