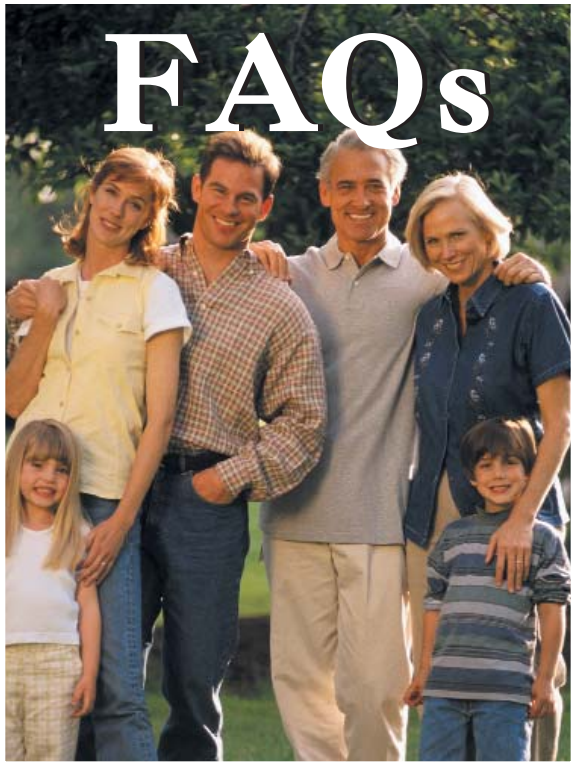


FAQs

FREQUENTLY ASKED QUESTIONS

**Just The
FAQs**



Frequently Asked Questions About
Presidential Life Insurance Company's
SPIA

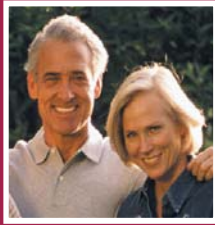
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Presidential Life Insurance Company

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Presidential's SPIA & SPII

Presidential Life Insurance Company's immediate annuity is an excellent substitute for consumers who have no defined benefit retirement plan coverage or lack adequate defined benefit retirement plan coverage via their employer plan offerings. Many current retirees and soon to be retirees lack this once prominent insurance mechanism, also known as a pension which historically addressed long-term and short-term income and safety needs.

What is a Single Premium Immediate Annuity (SPIA)?

A Presidential Life Insurance Company immediate annuity is an income insurance policy, funded by a single premium, with the annuity benefit rate set immediately in advance of payment. The initial annuity benefit can occur within 1 year or after several years from the annuity purchase date. This unique income policy pays pre-scheduled benefits and provides an economic value similar to pension or Social Security benefits.

Why Should I Purchase an Immediate Annuity?

Safety! Your policy is backed by over \$3.0 billion in assets of Presidential Life Insurance Company; a New York domiciled and New York regulated Life Insurance Company. Your premium purchases a permanent annuity policy with a benefit schedule that cannot be controverted i.e. policies are irrevocable and non-commutable and the premium is not subject to investment

risks. **This anti-dissipation feature is the insurance benefit** and what allows us to pay benefits over your lifetime or a selected term of years. Insuring your greatest asset, your income, is our business.

What If I Need My Money in Case of an Emergency?

Because this policy is permanent insurance constructed with your ultimate future income safety in mind, like a pension or Social Security, you will not be able to withdraw your premium, revoke the contract or commute future benefit payments. In addition, harsh Federal and State income tax consequences could result should you assign or pledge the policy for loan purposes. An immediate annuity should be used in conjunction with other assets and a skilled annuity agent can help you wisely purchase the amount of insurance you need.

What Happens to My Money When I Die?



When you purchase an immediate annuity contract you spend premium not invest premium. Any life contingent benefits after your death are not paid. With life contingent benefits, you enjoy the protection of the group and receive the average annuity rate associated with all individuals purchasing life contingent annuity coverage. This is the same as purchasing auto liability, homeowners, health and term life insurance policies. The balance of the guaranteed annuity benefits, if any, are paid to your beneficiary(s) avoiding probate delays. If there is a joint insured he or she assumes the surviving annuity benefit for the contracted term. You never get your money back after purchasing an immediate annuity because the money was spent when you bought the policy.

What About the Kids?

Long-term annuities with substantial guarantees can be purchased should you desire a legacy benefit. However, life contingent lifetime annuities typically provide greater benefits. The agent you hired will make recommendations with your best interests in mind.



Must I Purchase a "Lifetime" Annuity to Take Advantage of Better Life Contingent Annuity Pricing?

No. Presidential Life is a leading provider of temporary life annuities. These annuities are paid for a specified time period ranging from 5 - 30 years but not for the "lifetime" of the insured. Annuity benefits cease upon the death of the insured or the completion of the specified period which ever occurs first. Individual's age 65 and higher may find pricing particularly attractive.

Can I Get Rich by Purchasing an Immediate Annuity?

No. You don't purchase immediate annuities to get rich. You purchase immediate annuities to keep from becoming poor. An immediate annuity is an insurance policy and when used in conjunction with other assets helps assure successful long-term financial outcomes.

Will Presidential Life Improve Annuity Pricing Due to My Ill Health?

Yes. The annuity benefit for any given premium may be increased or premium cost of any given annuity benefit may be reduced for individuals with serious health concerns. Presidential Life Insurance Company is an industry leader in

actuarially fair annuity policies. The insured's medical conditions may be considered in annuity benefit pricing not just his or her attained age. These conditions must be serious enough to mitigate the insured's life expectancy and only effect life contingent annuity benefits. A skilled annuity underwriter will consider effects of illness and/or injuries from heart conditions, stroke, cancer, diabetes, paraplegia, mental retardation, etc. on the insured's lifetime expectations.

What About Inflation?

One option is purchasing an annuity with an annual compounded cost of living adjustment (COLA) feature or a graded annuity benefit step-up provision. Capital assets such as stocks, bonds, mutual funds, and real property can be used to provide inflation protection the non-COLA or non-graded benefit annuity lacks. Meanwhile, the annuity provides the insurance benefit capital assets lack. A skilled annuity agent is able to help you coordinate insurance and assets accordingly.

Why Would I Purchase a Deferred Immediate Annuity?

You may have no need to begin receiving your annuity benefits right away. This may be because, you are still employed or a child not yet employable and want annuity benefits to begin at a time when you anticipate income need. The safety, anti-dissipation features and advanced annuity benefit pricing are now attractive, relieving your future concerns.



The information in this brochure is not intended as legal or tax advice. It is always advisable to consult tax and/or legal counsel regarding all federal and state laws before making any financial decisions.