



Master Builder

A Single Premium Deferred Annuity that allows you to transfer wealth to heirs, provide heirs with additional money to help pay taxes, grow a tax-deferred inheritance and access a living benefit for yourself

Applying for a Master Builder Annuity is easy. Just use these guidelines to determine if this annuity meets your needs.

Issue ages: 0-80 for both qualified and non-qualified money

Minimum premium deposit: \$5,000

Maximum premium deposit: \$500,000 (Larger amounts accepted with company approval)

Additional premium deposits: Up to 5 additional premium deposits of at least \$500 in the *first 6 months* of the first contract year. Each premium deposit is credited with the interest rate currently in effect at the time it is made.

Enhanced Earnings Benefit (Enhanced Death Benefit): Allows you to leave more money to your heirs, over and above the amount payable through the guaranteed death benefit. This benefit is a percentage of the annuity's earnings based on your age at the time the contract is issued. Paid if owner dies after the annuity has been in force for at least 5 years.

Living Benefit (Annuitization Enhancement): Allows you to access a portion of the Enhanced Earnings Benefit to increase the value of your annuity when you want to begin receiving income payments. Available after the 10th contract year.

NOT A BANK OR CREDIT UNION DEPOSIT OR OBLIGATION • NOT FDIC OR NCUA INSURED
NOT INSURED BY ANY FEDERAL AGENCY • NOT GUARANTEED BY ANY BANK OR CREDIT UNION

Insurance offered by
Liberty Life Insurance Company





Individual Retirement Annuities: This annuity accepts rollovers and transfers from IRAs and retirement plans. No loan provisions. You should consult a qualified tax advisor prior to purchasing an annuity with an Enhanced Earnings Benefit. Under certain circumstances, the use of this benefit with an IRA may result in adverse tax consequences.

No sales charges: When you purchase this annuity, 100% of your premium goes into the contract. You pay no up-front sales charges or administration fees.

Death benefit: Full accumulation value plus any applicable Enhanced Earnings Benefit will be paid to the beneficiary upon death of owner. This death benefit may pass outside of the annuity owner's probate estate, thus avoiding the cost and delay of probate. Please consult a tax advisor for details.

Detail of Master Builder's key benefits

Provides opportunity to consolidate

The Master Builder Annuity allows you the opportunity to make up to 5 more premium deposits in addition to your initial premium within the *first* 6 months of the issue date. Each premium deposit is credited with the interest rate currently in effect at the time it is made. This feature allows you to consolidate money from other sources that will mature during that time into one, easily managed, tax-deferred Master Builder Annuity. In many cases, you can consolidate your tax-qualified funds too, so be sure to check your plan guidelines.

Provides additional money for your heirs

With the **Enhanced Earnings Benefit**, your beneficiaries can enjoy an enhanced payout — over and above the amount payable through the guaranteed death benefit. At death, the Enhanced Earnings Benefit is added to the guaranteed death benefit, which becomes the new contract value. The Enhanced Earnings Benefit is a percentage of the annuity's growth, which is based on your age at the time the annuity is issued. This benefit is paid to the chosen beneficiary if the contract owner dies after the annuity has been in force for at least 5 years.

Access a living benefit for yourself

The **Living Benefit** allows you to access a portion of the Enhanced Earnings Benefit to increase the value of your annuity when you want to begin receiving payments. This benefit becomes available after the 10th contract year. At annuitization, one half of the Enhanced Earnings Benefit value is added to your annuity's contract value which results in a larger value from which to determine income payments.

Guarantees interest rates

Master Builder provides a competitive initial interest rate guaranteed for 12 months. Each year, the annuity will renew at the portfolio rate in effect at that time for another 12 months. The renewal interest rate may be higher or lower than the initial interest rate, but will always be at least 3%.

How the Enhanced Earnings Benefit is credited

Owner's age at issue	Years 1-5	Years 6-10
0-69	Earns 30% of annuity growth	Earns 60% of annuity growth
70-80	Earns 20% of annuity growth	Earns 40% of annuity growth

Age 0-69 Example: If the owner dies after the 10th contract year, the chosen beneficiary receives 30% of the earnings gain from years 1-5 PLUS 60% of the earnings gain from years 6-10.



Allows for access to money when needed

You can choose one of the following to obtain money from this annuity. (Withdrawals prior to age 59½ may be subject to an IRS penalty.)

Free out end of 5 years (Additional Withdrawal Option): During the 1st 30 days of the 6th contract year, you can surrender all or a portion of your annuity's accumulation value, and the withdrawal charges (and any Market Value Adjustments, if applicable) will be waived. To surrender a portion, you can make one withdrawal of at least \$500; however, the remaining accumulation value must be at least \$2,000. If this option is not elected, your annuity contract will continue and any partial withdrawal or total surrender provisions will continue to be in effect.

10% free withdrawals: After the 1st year, up to 10% of this annuity's accumulation value may be withdrawn once each year, without a waiting period or incurring contract charges. This allows you to have access to cash any time you need it after the 1st year. To exercise this option, you must have at least \$2,000 remaining in the annuity and request a withdrawal of at least \$500.

Interest only withdrawals: Interest credited to your annuity may be withdrawn on a monthly, quarterly, semi-annual or annual basis and the minimum withdrawal amount must be at least \$100. This option may be selected at issue or any time thereafter. (Withdrawals that exceed 10% of the accumulation value at the beginning of the contract year are subject to withdrawal charges.)

Lifetime income options: A variety of options are available:

- Income for life
- Joint and survivor income for life
- Income for life with a fixed number of years guaranteed
- Income for a fixed number of years
- Income of a fixed amount

Required minimum distributions: Available immediately.

Provides an additional withdrawal privilege

Confinement waiver: Provides for free withdrawals of up to 100% of your accumulation value after the 1st contract year if you are confined to a long-term care facility or hospital for 90 days or more after the contract is issued. (This benefit is not available in Mass.)

Terminal illness waiver: Free withdrawals of up to 100% of your accumulation value are available after the 1st contract year if you become terminally ill with less than 12 months to live. (This benefit is not available in Mass. and Texas.)

Assesses withdrawal charges when necessary

While partial withdrawals are always available, a contract charge is assessed on the portion that exceeds the free withdrawal privilege amount. Contract charges may also be assessed when the contract is surrendered early. The withdrawal charge is based on the contract year in which it is made, as shown in the box to the right.

Provides a Market Value Adjustment feature

The Master Builder Annuity has a Market Value Adjustment feature (MVA) that is available in most states. MVAs help protect you and the company from the adverse effects of excessive withdrawals and surrenders. With this protection in place, we can credit a higher interest rate than otherwise possible.

An MVA is an adjustment made to the accumulation value when withdrawals in excess of the annuity's free withdrawal privileges are taken in the first 10 contract years or if the contract is surrendered early. The MVA reflects the change in interest rates from the time the annuity is purchased to the time the withdrawal is made. In general, if interest rates have decreased by more than ½%, the MVA will increase the accumulation value. If interest rates have increased or they have decreased by less than ½%, the MVA will decrease the accumulation value. However, the MVA by itself will never reduce the value of an annuity below the premium paid, less any previous withdrawals, applicable withdrawal charges and premium taxes, plus interest earned at 3%. (This feature is not available in Fla., Ind., S.D., Texas, Vt. and Wash.)

Waives withdrawal charges when necessary

No withdrawal charges or market value adjustments are assessed when:

- You make one, annual withdrawal after the 1st year of up to 10% of the accumulation value.
- You exercise the Five Year Free Out Option during the 1st 30 days of the 6th contract year.
- You make a withdrawal after the 10th year.
- You select Interest Only or Required Minimum Distribution payment options.
- You select a payment option with a guaranteed period greater than 5 years. (Conditions may apply.)
- You make a withdrawal after the 1st year due to your long-term care/hospital confinement or terminal illness diagnosis, as defined in the contract. (Not available in all states.)
- The annuity owner dies. Beneficiaries receive full accumulation value plus any applicable Enhanced Earnings Benefit. Generally, death benefits paid to beneficiaries pass outside the decedent's probate estate, thus avoiding probate court, its costs, delays and publicity.

Contract Year	Withdrawal Charges
1	10%
2	9%
3	8%
4	7%
5	6%
Five Year Free Out Period No withdrawal charge during 30-day window at the end of the 5th contract year.	
6	5%
7	4%
8	3%
9	2%
10	1%
11+	0%



Providing benefits for your heirs

Master Builder provides a benefit to your chosen beneficiary if you die before payments begin. If the death occurs prior to the annuity's 5th contract year, your beneficiary will receive a lump sum benefit that is:

- The greater of the accumulation value as of the date of the owner's death; or
- The minimum guaranteed cash surrender value

If the death occurs after the annuity's 5th contract year, your beneficiary will receive your annuity's death benefit plus an Enhanced Earnings Benefit, which is a percentage of your annuity's accumulation value. The percentage of the Enhanced Earnings Benefit paid is based on your age at the time the annuity is issued.

Instead of the lump sum benefit, your beneficiary may elect to receive the death benefit through one of the income payment options explained under the "Lifetime income" section on page 3 of this brochure.

It is important to note that annuity benefits paid to your beneficiary may also avoid the cost and delay of probate. Consult a tax advisor for assistance.

Providing benefits for your spouse

If you die after the 5th contract year, your surviving spouse, who is also your chosen beneficiary, may elect to receive the annuity's guaranteed death benefit plus any Enhanced Earnings Benefit through one of the income payment options available.

If your spouse does not want to receive the annuity's death benefit at this time, he or she may elect to continue the annuity in one of the following ways:

Grow the annuity with a new accumulation value: The Enhanced Earnings Benefit is calculated as of the date of death and added to the annuity's accumulation value. This new accumulation value will continue to accumulate interest for the life of the annuity at current interest rates as declared by the company. There will be no Living Benefit available under this option and the withdrawal charges and MVA will be waived on all future withdrawals or surrenders.

Defer Enhanced Earnings Benefit for new beneficiary: Spouse assumes the role of the annuity's owner in the same contract year as the owner's death. A new beneficiary is designated. The annuity continues to accrue interest. The Enhanced Earnings Benefit will be available to the new owner and the Living Benefit continues to be available after the 10th contract year. Any withdrawal or MVA charges remain applicable.

Providing benefits for you

You can choose to begin receiving income from your annuity after the 2nd contract year. But the Master Builder Annuity offers a Living Benefit if you want to wait until after the 10th contract year to begin receiving income (annuitization). This benefit will be equal to one half of the Enhanced Earnings Benefit that would have been paid if death occurred on the annuitization date. For example, let's assume that at the end of the 10th year, the annuity's accumulation value is \$165,000 and the Enhanced Earnings Benefit is \$30,000. The Living Benefit would be \$15,000. This \$15,000 would be added to the accumulation value of \$165,000 for a new total of \$180,000 from which your income payments would be determined.

Look to the future with a company you can trust

Because your annuity is guaranteed by the financial strength of the company you do business with, you look for a strong, stable insurance company you can depend on.

RBC Insurance® is the brand name for Liberty Life Insurance Company, a part of the global insurance operations of Royal Bank of Canada. RBC Insurance offers a diversified range of life protection and wealth accumulation products that help individuals and businesses manage risk and build for the future in today's complex, fast-changing world. Liberty Life Insurance Company is solely responsible for its financial obligations.

RBC Insurance is a member of RBC Financial Group™, comprised of Royal Bank of Canada (TSX, NYSE: RY) and its subsidiaries. RBC Financial Group is Canada's largest financial institution as measured by market capitalization and assets and one of North America's leading diversified financial services companies. Over 69,000 RBC employees serve more than 14 million personal, business and public sector customers through offices in North America and some 30 countries around the world.

For more information and current ratings, visit the RBC Insurance Web site at www.rbcinsurance.com/us.

This is a brief description of the Master Builder Annuity, a Single Premium Deferred Annuity, issued by Liberty Life Insurance Company on policy form series AN3009, available in most states. This contract contains limitations. Please contact the company for full details.