

ING USA Annuity and Life Insurance Company

Guarantee Choice Annuity Disclosure



Contract Form Series: IU-IA-3036

This document reviews important points to think about before you buy this ING USA Annuity and Life Insurance Company annuity. This document is not part of your contract, and you should refer to your contract for complete details. Your contract also contains a summary of this annuity.

This annuity is a **single premium deferred annuity**, which means that you purchase it with one premium and that you don't pay taxes on the interest until the money is paid to you. The minimum initial premium is \$15,000, and the maximum without home office approval is \$1,000,000.

You can use this annuity to save for retirement and to receive retirement income for life. You should not purchase it to meet short-term financial goals. If you have any questions about this annuity, please contact your agent or our Customer Contact Center at 800-369-5303.

THE ANNUITY CONTRACT

How will the value of my annuity increase?

The value of the Guarantee Choice annuity earns interest at a **fixed interest rate** for a guarantee period. The fixed interest rate is declared at the start of the guarantee period and is guaranteed never to be less than 1.5%.

There may be a higher interest rate in the first year. If so, you will receive the first-year rate during the first year and the base interest rate for the rest of the guarantee period. At the end of the guarantee period, you may renew your contract for new interest rates.

For 30 days following the end of a guarantee period, you may elect to renew for the same guarantee period or for any other guarantee period that is available at the time of renewal. Unless you direct us otherwise, we will elect the accumulation value to a guarantee period equal in length to the expiring guarantee period.

See section 3 of your contract for more details.

BENEFITS

How do I get income (payments) from my annuity?

Your annuity's accumulation value is based on the initial premium you paid and any interest earned. You may ask us to pay the cash surrender value of your contract to you. There are several payment options available including:

- **Fixed period:** Monthly or annual payments for a fixed period between 10 and 30 years.
- **Life income:** Monthly or annual payments for your life.
- **Lump sum:** One payment.

Certain options are only available after the first contract year. Check your contract for additional details. Once you begin receiving payments, you cannot access any money other than your income payments.

What other options do I have for getting money?

You may withdraw all (full surrender) or part (partial withdrawal) of the annuity's value. If you request a **full surrender**, the payment will be based on the cash surrender value, which is the greater of 1.) the accumulation value, adjusted for any market value adjustment (MVA), less surrender charges, and 2.) the minimum guaranteed contract value.

The minimum guaranteed contract value sets a minimum value that your contract will not fall below. The minimum guaranteed contract value is explained in detail on the contract data page of your contract.

Partial withdrawals in excess of 10% are subject to a surrender charge and MVA. The surrender charge and MVA are explained further in the "Fees, Expenses, & Other Charges" section.

This annuity also includes an **Extended Medical Care or Terminal Illness Waiver**. After the first contract year, you

may withdraw all or a part of the annuity's value without surrender charge if you are confined to an eligible nursing care facility or hospital for at least 45 of 60 consecutive days, or are diagnosed with a terminal illness. This waiver is not available in Massachusetts. The MVA may still apply.

What happens after I die?

If you die before payments begin, your beneficiary can choose to receive the accumulation value as one payment or a series of payments over time. If you die after payments begin, depending on the type of payment plan you choose, we pay the remaining value, if any, to your beneficiary.

We also waive the surrender charge and MVA on payments to your beneficiary. Interest will not be credited to the annuity for that year. Please refer to section 2 of your contract for more details.

FEES, EXPENSES, & OTHER CHARGES

What happens if I take out some or all of the money from my annuity?

During the first contract year, you may withdraw interest credited to your annuity without penalty. After the first contract year, you may take out up to 10% of the accumulation value each contract year without penalty. If you withdraw more, the excess amount will be subject to a surrender charge and MVA. The surrender charge and MVA will apply to the total amount surrendered in the year of a full surrender.

The **surrender charge** is a percentage of the excess amount that depends on how long you've had the annuity:

Contract Year	1	2	3	4	5	6	7	8	9	10+
Percentage	9	8	7	6	5	4	3	2	1	0

Example: Assume that an MVA does not apply. Assume the accumulation value in year 5 is \$20,000. You want to withdraw \$2,500 from your annuity. Since \$2,500 is more than 10% of the accumulation value ($\$20,000 \times 0.10 = \$2,000$), the surrender charge would be $\$500 \times 0.05 = \25 .

One surrender charge schedule will apply to all the guarantee periods. For 30 days following the end of a guarantee period, the surrender charge and MVA will be waived if you elect not to renew. The surrender charge schedule does not reset.

The **market value adjustment (MVA)** may increase or decrease the amount you receive depending on market performance. If interest rates went up after you bought your annuity, the MVA likely will decrease the amount you receive. If interest rates went down, the MVA likely will increase the amount you receive.

Do I pay any other fees or charges?

There are no other fees or charges on this annuity, but there may be additional fees with optional riders.

TAXES

How will payments and withdrawals from my annuity be taxed?

This annuity is tax-deferred, which means you don't pay taxes on the amount credited until the money is paid to you. When you take payments or make a withdrawal, you pay ordinary income taxes on the amount credited. If you purchase your annuity with qualified (pre-tax) money, all distributions may be taxable. You also pay an additional 10% federal income tax penalty on earnings you withdraw before age 59 ½. Taxable distributions may also be subject to state income tax. If your state imposes a premium tax, we will deduct it from the money you receive.

It is possible to exchange one tax-deferred annuity for another without paying taxes on the earnings when you make the exchange. Before you do, though, you should compare the benefits, features, and costs of the two annuities and review with a tax adviser.

Does buying an annuity in a retirement plan provide extra tax benefits?

No. Buying an annuity within an IRA, 401(k) or other tax-deferred retirement plan does not give you any extra tax benefits. For an additional cost, this annuity offers features like contract guarantees, a death benefit and the ability to receive lifetime income. You should purchase this annuity only if these other features and benefits are right for you.

OTHER INFORMATION

How is the agent compensated?

We pay commissions and other sales expenses from our general assets and revenues, including amounts we earn from fees and charges under the contracts. We set the price of an annuity contract, and the price reflects the compensation we pay for the sale of the annuity contracts. The price also covers the cost of contract guarantees, other costs such as the design, manufacture and service of the contracts, as well as the investment management needed to support the contracts' values.

Agents earn a commission for each annuity contract they sell. The commission is generally a percentage of the premium you pay. The percentage may be higher for agents that sell a larger number of annuity contracts. The actual percentage and amount of commission paid will vary based on the specific circumstances of your purchase.

Agents may receive additional compensation from us as a reward for things like achieving certain sales volume levels, sales contest objectives or other measures. We may also pay for agent education, training or attendance at conventions, and may pay bonuses, provide financing, or provide other payments or benefits. In addition, agents may be associated with marketing organizations (MOs) that have agreements with us. In these instances, we may pay the commission, in whole or in part, directly to the MO. The MO may, in turn, pay the agent a commission.

What else do I need to know?

- This annuity is designed for people who are willing to let their assets build over time.
- Many states have laws that give you a set number of days to reconsider an annuity after you buy it (free-look period). During that time, you can return the annuity and get all your money back. Please refer to your contract for details about the free-look period for this annuity.
- You should discuss your retirement planning objectives, anticipated financial needs and risk tolerance with your agent to make sure this annuity meets your current financial needs and objectives.
- Annuities are not insured by any U.S. agency or financial institution and are not guaranteed.
- We may change your annuity contract from time to time to follow federal or state laws and regulations. If this happens, we'll tell you about the changes in writing.

What should I know about the insurance company?

ING USA Annuity and Life Insurance Company is a member of the ING family of companies. We offer a broad range of fixed and variable annuities for pre-retirement wealth accumulation and post-retirement income management.

ING USA Annuity and Life Insurance Company
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Des Moines, IA 50305-1337
Phone: 800-369-5303
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www.ing-usa.com

APPLICANT STATEMENT

By signing this document, I acknowledge that I have read, or have been read, this document and understand its contents.

Applicant(s) Name *(Please print)* _____

Applicant(s) Signature(s) _____

Social Security # _____ Phone _____ Date _____

AGENT STATEMENT

Agent Instruction: Submit ALL PAGES of this disclosure with the application and leave a copy with the applicant.

By signing below, you, the agent, certify that you 1) reviewed this document with the applicant; 2) provided the applicant with a copy of this document, the Buyer's Guide, and any sales materials, illustrations, or proposals used to sell this annuity; 3) have not made statements that differ from the sales materials, illustrations, or proposals; 4) have not made any promises or guarantees about the future value of any contract elements that are not guaranteed; and 5) followed the insurer's written position regarding replacement if this is a replacement of an annuity contract or life insurance policy.

Agent Name *(Please print)* _____

Agent Signature _____ Date _____