Understanding the High Cost of Waiting

▶ KEY POINTS ▶ IN DEPTH ▶ WRAP UP

KEY POINTS:

No matter the economic environment, a fixed index annuity can:

- Protect your principal from negative market fluctuations
- Provide the opportunity for interest crediting greater than many other traditional, conservative financial products.
- Offer tax-deferred growth
- Create flexible options to receive retirement income for as long as you live
- Take advantage of potential gains typically lost out on when you stay on the "financial sidelines"

IN DEPTH:

Many consumers near or in retirement are taking a "wait-and-see" approach to their retirement savings, staying in very conservative financial products because they are uncertain about market conditions, investment options, and interest rates. We don't know how interest rates will change in the future, but we do know the cost of waiting for them to rise could be substantial. If you have assets in conservative products such as certificates of deposit (CDs) or money market accounts, a fixed index annuity may provide opportunity to help you avoid the high cost of waiting and allow your money to work harder, now and in the future.

While sharing many of the same features as a traditional fixed annuity, a fixed index annuity includes options to have interest credited based on the performance of a market index, such as the S&P 500® Index.

In years where the index is up, interest is credited up to a "cap" specified by the insurance company. In years where the index falls below zero, no interest is credited and the accumulated value is protected. However, over the term of the fixed index annuity, the opportunity for growth may be substantially greater than with many other types of interest- bearing products.

Fixed Index Annuities are issued by
Genworth Life & Annuity Insurance Company, Richmond, VA

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IN DEPTH: Continued

The High Cost of Waiting

Consider this example: Using $100,000, you purchase a five-year certificate of deposit (CD) and receive a jumbo rate of 0.84%[1] for the duration of your term. At the end of the five years, your account value will be $104,271[2], assuming you paid annual income taxes on the interest earned out-of-pocket.

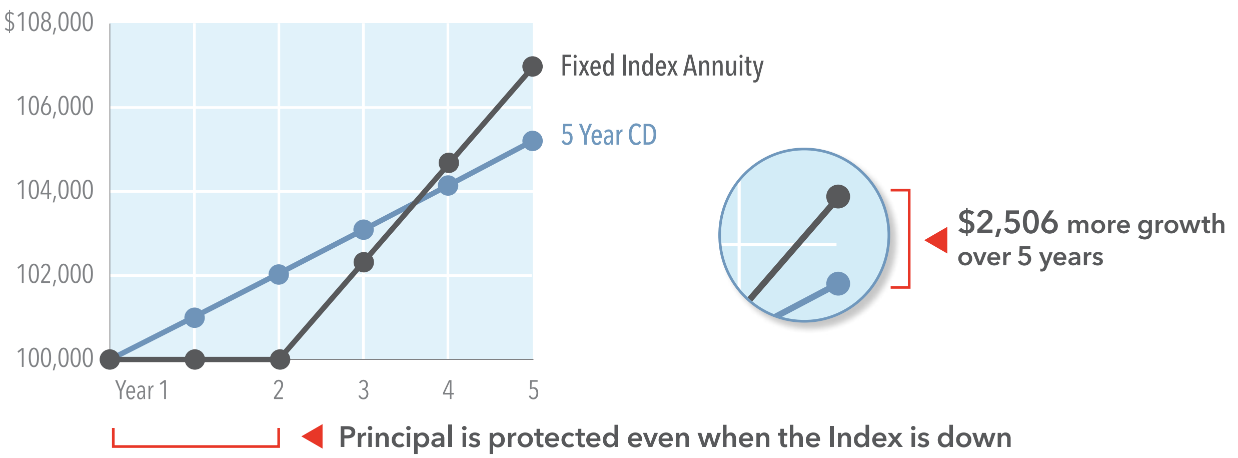
For the same $100,000, you could have purchased a fixed index annuity with an interest crediting strategy tied to the S&P 500® Index. Assume that during the same five-year period, the S&P 500® Index records a negative return for two consecutive years. Your principal in the fixed index annuity is protected from these downtowns and retains its value.

Over the next three years, however, the S&P 500® Index has a positive return and your contract value grows by 2.21%[3] for each of those years, resulting in an ending value of $106,778 – that's **$2,506 more** than the CD.

Added Benefits

In addition to the increase in your return, your contract value grows tax-deferred the entire time, while a non-qualified CD requires you to make annual income tax payments. This effectively helps you build a larger balance to use to pay yourself during retirement. In retirement, you may find yourself in a lower income tax bracket due to lower annual income, making tax deferral even more attractive. Tax-deferred growth is one of the key features that differentiates deferred annuities from other taxable savings products.

Another benefit of a fixed index annuity: When you are ready to begin receiving income payments, a fixed index annuity can create a guaranteed stream of income you cannot outlive. A CD simply cannot do that.



WRAP UP:

By choosing to wait with conservative, lower-yielding financial products, consumers could lose out on taking advantage of potential gains offered by other principal-protected financial alternatives.

Just how much could it "cost" you to wait for conditions to improve? As the example shows, it can be quite substantial.

Note: The purchase of an annuity, like any financial product, is an important decision. You should carefully consider your own personal situation and goals. You should not expect fixed index annuities to mirror the exact performance of any stock market indices.

Learn More

▶ Certificate of Deposit Analyzer

More of the Consumer Eduction Series:

▶ Fixed Index Annuity Basics

▶ Conservative Retirement Savings Alternative

[1] BankRate.com, five-year jumbo CD rate national average, 04/04/13

[2] Bank CDs are FDIC insured up to $250,000 per insured bank for each ownership category

[3] Moore Market Intelligence, average cap on 5-year fixed index annuity, 04/08/13

All guarantees are based on the claims-paying ability of the issuing insurance company.

Withdrawals / surrenders have the effect of reducing the contract value and death benefit. Withdrawals/surrenders of taxable amounts are subject to ordinary income tax and if taken prior to age 59 ½ an additional 10% federal penalty tax.

Although the contract value may be affected by the performance of an index, it is not a security and the contract does not directly or indirectly participate in any stock or equity investment including but not limited to, any dividend payment attributable to any such stock or equity investment.

"S&P 500®" is a trademark of Standard & Poor's Financial Services LLC ('Standard & Poor's") and has been licensed for use by Genworth Life and Annuity Insurance Company. This Product is not sponsored, endorsed, sold, or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of purchasing the Product. The S&P 500® Index is a price index and does not reflect dividends paid on the underlying stocks.

There is no additional tax deferral benefit for annuities purchased in an IRA, or any other tax-qualified plan, since these plans are already afforded tax-deferred status. the other benefits and costs should be carefully considered before purchasing an annuity in a tax-qualified plan.

The discussion of tax treatments in this material is the Genworth Financial companies' interpretation of current law and is not intended as tax advice. Consult your contract and your tax professional.

Insurance and annuity products:	
Are not deposits.	May decrease in value.
Are not guaranteed by a bank or its affiliates.	Are not insured by the FDIC or any other federal government agency