

STRUCTURED ANNUITIES, INC.

SIDE-BY-SIDE COMPARISON

Structured Settlement vs. Variable Annuity

ISSUE/CONCERN	STRUCTURED SETTLEMENT	VARIABLE ANNUITY
What types of securities/ insurance products support the payments?	A fixed annuity contract issued by a life insurance company. Assets are invested in the insurance company's general account.	A variable annuity contract issued by a life insurance company. Consists of two stages: accumulation and payout. Assets may be invested in variable income options and/or in fixed interest accounts to seek interest or capital appreciation.
Can this option provide a stable, lifetime income?	Yes. Payments and distribution schedule are determined up front. Can provide a dependable, predictable income stream that you cannot outlive.	No income until you select an annuitization (i.e., payout) option. Usually paid as a lump sum or an income stream of lifetime payments.
Is there a guarantee with this option?	Yes. The annuity issuer guarantees payments, as provided by the terms of the structured settlement agreement.	If a variable payment is elected, the amount of the benefit will depend on underlying investment performance. If a fixed payment is elected the annuity issuer guarantees a monthly benefit amount as defined by contract terms.
What are the costs and fees associated with this option?	No cost to the annuitant.	Costs may include front and back-end sales charges, mortality and expense charges, management fees, and other applicable expenses.
Will this option keep pace with inflation?	Yes, with a Cost-of-Living -Adjustment (COLA) feature.	Return (and thus the amount available for payout) depends on the performance of underlying investments.
What are the tax consequences?	Income provided by the fixed annuity is TAX-FREE , provided the damages received as periodic income (other than punitive damages) are the result of personal physical injuries or physical illness.	Earnings accumulate tax-deferred during the accumulation phase. During the payout phase, payments consist of principal plus earnings. Liquidation of earnings is subject to ordinary income tax and if taken prior to age 59 1/2, a ten-percent federal penalty may apply.
Is this option affected by market fluctuations?	No. Benefit payments are determined and fixed at the time the annuity contract is issued.	Yes. Investment performance will affect the payout amount.
Can I make changes to this option after I select it?	No. Payment amount and schedule are fixed and may not be changed or accelerated.	Most variable annuities provide for withdrawal of a specified amount free of charge. Withdrawals in excess of that amount may trigger surrender charges. Liquidation of earnings is subject to ordinary income tax and, if taken prior to age 59 1/2, a ten-percent federal penalty may apply.

Information provided by Hartford Life

**Important Note: Neither Hartford Life nor its agents give legal or tax advice. Since tax laws are subject to change, the brief discussion of options here cannot be considered complete or necessarily up to date. Please consult your own attorney or tax advisor for more details. 6/11/99*

Contact Us Today for a Quote

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Consult your attorney and/or accountant. We do not give tax or legal advice.