Example of Annuitized Payout (Variable Annuity)

Life Expectancy from mortality table example only

\$150,000

5% interest

Age 65

Age 85

\$10,000 per year or \$800 per month, approx. Converted to 100 annuity units (this will never change)

The company converts the dollar amount into annuity units. This never changes. If the separate account, managed by the company's money manger, is valued at \$24,000,000 and there are 3,000,000 annuity units outstanding, each unit would be worth \$8.00 Your check would be \$800.

If the money manager does a good job and the account next month rises to \$30,000,000, each unit would be worth \$10 and your check would be \$1000. Could go the other way too.

The policy owner chooses during the accumulation period, the company is in control during the annuity period.