
City of Grand Island



Tuesday, February 5, 2013
Special Meeting Packet

City Council:

Linna Dee Donaldson
Scott Dugan
John Gericke
Peg Gilbert
Chuck Haase
Julie Hehnke
Vaughn Minton
Mitchell Nickerson
Bob Niemann
Mike Paulick

Mayor:

Jay Vavricek

City Administrator:

Mary Lou Brown

City Clerk:

RaNae Edwards

7:00 PM
Council Chambers - City Hall
100 East 1st Street

Call to Order

This is an open meeting of the Grand Island City Council. The City of Grand Island abides by the Open Meetings Act in conducting business. A copy of the Open Meetings Act is displayed in the back of this room as required by state law.

The City Council may vote to go into Closed Session on any agenda item as allowed by state law.

Invocation

Pledge of Allegiance

Roll Call

A - SUBMITTAL OF REQUESTS FOR FUTURE ITEMS

Individuals who have appropriate items for City Council consideration should complete the Request for Future Agenda Items form located at the Information Booth. If the issue can be handled administratively without Council action, notification will be provided. If the item is scheduled for a meeting or study session, notification of the date will be given.

B - RESERVE TIME TO SPEAK ON AGENDA ITEMS

This is an opportunity for individuals wishing to provide input on any of tonight's agenda items to reserve time to speak. Please come forward, state your name and address, and the Agenda topic on which you will be speaking.



City of Grand Island

Tuesday, February 5, 2013

Special Meeting

Item I1

**#2013-26 (A) & #2013-26 (B) Approving Type of Annuity Quotes
for Calculation of Lump Sum Payment to Pre-84 Retirees**

Staff Contact: Jaye Monter

Council Agenda Memo

From: Jaye Monter, Finance Director
Robert Sivick, City Attorney

Meeting: February 5, 2013

Subject: Approving type of annuity quotes for calculation of lump sum payment to pre-84 police retirees.

Item #'s: I-1

Presenter(s): Jaye Monter, Finance Director
Robert Sivick, City Attorney

Background

Neb. Revised State Statutes allow pre-84 retirees, including Captain Pete Kortum, to receive retirement benefits in two ways. Mr. Kortum can choose to receive an income stream for the rest of his life equal to 50% of the five consecutive years preceding retirement which produces the highest average salary, or he can choose a lump sum payment equal to the average cost of three annuity contracts purchased on the open market. On January 24, 2013, the Police Pension Committee, Mr. Kortum and his attorney Jerry Janulewicz and representatives of the City met to discuss the specifics of the lump sum option calculation. An updated annuity quote sheet referencing specifications found in Neb. Revised State Statutes was discussed and all parties agreed to obtain quotes on the open market on January 28, 2013 and meet again on February 1, 2013 to review and calculate the lump sum payment to be presented to Council at the next regular meeting February 12, 2013.

Discussion

At the end of the day on January 28, 2013, the City had received six quotes from Mr. Cal Strong of Strong Financial Resources. All six quotes did not meet two of the five required specifications:

- 1) Gender Neutral
- 2) Payment start date of 2/15/13

Mr. Strong explained to City staff that annuity companies issue annuities to individuals based on their gender, male or female. Mr. Strong contacted three brokerage houses that distribute annuities for numerous companies in the marketplace. None of the three would provide a quote based on a "Gender Neutral" basis. Mr. Strong also explained to City staff that annuity companies preferred a 30 day window in order to process and complete all paperwork for the annuitant to receive their first monthly payment.

City staff contacted Mr. Janulewicz and the Pension Committee representative to explain why the City would not have a quote to submit at the meeting on February 1, 2013. Mr. Janulewicz and the Pension Committee representative communicated to City staff they both had received quotes from annuity companies quoting "Gender Neutral".

Therefore on Tuesday, January 29, 2013, City staff began additional research of Neb. Revised State Statutes and the purchase of annuities on the open market. The following statutes are relevant to this issue:

Section 16-1002(1) of the Nebraska Revised Statutes states in part, "if benefits under the retirement system are obtained through the purchase of an annuity contract, the actuarial equivalent of any such form of benefit shall be the amount of pension benefit which can be purchased or otherwise provided by the police officer's retirement value."

Section 16-1002(10) of the Nebraska Revised Statutes states in part, "[a]nnuity contract means the contract or contracts issued by one or more life insurance companies and purchased by the retirement system in order to provide any of the benefits described in the act. Annuity conversion rates contained in any such contract shall be specified on a sex-neutral basis..."

Section 16-1007(1) of the Nebraska Revised Statutes requires the City of Grand Island to provide pension benefits to retired police officers "in the form of a straight life annuity or any optional form of annuity benefit established by the retirement committee and provided under a purchased annuity contract."

Section 16-1007(2)(b) of the Nebraska Revised Statutes states in reference to police pension benefits, "[i]f the minimum pension benefit is paid in a form other than a straight life annuity, such benefit shall be the actuarial equivalent of the straight life annuity that would otherwise be paid to the officer..."

Section 16-1007(2)(c) of the Nebraska Revised Statutes states in part, “[i]f the police officer chooses the single lump-sum payment option, the officer can request that the actuarial equivalent be equal to the average of the cost of three annuity contracts purchased on the open market.”

Section 16-1014 of the Nebraska Revised Statutes states in reference to police pension benefits, “[t]he governing body of the city shall continue to be responsible for the general administration of such retirement system unless specific functions or all functions with regard to the administration of the retirement system are delegated, by ordinance, to the retirement committee.”

Attached is City staff’s research for quotes obtained on January 30, 2013. Mr. Strong found one company (Protective) that would give the City a quote using gender neutral mortality tables. The quote was \$818,163.32. Mr. Strong also asked Protective to provide two additional annuity quotes: 1) using gender specific tables for a male; and 2) using gender specific tables for a female. The quote for a gender specific female is the same quote provided under Protective’s gender neutral quotes, \$818,163.32.

Therefore the question is whether the sex-neutral language applies to annuity contracts purchased on the open market as referenced in 16-1007(2)(c). Out of seven companies, only one company, Protective, was willing to quote a gender neutral annuity. Further quotes obtained from Protective indicated it was the same quote as priced for a female specific annuitant. The annuities that would be purchased on the open market for Mr. Kortum would be based upon his gender.

On February 1, 2013, the Police Pension Committee met to discuss the retirement payment of Mr. Kortum. The Pension Committee voted 4-1 to submit to Council on February 12, 2013, the average of the two quotes dated January 28, 2013, submitted by the Pension Committee and Mr. Janulewicz and the one quote not submitted by the City but obtained in the City staff’s research dated January 30, 2013.

The average of the three annuity contracts would result in the City of Grand Island making an additional payment to Mr. Kortum of \$261,511.18. The City would transfer \$120,000.00 from the unallocated forfeiture account of the retirement plan to Mr. Kortum’s Wells Fargo Retirement Account balance and issue a claim in the amount of \$141,511.18 from the Police Reserve 805 Fund to Mr. Kortum’s Wells Fargo Retirement Account. A transfer of \$142,000.00 would be made from the General Fund to the Police Reserve 805 Fund for the disbursement.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve Resolution 2013-26(A) accepting the annuity quotes used in the calculation of Mr. Kortum's retirement lump sum payment as presented by the Police Pension Committee and forwarded to Council for approval on February 5, 2013.
2. Move to approve Resolution 2013-26(B) to direct the Police Pension Committee and the City to obtain quotes of annuity contracts that can be purchased on the open market based upon the gender of the retiree.

City of Grand Island

Pre-84 Police Retiree ANNUITY QUOTE

Employee name

PETE KORTUM

Specifications

- Straight life annuity with first 60 months guaranteed¹
- Gender neutral²
- Open market bid³
- Qualified plan
- Annuity paid-out monthly¹

Provide annuity companies with the following information

- ☒ **50%** of the average salary⁴ for the period of 5 consecutive years preceding retirement which produces the highest average⁵ if retirement occurs following age 60 and with 25 years of service⁶

\$ **39,502.63**

Annual

\$ **3,291.89**

Monthly

- ☐ **40%** of the average salary⁴ for the period of 5 consecutive years preceding retirement which produces the highest average⁵ if retirement occurs following age 55 but before age 60 and with 25 years of service⁷

\$

Annual

\$

Monthly

(the amount above should be taken from the spreadsheet supplied by the Finance and HR Departments)

Date of birth of employee

10/10/1951

Start date of annuity payments

2/15/2013

Annuity quote date

1/28/2013

¹ Neb. Rev. Stat. §16-1007(1)

² Neb. Rev. Stat. §16-1002(1)

³ Neb. Rev. Stat. §16-1007(2)(c)

⁴ Neb. Rev. Stat. §16-1002(6)

⁵ Neb. Rev. Stat. §16-1002(5)

⁶ Neb. Rev. Stat. §16-1007(2)(a)(i)

⁷ Neb. Rev. Stat. §16-1007(2)(a)(ii)

§ 16-1001. Applicability of sections

Sections 16-1001 to 16-1019 shall be known and may be cited as the Police Officers Retirement Act and shall apply to all police officers of a city of the first class.

Cite as Neb. Rev. Stat. § 16-1001

Source:

Laws 1983, LB 237, § 1.

History. Amended by Laws 2012, LB 1082, §1, eff. 4/17/2012.

§ 16-1002. Terms, defined

For purposes of the Police Officers Retirement Act, unless the context otherwise requires:

(1) Actuarial equivalent means equality in value of the aggregate amount of benefit expected to be received under different forms of benefit or at different times determined as of a given date as adopted by the city or the retirement committee for use by the retirement system. Actuarial equivalencies shall be specified in the funding medium established for the retirement system, except that if benefits under the retirement system are obtained through the purchase of an annuity contract, the actuarial equivalent of any such form of benefit shall be the amount of pension benefit which can be purchased or otherwise provided by the police officer's retirement value. All actuarial and mortality assumptions adopted by the city or retirement committee shall be on a sex-neutral basis;

(2) Beneficiary means the person or persons designated by a police officer, pursuant to a written instrument filed with the retirement committee before the police officer's death, to receive death benefits which may be payable under the retirement system;

(3) Funding agent means any bank, trust company, life insurance company, thrift institution, credit union, or investment management firm selected by the city or retirement committee to hold or invest the funds of the retirement system;

(4) Regular interest means the rate of interest earned each calendar year equal to the rate of net earnings realized for the calendar year from investments of the retirement fund. Net earnings means the amount by which income or gain realized from investments of the retirement fund exceeds the amount of any realized losses from such investments during the calendar year;

(5) Regular pay means the average salary of the police officer for the period of five consecutive years preceding

elective retirement, death, or date of disability which produces the highest average;

(6) Salary means all amounts paid to a participating police officer by the employing city for personal services as reported on the participant's federal income tax withholding statement, including the police officer's contributions picked up by the city as provided in subsection (2) of section 16-1005 and any salary reduction contributions which are excludable from income for federal income tax purposes pursuant to section 125 or 457 of the Internal Revenue Code;

(7) Retirement committee means the retirement committee created pursuant to section 16-1014;

(8) Retirement system means a retirement system established pursuant to the act;

(9) Retirement value means the accumulated value of the police officer's employee account and employer account. The retirement value consists of the sum of the contributions made or transferred to such accounts by the police officer and by the city on the police officer's behalf and the regular interest credited to the accounts as of the date of computation, reduced by any realized losses which were not taken into account in determining regular interest in any year, and further adjusted each year to reflect the pro rata share for the accounts of the appreciation or depreciation of the fair market value of the assets of the retirement system as determined by the retirement committee. The retirement value shall be reduced by the amount of all distributions made to or on the behalf of the police officer from the retirement system. Such valuation shall be computed annually as of December 31. If separate investment accounts are established pursuant to subsection (3) of section 16-1004, a police officer's retirement value with respect to such accounts shall be equal to the value of his or her separate investment accounts as determined under such subsection;

(10) Annuity contract means the contract or contracts issued by one or more life insurance companies and purchased by the retirement system in order to provide any of the benefits described in the act. Annuity conversion rates contained in any such contract shall be specified on a sex-neutral basis; and

(11) Straight life annuity means an ordinary annuity payable for the life of the primary annuitant only and terminating at his or her death without refund or death benefit of any kind.

Cite as Neb. Rev. Stat. § 16-1002

Source:

Laws 1983, LB 237, § 2; Laws 1992, LB 672, § 7; Laws 1995, LB 574, § 17.

History. Amended by Laws 2012, LB 1082, §2, eff. 4/17/2012.

§ 16-1003. Police officer; prior service; how treated

A police officer shall be credited with all years of his or her service after the year 1965 for the purpose of determining vested retirement benefits under the Police Officers Retirement Act.

Cite as Neb. Rev. Stat. § 16-1003

Source:

Laws 1983, LB 237, § 3.

History. Amended by Laws 2012, LB 1082, §3, eff. 4/17/2012.

§ 16-1004. Police Officers Retirement System Fund; administration; transfer of contributions; system funding; separate investment accounts

(1) Each city of the first class shall keep and maintain a Police Officers Retirement System Fund for the purpose of investing payroll deductions and city contributions to the retirement system. The fund shall be maintained separate and apart from all city money and funds. The fund shall be administered under the direction of the city and the retirement committee exclusively for the purposes of the retirement system and for the benefit of participating police officers and their beneficiaries. The fund shall be established as a trust under the laws of this state for all purposes of section 401(a) of the Internal Revenue Code. Regular interest shall accrue on any contributions transferred into the fund. Such funds shall be invested in the manner prescribed in section 16-1016.

(2) The city shall establish a medium for funding of the retirement system, which may be a pension trust fund, custodial account, group annuity contract, or combination thereof, for the purpose of investing money for the retirement system in the manner prescribed by section 16-1016 and to provide the retirement, death, and disability benefits for police officers pursuant to the Police Officers Retirement Act. The trustee or custodian of any trust fund may be a designated funding agent which is qualified to act as a fiduciary or custodian in this state, the city treasurer, a city officer authorized to administer funds of the city, or a combination thereof.

(3) Upon direction of the city, there may be established separate investment accounts for each participating police officer for the purpose of allowing each police officer to direct the investment of all or a portion of his or her employee account or employer account subject to the requirements of section 16-1016 and any other rules or limitations that may be established by the city or the

retirement committee. If separate investment accounts are established, each account shall be separately invested and reinvested, separately credited with all earnings and gains with respect to the investment of the assets of the investment account, and separately debited with the losses of the account. Each investment account shall be adjusted each year to reflect the appreciation or depreciation of the fair market value of the assets held in such account as determined by the retirement committee. The expenses incurred by the retirement system when a police officer directs the investment of all or a portion of his or her individual investment account shall be charged against the police officer's investment account and shall reduce the police officer's retirement value.

Cite as Neb. Rev. Stat. § 16-1004

Source:

Laws 1983, LB 237, § 4; Laws 1992, LB 672, § 8; Laws 1995, LB 574, § 18.

History. Amended by Laws 2012, LB 1082, §4, eff. 4/17/2012.

§ 16-1005. Contribution by police officer; amount; city; pick up officers' contributions; voluntary contributions

(1) Until October 1, 2013, each police officer shall contribute to the retirement system a sum equal to six percent of his or her salary. Beginning October 1, 2013, until October 1, 2015, each police officer shall contribute to the retirement system a sum equal to six and one-half percent of his or her salary. Beginning October 1, 2015, each police officer shall contribute to the retirement system a sum equal to seven percent of his or her salary. Such payment shall be made by regular payroll deductions from the police officer's periodic salary and shall be credited to his or her employee account on a monthly basis. Each such account shall also be credited with regular interest.

(2) Each city of the first class shall pick up the police officers' contributions required by subsection (1) of this section, and the contributions so picked up shall be treated as employer contributions in determining federal tax treatment under the Internal Revenue Code, except that the city shall continue to withhold federal income taxes based upon these contributions until the Internal Revenue Service or the federal courts rule that, pursuant to section 414(h) of the Internal Revenue Code, these contributions shall not be included as gross income of the employee until such time as they are distributed from the retirement system. The city shall pay these employee contributions from the same source of funds which is used in paying earnings to the employee. The city shall pick up these contributions by a salary deduction either through a reduction in the cash salary of the employee or a combination of a reduction in salary and offset against a future salary increase. A police officer shall not be given

an option to choose to receive the amount of the required contribution in lieu of having such contribution paid directly to the retirement system.

(3) Each police officer shall be entitled to make voluntary cash contributions to the retirement system in an amount not to exceed the contribution limitations established by the Internal Revenue Code. Voluntary contributions shall be credited to the police officer's employee account and shall thereafter be credited with regular interest. A police officer's voluntary contribution shall become a part of the Police Officers Retirement System Fund and shall be held, administered, invested, and distributed in the same manner as any other employee contribution to the retirement system.

Cite as Neb. Rev. Stat. § 16-1005

Source:

Laws 1983, LB 237, § 5; Laws 1992, LB 672, § 9; Laws 1995, LB 574, § 19.

History. Amended by Laws 2012, LB 1082, §5, eff. 4/17/2012.

§ 16-1006. Contributions by city; amount; how credited; interest; when

Each city of the first class shall contribute to the retirement system a sum equal to one hundred percent of the amounts deducted, in accordance with subsection (1) of section 16-1005, from each such police officer's periodic salary. Such payment shall be contributed as provided in subsection (1) of section 16-1005 for employee contributions and shall be credited to the police officer's employer account on a monthly basis. Each such account shall also be credited with regular interest. The city shall also contribute to the employer account of any police officer employed by the city on January 1, 1984, an amount equal to the employee contributions of such police officer that were made to the city prior to January 1, 1984, without interest, with such contribution to be made at the time the police officer retires or terminates employment with the city. The city may contribute such amount before the police officer's retirement or termination of employment or credit interest on such contribution.

Cite as Neb. Rev. Stat. § 16-1006

Source:

Laws 1983, LB 237, § 6; Laws 1992, LB 672, § 10.

History. Amended by Laws 2012, LB 1082, §6, eff. 4/17/2012.

§ 16-1007. Retiring officer; annuity options; how determined; lump-sum payment option

(1) At any time before the retirement date, the retiring

police officer may elect to receive at his or her retirement date a pension benefit either in the form of a straight life annuity or any optional form of annuity benefit established by the retirement committee and provided under a purchased annuity contract. The optional annuity benefit shall be specified in the funding medium for the retirement system and shall include a straight life annuity with a guarantee of at least sixty monthly payments or an annuity payable for the life of the retiring police officer and, after the death of the retiree, monthly payments, as elected by the retiring police officer, of either one hundred percent, seventy-five percent, or fifty percent of the amount of annuity payable to the retiring police officer during his or her life, to the beneficiary selected by the retiring police officer at the time of the original application for an annuity. The optional benefit forms for the retirement system shall include a single lump-sum payment of the police officer's retirement value. The retiring police officer may further elect to defer the date of the first annuity payment or lump-sum payment to the first day of any specified month prior to age seventy. If the retiring police officer elects to receive his or her pension benefit in the form of an annuity, the amount of annuity benefit shall be the amount paid by the annuity contract purchased or otherwise provided by his or her retirement value as of the date of the first payment. Any such annuity contract purchased by the retirement system may be distributed to the police officer and, upon such distribution, all obligations of the retirement system to pay retirement, death, or disability benefits to the police officer and his or her beneficiaries shall terminate, without exception.

(2) (a) For all officers employed on January 1, 1984, and continuously employed by the city from such date through the date of their retirement, the amount of the pension benefit, when determined on the straight life annuity basis, shall not be less than the following amounts:

(i) If retirement occurs following age sixty and with twenty-five years of service with the city, fifty percent of regular pay; or

(ii) If retirement occurs following age fifty-five but before age sixty and with twenty-five years of service with the city, forty percent of regular pay.

(b) A police officer entitled to a minimum pension benefit under this subsection may elect to receive such pension benefit in any form permitted by subsection (1) of this section, including a single lump-sum payment. If the minimum pension benefit is paid in a form other than a straight life annuity, such benefit shall be the actuarial equivalent of the straight life annuity that would otherwise be paid to the officer pursuant to this subsection.

(c) If the police officer chooses the single lump-sum payment option, the officer can request that the actuarial

equivalent be equal to the average of the cost of three annuity contracts purchased on the open market. Of the three annuity contracts used for comparison, one shall be chosen by the police officer, one shall be chosen by the retirement committee, and one shall be chosen by the city.

(3) If the retirement value of an officer entitled to a minimum pension benefit under subsection (2) of this section is not sufficient at the time of the first payment to purchase or provide the required pension benefit, the city shall transfer such funds as may be necessary to the employer account of the police officer so that the retirement value of such officer is sufficient to purchase or provide for the required pension benefit.

(4) Any retiring police officer whose pension benefit is less than twenty-five dollars per month on the straight life annuity option shall be paid a lump-sum settlement equal to the retirement value and shall not be entitled to elect to receive annuity benefits.

Cite as Neb. Rev. Stat. § 16-1007

Source:

Laws 1983, LB 237, § 7; Laws 1992, LB 672, § 11.

History. Amended by Laws 2012, LB 1082, §7, eff. 4/17/2012.

§ 16-1008. Retirement options; retirement date

(1) A police officer of a city of the first class may:

(a) Elect to retire and receive the applicable pension benefit provided in section 16-1007 based on his or her full retirement value upon the attainment of age sixty;

(b) Elect to take early retirement and receive the applicable pension benefit provided in section 16-1007 if he or she has attained the age of fifty-five and has completed twenty-five years of service with the city; or

(c) Retire as a result of disability while in the line of duty, as determined under section 16-1011, at any age, and receive the applicable pension benefit provided in section 16-1011.

(2) A police officer who is eligible to retire pursuant to subsection (1) of this section but does not, shall continue to contribute to his or her employee account, and the city shall continue to contribute to his or her employee account and to his or her employer account.

(3) The first of the month immediately following the last day of work shall be the retirement date.

Cite as Neb. Rev. Stat. § 16-1008

Source:

Laws 1983, LB 237, § 8; Laws 1992, LB 672, § 12.

§ 16-1009. Police officer; death other than in the line of duty; pension benefit payable

(1) When prior to retirement any police officer dies other than in the line of duty and except as provided in subsection (2) of this section, the entire retirement value shall be payable to the beneficiary or beneficiaries specified by the deceased police officer prior to his or her death or to the deceased police officer's estate if no beneficiary was specified. The retirement value or portion thereof to be received by the beneficiary may be paid in the form of a single lump-sum payment, straight life annuity, or other optional form of benefit specified in the retirement system's funding medium. If benefits are paid in the form of an annuity, the annuity shall be the amount paid by the annuity contract purchased or otherwise provided by the amount of the beneficiary's share of the retirement value as of the date of the first payment. Upon the purchase and distribution of such annuity contract to the beneficiary, all obligations of the retirement system to the beneficiary shall terminate, without exception.

(2) If any police officer employed by such city as a member of its paid police department on January 1, 1984, except those who were formerly employed in such department who are now in military service, dies while employed by the city as a police officer, other than in the line of duty, after becoming fifty-five years of age and before electing to retire, and after serving in the paid police department of such city for at least twenty-one years, then a pension of at least twenty-five percent of his or her regular pay in the form of a straight life annuity shall be paid to the surviving spouse of such deceased police officer. If the deceased police officer is not survived by a spouse or if the surviving spouse dies before the children of the police officer attain the age of majority, the pension benefit shall be paid to the police officer's minor children until they attain the age of majority. Each such child shall share equally in the total pension benefit to the age of his or her majority, except that as soon as a child attains the age of majority, such pension as to such child shall cease. To the extent that the retirement value at the date of death exceeds the amount required to purchase the specified pension, the excess shall be paid in the manner provided in subsection (1) of this section. If the actuarial equivalent of the pension benefit payable under this subsection exceeds the retirement value at the time of the first payment, the city shall contribute such additional amounts as may be necessary to purchase or provide for the required pension benefit. If a deceased police officer described in this subsection is not survived by a spouse or minor children, his or her death benefits shall be provided under subsection (1) of this section as if such officer was not employed by the city on January 1, 1984.

(3) Any payments for the benefit of a minor child shall be made on behalf of the child to the surviving parent or, if

there is no surviving parent, to the legal guardian of the child.

Cite as Neb. Rev. Stat. § 16-1009

Source:

Laws 1983, LB 237, § 9; Laws 1992, LB 672, § 13.

History. Amended by Laws 2012, LB 1082, §8, eff. 4/17/2012.

§ 16-1010. Police officer; death in the line of duty; beneficiaries; retirement benefits

When prior to retirement any police officer dies in the line of duty or his or her death is caused by or is the result of injuries received while in the line of duty and if such police officer is not survived by a spouse or by minor children, the entire retirement value shall be payable to the beneficiary specified by the deceased police officer prior to his or her death or to the deceased police officer's estate if no beneficiary was specified. The retirement value or portion thereof to be received by the beneficiary may be paid in the form of a single lump-sum payment, straight life annuity, or other optional form of benefit specified in the retirement system's funding medium. For a police officer who is survived by a spouse or minor children, a retirement pension of fifty percent of regular pay shall be paid to the surviving spouse or, upon his or her remarriage or death, to the minor children during each child's minority subject to deduction of the amounts paid as workers' compensation benefits on account of death as provided in section 16-1012. Each such child shall share equally in the total pension benefit to the age of his or her majority, except that as soon as a child attains the age of majority, such pension as to such child shall cease. Any payments for the benefit of a minor child shall be made on behalf of such child to the surviving parent or, if there is no surviving parent, to the legal guardian of the child. To the extent that the retirement value at the date of death exceeds the amount required to purchase or provide the specified retirement pension, as reduced by any amounts paid as workers' compensation benefits, the excess shall be paid in the manner provided in subsection (1) of section 16-1009. If the actuarial equivalent of the pension benefit payable to a surviving spouse or minor children under this section exceeds the retirement value at the time of the first payment, the city shall contribute such additional amount as may be necessary to purchase or provide for the required pension benefit.

Cite as Neb. Rev. Stat. § 16-1010

Source:

Laws 1983, LB 237, § 10; Laws 1986, LB 811, § 3; Laws 1992, LB 672, § 14.

History. Amended by Laws 2012, LB 1082, §9, eff. 4/17/2012.

§ 16-1011. Police officer; disability in the line of duty; benefit; requirements

(1) If any police officer becomes disabled, such police officer shall be placed upon the roll of pensioned police officers at the regular retirement pension of fifty percent of regular pay for the period of such disability. For purposes of this section, disability shall mean the complete inability of the police officer, for reasons of accident or other cause while in the line of duty, to perform the duties of a police officer.

(2) No disability benefit payment shall be made except upon adequate proof furnished to the city, such proof to consist of a medical examination conducted by a competent, disinterested physician who is duly licensed to practice medicine and surgery in this state and who certifies to the city that the police officer is unable to perform the duties of a police officer. The city, during the first three years of the payment of such benefits, shall have the right, at reasonable times, to require the disabled police officer to undergo a medical examination at the city's expense to determine the continuance of the disability claimed. After such three-year period, the city may request the district court to order the police officer to submit proof of the continuance of the disability claimed if the city has reasonable grounds to believe the police officer is fraudulently receiving disability payments. The city shall have the right to demand a physical examination of the police officer by a competent, disinterested physician who is duly licensed to practice medicine and surgery in this state, and who is chosen by the city. The expense of such examination shall be borne by the city.

(3) In case of temporary disability of a police officer received while in the line of duty, he or she shall receive his or her salary during the continuance of such disability for a period not to exceed twelve months, except that if it is ascertained by the city council or other proper municipal authorities within twelve months that such temporary disability has become a disability as defined in this section, then the salary shall cease and he or she shall be entitled to the benefits for pensions in case of disability as provided in this section.

(4) All payments of pension or salary provided by this section shall be subject to deduction of amounts paid under the Nebraska Workers' Compensation Act. Such payments shall not commence until all credit for unused annual or sick leave and other similar credits have been fully utilized by the disabled police officer if there will be no impairment to his or her salary during the period of disability. Total payments to a disabled police officer, in excess of amounts paid as workers' compensation benefits, shall not be less than the retirement value at the date of disability. If the actuarial equivalent of the disability pension payable under this section exceeds the police officer's retirement value at the time of the first payment, the city shall contribute such additional

amounts as may be necessary, from time to time, to provide for the required disability pension.

(5) If a police officer who was pensioned under this section is later determined to be no longer disabled, the pension provided for under this section shall terminate and the police officer's vested retirement value, as reduced by any disability payments made from the retirement system, shall thereafter be held and administered in the same manner as for any nondisabled police officer or former police officer.

(6) If a police officer who has pensioned under this section is later determined to be no longer disabled during the first three years when disability benefit payments are being paid the police officer may return to duty with the police force under the following conditions:

(a) If a vacancy exists on the police force for which the police officer is qualified and the police officer wishes to return to the police force, the city shall hire the police officer to fill the vacancy at a pay grade of not less than his or her previous pay grade; or

(b) If no vacancy exists on the police force and the police officer wishes to return to the police force, the city may create a vacancy under the city's reduction in force policy adopted under the Civil Service Act and rehire the officer at a pay grade of not less than his or her previous pay grade.

The provisions of this subsection shall not apply to a police officer whose disability benefit payments are terminated because of fraud on the part of the police officer.

Cite as Neb. Rev. Stat. § 16-1011

Source:

Laws 1983, LB 237, § 11; Laws 1986, LB 811, § 4; Laws 1992, LB 672, § 15.

Cross References:

Civil Service Act, see section 19-1825.

Nebraska Workers' Compensation Act, see section 48-1,110.

§ 16-1012. Police officer; temporary disability; workers' compensation benefits; how treated

No police officer shall be entitled during any period of temporary disability to receive in full both his or her salary and his or her benefits under the Nebraska Workers' Compensation Act. All Nebraska workers' compensation benefits shall be payable in full to such police officer as provided in the Nebraska Workers' Compensation Act, but all amounts paid by the city or its insurer under the Nebraska Workers' Compensation Act to any disabled police officer entitled to receive a salary

during such disability shall be considered as payments on account of such salary and shall be credited thereon. The remaining balance of such salary, if any, shall be payable as otherwise provided in the Police Officers Retirement Act.

Cite as Neb. Rev. Stat. § 16-1012

Source:

Laws 1983, LB 237, § 12; Laws 1985, LB 3, § 1; Laws 1986, LB 811, § 5.

History. Amended by Laws 2012, LB 1082, §10, eff. 4/17/2012.

Cross References:

Nebraska Workers' Compensation Act, see section 48-1,110.

§ 16-1013. Police officer; termination of employment; benefits; how treated; vesting schedule

(1) If a police officer quits or is discharged before his or her normal or early retirement date, the officer may request and receive as a lump-sum payment an amount equal to the retirement value of his or her employee account as determined at the valuation date preceding his or her termination of employment. Such police officer, if vested, shall also receive a deferred pension benefit in an amount purchased or provided by the retirement value at the date of retirement. The retirement value at such retirement date shall consist of the accumulated value of the police officer's employee account, as reduced by any lump-sum distributions received prior to retirement, together with a vested percentage of the accumulated value of the police officer's employer account at the date of retirement.

(2) Until July 1, 2012, the vesting schedule shall be as follows:

(a) If the terminated police officer has been a member of the retirement system for less than four years, such vesting shall be nil;

(b) If the terminating officer has been a member of the paid department of the city of the first class for at least four years, such vesting percentage shall be forty percent. Such vesting percentage shall be fifty percent after five years, sixty percent after six years, seventy percent after seven years, eighty percent after eight years, ninety percent after nine years, and one hundred percent after ten years; and

(c) All police officers shall be one hundred percent vested upon attainment of age sixty while employed by the city as a police officer.

(3) Beginning July 1, 2012, the vesting schedule shall be as follows:

(a) If the terminated police officer has been a member of the retirement system for less than two years, such vesting shall be nil;

(b) If the terminating officer has been a member of the paid department of the city of the first class for at least two years, such vesting percentage shall be forty percent. Such vesting percentage shall be sixty percent after four years, eighty percent after five years, and one hundred percent after seven years; and

(c) All police officers shall be one hundred percent vested upon attainment of age sixty while employed by the city as a police officer.

(4) The deferred pension benefit shall be payable on the first of the month immediately following the police officer's sixtieth birthday. At the option of the terminating police officer, such pension benefit may be paid as of the first of the month after such police officer attains the age of fifty-five. Such election may be made by the police officer any time prior to the payment of the pension benefits. The deferred pension benefit shall be paid in the form of the benefit options specified in subsection (1) of section 16-1007 as elected by the police officer. If the police officer's vested retirement value at the date of his or her termination of employment is less than three thousand five hundred dollars, the city may elect to pay such police officer his or her vested retirement value in the form of a single lump-sum payment.

(5) A police officer may elect upon his or her termination of employment to receive his or her vested retirement value in the form of a single lump-sum payment.

(6) Upon any lump-sum payment of a terminating police officer's retirement value under this section, such police officer will not be entitled to any deferred pension benefit and the city and the retirement system shall have no further obligation to pay such police officer or his or her beneficiaries any benefits under the Police Officers Retirement Act.

(7) If the terminating police officer is not credited with one hundred percent of his or her employer account, the nonvested portion of the account shall be forfeited and first used to meet the expense charges incurred by the city in connection with administering the retirement system and the remainder shall then be used to reduce the city contribution which would otherwise be required to fund pension benefits.

Cite as Neb. Rev. Stat. § 16-1013

Source:

Laws 1983, LB 237, § 13; Laws 1992, LB 672, § 16.

History. Amended by Laws 2012, LB 1082, §11, eff. 4/17/2012.

§ 16-1014. Retirement committee; established; governing body; responsibilities

A retirement committee shall be established to supervise the general operation of the retirement system established pursuant to the Police Officers Retirement Act. The governing body of the city shall continue to be responsible for the general administration of such retirement system unless specific functions or all functions with regard to the administration of the retirement system are delegated, by ordinance, to the retirement committee. Whenever duties or powers are vested in the city or the retirement committee under the act or whenever the act fails to specifically allocate the duties or powers of administration of the retirement system, such powers or duties shall be vested in the city unless such powers or duties have been delegated by ordinance to the retirement committee. The city and the retirement committee shall have all powers which are necessary for or appropriate to establishing, maintaining, managing, and administering the retirement system.

Cite as Neb. Rev. Stat. § 16-1014

Source:

Laws 1983, LB 237, § 14; Laws 1992, LB 672, § 17.

History. Amended by Laws 2012, LB 1082, §12, eff. 4/17/2012.

§ 16-1015. Retirement committee; members; terms; vacancy

Each retirement committee established pursuant to section 16-1014 shall consist of members from both the police force and designees of the city council. The committee shall consist of six members of which four members shall be selected by the officers from the police force of the city. Two members shall be designated by the city council. The members who are not participants in such retirement system shall have a general knowledge of retirement plans. Members of the governing body of such city may serve on the retirement committee. The committee members shall be appointed to four-year terms. Vacancies shall be filled for the remainder of the term by a person with the same representation as his or her predecessor. Members of the retirement committee shall receive no salary and shall not be compensated for expenses.

Cite as Neb. Rev. Stat. § 16-1015

Source:

Laws 1983, LB 237, § 15.

§ 16-1016. Retirement system funds; contracts for investments

The funds of the retirement system shall be invested under the general direction of the retirement committee.

The city or the retirement committee if delegated such function by the city shall select and contract with a funding agent or agents to hold or invest the assets of the retirement system and to provide for the benefits provided by the Police Officers Retirement Act. The city or committee may select and contract with investment managers registered under the federal Investment Advisers Act of 1940 to invest, reinvest, and otherwise manage such portion of the assets of the retirement system as may be assigned by the city or committee. All funds of the retirement system shall be invested pursuant to the policies established by the Nebraska Investment Council.

Cite as Neb. Rev. Stat. § 16-1016

Source:

Laws 1983, LB 237, § 16; Laws 1991, LB 2, § 2; Laws 1992, LB 672, § 18.

History. Amended by Laws 2012, LB 1082, §13, eff. 4/17/2012.

§ 16-1017. Retirement committee; duties

(1) It shall be the duty of the retirement committee to:

(a) Provide each employee a summary of plan eligibility requirements and benefit provisions;

(b) Provide, within thirty days after a request is made by a participant, a statement describing the amount of benefits such participant is eligible to receive; and

(c) Make available for review an annual report of the retirement system's operations describing both (i) the amount of contributions to the retirement system from both employee and employer sources and (ii) an identification of the total assets of the retirement system.

(2)(a) Beginning December 31, 1998, and each December 31 thereafter, the chairperson of the retirement committee shall file with the Public Employees Retirement Board a report on each retirement plan established pursuant to section 401(a) of the Internal Revenue Code and administered by a retirement system established pursuant to the Police Officers Retirement Act and shall submit copies of such report to the Auditor of Public Accounts. The Auditor of Public Accounts may prepare a review of such report pursuant to section 84-304.02 but is not required to do so. The annual report shall be in a form prescribed by the Public Employees Retirement Board and shall contain the following information for each such retirement plan:

(i) The number of persons participating in the retirement plan;

(ii) The contribution rates of participants in the plan;

(iii) Plan assets and liabilities;

(iv) The names and positions of persons administering the plan;

(v) The names and positions of persons investing plan assets;

(vi) The form and nature of investments;

(vii) For each defined contribution plan, a full description of investment policies and options available to plan participants; and

(viii) For each defined benefit plan, the levels of benefits of participants in the plan, the number of members who are eligible for a benefit, and the total present value of such members' benefits, as well as the funding sources which will pay for such benefits.

If a plan contains no current active participants, the chairperson may file in place of such report a statement with the Public Employees Retirement Board indicating the number of retirees still drawing benefits and the sources and amount of funding for such benefits.

(b) Beginning December 31, 1998, and every four years thereafter, if such retirement plan is a defined benefit plan, the retirement committee shall cause to be prepared a quadrennial report and the chairperson shall file the same with the Public Employees Retirement Board and submit to the Auditor of Public Accounts a copy of such report. The Auditor of Public Accounts may prepare a review of such report pursuant to section 84-304.02 but is not required to do so. The report shall consist of a full actuarial analysis of each such retirement plan administered by a retirement system established pursuant to the act. The analysis shall be prepared by an independent private organization or public entity employing actuaries who are members in good standing of the American Academy of Actuaries, and which organization or entity has demonstrated expertise to perform this type of analysis and is unrelated to any organization offering investment advice or which provides investment management services to the retirement plan.

Cite as Neb. Rev. Stat. § 16-1017

Source:

Laws 1983, LB 237, § 17; Laws 1998, LB 1191, § 18; Laws 1999, LB 795, § 7.

History. Amended by Laws 2012, LB 1082, §14, eff. 4/17/2012.

Amended by Laws 2011, LB 474, §7, eff. 8/27/2011.

§ 16-1018. Termination of employment; transfer of benefits; when

If a police officer terminates his or her employment for the purpose of becoming a police officer employed by

another city of the first class in Nebraska and such new employment commences within one hundred twenty days of such termination, such police officer shall be entitled to transfer to the Police Officers Retirement System Fund of the city by which he or she is newly employed, the full amount of his or her employee account and the vested portion of the value of his or her employer account at the time of termination. The transferred funds shall be directly transferred to the police officer's employee account in the retirement system of the city to which transferred and administered by the retirement committee of the city to which transferred. Upon such transfer, the city and the retirement system shall have no further obligation to such police officer or his or her beneficiary. Following the commencement of new employment, the transferring police officer shall be deemed a new employee for all purposes of the retirement system of the city to which he or she transferred.

Cite as Neb. Rev. Stat. § 16-1018

Source:

Laws 1983, LB 237, § 18; Laws 1992, LB 672, § 19.

§ 16-1019. Exemption from legal process; administration; requirements; retirement committee; powers and duties; review of adjustment; tax levy authorized

(1) Except as provided in subsection (6) of this section, the right to any benefits under the retirement system and the assets of any fund of the retirement system shall not be assignable or subject to execution, garnishment, attachment, or the operation of any bankruptcy or insolvency laws, except that the retirement system may comply with the directions set forth in a qualified domestic relations order meeting the requirements of section 414(p) of the Internal Revenue Code. Any payment of benefits subject to such order shall take priority over any payment made pursuant to subsection (6) of this section. The city or retirement committee may require appropriate releases from any person as a condition to complying with any such order. The retirement system shall not recognize any domestic relations order which alters or changes benefits, provides for a form of benefit not otherwise provided for by the retirement system, increases benefits not otherwise provided by the retirement system, or accelerates or defers the time of payment of benefits. No participant or beneficiary shall have any right to any specific portion of the assets of the retirement system.

(2) The retirement system shall be administered in a manner necessary to comply with the tax-qualification requirements applicable to government retirement plans under section 401(a) of the Internal Revenue Code, including section 401(a)(9) relating to the time and manner in which benefits are required to be distributed and section 401(a)(9)(G) relating to incidental death benefit requirements, section 401(a)(16) relating to

compliance with the maximum limitation on the plan benefits or contributions under section 415, section 401(a)(17) which limits the amount of compensation which can be taken into account under a retirement plan, section 401(a)(25) relating to the specification of actuarial assumptions, section 401(a)(31) relating to direct rollover distributions from eligible retirement plans, and section 401(a)(37) relating to the death benefit of a police officer who dies while performing qualified military service. Any requirements for compliance with section 401(a) of the Internal Revenue Code may be set forth in any trust or funding medium for the retirement system. This subsection shall be in full force and effect only so long as conformity with section 401(a) of the Internal Revenue Code is required for public retirement systems in order to secure the favorable income tax treatment extended to sponsors and beneficiaries of tax-qualified retirement plans.

(3) If the retirement committee determines that the retirement system has previously overpaid or underpaid a benefit payable under the Police Officers Retirement Act, it shall have the power to correct such error. In the event of an overpayment, the retirement system may, in addition to any other remedy that the retirement system may possess, offset future benefit payments by the amount of the prior overpayment, together with regular interest thereon.

(4) A police officer whose benefit payment is adjusted by the retirement committee pursuant to subsection (3) of this section may request a review by the city council of the adjustment made by the retirement committee.

(5) In order to provide the necessary amounts to pay for or fund a pension plan established under the act, the mayor and council may make a levy which is within the levy restrictions of section 77-3442.

(6) If a member of the retirement system is convicted of or pleads no contest to a felony that is defined as assault, sexual assault, kidnapping, child abuse, false imprisonment, or theft by embezzlement and is found liable for civil damages as a result of such felony, following distribution of the member's benefits or the assets of any fund of the member from the retirement system, the court may order the payment of the member's benefits or the assets of any fund of the member under the retirement system for such civil damages, except that the benefits or assets to the extent reasonably necessary for the support of the member or any of his or her beneficiaries shall be exempt from such payment. Any order for payment of benefits or assets shall not be stayed on the filing of any appeal of the conviction. If the conviction is reversed on final judgment, all benefits or assets paid as civil damages shall be forfeited and returned to the member. The changes made to this section by this legislative bill shall apply to persons convicted of or who have pled no contest to such a felony and who have been found liable for civil damages as a result of

such felony prior to, on, or after the effective date of this act.

Cite as Neb. Rev. Stat. § 16-1019

Source:

**Laws 1983, LB 237, § 19; Laws 1992, LB 672, § 20;
Laws 1995, LB 574, § 20; Laws 1996, LB 1114, § 29.**

History. Amended by Laws 2012, LB 1082, §15, eff. 4/17/2012.

Amended by Laws 2012, LB 916, §2, eff. 4/7/2012.

SUMMARY OF QUOTES RECEIVED

Retiree: Pete Kortum

Provided by Strong Financial Resources

Date of Quote		1/28/2013	1/30/2013	1/30/2013	1/30/2013	1/30/2013
Date of First Payment		2/28/2013	2/15/2013	2/15/2013	2/15/2013	2/15/2013
Annuitant Gender		Male	Male	Female	Male	Female
Mortality Table		Specific	Specific	Specific	Neutral	Neutral
Company	Rating					
Genworth	A	725,612.40	744,432.92	777,883.58	n/a	n/a
ING	A	664,284.00	682,479.00	n/a	n/a	n/a
Integrity	A+	672,665.98	691,053.02	730,561.80	n/a	n/a
Lincoln Benefit Life	A+	683,109.91	700,742.93	747,520.22	n/a	n/a
North American	A+	625,546.24	641,914.88	697,477.12	n/a	n/a
United of Omaha	A+	706,686.41	n/a	n/a	n/a	n/a
Protective	A+	n/a	783,916.36	818,163.32	818,163.32	818,163.32
Average		679,650.82	707,423.19	754,321.21	n/a	n/a

Rating provided by A.M. Best

NOTE: Protective was the only company to quote based on a "Gender Neutral" mortality table however it appears that table is simply using the same table as would have been used to quote for female-specific.

PRE-84 POLICE ANNUITY QUOTES - STRAIGHT-LIFE BASIS**Retiree 1 (10/2003 - Straight)**

American Express	City	469,546	Male
Northwestern Mutual	Committee	511,573	no quote found in records
Lincoln National	Retiree	563,822	Male (unisex)

Retiree 2 (11/2003 - Straight)

American Express	City	342,330	Male
Northwestern Mutual	Committee	373,153	no quote found in records
Lincoln National	Retiree	420,248	Male (unisex)

Retiree 3 (12/2003 - Straight)

American Express	City	470,424	Male
Northwestern Mutual	Committee	514,622	no quote found in records
Lincoln National	Retiree	557,180	no quote found in records

Retiree 4 (1/2004 - Straight)

American Express	City	448,503	Male
Northwestern Mutual	Committee	488,886	no quote found in records
Lincoln National	Retiree	538,563	no quote found in records

Single Premium Immediate Annuity Quote

First Annuitant: Pete Kortum Birth Date: 10/10/1951 Age: 61 Gender: Male	Second Annuitant: Birth Date: Age: Gender:
Resident State: Nebraska State Premium Tax: 0.0% Tax Status: IRA Cost Basis: NA	Quote Date: 1/28/2013 Expiration Date: 2/4/2013 Purchase Date: 2/4/2013

Premium	Income	Income Start Date	Tax-Free Amount	Excl. Ratio
1. For Pete Kortum: Monthly for 5 years certain and life thereafter. Life Expectancy: 23.8 years				
\$725,612.40	\$3,219.89	2/28/2013	See Note *	NA

Date the rate went into effect: 1/21/2013

* Tax-Free Amount not determined. Please consult a tax professional.

Rates are subject to change without notice. To ensure timely issuance of the contract, please submit a copy of this quote with the immediate annuity application. Please note, we aggregate multiple contracts for the same annuitant. This may affect the final determination of your income benefits or premium costs.

The instructions on the last page are an integral part of the illustration; please read them carefully.

This Contract Can Offer the Following Flexibility:

Includes the **Early Advance** feature which provides the opportunity to request up to 12 months' worth of income payments (minimum of 3 months at a time), in the event the Owner meets a qualifying event, to be advanced during the life of the contract. Advanced income payments can be taken all at once or only as needed. This feature automatically applies to eligible contracts and all payout types. Not available for non-natural owners such as trusts, corporate-owned or partnership owners. There is no charge for this feature but annuitant must be age 85 or younger on the application signed date to qualify. Other restrictions and limitations apply.

Eligible for the optional **Income Withdrawal** feature that allows you to withdraw, after the first contract year and one time during the life of the contract, the present value* of future guaranteed payments (based on the certain or refund period) in the form of a lump sum. Full Income Withdrawal is only available with period certain only contracts, but will eliminate future guaranteed income payments. Partial Income Withdrawal of 20 to 80% is available for period certain only and life contingency contracts (life with period certain and life with cash or installment refund payout options). Partial Income Withdrawal will reduce future guaranteed income payments; however for life contingency contracts, if the annuitant is still alive after the guarantee period ends, payments will return to the original amount for the life of the annuitant. Although this feature allows access to funds, it should be carefully considered before using since the amount received may be significantly less than the value of the guaranteed period payments being commuted.

There is no cost to add this feature; however this feature must be selected on the application to have access. Restrictions apply.

*The interest rate used to calculate the present value will be the greater of the Six Month Constant Maturity Treasury Rate (CMT) or Moody's Seasoned Baa Corporate Bond Yield as of the 15th day of the month prior to the date we receive the withdrawal request.

Prepared for: Pete Kortum Prepared by: Calvin Strong	Issued by Genworth Life Insurance Company Richmond, VA
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05/14/12 NS35307

Payout Effective: 1/21/2013 GLI4/IE

Version 3.25 v01212013

This illustration is not complete without all pages.

Payout Rates: JCE JYF CZG CYG DZH EZH OYH S; UET WFB WGI HGK YHS KHK KHK X

Hypothetical Illustration, Page 1 of 2

Date Prepared: 1/28/2013

Preparer: #9730035

This illustration assumes the following conditions are met:

- All funds are received at Genworth Life Insurance Company:
 - on or before the expiration date stated in the illustration, and
 - within the effective period of the prevailing rate scale, and
 - on the purchase date.
- Premiums in excess of \$1,000,000 require Genworth Home Office approval before premium may be submitted to Genworth Life.
- If the source of funds is a qualified plan, IRA or TSA and the annuity option is Joint & Survivor, tax law requires a benefit reduction at the primary annuitant's death when the survivor is not the spouse and is more than ten years younger than the primary annuitant. Please contact Genworth Life for information about your applicable reduction percentage should this happen.
- All Required Minimum Distributions for each calendar year from and including the calendar year in which the owner turned 70 1/2 through the end of the current year have been made. This quote may not be valid if these distributions have not been made.
- Neither Genworth Life nor its representatives provide tax advice. Information in this quotation reflects Genworth Life's understanding of tax laws, regulations, and penalties. Please contact a qualified tax advisor.
- The information in the quote is subject to the terms of policy form series GNW6024 et al and GEC6012 et al.

Genworth Life must be provided with either one primary proof of birth or two secondary proofs of birth.

Primary Proofs of Births

(must provide one of the following)

- Baptismal Record
- Birth Certificate
- Driver's License
- Naturalization Record
- Passport

Secondary Proofs of Birth

(Must provide two of the following)

- Affidavit signed by someone, born before you, that remembers when you were born
- Census Records
- Children's birth certificate
- Employment Records
- Family Bible Record
- Marriage License
- Medical Records
- Other life insurance company policy
- School Records
- Social Security Records - not card

05/14/12 NS35307

Payout Effective: 1/21/2013 GLI4/IE

Version 3.25 v01212013

This illustration is not complete without all pages.

Payout Rates: JCE JYF CZG CYG DZH EZH OYH S; UET WFB WGI HGK YHS KHK KHK X

Hypothetical Illustration, Page 2 of 2

Date Prepared: 1/28/2013

Preparer: #9730035

An Immediate Annuity Illustration using:

ING SPIA

(Form #1823 Traditional IRA; may vary by state and not available in all states)

A Single Premium Immediate Fixed Annuity

ING USA Annuity and Life Insurance Company

Designed For:
Pete Kortum
State of Issue: Wisconsin
Initial Premium: \$664,284
Issue Age: 61

Presented By: Calvin Strong
1611 10th St
Aurora, NE 68818
Phone: 402-694-3033



Your future. Made easier.®

BA-225
01/28/2013 10:47 AM
Page 1 of 3

SINGLE PREMIUM IMMEDIATE ANNUITY QUOTE
Traditional IRA Annuity

The purpose of this illustration is to show the initial annuity benefit amount based on the annuitization option and an assumed investment rate or a current fixed account interest rate.

Prepared for:

Pete Kortum
Male 61 10/10/1951
State of Issue: Wisconsin

Single Premium: \$664,284

Purchase Date: 01/28/2013
First Payment Date: 02/28/2013
Benefit Frequency: Monthly

BENEFIT INFORMATION

Single Life
5 Year Guarantee Period

Benefit Amount: \$3,219.89

Monthly Taxable Portion: \$3,219.89

- The benefit is payable for as long as the annuitant Pete Kortum shall live with payments guaranteed for 5 years. If Pete Kortum dies before all guaranteed payments are made, payments will continue to the beneficiary.
- Some contracts permit the beneficiary to receive the commuted value of any remaining payments.
- For illustration purposes, we assume the annuitant and owner are the same person.
- The annuity contract will terminate on the death of the annuitant.

This illustration is not valid without all pages.

ING SPIA for Pete Kortum
Version M3 2013.01.00, Released 01/28/2013

Presented by: Calvin Strong, Woodbury
01/28/2013 10:47 AM
Page 2 of 3

VALUABLE INFORMATION ABOUT YOUR ILLUSTRATION

Premiums over \$2,000,000 must have prior approval of the issuer.

ILLUSTRATIONS. This illustration is not the actual annuity contract you will receive, nor is it part of the contract. The illustration is intended only to show you how the annuity might function based on the interest, tax rate, and premium payment assumptions contained in the illustration. Due to your individual circumstances, your contract, upon issue, may differ from what is illustrated. In that event, the terms of your contract control.

The benefit amount will differ from those shown if the premium is paid in different amounts.

QUOTE ASSUMPTIONS. The quote assumes the following conditions:

1. All money is received at ING USA Annuity and Life Insurance Company within the effective period of the prevailing rate scale effective as of 01/28/2013.
2. This quote is provided by ING USA Annuity and Life Insurance Company for illustration purposes only. All applications received are subject to review and final approval by the Company.
3. No modifications to this contract will be allowed after issue.

SINGLE PREMIUM IMMEDIATE ANNUITY FACTORS. Factors used in this quote such as interest rates are subject to change without notice. Current interest rates as well as other factors may be verified with ING USA Annuity and Life Insurance Company service office in Des Moines, IA 50309.

TAX TREATMENT. Depending on whether the annuity is qualified or nonqualified, you will pay federal income taxes on all or a portion of each annuity payment. Current law defines part of each payment from a non-qualified contract as a return of principal. Only the interest portion of each payment from a nonqualified annuity is taxable. This treatment continues until your entire principal has been received, at which point the annuity payments are fully taxable. If this is a qualified annuity, all annuity payments may be fully taxable. Certain annuity payments may be subject to a 10% federal penalty tax. Tax laws change frequently. The tax treatment of annuity earnings may differ substantially from earnings on other investments. Neither the Company nor its agents and representatives can provide tax, legal or accounting advice. Clients should consult their own attorney or tax advisor about their specific circumstances. IRAs and other qualified plans already provide tax deferral like that provided by an annuity. Additional features and benefits such as contract guarantees, death benefits and the ability to receive a lifetime income are contained within the annuity for a cost. Please be sure the features and costs of the annuity are right for you when considering the purchase of an annuity. Certain annuity contracts may not be purchased by a funded ERISA plan. Ask your agent for details.

FREE LOOK. The annuity contract contains a free look period allowing you to review all of its provisions. The number of days in the free look period is shown on the first page of your contract. If, within that free look period, you do not wish to keep the contract, you may return it to the Company to receive a full refund of any premium paid.

ISSUER. ING SPIA is a single premium immediate fixed annuity available in most states. In those states where it is available, certain provisions may vary or may not be available. ING SPIA is issued by ING USA Annuity and Life Insurance Company (the "Company"), a member of the ING family of companies, located at 909 Locust St., Des Moines, IA 50309. Form #1823 (may vary by state).

All guarantees are based upon the financial strength and claims-paying ability of the issuing Company, which is solely responsible for all obligations under its contracts.

The annuity is not a deposit or other obligation of, or guaranteed by any bank or any affiliate of any bank. Annuities are not insured by the FDIC, national credit union administration, or any other agency of the United States, any financial institution or its affiliates. Annuities involve risk, including the possible loss of value.

This illustration is not valid without all pages.

ING SPIA for Pete Kortum
Version M3 2013.01.00, Released 01/28/2013

Presented by: Calvin Strong, Woodbury
01/28/2013 10:47 AM
Page 3 of 3

Integrity Life Insurance Company
Cincinnati, Ohio

Annuity Illustration

Single Premium Immediate Annuity
IncomeSource[®] Annuity

Designed for
Pete Kortum

Presented by
Calvin Strong

January 28, 2013

Integrity Life Insurance Company (Integrity) currently holds the following ratings from three highly respected, independent insurance rating firms:

Standard & Poor's	AA+ Very Strong for very strong financial security characteristics (second highest of 21 ratings; rating held since August 2005)
Fitch	AA Very Strong for very strong capacity to meet policyholder and contract obligations on a timely basis (third highest of 21 ratings; rating held since June 2009)
A.M. Best	A+ Superior for superior ability to meet ongoing insurance obligations (second highest of 16 ratings; rating held since June 2009)

Ratings refer to the claims paying ability of Integrity Life Insurance Company, Cincinnati, OH, a member of the Western & Southern Financial Group, and are an opinion of its financial capacity to meet obligations of its contracts. Ratings, determined by independent insurance rating firms, neither refer to the performance or safety of the product nor imply approval of it or its investment options. Ratings, current as of December 31, 2012, are periodically reviewed and subject to change.

Integrity Life Insurance Company
Cincinnati, Ohio
IncomeSource® Single Premium Immediate Annuity

This is an illustration of the income payments you could receive from an IncomeSource single premium immediate annuity. The illustration is based on the options you choose and the information you provided.

Annuitant:	Pete Kortum
Gender:	Male
Age:	61
Annuity Type:	IRA(Rollover,Roth,SEP)
Issue State:	NE
Income Payment:	\$3,219.89
	\$0.00
Deferral Period:	1 Month(s)
Payment Frequency:	Monthly
Increasing Payout Option:	0.00%

Income Options	Required Premium
Life & 5 Years Period Certain	\$672,665.98
Life Only*	\$669,922.27
Life & 10 Years Period Certain	\$674,463.35
Life & 15 Years Period Certain	\$690,212.64
Life & 20 Years Period Certain	\$713,831.22
Life with Installment Refund	\$704,622.39
Life with Cash Refund	\$715,415.92
10 Years Period Certain	\$367,395.53
15 Years Period Certain	\$504,934.54
20 Years Period Certain	\$616,724.03
Temporary Life 10 Years and 0 Months*	\$356,314.79
Temporary Life 15 Years and 0 Months*	\$478,545.28
Temporary Life 20 Years and 0 Months*	\$567,161.76

This illustration expires seven calendar days from the date it is generated.

To receive the quoted income payment, you must sign an application prior to the illustration expiration date.

- The signed application, illustration and your contribution must be received within **five business days** of the application sign date.
- If this is a 1035 exchange or qualified transfer, the contribution must be received within **45 calendar days** of the application sign date.

If these timelines are not met, your income payment amount will be re-determined using the interest rates and factors in effect at the time Integrity receives the last of the required items.

This is an illustration only and does not constitute an offer or solicitation of sale. The sale and issuance of the annuity contract is subject to company review and approval. Misrepresentation or misstatement of age or sex will render this illustration invalid.

*This option provides no benefit to any beneficiaries on or after the death of the annuitant(s). Accordingly, older annuitants need to carefully consider whether an annuity with a period certain term (for example 10 to 15 years) is more appropriate for their needs.

Integrity Life Insurance Company
Cincinnati, Ohio
IncomeSource[®] Single Premium Immediate Annuity

The purchase of an immediate annuity is permanent. The annuity owner will no longer have access to the premium, which converts into a stream of income payments. The contract has no cash value, no death benefit and cannot be surrendered. The terms of the annuity, such as the choice of income payment option, payment amounts and timing, and the rates of return, cannot be changed unless commutation elected.

This illustration does not reflect the effect of income taxes and penalty taxes. Withdrawals are taxable as ordinary income and, if taken prior to 59 ½ may be subject to a 10% IRS penalty tax. This penalty along with other income taxes is not reflected in this illustration. Integrity does not offer tax advice. For specific tax information, consult your attorney or tax advisor.

Integrity immediate annuities are issued and guaranteed by Integrity Life Insurance Company, Cincinnati, OH, a member of Western & Southern Financial Group.

Guarantees are based on the claims-paying ability of the insurer. Payment of benefits under the annuity contract is the obligation of, and is guaranteed by, the insurance company issuing the annuity.

Product and feature availability, as well as benefit provisions, vary by state and by product. See your financial professional for details and limitations. For use with contract series ICC09 ENT-01 0901, ICC09 ER.01 0901, ICC09 ER.02 0901, ICC09-07-001-0904, ENT-01 0901, ER.01 0901, ER.02 0901, and IL-77-0045-0808.

This illustration is not complete unless all pages are included. Please ensure you read this illustration in its entirety, including any disclosures.

No bank guarantee	Not a deposit	May lose value	Not FDIC/NCUA insured	Not insured by any federal government agency
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LINCOLN BENEFIT LIFE

AN ALLSTATE COMPANY

2940 S. 84th. Lincoln, NE 68506

Prepared For:

Owner: Pete Kortum

IncomeReadySM Single Premium Immediate Annuity Hypothetical Illustration

Presented by:

Calvin Strong
1611 10th St.
Aurora, NE 68818
(402) 694-3033

Representing: Woodbury

Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

LBL7591

Page 1 of 4

01/28/2013

Version 1.07

State of Issue: NE

Prepared For: Owner: Pete Kortum Annuitant: Pete Kortum, Male, Age: 61 Owner's Resident State: NE	Presented By: Calvin Strong Woodbury 1611 10th St. Aurora, NE 68818 (402) 694-3033
---	--

Explanation of Payout Options

<i>Payout Quote</i>	<i>Single Premium</i>	<i>Initial Payout (No Riders)</i>	<i>Initial Payout (With Riders)</i>	<i>Amount of Basis</i>	<i>Non Taxable Payout Percentage</i>	<i>Cost of Living Adjustment</i>
Payout 1: Life with Period Certain for 5 years 0 months	\$683,109.91	\$3,219.89	N/A	\$0.00	0.00%	0.00%

Payout 1 - Traditional IRA, Life with 5 Years Period Certain issued on 01/28/2013 - Payouts begin 02/28/2013 and continue as long as the annuitant is living with a guarantee to make at least 60 Monthly payouts.

Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

LBL7591

Page 2 of 4

01/28/2013
 Version 1.07
 State of Issue: NE

END NOTES

Not FDIC, NCUA/NCUSIF insured	Not a deposit	No bank or credit union guarantee	Not insured by any federal government agency
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PAYOUT TYPES IN THIS ILLUSTRATION

Life Income with Period Certain - The company will make payments for as long as the annuitant lives. If the annuitant dies before the selected number of guaranteed payments have been made, the company will continue to pay the remainder of the guaranteed payments.

NON-TAXABLE PAYMENT PERCENTAGE

The Non-Taxable Payment Percentage, or Exclusion Ratio, is the percentage of each payment received that is considered a non-taxable return of premium. Once the basis in the contract has been recovered, the exclusion ratio would be 0.00%, and the entire payment would be considered taxable interest.

QUALIFIED PLANS

The payout options offered under your contract may or may not meet the Required Minimum Distribution (RMD) requirements imposed by the Internal Revenue Code on all qualified annuity contracts (IRAs, 403(b)s, and other qualified employer plan contracts).

RMD is generally satisfied if a qualified contract owner annuitizes the contract over one of the following:

- The life or lives of the owner and the oldest beneficiary, or
- A period certain not extending beyond the life expectancy of the owner determined in accordance with the Uniform Lifetime Table. If the owners' spouse is the sole beneficiary and more than 10 years younger than the owner, the period certain cannot extend beyond the joint life expectancy determined using the joint life and last survivor life expectancy table.

Annuity payments under a joint and survivor annuity using the joint lives of the owner and a non-spouse beneficiary may require a mandatory reduction in the survivors annuity benefit.

RATE LOCKS

- The application must be signed and completed before the expiry date of the rates used in the illustration.
- The rate quoted will be locked if the application, illustration, and premium payment is received in the home office within seven days of the date the application is signed.
- **Note:** Once a rate is locked, it cannot be changed, even if a subsequent rate improvement occurs.

Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

END NOTES (continued)

GENERAL INFORMATION

This Illustration is for illustrative purposes only; nothing herein is a contractual obligation. The rates used throughout this illustration are hypothetical, and any non-guaranteed elements illustrated are subject to change and could either be higher or lower resulting in annuity values that may be either higher or lower.

Rates are subject to change weekly.

Each payment stream must be approved by Lincoln Benefit Life.

No modifications to the contract will be allowed after issue.

Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

LBL7591

Page 4 of 4

01/28/2013

Version 1.07

State of Issue: NE

Customers Tab

Entity as Owner:	No	Owner's Name:	Pete Kortum
Owner's Resident State:	NE	Same as Owner:	Yes
Annuitant's Name:	Pete Kortum	Annuitant Date of Birth:	10/1951
Annuitant Age:	61	Annuitant Sex:	Male
Add Joint Annuitant:	No		

Payout 1

Tax Status:	Traditional IRA	Objective:	Calculate Premium
Single Premium:	683,109.91	Tax Basis:	0.00
Payout Mode:	Monthly	Payout Option:	Life with Period Certain
% to Survivor:	100.00%	Decrease at Death of:	Either Annuitant
Years:	5	Months:	0
Cost of Living Adjustment:	0.00%	Issue Date:	01/28/2013
1st Payment Date:	02/28/2013	Accelerated Benefits:	No
Commuted Value of Guar.:	No	Modified Cash Refund Liquidity:	No

Agent Tab

Agent Name:	Calvin Strong	Agency:	Woodbury
Address Line 1:	1611 10th St.	Address Line 2:	
City:	Aurora	State:	NE
Zip:	68818-	Phone:	(402) 694-3033
Application Signed In:	NE		

Report Options Tab

Cover Page:	Yes	Proposal Description:	
Signature Page:	No	Information Page:	No
Home Office Page:	Yes	Cost of Living Page:	No
Rate Code:	0P00000FYGFIBN3Q1TRSGLAK5FUH1IAMSQ5TSSHFUH1IAMSQ5TSSH347A843		
Expiration Date:	02/03/2013		

For Home Office Use.
The Input Report displays values resulting from any searches and solves that have been performed.



North American Income Illustration

A Single Premium Immediate Annuity
Qualified Contract

Prepared for:
Pete Kortum

Prepared by:
Calvin Strong

January 28, 2013

North American Company for Life and Health Insurance
Annuity Division
4350 Westown Parkway
West Des Moines, Iowa 50266
(866) 322-7065

North American Company for Life and Health Insurance

Des Moines, Iowa

North American Income Illustration

Prepared for:	Pete Kortum	Client Sex:	Male	Client Age:	61
Prepared by:	Calvin Strong	Contract Date:	January 28, 2013	State:	NE
Single Premium:	\$625,546.24				
Cost Basis:	\$0.00				

Plan: **Period Certain and Single Life (5 Years)**

Type of Funds: **Qualified**

Single Premium: **\$625,546.24**

Cost Basis: **\$0.00**

Income of: **\$3,219.89 payable Monthly, beginning February 28, 2013**

This is an illustrations only and is subject to approval by North American Company for Life and Health Insurance. Actual rates will be those in effect on the date the premium is received in the home office.

Make checks payable to: North American Company for Life and Health Insurance
Annuity Division
4350 Westown Parkway
West Des Moines, Iowa 50266
(866) 322-7065

The North American Income is issued on form LS116A or appropriate state variations by North American Company for Life and Health Insurance. This product and its features may not be available in all states.



Ultra Income Annuity

Dependable income with flexible payment options

Ultra Income Annuity

Single Premium Immediate Annuity

Prepared for: Pete Kortum

Presented by: Calvin Strong
Woodbury

This is an illustration only and is subject to approval by United of Omaha Life Insurance Company. Actual Interest Rates used will be those in effect on the date the purchase payment is received. United of Omaha Life Insurance Company will not be bound by any improper quote.

ALL FINANCIAL GUARANTEES IN THIS ILLUSTRATION ARE BACKED BY UNITED OF OMAHA INSURANCE COMPANY.

Underwritten by United of Omaha Life Insurance Company, Mutual of Omaha Plaza, Omaha, NE 68175 is licensed in all states except New York.

Rate Series: 0113RIA
AFN41296-0510

Policy Form: C499LNA08P

Version: V1.12
Page 1 of 3

Ultra-Income
A Single Premium Immediate Annuity

Annuitant: Pete KortumMale **Age:** 61**State of Issue:** NE **Qualified****Date of Quote:** 01/28/2013**Premium Tax:** 0.00%**Quote Expiration Date:** 02/04/2013 ***Purchase Date:** 01/28/2013

Guaranteed Period and Life
Single Premium: \$ 706,686.41

Income Payment		Income Payment	Guaranteed Period		Guaranteed
<u>Start Date</u>	<u>Mode</u>	<u>Amount</u>	<u>year(s)</u>	<u>month(s)</u>	<u>Payout</u>
02/28/2013	Monthly	\$3,219.89	5	0	\$193,193.40

Policy Benefits

Income Payments will be paid to the owner unless specified. Income Payments will be guaranteed for the specified period listed above under the Guaranteed Period column. If the annuitant dies within this Guaranteed Period, income payments for the balance of the Guaranteed Period can continue to the beneficiary or can be commuted upon written request of the beneficiary and paid in one sum. If the annuitant lives beyond the Guaranteed Period, payments will continue until the annuitant's death.

ANNUITIES ARE INSURANCE PRODUCTS AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION(FDIC) OR ANY OTHER AGENCY OF THE UNITED STATES, OR THE FINANCIAL INSTITUTION OR AN AFFILIATE OF THE FINANCIAL INSTITUTION WHERE THEY ARE MADE AVAILABLE. ANNUITIES ARE NOT GUARANTEED NOR ARE THEY DEPOSITS, OBLIGATIONS OR GUARANTEES OF THE FINANCIAL INSTITUTION OR AN AFFILIATE OF THE FINANCIAL INSTITUTION WHERE THEY ARE MADE AVAILABLE. ANNUITIES INVOLVE INVESTMENT RISK INCLUDING LOSS OF PRINCIPAL BECAUSE THE PAYMENT OF PRINCIPAL AND INTEREST DEPENDS SOLELY ON THE ISSUING INSURANCE COMPANY'S FINANCIAL CONDITION.

* The payout illustration is valid for seven days with a signed application

Rate Series: 0113RIA
Policy Form: C499LNA08P**Version:** V1.12
Page: 2 of 3

Ultra-Income

A Single Premium Immediate Annuity

Annuitant: Pete KortumMale **Age:** 61**State of Issue:** NE **Qualified****Date of Quote:** 01/28/2013**Premium Tax:** 0.00%**Quote Expiration Date:** 02/04/2013 ***Purchase Date:** 01/28/2013

COMPARISON OF BENEFIT PAYMENT OPTIONS

Monthly Income: \$ 3,219.89

Benefit Payment Option	Single Premium Income	Guaranteed Payout	Exclusion Ratio
Life Only	\$ 705,573.10	\$ 0.00	0.00%
Life with Period Certain			
10 year guarantee	\$ 713,815.72	\$ 386,386.80	0.00%
15 year guarantee	\$ 731,604.38	\$ 579,580.20	0.00%
20 year guarantee	\$ 761,411.25	\$ 772,773.60	0.00%
Guarantee Period Only			
10 year guarantee	\$ 372,445.98	\$ 386,386.80	0.00%
15 year guarantee	\$ 522,321.38	\$ 579,580.20	0.00%
20 year guarantee	\$ 646,099.59	\$ 772,773.60	0.00%
Installment Refund	\$ 759,143.30	\$ 759,894.04	0.00%
19 year 8 month guarantee period			

THE BENEFIT PAYMENT OPTIONS LISTED ABOVE ARE FOR COMPARISON PURPOSES ONLY. THE APPLICANT MUST BE PROVIDED A SINGLE PREMIUM ANNUITY ILLUSTRATION THAT CONTAINS A DESCRIPTION OF THE BENEFIT PAYMENT OPTION SELECTED.

* The payout illustration is valid for seven days with a signed application

This Illustration is not Valid Unless All Pages Are Included

Rate Series: 0113RIA
Policy Form: C499LNA08P

Version: V1.12
Page: 3 of 3

Client Input Summary

Company: Mutual of Omaha - United of Omaha
Product: SPIA v1.12

January 28, 2013
2.51.00, 6.99.48

Annuitant Info

Client Name	Pete Kortum
Date of Birth	10/10/1951
Age Nearest Birthday	61
Rated Age	0
Sex	Male
State	Nebraska
Initial Premium of Existing Contracts	0

Joint Annuitant Info

Joint Annuitant Info	No
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Policy Options

Purchase Date	01/28/2013
Qualified	Yes
Multiple Income Payment Options	Yes
Annuity Type	
Annuity \Type Option	Life with or without Period Certain
Benefit \Mode	Monthly
Period Certain \Years Guar.	5
Period Certain \Months Guar.	0
Benefit \Amount	3219.89
Single \Premium	0
Cost Basis	0
Date of \First Benefit	02/28/2013
COLA %	0

Home Office

For Home Office Use Only	No
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Producer Information

Producer Name	Calvin Strong
Producer Office	Woodbury

Single Premium Immediate Annuity Quote

First Annuitant: Pete Kortum Birth Date: 10/10/1951 Age: 61 Gender: Male	Second Annuitant: Birth Date: Age: Gender:
Resident State: Nebraska State Premium Tax: 0.0% Tax Status: IRA Cost Basis: NA	Quote Date: 1/30/2013 Expiration Date: 2/6/2013 Purchase Date: 1/30/2013

Premium	Income	Income Start Date	Tax-Free Amount	Excl. Ratio
1. For Pete Kortum: Monthly for 5 years certain and life thereafter. Life Expectancy: 23.8 years				
\$744,432.92	\$3,291.89	2/15/2013	See Note *	NA

Date the rate went into effect: 1/21/2013

* Tax-Free Amount not determined. Please consult a tax professional.

Rates are subject to change without notice. To ensure timely issuance of the contract, please submit a copy of this quote with the immediate annuity application. Please note, we aggregate multiple contracts for the same annuitant. This may affect the final determination of your income benefits or premium costs.

The instructions on the last page are an integral part of the illustration; please read them carefully.

This Contract Can Offer the Following Flexibility:

Includes the **Early Advance** feature which provides the opportunity to request up to 12 months' worth of income payments (minimum of 3 months at a time), in the event the Owner meets a qualifying event, to be advanced during the life of the contract. Advanced income payments can be taken all at once or only as needed. This feature automatically applies to eligible contracts and all payout types. Not available for non-natural owners such as trusts, corporate-owned or partnership owners. There is no charge for this feature but annuitant must be age 85 or younger on the application signed date to qualify. Other restrictions and limitations apply.

Eligible for the optional **Income Withdrawal** feature that allows you to withdraw, after the first contract year and one time during the life of the contract, the present value* of future guaranteed payments (based on the certain or refund period) in the form of a lump sum. Full Income Withdrawal is only available with period certain only contracts, but will eliminate future guaranteed income payments. Partial Income Withdrawal of 20 to 80% is available for period certain only and life contingency contracts (life with period certain and life with cash or installment refund payout options). Partial Income Withdrawal will reduce future guaranteed income payments; however for life contingency contracts, if the annuitant is still alive after the guarantee period ends, payments will return to the original amount for the life of the annuitant. Although this feature allows access to funds, it should be carefully considered before using since the amount received may be significantly less than the value of the guaranteed period payments being commuted.

There is no cost to add this feature; however this feature must be selected on the application to have access. Restrictions apply.

*The interest rate used to calculate the present value will be the greater of the Six Month Constant Maturity Treasury Rate (CMT) or Moody's Seasoned Baa Corporate Bond Yield as of the 15th day of the month prior to the date we receive the withdrawal request.

Prepared for: Pete Kortum Prepared by: Calvin Strong	Issued by Genworth Life Insurance Company Richmond, VA
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05/14/12 NS35307

Payout Effective: 1/21/2013 GLI4/IE

Version 3.25 v01212013

This illustration is not complete without all pages.

Payout Rates: JCE JYF CZG CYG DZH EZH OYH S; UET WFB WGI HGK YHS KHK KHK X

Hypothetical Illustration, Page 1 of 2

Date Prepared: 1/30/2013

Preparer: #4737512

This illustration assumes the following conditions are met:

- All funds are received at Genworth Life Insurance Company:
 - on or before the expiration date stated in the illustration, and
 - within the effective period of the prevailing rate scale, and
 - on the purchase date.
- Premiums in excess of \$1,000,000 require Genworth Home Office approval before premium may be submitted to Genworth Life.
- If the source of funds is a qualified plan, IRA or TSA and the annuity option is Joint & Survivor, tax law requires a benefit reduction at the primary annuitant's death when the survivor is not the spouse and is more than ten years younger than the primary annuitant. Please contact Genworth Life for information about your applicable reduction percentage should this happen.
- All Required Minimum Distributions for each calendar year from and including the calendar year in which the owner turned 70 1/2 through the end of the current year have been made. This quote may not be valid if these distributions have not been made.
- Neither Genworth Life nor its representatives provide tax advice. Information in this quotation reflects Genworth Life's understanding of tax laws, regulations, and penalties. Please contact a qualified tax advisor.
- The information in the quote is subject to the terms of policy form series GNW6024 et al and GEC6012 et al.

Genworth Life must be provided with either one primary proof of birth or two secondary proofs of birth.

Primary Proofs of Births

(must provide one of the following)

- Baptismal Record
- Birth Certificate
- Driver's License
- Naturalization Record
- Passport

Secondary Proofs of Birth

(Must provide two of the following)

- Affidavit signed by someone, born before you, that remembers when you were born
- Census Records
- Children's birth certificate
- Employment Records
- Family Bible Record
- Marriage License
- Medical Records
- Other life insurance company policy
- School Records
- Social Security Records - not card

05/14/12 NS35307

Payout Effective: 1/21/2013 GLI4/IE

Version 3.25 v01212013

This illustration is not complete without all pages.

Payout Rates: JCE JYF CZG CYG DZH EZH OYH S; UET WFB WGI HGK YHS KHK KHK X

Hypothetical Illustration, Page 2 of 2

Date Prepared: 1/30/2013

Preparer: #4737512

An Immediate Annuity Illustration using:

ING SPIA

(Form #1823 Traditional IRA; may vary by state and not available in all states)

A Single Premium Immediate Fixed Annuity

ING USA Annuity and Life Insurance Company

Designed For:
Pete Kortum
State of Issue: Nebraska
Initial Premium: \$682,479
Issue Age: 61

Presented By: Calvin Strong
1611 10th St
Aurora, NE 68818
Phone: 402-694-3033



Your future. Made easier.®

BA-225
01/30/2013 05:34 PM
Page 1 of 3

SINGLE PREMIUM IMMEDIATE ANNUITY QUOTE
Traditional IRA Annuity

The purpose of this illustration is to show the initial annuity benefit amount based on the annuitization option and an assumed investment rate or a current fixed account interest rate.

Prepared for:

Pete Kortum
Male 61 10/10/1951
State of Issue: Nebraska

Single Premium: \$682,479

Purchase Date: 01/30/2013
First Payment Date: 02/15/2013
Benefit Frequency: Monthly

BENEFIT INFORMATION

Single Life
5 Year Guarantee Period

Benefit Amount: \$3,291.89

Monthly Taxable Portion: \$3,291.89

- The benefit is payable for as long as the annuitant Pete Kortum shall live with payments guaranteed for 5 years. If Pete Kortum dies before all guaranteed payments are made, payments will continue to the beneficiary.
- Some contracts permit the beneficiary to receive the commuted value of any remaining payments.
- For illustration purposes, we assume the annuitant and owner are the same person.
- The annuity contract will terminate on the death of the annuitant.

This illustration is not valid without all pages.

ING SPIA for Pete Kortum
Version M3 2013.01.00, Released 01/28/2013

Presented by: Calvin Strong, Woodbury
01/30/2013 05:34 PM
Page 2 of 3

VALUABLE INFORMATION ABOUT YOUR ILLUSTRATION

Premiums over \$2,000,000 must have prior approval of the issuer.

ILLUSTRATIONS. This illustration is not the actual annuity contract you will receive, nor is it part of the contract. The illustration is intended only to show you how the annuity might function based on the interest, tax rate, and premium payment assumptions contained in the illustration. Due to your individual circumstances, your contract, upon issue, may differ from what is illustrated. In that event, the terms of your contract control.

The benefit amount will differ from those shown if the premium is paid in different amounts.

QUOTE ASSUMPTIONS. The quote assumes the following conditions:

1. All money is received at ING USA Annuity and Life Insurance Company within the effective period of the prevailing rate scale effective as of 01/28/2013.
2. This quote is provided by ING USA Annuity and Life Insurance Company for illustration purposes only. All applications received are subject to review and final approval by the Company.
3. No modifications to this contract will be allowed after issue.

SINGLE PREMIUM IMMEDIATE ANNUITY FACTORS. Factors used in this quote such as interest rates are subject to change without notice. Current interest rates as well as other factors may be verified with ING USA Annuity and Life Insurance Company service office in Des Moines, IA 50309.

TAX TREATMENT. Depending on whether the annuity is qualified or nonqualified, you will pay federal income taxes on all or a portion of each annuity payment. Current law defines part of each payment from a non-qualified contract as a return of principal. Only the interest portion of each payment from a nonqualified annuity is taxable. This treatment continues until your entire principal has been received, at which point the annuity payments are fully taxable. If this is a qualified annuity, all annuity payments may be fully taxable. Certain annuity payments may be subject to a 10% federal penalty tax. Tax laws change frequently. The tax treatment of annuity earnings may differ substantially from earnings on other investments. Neither the Company nor its agents and representatives can provide tax, legal or accounting advice. Clients should consult their own attorney or tax advisor about their specific circumstances. IRAs and other qualified plans already provide tax deferral like that provided by an annuity. Additional features and benefits such as contract guarantees, death benefits and the ability to receive a lifetime income are contained within the annuity for a cost. Please be sure the features and costs of the annuity are right for you when considering the purchase of an annuity. Certain annuity contracts may not be purchased by a funded ERISA plan. Ask your agent for details.

FREE LOOK. The annuity contract contains a free look period allowing you to review all of its provisions. The number of days in the free look period is shown on the first page of your contract. If, within that free look period, you do not wish to keep the contract, you may return it to the Company to receive a full refund of any premium paid.

ISSUER. ING SPIA is a single premium immediate fixed annuity available in most states. In those states where it is available, certain provisions may vary or may not be available. ING SPIA is issued by ING USA Annuity and Life Insurance Company (the "Company"), a member of the ING family of companies, located at 909 Locust St., Des Moines, IA 50309. Form #1823 (may vary by state).

All guarantees are based upon the financial strength and claims-paying ability of the issuing Company, which is solely responsible for all obligations under its contracts.

The annuity is not a deposit or other obligation of, or guaranteed by any bank or any affiliate of any bank. Annuities are not insured by the FDIC, national credit union administration, or any other agency of the United States, any financial institution or its affiliates. Annuities involve risk, including the possible loss of value.

This illustration is not valid without all pages.

ING SPIA for Pete Kortum
Version M3 2013.01.00, Released 01/28/2013

Presented by: Calvin Strong, Woodbury
01/30/2013 05:34 PM
Page 3 of 3

Integrity Life Insurance Company
Cincinnati, Ohio

Annuity Illustration

Single Premium Immediate Annuity
IncomeSource[®] Annuity

Designed for
Pete Kortum

Presented by
Calvin Strong

January 30, 2013

Integrity Life Insurance Company (Integrity) currently holds the following ratings from three highly respected, independent insurance rating firms:

Standard & Poor's	AA+ Very Strong for very strong financial security characteristics (second highest of 21 ratings; rating held since August 2005)
Fitch	AA Very Strong for very strong capacity to meet policyholder and contract obligations on a timely basis (third highest of 21 ratings; rating held since June 2009)
A.M. Best	A+ Superior for superior ability to meet ongoing insurance obligations (second highest of 16 ratings; rating held since June 2009)

Ratings refer to the claims paying ability of Integrity Life Insurance Company, Cincinnati, OH, a member of the Western & Southern Financial Group, and are an opinion of its financial capacity to meet obligations of its contracts. Ratings, determined by independent insurance rating firms, neither refer to the performance or safety of the product nor imply approval of it or its investment options. Ratings, current as of December 31, 2012, are periodically reviewed and subject to change.

IL-26-36000-1109

Page 1 of 3

This illustration is not valid without all pages.

Integrity Life Insurance Company
Cincinnati, Ohio
IncomeSource® Single Premium Immediate Annuity

This is an illustration of the income payments you could receive from an IncomeSource single premium immediate annuity. The illustration is based on the options you choose and the information you provided.

Annuitant:	Pete Kortum
Gender:	Male
Age:	61
Annuity Type:	IRA(Rollover,Roth,SEP)
Issue State:	NE
Income Payment:	\$3,291.89
	\$0.00
Deferral Period:	0 Month(s)
Payment Frequency:	Monthly
Increasing Payout Option:	0.00%

Income Options	Required Premium
Life & 5 Years Period Certain	\$691,053.02
Life Only*	\$688,344.01
Life & 10 Years Period Certain	\$692,781.95
Life & 15 Years Period Certain	\$708,754.38
Life & 20 Years Period Certain	\$732,758.67
Life with Installment Refund	\$723,819.12
Life with Cash Refund	\$734,887.16
10 Years Period Certain	\$376,464.66
15 Years Period Certain	\$517,551.34
20 Years Period Certain	\$632,265.00
Temporary Life 10 Years and 0 Months*	\$365,334.08
Temporary Life 15 Years and 0 Months*	\$490,898.13
Temporary Life 20 Years and 0 Months*	\$582,063.73

This illustration expires seven calendar days from the date it is generated.

To receive the quoted income payment, you must sign an application prior to the illustration expiration date.

- The signed application, illustration and your contribution must be received within **five business days** of the application sign date.
- If this is a 1035 exchange or qualified transfer, the contribution must be received within **45 calendar days** of the application sign date.

If these timelines are not met, your income payment amount will be re-determined using the interest rates and factors in effect at the time Integrity receives the last of the required items.

This is an illustration only and does not constitute an offer or solicitation of sale. The sale and issuance of the annuity contract is subject to company review and approval. Misrepresentation or misstatement of age or sex will render this illustration invalid.

*This option provides no benefit to any beneficiaries on or after the death of the annuitant(s). Accordingly, older annuitants need to carefully consider whether an annuity with a period certain term (for example 10 to 15 years) is more appropriate for their needs.

Integrity Life Insurance Company
Cincinnati, Ohio
IncomeSource[®] Single Premium Immediate Annuity

The purchase of an immediate annuity is permanent. The annuity owner will no longer have access to the premium, which converts into a stream of income payments. The contract has no cash value, no death benefit and cannot be surrendered. The terms of the annuity, such as the choice of income payment option, payment amounts and timing, and the rates of return, cannot be changed unless commutation elected.

This illustration does not reflect the effect of income taxes and penalty taxes. Withdrawals are taxable as ordinary income and, if taken prior to 59 ½ may be subject to a 10% IRS penalty tax. This penalty along with other income taxes is not reflected in this illustration. Integrity does not offer tax advice. For specific tax information, consult your attorney or tax advisor.

Integrity immediate annuities are issued and guaranteed by Integrity Life Insurance Company, Cincinnati, OH, a member of Western & Southern Financial Group.

Guarantees are based on the claims-paying ability of the insurer. Payment of benefits under the annuity contract is the obligation of, and is guaranteed by, the insurance company issuing the annuity.

Product and feature availability, as well as benefit provisions, vary by state and by product. See your financial professional for details and limitations. For use with contract series ICC09 ENT-01 0901, ICC09 ER.01 0901, ICC09 ER.02 0901, ICC09-07-001-0904, ENT-01 0901, ER.01 0901, ER.02 0901, and IL-77-0045-0808.

This illustration is not complete unless all pages are included. Please ensure you read this illustration in its entirety, including any disclosures.

No bank guarantee	Not a deposit	May lose value	Not FDIC/NCUA insured	Not insured by any federal government agency
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LINCOLN BENEFIT LIFE

AN ALLSTATE COMPANY

2940 S. 84th. Lincoln, NE 68506

Prepared For:

Owner: Pete Kortum

IncomeReadySM Single Premium Immediate Annuity Hypothetical Illustration

Presented by:

Calvin Strong
1611 10th St.
Aurora, NE 68818
(402) 694-3033

Representing: Woodbury

Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

LBL7591

Page 1 of 7

01/30/2013

Version 1.07

State of Issue: NE

Prepared For: Owner: Pete Kortum Annuitant: Pete Kortum, Male, Age: 61 Owner's Resident State: NE	Presented By: Calvin Strong Woodbury 1611 10th St. Aurora, NE 68818 (402) 694-3033
---	--

Explanation of Payout Options

<i>Payout Quote</i>	<i>Single Premium</i>	<i>Initial Payout (No Riders)</i>	<i>Initial Payout (With Riders)</i>	<i>Amount of Basis</i>	<i>Non Taxable Payout Percentage</i>	<i>Cost of Living Adjustment</i>
Payout 1: Life with Period Certain for 5 years 0 months	\$700,742.93	\$3,291.89	N/A	\$0.00	0.00%	0.00%

Payout 1 - Traditional IRA, Life with 5 Years Period Certain issued on 01/30/2013 - Payouts begin 02/15/2013 and continue as long as the annuitant is living with a guarantee to make at least 60 Monthly payouts.

Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

LBL7591

Page 2 of 7

01/30/2013
 Version 1.07
 State of Issue: NE

Signature

Prepared For:

Owner: Pete Kortum

By signing here, I confirm that:

- I have received a copy of this illustration.
- I understand that all rates used throughout this illustration are hypothetical, and any non-guaranteed elements illustrated are subject to change and could either be higher or lower resulting in annuity values that may be either higher or lower.
- I understand that no modification to the contract will be allowed after the contract is issued.

Owner's Signature: _____

Presented By:

Agent : Calvin Strong

Representing: Woodbury

By signing here, I certify that:

- This Illustration has been presented to Pete Kortum
- The Owner has been told that all rates used throughout this illustration are hypothetical, and any non-guaranteed elements illustrated are subject to change and could either be higher or lower resulting in annuity values that may be either higher or lower.
- The Owner has been told that no modifications to the contract will be allowed after the contract is issued.
- No statements have been made that are inconsistent with this illustration.

Signature of Agent

Date

Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

LBL7591

Page 3 of 7

01/30/2013

Version 1.07

State of Issue: NE

END NOTES

Not FDIC, NCUA/NCUSIF insured	Not a deposit	No bank or credit union guarantee	Not insured by any federal government agency
----------------------------------	------------------	--------------------------------------	---

PAYOUT TYPES IN THIS ILLUSTRATION

Life Income with Period Certain - The company will make payments for as long as the annuitant lives. If the annuitant dies before the selected number of guaranteed payments have been made, the company will continue to pay the remainder of the guaranteed payments.

NON-TAXABLE PAYMENT PERCENTAGE

The Non-Taxable Payment Percentage, or Exclusion Ratio, is the percentage of each payment received that is considered a non-taxable return of premium. Once the basis in the contract has been recovered, the exclusion ratio would be 0.00%, and the entire payment would be considered taxable interest.

QUALIFIED PLANS

The payout options offered under your contract may or may not meet the Required Minimum Distribution (RMD) requirements imposed by the Internal Revenue Code on all qualified annuity contracts (IRAs, 403(b)s, and other qualified employer plan contracts).

RMD is generally satisfied if a qualified contract owner annuitizes the contract over one of the following:

- The life or lives of the owner and the oldest beneficiary, or
- A period certain not extending beyond the life expectancy of the owner determined in accordance with the Uniform Lifetime Table. If the owners' spouse is the sole beneficiary and more than 10 years younger than the owner, the period certain cannot extend beyond the joint life expectancy determined using the joint life and last survivor life expectancy table.

Annuity payments under a joint and survivor annuity using the joint lives of the owner and a non-spouse beneficiary may require a mandatory reduction in the survivors annuity benefit.

RATE LOCKS

- The application must be signed and completed before the expiry date of the rates used in the illustration.
- The rate quoted will be locked if the application, illustration, and premium payment is received in the home office within seven days of the date the application is signed.
- **Note:** Once a rate is locked, it cannot be changed, even if a subsequent rate improvement occurs.

Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

END NOTES (continued)

GENERAL INFORMATION

This Illustration is for illustrative purposes only; nothing herein is a contractual obligation. The rates used throughout this illustration are hypothetical, and any non-guaranteed elements illustrated are subject to change and could either be higher or lower resulting in annuity values that may be either higher or lower.

Rates are subject to change weekly.

Each payment stream must be approved by Lincoln Benefit Life.

No modifications to the contract will be allowed after issue.

Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

LBL7591

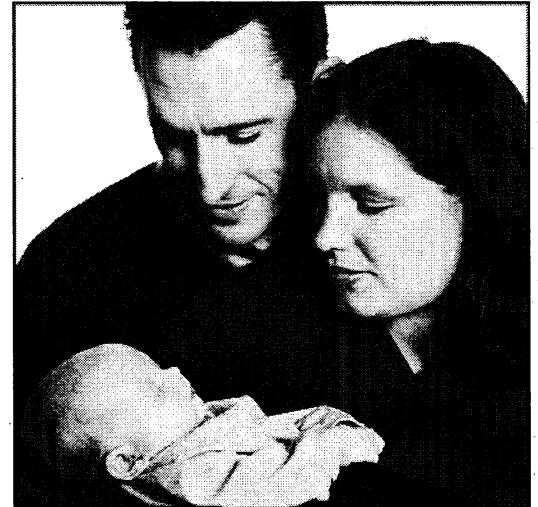
Page 5 of 7

01/30/2013

Version 1.07

State of Issue: NE

Our Promise to You:



Welcome from Lincoln Benefit Life Company in Lincoln, Nebraska. From our offices in America's heartland, we've helped families across the nation obtain affordable insurance protection since 1938.

Today, our proud tradition continues. We provide innovative financial products that offer solutions to independent-minded individuals who like to make their own, informed choices. And family protection is as important to us as it is to our customers.

You can rely on Lincoln Benefit Life because of what we promise you: Value, Service and Innovation.

Value:

Lincoln Benefit Life continues to grow and provide protection to more and more policyholders because we offer more value. You find innovative, high-quality financial products that offer solutions for your money when you come to Lincoln Benefit Life. And, you're assured of affordable insurance plans and financial products that are right for your own individual needs.

Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

LBL7591

Page 6 of 7

01/30/2013

Version 1.07

State of Issue: NE

Service:

You receive personal service linked with stability you can trust from Lincoln Benefit Life. Our size and business expertise provides a sound financial base, yet our heartland roots mean we always treat you like an individual, not like a number. Our dedication to honesty and ethics, and our commitment to offer clear answers to your questions, assure you we'll provide for your insurance and retirement needs as your circumstances change and grow.

Innovation:

New and innovative insurance solutions are a trademark of Lincoln Benefit Life and one of our secrets to success. We create insurance and investment products to fit today's consumer needs.

You can count on Lincoln Benefit Life to discover new ways to support America's changing individual and family lifestyles. Remember that it's never too early or too late to think about your financial future.



Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

LBL7591

Page 7 of 7

01/30/2013

Version 1.07

State of Issue: NE

Customers Tab

Entity as Owner:	No	Owner's Name:	Pete Kortum
Owner's Resident State:	NE	Same as Owner:	Yes
Annuitant's Name:	Pete Kortum	Annuitant Date of Birth:	10/1951
Annuitant Age:	61	Annuitant Sex:	Male
Add Joint Annuitant:	No		

Payout 1

Tax Status:	Traditional IRA	Objective:	Calculate Premium
Single Premium:	700,742.93	Tax Basis:	0.00
Payout Mode:	Monthly	Payout Option:	Life with Period Certain
% to Survivor:	100.00%	Decrease at Death of:	Either Annuitant
Years:	5	Months:	0
Cost of Living Adjustment:	0.00%	Issue Date:	01/30/2013
1st Payment Date:	02/15/2013	Accelerated Benefits:	No
Commuted Value of Guar.:	No	Modified Cash Refund Liquidity:	No

Agent Tab

Agent Name:	Calvin Strong	Agency:	Woodbury
Address Line 1:	1611 10th St.	Address Line 2:	
City:	Aurora	State:	NE
Zip:	68818-	Phone:	(402) 694-3033
Application Signed In:	NE		

Report Options Tab

Cover Page:	Yes	Proposal Description:	
Signature Page:	Yes	Information Page:	Yes
Home Office Page:	Yes	Cost of Living Page:	No
Rate Code:	0P00000FYGFIBN3Q1TRSGLAK5FUH1IAMSQ5TSSHFUH1IAMSQ5TSSH347A843		
Expiration Date:	02/03/2013		

For Home Office Use.

The Input Report displays values resulting from any searches and solves that have been performed.



North American Income Illustration

A Single Premium Immediate Annuity
Qualified Contract

Prepared for:
Pete Kortum

Prepared by:
Calvin Strong

January 30, 2013

North American Company for Life and Health Insurance
Annuity Division
4350 Westown Parkway
West Des Moines, Iowa 50266
(866) 322-7065

North American Company for Life and Health Insurance

Des Moines, Iowa

North American Income Illustration

Prepared for:	Pete Kortum	Client Sex:	Male	Client Age:	61
Prepared by:	Calvin Strong	Contract Date:	January 30, 2013	State:	NE
Single Premium:	\$641,914.88				
Cost Basis:	\$0.00				

Plan: **Period Certain and Single Life (5 Years)**

Type of Funds: **Qualified**

Single Premium: **\$641,914.88**

Cost Basis: **\$0.00**

Income of: **\$3,291.89 payable Monthly, beginning February 15, 2013**

This is an illustrations only and is subject to approval by North American Company for Life and Health Insurance. Actual rates will be those in effect on the date the premium is received in the home office.

Make checks payable to: North American Company for Life and Health Insurance
Annuity Division
4350 Westown Parkway
West Des Moines, Iowa 50266
(866) 322-7065

The North American Income is issued on form LS116A or appropriate state variations by North American Company for Life and Health Insurance. This product and its features may not be available in all states.



P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

Protective ProPayer® Income Annuity Illustration

Prepared for: Peter Kortum
Prepared by: Cal Strong
Woodbury Financial
Date of Preparation: 1/30/2013

THIS IS AN ILLUSTRATION ONLY. AN ILLUSTRATION IS NOT INTENDED TO PREDICT ACTUAL PERFORMANCE. EXCEPT FOR THOSE ITEMS CLEARLY LABELED GUARANTEED, RATES AND VALUES SET FORTH IN THE ILLUSTRATION ARE NOT GUARANTEED. COVERAGE IS SUBJECT TO THE TERMS AND CONDITIONS OF THE ANNUITY CONTRACT. THIS ILLUSTRATION IS NOT VALID WITHOUT ALL PAGES.

This is an illustration of the Protective ProPayer® Income Annuity, a Single Premium Immediate Annuity to be issued by Protective Life Insurance Company in the state of Nebraska. This annuity illustration is based on the factors listed below and a current interest rate set by Protective Life Insurance Company. A change in any of those factors or the interest rate will void this illustration.

<u>Purchase Payment</u>	\$783,916.36
Expected Effective Date	1/31/2013

Annuity Payment Description

Payments shown below are based on the payout option: Single Life with Certain Period

Payments are guaranteed during the Certain Period.

Payments will continue to be made, after the Certain Period, as long as the Annuitant is alive.

Monthly Payment:	\$3,291.89
Date of First Payment:	2/15/2013
Certain Period:	5 year(s), 0 month(s)
Total Guaranteed Payments:	\$197,513.40

Life Contingent Payment Information:

Annuitant 1	61 year old Male (10/10/1951)
-------------	-------------------------------

Summary of Taxation

Cost Basis:	\$0.00
Fund Status:	Traditional IRA
Non-Taxable Amount of Payments:	\$0.00
Taxable Amount of Payments:	\$3,291.89
Premium Tax Rate:	0%
Exclusion Ratio:	0.00%

The non-taxable amount is the portion designated by the Internal Revenue Service as a return of principal. The taxable amount is deemed to be interest. The exclusion ratio is the percentage of each payment that is not subject to federal income tax because it represents a return of principal. After the principal is returned, 100% of the payment is deemed to be interest and is therefore taxable. If the purchase payment is made with qualified funds, normally 100% of the payment is taxable. State tax rules may vary. Please consult your tax advisor for information about taxes in your specific situation.

Premium taxes are assessed at the time of distribution and may vary by state or asset type. The payout illustrated has been reduced by the state premium tax only and represents the net amount you will receive. All reporting of state premium tax is the responsibility of Protective Life Insurance Company.

The following information is included for home office purposes only: ELI Reg ID: EDe6ca4147-53d3-4c50-b548-842fa71d7887

Factors: .8 / 1.68 / 2.37 / 2.87 / 4 / (0) / 13.25

Form #: IPD-2112

1/30/2013 2:38 PM

Cal Strong

Page 1 of 3

Mortality Basis: Gender Specific

Version: 7.6.46

State: NE



Protective ProPayer® Income Annuity Illustration

Prepared for: Peter Kortum

Prepared by: Cal Strong

Woodbury Financial

P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

Date of Preparation: 1/30/2013

THIS INFORMATION IS PROVIDED AS A PROPOSAL ONLY, AND IS NOT A CONTRACT.

This proposal expires with the Company's next rate change. Rates are subject to change at any time without notice.

This proposal is based upon the expected effective date and the date of first payment. The effective date is the date on which the contract is issued. If the actual effective date and/or date of first payment differ from those shown, the actual payments and other values will differ from those shown. If an Owner dies within 30 days of the Supplement Effective Date and before the Annuity Payment Date, we will refund the Amount Applied minus the Annuitization Bonus, if any, to the Beneficiary in a lump sum. Otherwise, we will make payments to the Beneficiary according to the Annuity Payment Option.

Neither Protective Life Insurance Company nor its representatives offer legal or tax advice. Any tax-related statements made in this illustration are based upon general information and represent only one interpretation of current federal tax law as it relates to annuities. Moreover, the tax treatment of annuities is subject to change. Please consult your legal or tax advisor regarding your individual situation before making any tax-related decisions.

The following information is included for home office purposes only: ELI Reg ID: EDe6ca4147-53d3-4c50-b548-842fa71d7887

Factors: .8 / 1.68 / 2.37 / 2.87 / 4 / (0) / 13.25

Form #: IPD-2112

1/30/2013 2:38 PM

Cal Strong

Page 2 of 3

Mortality Basis: Gender Specific

Version: 7.6.46

State: NE



Protective ProPayer® Income Annuity Illustration

Prepared for: Peter Kortum

Prepared by: Cal Strong

Woodbury Financial

P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

Date of Preparation: 1/30/2013

Payment Schedule

Year	Monthly Payment	Annual Payment Amount		
		Total	Non-Taxable	Taxable
1	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
2	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
3	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
4	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
5	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
6	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
7	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
8	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
9	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
10	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
11	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
12	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
13	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
14	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
15	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
16	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
17	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
18	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
19	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
20	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
21	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
22	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
23	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
24	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
25	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
26	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
27	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
28	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
29	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
30	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68

The following information is included for home office purposes only: ELI Reg ID: EDe6ca4147-53d3-4c50-b548-842fa71d7887

Factors: .8 / 1.68 / 2.37 / 2.87 / 4 / (0) / 13.25

Mortality Basis: Gender Specific

Form #: IPD-2112

Cal Strong

Version: 7.6.46

1/30/2013 2:38 PM

Page 3 of 3

State: NE

Single Premium Immediate Annuity Quote

First Annuitant: Pete Kortum Birth Date: 10/10/1951 Age: 61 Gender: Female Resident State: Nebraska State Premium Tax: 0.0% Tax Status: IRA Cost Basis: NA	Second Annuitant: Birth Date: Age: Gender: Quote Date: 1/30/2013 Expiration Date: 2/6/2013 Purchase Date: 1/30/2013
---	--

Premium	Income	Income Start Date	Tax-Free Amount	Excl. Ratio
1. For Pete Kortum: Monthly for 5 years certain and life thereafter. Life Expectancy: 26.5 years				
\$777,883.58	\$3,291.89	2/15/2013	See Note *	NA

Date the rate went into effect: 1/21/2013

* Tax-Free Amount not determined. Please consult a tax professional.

Rates are subject to change without notice. To ensure timely issuance of the contract, please submit a copy of this quote with the immediate annuity application. Please note, we aggregate multiple contracts for the same annuitant. This may affect the final determination of your income benefits or premium costs.

The instructions on the last page are an integral part of the illustration; please read them carefully.

This Contract Can Offer the Following Flexibility:

Includes the **Early Advance** feature which provides the opportunity to request up to 12 months' worth of income payments (minimum of 3 months at a time), in the event the Owner meets a qualifying event, to be advanced during the life of the contract. Advanced income payments can be taken all at once or only as needed. This feature automatically applies to eligible contracts and all payout types. Not available for non-natural owners such as trusts, corporate-owned or partnership owners. There is no charge for this feature but annuitant must be age 85 or younger on the application signed date to qualify. Other restrictions and limitations apply.

Eligible for the optional **Income Withdrawal** feature that allows you to withdraw, after the first contract year and one time during the life of the contract, the present value* of future guaranteed payments (based on the certain or refund period) in the form of a lump sum. Full Income Withdrawal is only available with period certain only contracts, but will eliminate future guaranteed income payments. Partial Income Withdrawal of 20 to 80% is available for period certain only and life contingency contracts (life with period certain and life with cash or installment refund payout options). Partial Income Withdrawal will reduce future guaranteed income payments; however for life contingency contracts, if the annuitant is still alive after the guarantee period ends, payments will return to the original amount for the life of the annuitant. Although this feature allows access to funds, it should be carefully considered before using since the amount received may be significantly less than the value of the guaranteed period payments being commuted.

There is no cost to add this feature; however this feature must be selected on the application to have access. Restrictions apply.

*The interest rate used to calculate the present value will be the greater of the Six Month Constant Maturity Treasury Rate (CMT) or Moody's Seasoned Baa Corporate Bond Yield as of the 15th day of the month prior to the date we receive the withdrawal request.

Prepared for: Pete Kortum Prepared by: Calvin Strong	Issued by Genworth Life Insurance Company Richmond, VA
---	--

05/14/12 NS35307

Payout Effective: 1/21/2013 GLI4/IE

Version 3.25 v01212013

This illustration is not complete without all pages.

Payout Rates: JCE JYF CZG CYG DZH EZH OYH S; UET WFB WGI HGK YHS KHK KHK X

Hypothetical Illustration, Page 1 of 2

Date Prepared: 1/30/2013

Preparer: #6034052

This illustration assumes the following conditions are met:

- All funds are received at Genworth Life Insurance Company:
 - on or before the expiration date stated in the illustration, and
 - within the effective period of the prevailing rate scale, and
 - on the purchase date.
- Premiums in excess of \$1,000,000 require Genworth Home Office approval before premium may be submitted to Genworth Life.
- If the source of funds is a qualified plan, IRA or TSA and the annuity option is Joint & Survivor, tax law requires a benefit reduction at the primary annuitant's death when the survivor is not the spouse and is more than ten years younger than the primary annuitant. Please contact Genworth Life for information about your applicable reduction percentage should this happen.
- All Required Minimum Distributions for each calendar year from and including the calendar year in which the owner turned 70 1/2 through the end of the current year have been made. This quote may not be valid if these distributions have not been made.
- Neither Genworth Life nor its representatives provide tax advice. Information in this quotation reflects Genworth Life's understanding of tax laws, regulations, and penalties. Please contact a qualified tax advisor.
- The information in the quote is subject to the terms of policy form series GNW6024 et al and GEC6012 et al.

Genworth Life must be provided with either one primary proof of birth or two secondary proofs of birth.

Primary Proofs of Births

(must provide one of the following)

- Baptismal Record
- Birth Certificate
- Driver's License
- Naturalization Record
- Passport

Secondary Proofs of Birth

(Must provide two of the following)

- Affidavit signed by someone, born before you, that remembers when you were born
- Census Records
- Children's birth certificate
- Employment Records
- Family Bible Record
- Marriage License
- Medical Records
- Other life insurance company policy
- School Records
- Social Security Records - not card

05/14/12 NS35307

Payout Effective: 1/21/2013 GLI4/IE

Version 3.25 v01212013

This illustration is not complete without all pages.

Payout Rates: JCE JYF CZG CYG DZH EZH OYH S; UET WFB WGI HGK YHS KHK KHK X

Hypothetical Illustration, Page 2 of 2

Date Prepared: 1/30/2013

Preparer: #6034052

Integrity Life Insurance Company
Cincinnati, Ohio

Annuity Illustration

Single Premium Immediate Annuity
IncomeSource[®] Annuity

Designed for
Pete Kortum

Presented by
Calvin Strong

January 30, 2013

Integrity Life Insurance Company (Integrity) currently holds the following ratings from three highly respected, independent insurance rating firms:

Standard & Poor's	AA+ Very Strong for very strong financial security characteristics (second highest of 21 ratings; rating held since August 2005)
Fitch	AA Very Strong for very strong capacity to meet policyholder and contract obligations on a timely basis (third highest of 21 ratings; rating held since June 2009)
A.M. Best	A+ Superior for superior ability to meet ongoing insurance obligations (second highest of 16 ratings; rating held since June 2009)

Ratings refer to the claims paying ability of Integrity Life Insurance Company, Cincinnati, OH, a member of the Western & Southern Financial Group, and are an opinion of its financial capacity to meet obligations of its contracts. Ratings, determined by independent insurance rating firms, neither refer to the performance or safety of the product nor imply approval of it or its investment options. Ratings, current as of December 31, 2012, are periodically reviewed and subject to change.

Integrity Life Insurance Company
Cincinnati, Ohio
IncomeSource® Single Premium Immediate Annuity

This is an illustration of the income payments you could receive from an IncomeSource single premium immediate annuity. The illustration is based on the options you choose and the information you provided.

Annuitant:	Pete Kortum
Gender:	Female
Age:	61
Annuity Type:	IRA(Rollover,Roth,SEP)
Issue State:	NE
Income Payment:	\$3,291.89
	\$0.00
Deferral Period:	0 Month(s)
Payment Frequency:	Monthly
Increasing Payout Option:	0.00%

Income Options	Required Premium
Life & 5 Years Period Certain	\$730,561.80
Life Only*	\$728,823.72
Life & 10 Years Period Certain	\$728,259.34
Life & 15 Years Period Certain	\$738,305.45
Life & 20 Years Period Certain	\$754,165.96
Life with Installment Refund	\$750,419.43
Life with Cash Refund	\$757,945.48
10 Years Period Certain	\$376,464.66
15 Years Period Certain	\$517,551.34
20 Years Period Certain	\$632,265.00
Temporary Life 10 Years and 0 Months*	\$369,542.38
Temporary Life 15 Years and 0 Months*	\$501,054.60
Temporary Life 20 Years and 0 Months*	\$600,405.50

This illustration expires seven calendar days from the date it is generated.

To receive the quoted income payment, you must sign an application prior to the illustration expiration date.

- The signed application, illustration and your contribution must be received within **five business days** of the application sign date.
- If this is a 1035 exchange or qualified transfer, the contribution must be received within **45 calendar days** of the application sign date.

If these timelines are not met, your income payment amount will be re-determined using the interest rates and factors in effect at the time Integrity receives the last of the required items.

This is an illustration only and does not constitute an offer or solicitation of sale. The sale and issuance of the annuity contract is subject to company review and approval. Misrepresentation or misstatement of age or sex will render this illustration invalid.

*This option provides no benefit to any beneficiaries on or after the death of the annuitant(s). Accordingly, older annuitants need to carefully consider whether an annuity with a period certain term (for example 10 to 15 years) is more appropriate for their needs.

Integrity Life Insurance Company
Cincinnati, Ohio
IncomeSource[®] Single Premium Immediate Annuity

The purchase of an immediate annuity is permanent. The annuity owner will no longer have access to the premium, which converts into a stream of income payments. The contract has no cash value, no death benefit and cannot be surrendered. The terms of the annuity, such as the choice of income payment option, payment amounts and timing, and the rates of return, cannot be changed unless commutation elected.

This illustration does not reflect the effect of income taxes and penalty taxes. Withdrawals are taxable as ordinary income and, if taken prior to 59 ½ may be subject to a 10% IRS penalty tax. This penalty along with other income taxes is not reflected in this illustration. Integrity does not offer tax advice. For specific tax information, consult your attorney or tax advisor.

Integrity immediate annuities are issued and guaranteed by Integrity Life Insurance Company, Cincinnati, OH, a member of Western & Southern Financial Group.

Guarantees are based on the claims-paying ability of the insurer. Payment of benefits under the annuity contract is the obligation of, and is guaranteed by, the insurance company issuing the annuity.

Product and feature availability, as well as benefit provisions, vary by state and by product. See your financial professional for details and limitations. For use with contract series ICC09 ENT-01 0901, ICC09 ER.01 0901, ICC09 ER.02 0901, ICC09-07-001-0904, ENT-01 0901, ER.01 0901, ER.02 0901, and IL-77-0045-0808.

This illustration is not complete unless all pages are included. Please ensure you read this illustration in its entirety, including any disclosures.

No bank guarantee	Not a deposit	May lose value	Not FDIC/NCUA insured	Not insured by any federal government agency
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LINCOLN BENEFIT LIFE

AN ALLSTATE COMPANY

2940 S. 84th. Lincoln, NE 68506

Prepared For:

Owner: Pete Kortum

IncomeReadySM Single Premium Immediate Annuity Hypothetical Illustration

Presented by:

Calvin Strong
1611 10th St.
Aurora, NE 68818
(402) 694-3033

Representing: Woodbury

Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

LBL7591

Page 1 of 7

01/30/2013

Version 1.07

State of Issue: NE

Prepared For: Owner: Pete Kortum Annuitant: Pete Kortum, Female, Age: 61 Owner's Resident State: NE	Presented By: Calvin Strong Woodbury 1611 10th St. Aurora, NE 68818 (402) 694-3033
---	--

Explanation of Payout Options

<i>Payout Quote</i>	<i>Single Premium</i>	<i>Initial Payout (No Riders)</i>	<i>Initial Payout (With Riders)</i>	<i>Amount of Basis</i>	<i>Non Taxable Payout Percentage</i>	<i>Cost of Living Adjustment</i>
Payout 1: Life with Period Certain for 5 years 0 months	\$747,520.22	\$3,291.89	N/A	\$0.00	0.00%	0.00%

Payout 1 - Traditional IRA, Life with 5 Years Period Certain issued on 01/30/2013 - Payouts begin 02/15/2013 and continue as long as the annuitant is living with a guarantee to make at least 60 Monthly payouts.

Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

LBL7591

Page 2 of 7

01/30/2013
 Version 1.07
 State of Issue: NE

Signature

Prepared For:

Owner: Pete Kortum

By signing here, I confirm that:

- I have received a copy of this illustration.
- I understand that all rates used throughout this illustration are hypothetical, and any non-guaranteed elements illustrated are subject to change and could either be higher or lower resulting in annuity values that may be either higher or lower.
- I understand that no modification to the contract will be allowed after the contract is issued.

Owner's Signature: _____

Presented By:

Agent : Calvin Strong
Representing: Woodbury

By signing here, I certify that:

- This Illustration has been presented to Pete Kortum
- The Owner has been told that all rates used throughout this illustration are hypothetical, and any non-guaranteed elements illustrated are subject to change and could either be higher or lower resulting in annuity values that may be either higher or lower.
- The Owner has been told that no modifications to the contract will be allowed after the contract is issued.
- No statements have been made that are inconsistent with this illustration.

Signature of Agent

Date

Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

LBL7591

Page 3 of 7

01/30/2013

Version 1.07

State of Issue: NE

END NOTES

Not FDIC, NCUA/NCUSIF insured	Not a deposit	No bank or credit union guarantee	Not insured by any federal government agency
----------------------------------	------------------	--------------------------------------	---

PAYOUT TYPES IN THIS ILLUSTRATION

Life Income with Period Certain - The company will make payments for as long as the annuitant lives. If the annuitant dies before the selected number of guaranteed payments have been made, the company will continue to pay the remainder of the guaranteed payments.

NON-TAXABLE PAYMENT PERCENTAGE

The Non-Taxable Payment Percentage, or Exclusion Ratio, is the percentage of each payment received that is considered a non-taxable return of premium. Once the basis in the contract has been recovered, the exclusion ratio would be 0.00%, and the entire payment would be considered taxable interest.

QUALIFIED PLANS

The payout options offered under your contract may or may not meet the Required Minimum Distribution (RMD) requirements imposed by the Internal Revenue Code on all qualified annuity contracts (IRAs, 403(b)s, and other qualified employer plan contracts).

RMD is generally satisfied if a qualified contract owner annuitizes the contract over one of the following:

- The life or lives of the owner and the oldest beneficiary, or
- A period certain not extending beyond the life expectancy of the owner determined in accordance with the Uniform Lifetime Table. If the owners' spouse is the sole beneficiary and more than 10 years younger than the owner, the period certain cannot extend beyond the joint life expectancy determined using the joint life and last survivor life expectancy table.

Annuity payments under a joint and survivor annuity using the joint lives of the owner and a non-spouse beneficiary may require a mandatory reduction in the survivors annuity benefit.

RATE LOCKS

- The application must be signed and completed before the expiry date of the rates used in the illustration.
- The rate quoted will be locked if the application, illustration, and premium payment is received in the home office within seven days of the date the application is signed.
- **Note:** Once a rate is locked, it cannot be changed, even if a subsequent rate improvement occurs.

Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

END NOTES (continued)

GENERAL INFORMATION

This Illustration is for illustrative purposes only; nothing herein is a contractual obligation. The rates used throughout this illustration are hypothetical, and any non-guaranteed elements illustrated are subject to change and could either be higher or lower resulting in annuity values that may be either higher or lower.

Rates are subject to change weekly.

Each payment stream must be approved by Lincoln Benefit Life.

No modifications to the contract will be allowed after issue.

Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

LBL7591

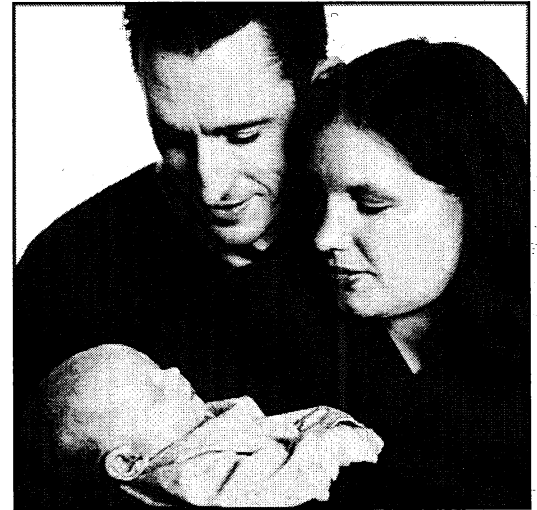
Page 5 of 7

01/30/2013

Version 1.07

State of Issue: NE

Our Promise to You:



Welcome from Lincoln Benefit Life Company in Lincoln, Nebraska. From our offices in America's heartland, we've helped families across the nation obtain affordable insurance protection since 1938.

Today, our proud tradition continues. We provide innovative financial products that offer solutions to independent-minded individuals who like to make their own, informed choices. And family protection is as important to us as it is to our customers.

You can rely on Lincoln Benefit Life because of what we promise you: Value, Service and Innovation.

Value:

Lincoln Benefit Life continues to grow and provide protection to more and more policyholders because we offer more value. You find innovative, high-quality financial products that offer solutions for your money when you come to Lincoln Benefit Life. And, you're assured of affordable insurance plans and financial products that are right for your own individual needs.

Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

Service:

You receive personal service linked with stability you can trust from Lincoln Benefit Life. Our size and business expertise provides a sound financial base, yet our heartland roots mean we always treat you like an individual, not like a number. Our dedication to honesty and ethics, and our commitment to offer clear answers to your questions, assure you we'll provide for your insurance and retirement needs as your circumstances change and grow.

Innovation:

New and innovative insurance solutions are a trademark of Lincoln Benefit Life and one of our secrets to success. We create insurance and investment products to fit today's consumer needs.

You can count on Lincoln Benefit Life to discover new ways to support America's changing individual and family lifestyles. Remember that it's never too early or too late to think about your financial future.



Should there be any discrepancy between this illustration and the contract issued; the language of the contract shall prevail.

LBL7591

Page 7 of 7

01/30/2013

Version 1.07

State of Issue: NE

Customers Tab

Entity as Owner:	No	Owner's Name:	Pete Kortum
Owner's Resident State:	NE	Same as Owner:	Yes
Annuitant's Name:	Pete Kortum	Annuitant Date of Birth:	10/1951
Annuitant Age:	61	Annuitant Sex:	Female
Add Joint Annuitant:	No		

Payout 1

Tax Status:	Traditional IRA	Objective:	Calculate Premium
Single Premium:	747,520.22	Tax Basis:	0.00
Payout Mode:	Monthly	Payout Option:	Life with Period Certain
% to Survivor:	100.00%	Decrease at Death of:	Either Annuitant
Years:	5	Months:	0
Cost of Living Adjustment:	0.00%	Issue Date:	01/30/2013
1st Payment Date:	02/15/2013	Accelerated Benefits:	No
Commuted Value of Guar.:	No	Modified Cash Refund Liquidity:	No

Agent Tab

Agent Name:	Calvin Strong	Agency:	Woodbury
Address Line 1:	1611 10th St.	Address Line 2:	
City:	Aurora	State:	NE
Zip:	68818-	Phone:	(402) 694-3033
Application Signed In:	NE		

Report Options Tab

Cover Page:	Yes	Proposal Description:	
Signature Page:	Yes	Information Page:	Yes
Home Office Page:	Yes	Cost of Living Page:	No
Rate Code:	0P00000FYGFIBN3Q1TRSGLAK5FUH1IAMSQ5TSSHFUH1IAMSQ5TSSH347A843		
Expiration Date:	02/03/2013		

For Home Office Use.

The Input Report displays values resulting from any searches and solves that have been performed.



North American Income Illustration

A Single Premium Immediate Annuity
Qualified Contract

Prepared for:
Pete Kortum

Prepared by:
Calvin Strong

January 30, 2013

North American Company for Life and Health Insurance
Annuity Division
4350 Westown Parkway
West Des Moines, Iowa 50266
(866) 322-7065

North American Company for Life and Health Insurance

Des Moines, Iowa

North American Income Illustration

Prepared for:	Pete Kortum	Client Sex:	Female	Client Age:	61
Prepared by:	Calvin Strong	Contract Date:	January 30, 2013	State:	NE
Single Premium:	\$697,477.12				
Cost Basis:	\$0.00				

Plan: **Period Certain and Single Life (5 Years)**

Type of Funds: **Qualified**

Single Premium: **\$697,477.12**

Cost Basis: **\$0.00**

Income of: **\$3,291.89 payable Monthly, beginning February 15, 2013**

This is an illustrations only and is subject to approval by North American Company for Life and Health Insurance. Actual rates will be those in effect on the date the premium is received in the home office.

Make checks payable to: North American Company for Life and Health Insurance
Annuity Division
4350 Westown Parkway
West Des Moines, Iowa 50266
(866) 322-7065

The North American Income is issued on form LS116A or appropriate state variations by North American Company for Life and Health Insurance. This product and its features may not be available in all states.



Protective ProPayer® Income Annuity Illustration

Prepared for: Peter Kortum

Prepared by: Cal Strong

Woodbury Financial

P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

Date of Preparation: 1/30/2013

THIS IS AN ILLUSTRATION ONLY. AN ILLUSTRATION IS NOT INTENDED TO PREDICT ACTUAL PERFORMANCE. EXCEPT FOR THOSE ITEMS CLEARLY LABELED GUARANTEED, RATES AND VALUES SET FORTH IN THE ILLUSTRATION ARE NOT GUARANTEED. COVERAGE IS SUBJECT TO THE TERMS AND CONDITIONS OF THE ANNUITY CONTRACT. THIS ILLUSTRATION IS NOT VALID WITHOUT ALL PAGES.

This is an illustration of the Protective ProPayer® Income Annuity, a Single Premium Immediate Annuity to be issued by Protective Life Insurance Company in the state of Nebraska. This annuity illustration is based on the factors listed below and a current interest rate set by Protective Life Insurance Company. A change in any of those factors or the interest rate will void this illustration.

<u>Purchase Payment</u>	\$818,163.32
Expected Effective Date	1/31/2013

Annuity Payment Description

Payments shown below are based on the payout option: Single Life with Certain Period

Payments are guaranteed during the Certain Period.

Payments will continue to be made, after the Certain Period, as long as the Annuitant is alive.

Monthly Payment:	\$3,291.89
Date of First Payment:	2/15/2013
Certain Period:	5 year(s), 0 month(s)
Total Guaranteed Payments:	\$197,513.40
Life Contingent Payment Information:	
Annuitant 1	61 year old Female (10/10/1951)

Summary of Taxation

Cost Basis:	\$0.00
Fund Status:	Traditional IRA
Non-Taxable Amount of Payments:	\$0.00
Taxable Amount of Payments:	\$3,291.89
Premium Tax Rate:	0%
Exclusion Ratio:	0.00%

The non-taxable amount is the portion designated by the Internal Revenue Service as a return of principal. The taxable amount is deemed to be interest. The exclusion ratio is the percentage of each payment that is not subject to federal income tax because it represents a return of principal. After the principal is returned, 100% of the payment is deemed to be interest and is therefore taxable. If the purchase payment is made with qualified funds, normally 100% of the payment is taxable. State tax rules may vary. Please consult your tax advisor for information about taxes in your specific situation.

Premium taxes are assessed at the time of distribution and may vary by state or asset type. The payout illustrated has been reduced by the state premium tax only and represents the net amount you will receive. All reporting of state premium tax is the responsibility of Protective Life Insurance Company.

The following information is included for home office purposes only: ELI Reg ID: EDe6ca4147-53d3-4c50-b548-842fa71d7887

Factors: .8 / 1.68 / 2.37 / 2.87 / 4 / (0) / 13.59

Form #: IPD-2112

1/30/2013 2:38 PM

Cal Strong

Page 1 of 3

Mortality Basis: Gender Specific

Version: 7.6.46

State: NE



Protective ProPayer® Income Annuity Illustration

Prepared for: Peter Kortum

Prepared by: Cal Strong

Woodbury Financial

P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

Date of Preparation: 1/30/2013

THIS INFORMATION IS PROVIDED AS A PROPOSAL ONLY, AND IS NOT A CONTRACT.

This proposal expires with the Company's next rate change. Rates are subject to change at any time without notice.

This proposal is based upon the expected effective date and the date of first payment. The effective date is the date on which the contract is issued. If the actual effective date and/or date of first payment differ from those shown, the actual payments and other values will differ from those shown. If an Owner dies within 30 days of the Supplement Effective Date and before the Annuity Payment Date, we will refund the Amount Applied minus the Annuitization Bonus, if any, to the Beneficiary in a lump sum. Otherwise, we will make payments to the Beneficiary according to the Annuity Payment Option.

Neither Protective Life Insurance Company nor its representatives offer legal or tax advice. Any tax-related statements made in this illustration are based upon general information and represent only one interpretation of current federal tax law as it relates to annuities. Moreover, the tax treatment of annuities is subject to change. Please consult your legal or tax advisor regarding your individual situation before making any tax-related decisions.

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Cal Strong

Page 2 of 3

Mortality Basis: Gender Specific

Version: 7.6.46

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Protective ProPayer® Income Annuity Illustration

Prepared for: Peter Kortum

Prepared by: Cal Strong

Woodbury Financial

P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

Date of Preparation: 1/30/2013

Payment Schedule

Year	Monthly Payment	Annual Payment Amount		
		Total	Non-Taxable	Taxable
1	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
2	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
3	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
4	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
5	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
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12	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
13	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
14	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
15	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
16	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
17	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
18	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
19	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
20	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
21	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
22	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
23	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
24	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
25	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
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28	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
29	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
30	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68

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Form #: IPD-2112

1/30/2013 2:38 PM

Cal Strong

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Mortality Basis: Gender Specific

Version: 7.6.46

State: NE



Protective ProPayer® Income Annuity Illustration

Prepared for: Peter Kortum

Prepared by: Cal Strong

Woodbury Financial

P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

Date of Preparation: 1/30/2013

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<u>Purchase Payment</u>	\$818,163.32
Expected Effective Date	1/31/2013

Annuity Payment Description

Payments shown below are based on the payout option: Single Life with Certain Period

Payments are guaranteed during the Certain Period.

Payments will continue to be made, after the Certain Period, as long as the Annuitant is alive.

Monthly Payment:	\$3,291.89
Date of First Payment:	2/15/2013
Certain Period:	5 year(s), 0 month(s)
Total Guaranteed Payments:	\$197,513.40

Life Contingent Payment Information:

Annuitant 1	61 year old Male (10/10/1951)
-------------	-------------------------------

Summary of Taxation

Cost Basis:	\$0.00
Fund Status:	Qualified
Non-Taxable Amount of Payments:	\$0.00
Taxable Amount of Payments:	\$3,291.89
Premium Tax Rate:	0%
Exclusion Ratio:	0.00%

The non-taxable amount is the portion designated by the Internal Revenue Service as a return of principal. The taxable amount is deemed to be interest. The exclusion ratio is the percentage of each payment that is not subject to federal income tax because it represents a return of principal. After the principal is returned, 100% of the payment is deemed to be interest and is therefore taxable. If the purchase payment is made with qualified funds, normally 100% of the payment is taxable. State tax rules may vary. Please consult your tax advisor for information about taxes in your specific situation.

Premium taxes are assessed at the time of distribution and may vary by state or asset type. The payout illustrated has been reduced by the state premium tax only and represents the net amount you will receive. All reporting of state premium tax is the responsibility of Protective Life Insurance Company.

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Form #: IPD-2112

1/30/2013 11:49 AM

Cal Strong

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Mortality Basis: Gender Neutral

Version: 7.6.46

State: NE



Protective ProPayer® Income Annuity Illustration

Prepared for: Peter Kortum

Prepared by: Cal Strong

Woodbury Financial

P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

Date of Preparation: 1/30/2013

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Neither Protective Life Insurance Company nor its representatives offer legal or tax advice. Any tax-related statements made in this illustration are based upon general information and represent only one interpretation of current federal tax law as it relates to annuities. Moreover, the tax treatment of annuities is subject to change. Please consult your legal or tax advisor regarding your individual situation before making any tax-related decisions.

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Mortality Basis: Gender Neutral

Version: 7.6.46

State: NE



Protective ProPayer® Income Annuity Illustration

Prepared for: Peter Kortum

Prepared by: Cal Strong

Woodbury Financial

P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

Date of Preparation: 1/30/2013

Payment Schedule

Year	Monthly Payment	Annual Payment Amount		
		Total	Non-Taxable	Taxable
1	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
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1/30/2013 11:49 AM

Cal Strong

Page 3 of 3

Mortality Basis: Gender Neutral

Version: 7.6.46

State: NE



Protective ProPayer® Income Annuity Illustration

Prepared for: Peter Kortum

Prepared by: Cal Strong

Woodbury Financial

P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

Date of Preparation: 1/30/2013

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This is an illustration of the Protective ProPayer® Income Annuity, a Single Premium Immediate Annuity to be issued by Protective Life Insurance Company in the state of Nebraska. This annuity illustration is based on the factors listed below and a current interest rate set by Protective Life Insurance Company. A change in any of those factors or the interest rate will void this illustration.

<u>Purchase Payment</u>	\$818,163.32
Expected Effective Date	1/31/2013

Annuity Payment Description

Payments shown below are based on the payout option: Single Life with Certain Period

Payments are guaranteed during the Certain Period.

Payments will continue to be made, after the Certain Period, as long as the Annuitant is alive.

Monthly Payment:	\$3,291.89
Date of First Payment:	2/15/2013
Certain Period:	5 year(s), 0 month(s)
Total Guaranteed Payments:	\$197,513.40
Life Contingent Payment Information:	
Annuitant 1	61 year old Female (10/10/1951)

Summary of Taxation

Cost Basis:	\$0.00
Fund Status:	Qualified
Non-Taxable Amount of Payments:	\$0.00
Taxable Amount of Payments:	\$3,291.89
Premium Tax Rate:	0%
Exclusion Ratio:	0.00%

The non-taxable amount is the portion designated by the Internal Revenue Service as a return of principal. The taxable amount is deemed to be interest. The exclusion ratio is the percentage of each payment that is not subject to federal income tax because it represents a return of principal. After the principal is returned, 100% of the payment is deemed to be interest and is therefore taxable. If the purchase payment is made with qualified funds, normally 100% of the payment is taxable. State tax rules may vary. Please consult your tax advisor for information about taxes in your specific situation.

Premium taxes are assessed at the time of distribution and may vary by state or asset type. The payout illustrated has been reduced by the state premium tax only and represents the net amount you will receive. All reporting of state premium tax is the responsibility of Protective Life Insurance Company.

The following information is included for home office purposes only: ELI Reg ID: EDe6ca4147-53d3-4c50-b548-842fa71d7887

Factors: .8 / 1.68 / 2.37 / 2.87 / 4 / (0) / 13.59

Form #: IPD-2112

1/30/2013 11:49 AM

Cal Strong

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Protective ProPayer[®] Income Annuity Illustration

Prepared for: Peter Kortum

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P. O. Box 10648, Birmingham, AL 35202
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This proposal expires with the Company's next rate change. Rates are subject to change at any time without notice.

This proposal is based upon the expected effective date and the date of first payment. The effective date is the date on which the contract is issued. If the actual effective date and/or date of first payment differ from those shown, the actual payments and other values will differ from those shown. If an Owner dies within 30 days of the Supplement Effective Date and before the Annuity Payment Date, we will refund the Amount Applied minus the Annuitization Bonus, if any, to the Beneficiary in a lump sum. Otherwise, we will make payments to the Beneficiary according to the Annuity Payment Option.

Neither Protective Life Insurance Company nor its representatives offer legal or tax advice. Any tax-related statements made in this illustration are based upon general information and represent only one interpretation of current federal tax law as it relates to annuities. Moreover, the tax treatment of annuities is subject to change. Please consult your legal or tax advisor regarding your individual situation before making any tax-related decisions.

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Protective ProPayer® Income Annuity Illustration

Prepared for: Peter Kortum

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P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

Date of Preparation: 1/30/2013

Payment Schedule

Year	Monthly Payment	Annual Payment Amount		
		Total	Non-Taxable	Taxable
1	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
2	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
3	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
4	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
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27	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
28	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
29	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
30	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68

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Cal Strong

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Mortality Basis: Gender Neutral

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State: NE

Retirement Committee	River Source Annuities	\$ 715,628.26
Retiree	Protective Life Ins	\$ 817,934.21
City (not submitted)	Protective Life Ins	\$ 818,163.32
Total		\$ 2,351,725.79
Average		\$ 783,908.60
Retiree's account balance (at 2/1/2013)		\$ 522,397.42
Balance payable by City to retiree		\$ 261,511.18

Return to Input

Return to Main Menu

Pete Kortum

A Deferred Annuity Settlement Illustration

for

Deferred Annuity Settlements

Presented by

Fritz Anderson
Financial Advisor

Issued by

RiverSource Life Insurance Company
70100 Ameriprise Financial Center
Minneapolis, MN 55474

and

RiverSource Life Insurance Co. of New York
20 Madison Avenue Extension, Post Office Box 5555
Albany, NY 12055-0555

January 28, 2013



v.2.12

Deferred Annuity Settlements

The product illustrated on the accompanying pages is a RiverSource ANNUITY offered by RiverSource Life Insurance Company. Deferred Annuity Settlements is an illustration based on an existing annuity from RiverSource Life Insurance Company.

Throughout this illustration the following terms will be used. Before reviewing the illustration become familiar with the meaning of these terms:

Payout Option defines the circumstances under which an annuity payment will be made. A variety of payout options are available to fit your specific needs and are listed in the annuity contract.

Account Value is the amount of your existing annuity you wish to settle with RiverSource Life.

Income Payment is the payment RiverSource Life Insurance Company (RiverSource Life) will pay as of January, 28, 2013 under the terms of the contract if you choose to settle the illustrated account value. Your income payment amount is calculated from the account value.

Deferred Annuity Settlement is a fixed-dollar contract purchased with a single premium that you exchange for an immediate guaranteed regular income payment. You choose to receive a fixed income that is payable:

- For your lifetime,
- For your lifetime and the lifetime of a second person,
- For a guaranteed number of years (5 to 30 years), or
- For a combination of these options.

Deferred Annuity Settlements

Designed for: Pete Kortum.
Unisex - Issue Age 61 - Other Tax Qualified

Payout Frequency: Monthly

Cost Basis: \$0,000

This is a qualified annuity contract illustration. The annuitization options below may not be permitted based on the IRS Minimum Distribution Incidental Benefit (MDIB) requirements. See the Additional Information page.

Payout Options	Premium Outlay	Income Payment
Single Life Annuity with 5 Years Certain	\$ 715,628.26	\$ 3,291.89

Provides annuitant an income for life. Payments cease at the death of the annuitant, or, if death occurs before payments have been made for 5 years, payments continue to the beneficiary at the same income amount for the balance of the 5 year guarantee period.

- 100.0% of each payment is subject to income taxes. Based on a 25% tax bracket, the initial payment is \$2,468.92 after taxes.
- Total income received if paid to life expectancy of age 84.3 (23.3 years) is \$920,412.44 before tax.
- Total guaranteed income through the 5 year guarantee period is \$197,513.00 before tax

Deferred Annuity Settlements

The percent of income not taxable is effective until the net investment in the contract has been recovered, at which time the full income payment will be taxable. The percent of income that is taxable is taxed as ordinary income as it is distributed. Consult your tax advisor for further advice.

Life expectancy is taken from the IRS tables for Annuities.

Income payments are based on the current RiverSource Life annuity rates effective September 17, 2012 and are subject to change between the date of this illustration and the date the paperwork is received in the home office and funded. Clients receive the rate in effect on the day the deferred annuity request is received in the home office.

Subject to state availability, if annuity payments have been made for one year or more on any term certain plan, you may request a lump sum payment of the commuted value of the remaining guaranteed payments. Surrender charges do apply, but will disappear over time (5% in year two, 4% in year three and so on - after the sixth year, there are no surrender charges). Commutations prior to age 59½ may result in a 10% IRS penalty tax. Consult with your financial advisor regarding the availability of the commutability feature in your state.

The first income payment to the annuitant(s) will be made approximately 30 days after the application date.

Some states impose a state premium tax at the time of annuitization, which is deducted from the settlement amount. A reduction in the settlement amount will reduce your payout amount.

In the event the owner has died and the beneficiary is annuitizing the contract, the period certain (guaranteed period) cannot exceed the life expectancy of the beneficiary. The IRS does not allow the beneficiary to annuitize with guaranteed payments that exceed the beneficiary's life expectancy. Life expectancy is determined using the Single Life Table, found in Internal Revenue Code Regulation Section 1.401(a)(9)-9.

Insurance and annuity products are issued by RiverSource Life Insurance Company and RiverSource Life Insurance Company of New York, Albany, New York. These companies are affiliated with Ameriprise Financial Services, Inc. Only RiverSource Life Insurance Co. of New York is authorized to sell insurance and annuities in New York.

Additional Information

An annuity payout from each IRA or TSA you own must satisfy Required Minimum Distribution (RMD) rules. The RMD rules will be satisfied by an annuitized contract if the following requirements are met: (i) Distributions are made in periodic intervals not longer than one year; (ii) Distributions are made over the life or joint lives of the annuitant (or annuitant and designated beneficiary), or over a period certain not longer than the life expectancy of the annuitant (or longer than the joint and survivor expectancy); (iii) The period certain may not be lengthened after payments commence; (iv) The Minimum Distribution Incidental Benefit (MDIB) requirements are met.

There are two elements involved in satisfying the Minimum Distribution Incidental Benefit (MDIB) Rules: the period certain requirements and the life contingency requirements. If your payment mode includes a life annuity and a period certain, the distributions must comply with both elements.

In general, to satisfy the period certain requirements, the period certain cannot exceed the joint life expectancy of you and your beneficiary.

In the case of life-contingent annuity payments, a life annuity over a single life of the annuitant will satisfy the Minimum Distribution Incidental Benefit (MDIB) Rule requirement. If the annuity start date commences on or after the Required Beginning Date (RBD), and if there is a beneficiary as of the annuity start date, the following chart summarizes life-contingent payments that will satisfy the MDIB rules:

	Joint with Spouse	Joint with Non-Spouse (non-spouse is 0-10 years [†] younger than annuitant)	Joint with Non-Spouse (non-spouse is 10 years and 1 day - 25 years [†] younger than	Joint with Non-Spouse (non-spouse is 10 years and 1 day - 25 years [†] younger than annuitant)
Joint & Full	Yes	Yes	No	No
Joint & 2/3	Yes	Yes	Yes	No
Joint & 1/2	Yes	Yes	Yes	Yes

In the case of multiple beneficiaries, the life expectancy of the youngest beneficiary is used to determine the appropriate life contingency.

[†] If the qualified contract owner is younger than age 70 at the time annuity payments commence, then the age difference between the qualified contract owner and non-spouse beneficiary is reduced by the number of years that the qualified contract owner is younger than age 70 on his/her birthday in the calendar year that contains the annuity start date.



Protective ProPayer® Income Annuity Illustration

Prepared for: Pete Kortum

Prepared by: Tom Noble

Edward Jones

P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

Date of Preparation: 1/28/2013

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Purchase Payment	\$817,934.21
Expected Effective Date	1/28/2013

Annuity Payment Description

Payments shown below are based on the payout option: Single Life with Certain Period

Payments are guaranteed during the Certain Period.

Payments will continue to be made, after the Certain Period, as long as the Annuitant is alive.

Monthly Payment:	\$3,291.89
Date of First Payment:	2/15/2013
Certain Period:	5 year(s), 0 month(s)
Total Guaranteed Payments:	\$197,513.40

Life Contingent Payment Information:

Annuitant 1	61 year old Male (10/10/1951)
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Summary of Taxation

Cost Basis:	\$0.00
Fund Status:	Qualified
Non-Taxable Amount of Payments:	\$0.00
Taxable Amount of Payments:	\$3,291.89
Premium Tax Rate:	0%
Exclusion Ratio:	0.00%

The non-taxable amount is the portion designated by the Internal Revenue Service as a return of principal. The taxable amount is deemed to be interest. The exclusion ratio is the percentage of each payment that is not subject to federal income tax because it represents a return of principal. After the principal is returned, 100% of the payment is deemed to be interest and is therefore taxable. If the purchase payment is made with qualified funds, normally 100% of the payment is taxable. State tax rules may vary. Please consult your tax advisor for information about taxes in your specific situation.

Premium taxes are assessed at the time of distribution and may vary by state or asset type. The payout illustrated has been reduced by the state premium tax only and represents the net amount you will receive. All reporting of state premium tax is the responsibility of Protective Life Insurance Company.

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Factors: .8 / 1.68 / 2.37 / 2.87 / 4 / (0) / 13.59

Form #: IPD-2112

1/28/2013 11:50 AM

Tom Noble

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Mortality Basis: Gender Neutral

Version: 7.6.46

State: NE



Protective ProPayer® Income Annuity Illustration

Prepared for: Pete Kortum

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Edward Jones

P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

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Prepared for: Pete Kortum

Prepared by: Tom Noble

Edward Jones

P. O. Box 10648, Birmingham, AL 35202
1-800-866-3555

Date of Preparation: 1/28/2013

Payment Schedule

Year	Monthly Payment	Annual Payment Amount		
		Total	Non-Taxable	Taxable
1	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
2	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
3	\$3,291.89	\$39,502.68	\$0.00	\$39,502.68
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Tom Noble

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Mortality Basis: Gender Neutral

Version: 7.6.46

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R E S O L U T I O N 2013-26(A)

WHEREAS, Article 10 of Chapter 16 of the Nebraska Revised Statutes sets forth the laws governing the pensions of police officers of First Class Cities; and

WHEREAS, the Police Pension Committee met on Friday, February 1, 2013 and by a vote of four to one approved a recommendation to the Grand Island City Council regarding the lump sum pension benefit for retiree, Captain Peter Kortum; and

WHEREAS, said recommendation is for the Grand Island City Council to accept the amount of Seven Hundred, Eighty-Three Thousand, Nine Hundred, Eight Dollars and Sixty Cents (\$783,908.60) as the average of three (3) quotes obtained for annuities for Captain Kortum; and

WHEREAS, the financial obligation of the City of Grand Island in meeting the above stated recommendation is Two Hundred, Sixty-One Thousand, Five Hundred, Eleven Dollars and Eighteen Cents (\$261,511.18),

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA,

That the City Council accepts and adopts the recommendation of the Police Pension Committee and directs the City disburse the amount stated above as its financial obligation to meet that recommendation.

Adopted by the City Council of the City of Grand Island, Nebraska, February 5, 2013.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	▣ _____
February 4, 2013	▣ City Attorney

RESOLUTION 2013-26(B)

WHEREAS, Article 10 of Chapter 16 of the Nebraska Revised Statutes sets forth the laws governing the pensions of police officers of First Class Cities; and

WHEREAS, Section 16-1002(1) of the Nebraska Revised Statutes states in part, “if benefits under the retirement system are obtained through the purchase of an annuity contract, the actuarial equivalent of any such form of benefit shall be the amount of pension benefit which can be purchased or otherwise provided by the police officer’s retirement value.”

WHEREAS, Section 16-1002(10) of the Nebraska Revised Statutes states in part, “[a]nnuity contract means the contract or contracts issued by one or more life insurance companies and purchased by the retirement system in order to provide any of the benefits described in the act.”

WHEREAS, Section 16-1007(1) of the Nebraska Revised Statutes requires the City of Grand Island to provide pension benefits to retired police officers “in the form of a straight life annuity or any optional form of annuity benefit established by the retirement committee and provided under a purchased annuity contract”; and

WHEREAS, Section 16-1007(2)(b) of the Nebraska Revised Statutes states in reference to police pension benefits, “[i]f the minimum pension benefit is paid in a form other than a straight life annuity, such benefit shall be the actuarial equivalent of the straight life annuity that would otherwise be paid to the officer...”; and

WHEREAS, Section 16-1007(2)(c) of the Nebraska Revised Statutes states in part, “[i]f the police officer chooses the single lump-sum payment option, the officer can request that the actuarial equivalent be equal to the average of the cost of three annuity contracts purchased on the open market.”; and

WHEREAS, Section 16-1014 of the Nebraska Revised Statutes states in reference to police pension benefits, “[t]he governing body of the city shall continue to be responsible for the general administration of such retirement system unless specific functions or all functions with regard to the administration of the retirement system are delegated, by ordinance, to the retirement committee.”; and

WHEREAS, the Grand Island City Council as the governing body of the City of Grand Island never approved any particular method of seeking annuity bids in order to determine the calculation of lump sum pension benefits; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA,

That the Police Pension Committee and City staff are to calculate all pending and future police retirement benefits using bids based on the actual sex of the retiree unless directed otherwise by an official action of the Grand Island City Council.

That the Police Pension Committee and City staff are to obtain quotes for annuity quotes for

Approved as to Form	February 4, 2013	City Attorney
---------------------	------------------	---------------

retiree, Captain Peter Kortum on Thursday, February 7, 2013 with a start date of at least thirty days from the date of the quote.

Adopted by the City Council of the City of Grand Island, Nebraska, February 5, 2013.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk



City of Grand Island

Tuesday, February 5, 2013

Special Meeting

Item J1

Approving Payment of Claim for February 5, 2013

Approving Payment of Claim for February 5, 2013 to Wells Fargo Retirement Account-Pete Kortum.

The claim of \$ 261,511.18 consists of two parts:

1) Authorizing the transfer of \$120,000.00 from the Wells Fargo unallocated account balance to the Wells Fargo Retirement Account-Pete Kortum.

2) Issuing a wire/check on February 6, 2013 to Wells Fargo Retirement Account-Pete Kortum \$141,511.18.

Staff Contact: Jaye Monter