Interest Rate Guarantee. For the initial premium and any additional premiums received in the first year, the base interest rate at the time of each premium payment will be guaranteed for three premium years. Additional premium payments received after the first policy year will receive the current base interest rate at the time of deposit and will be guaranteed for one premium year. After the initial guarantee period, the renewal interest rate for each premium will be determined annually and will be guaranteed for one year. The renewal rate will never be more than 1% lower than the base interest rate in the previous premium year and will never be less than the guaranteed minimum interest rate. For the state of Florida, the company reserves the right to limit or refuse the acceptance of additional premiums if the credited interest for new premiums received equals the guaranteed minimum effective annual interest rate shown on the policy spec page. (Please note that guarantees mentioned within are based on the claims-paying ability of Transamerica Life Insurance Company.)

Additional Interest Credit. All premium payments received in the first policy year will receive a 2% additional interest credit for one premium year. The additional interest credit will be credited for 12 months from the receipt of premium. For future policy issues, the additional interest credit may vary from 1% to 3%, except in Oregon and Washington, where the additional interest credit is fixed at 2%.

Premium Enhancement. During the first policy year, if the total cumulative gross premiums paid at the time of each premium payment are equal to or exceed $75,000, then a 1% Premium Enhancement will be applied only to that premium payment and the resulting amount will be added to the policy value. For future policy issues, the Premium Enhancement may vary from 0.25% to 2%, except in Oregon and Washington, where the Premium Enhancement is fixed at 1%. This addition is not considered a premium payment. The premium enhancement is not intended to reimburse surrender charges on annuity replacements nor applied if the policy is cancelled pursuant to the Right to Cancel Provision.

†Subject to state availability, policies made effective after 5/16/2010 have a Guaranteed Minimum Interest Rate (GMIR) of 1%. Policies made effective prior to 5/17/2010 (or state availability date, if later) have a GMIR of 2% during the first 10 policy years and 1.5% thereafter.

†There is no additional tax deferral benefit derived from placing IRA or other tax-qualified funds into an annuity. Features other than tax deferral should be considered in the purchase of a qualified annuity.
Waiver of Surrender Charge. Company-imposed surrender charges will be waived in the following instances:

- **Minimum Required Distribution.** For tax-qualified plans, partial withdrawals taken to satisfy minimum distribution requirements with respect to this policy under the Internal Revenue Code.
- **Nursing Care and Terminal Condition Withdrawal Option.** Beginning in the first policy year, the owner or owner’s spouse (annuitant or annuitant’s spouse if the owner is not a natural person) must have been: 1) confined in a hospital or nursing facility for 30 consecutive days, or 2) diagnosed as having a terminal condition. Confinement must begin or diagnosis must be made on or after the policy date (except in New Jersey). Minimum distribution is $1,000 ($500 in New Jersey). This option is not available in all jurisdictions, nor is it available to the spouse of the owner or annuitant in New Jersey.
- **Exchange Option.** Surrender charges will be waived if the owner exchanges this policy after the first policy anniversary for an immediate annuity designated by Transamerica Life Insurance Company.
- Payment as a result of death.

For civil union partners, registered domestic partners, or other similar relationships as recognized by your client’s state, please have your client contact a qualified tax advisor prior to purchasing.

Policy Options. The owner may choose either Trans 10SM with the Enhanced Rate Option or Trans 10SM with the Full Feature Rider.

- **Trans 10SM with the Enhanced Rate Option.** The Enhanced Rate Option offers the client the highest interest rate available by limiting liquidity features. The policy can only be annuitized on or after the annuity commencement date. This option is not available in Connecticut, Delaware, Florida, Massachusetts, Minnesota, New Jersey, Oregon, Pennsylvania, South Carolina, Texas, Utah, or Washington.
- **Surrender Charge.** Withdrawals in the first 10 policy years are generally subject to a surrender charge. The surrender charge schedule for Trans 10SM with the Enhanced Rate Option is 12%, 11%, 10%, 9%, 8%, 7%, 6%, 5%, 4%, 2%. After the first 10 policy years, there is no Company-imposed surrender charge.
- **Annuitization.** The annuitization date is set at age 100. Annuitization prior to the annuity commencement date will be treated as a surrender.

- **Trans 10SM with the Full Feature Rider.** The Full Feature Rider offers more liquidity with a reduced interest rate for clients who desire access to their cash value during the surrender period.
- **Surrender Charge.** Withdrawals in the first 10 policy years are generally subject to a surrender charge. The surrender charge schedule for Trans 10SM with the Full Feature Rider is 9%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%. After the first 10 policy years, there is no Company-imposed surrender charge. The surrender charge schedule in Indiana, Maryland, Minnesota, and Pennsylvania is 8%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%.
Waiver of Surrender Charge. For Trans 10SM with the Full Feature Rider, Company-imposed surrender charges will also be waived in the following instances:

➤ Partial Sum. Withdrawals of accrued interest in the first policy year. Beginning in the second policy year, withdrawals of up to 10% of the policy value as of the prior policy anniversary. Minimum withdrawal amount is $500.

➤ Systematic Payout Option (SPO). Beginning in the first policy year, systematic withdrawals of up to 10% of the policy value divided by the number of payments made per year can be sent automatically on a monthly, quarterly, semi-annual, or annual basis. Minimum withdrawal amount is $50. Minimum withdrawal amounts in New Jersey are $40 for monthly, $125 for quarterly, $250 for semiannual, and $500 for annual.

➤ Annuitizations after the first policy anniversary if the selected settlement option has a life contingency or period certain of at least 60 months.

Under current federal tax laws, amounts withdrawn or distributed may be subject, in whole or in part, to federal income tax. State income tax may also be applicable. In addition, a 10% federal income tax penalty may apply if distributions are made prior to the owner reaching age 59½.

The guaranteed cash values will always be at least as great as the minimum cash values required by the client’s state.

If any partial withdrawal reduces the cash value below $2,000, Transamerica Life Insurance Company reserves the right to pay the full cash value and terminate the policy.

Trans 10SM (Policy Form #AF810 101 198 1204 and RDR 1 1204; FL Policy Form #AF985 101 198 1204; OR Policy Form #AF823 101 198 1204) is a flexible-premium deferred fixed annuity issued by Transamerica Life Insurance Company, Cedar Rapids, IA 52499. Trans 10SM is a modified flexible-premium deferred fixed annuity in WA. Policy form and number may vary, and this product and its features may not be available in all jurisdictions. Not available in New York.

Know your customer. Do complete fact finding, which includes reasonable efforts to obtain the customer’s age, income, net worth, tax status, insurance needs, financial objectives, liquidity needs, time horizon, risk tolerance, and any other applicable information necessary for a purchase recommendation. Recommend only those products that meet your customer’s needs and fully disclose product benefits, limitations, fees, penalties, etc.

Replacing an old policy with a new one can be a legitimate part of selling annuity products. The key question is whether the replacement is appropriate to the client. Before recommending a replacement, the client’s entire insurance portfolio should be reviewed carefully to determine if the replacement is in the client’s best interest. If it is inappropriate, then it should not take place.