

Tailored Income Annuity

Retirement Income To Suit Your Needs



Standard Insurance Company

Tailored Income Annuities





Tailored Income Annuity

An Income Guaranteed

The Tailored Income Annuity is designed precisely to insure against outliving an income. It provides regular, guaranteed income payments for life (or a chosen period). This annuity is an excellent way to maintain an income stream matched to personal financial needs while adding the flexibility of lump-sum payment options.

Eligibility

A Tailored Income Annuity may be established for an owner and annuitant age 90 or younger. The minimum premium amount is \$15,000 and the maximum is \$1,000,000. Greater amounts may be considered, but must receive home-office approval prior to application.

Tax-Qualification Options

This annuity may be established as an Individual Retirement Annuity, 403(b) Tax-Sheltered Annuity or Simplified Employee Pension to initiate or continue a qualified retirement savings account.

Lump-sum deposits and complete or partial exchanges of non-qualified funds may also be accepted into this annuity.

Tax Consequences

The payments generated from the purchase of this annuity will generally be taxable in the year in which they are received. The good news is that often people move to a lower tax bracket during this time of their lives and will likely pay less in taxes than they would have just a few years earlier. The amount of the payment that is deemed taxable will be based on the tax status of the funds under IRS guidelines.

Are You Prepared?

According to a study by the Centers for Disease Control and Prevention, the life expectancy of someone who retires at age 65 averages more than 18 years.

To fully enjoy all those years of quality retirement, many are finding that they're in need of a financial option that can:

- Supplement income from Social Security, a pension plan or investments;
- Provide financial stability in the event of a long-term illness or nursing home stay; and
- Ensure against outliving savings.



Time To Reflect On The Purchase

From the date the annuity contract is delivered, an owner has 30 days to consider the purchase. If the transaction is terminated during those 30 days, Standard Insurance Company will return all premium, net of any withdrawals taken.

Tailor Your Annuity

Life Income Commutation

A special, optional feature available in the Tailored Income Annuity allows the addition of a commutation feature to many of the life income payment options.¹

If this feature is added at the time of application, in any contract year (after an initial two years) up to 10 percent of future benefits may be commuted to a lump-sum payment. After exercising this feature the remaining payments will be reduced by the percentage commuted. A maximum of 20 percent of future payments can be commuted over the lifetime of a contract.

Inflation Protection

On many of the income options, an election may be made to guard against the effects of inflation with an annually increasing payment of 1 percent, 2 percent, 3 percent, 4 percent or 5 percent. If this option is selected at the time of application, the increased payments would begin one year after the first payment and would increase annually thereafter.

¹ This feature is not available in Washington.



Income Options

Life Income

A guaranteed income for as long as the annuitant lives. Payments will cease upon the death of the annuitant.

Tailor This Option By Adding

- Life Income Commutation²
- Inflation Protection

Life Income with Installment Refund

A guaranteed income for as long as the annuitant lives. The total payments will never be less than the total of the funds paid to purchase this option. If the annuitant dies before receiving at least that amount, payments continue to the beneficiary until the full amount is repaid (or may be commuted to a lump-sum payment).

Tailor This Option By Adding

- Life Income Commutation²

Life Income with Certain Period

A guaranteed income for as long as the annuitant lives. If the annuitant dies prior to the end of the period specified (5, 10, 15 or 20 years), payments continue to the beneficiary until the end of the period (or may be commuted to a lump-sum payment).

Tailor This Option By Adding

- Life Income Commutation²
- Inflation Protection

Joint And Survivor Life Income

A guaranteed income for as long as both annuitants live. When either annuitant dies, payments will continue at 50 percent, 66²/₃ percent, 75 percent or 100 percent of the payments received when both were living. Payments will cease upon death of both annuitants.

Joint And Survivor Life Income With Installment Refund

A guaranteed income for as long as both annuitants live. The total payments will never be less than the total of the funds paid to purchase this option. If both annuitants die before receiving at least that amount, payments continue to the beneficiary until the full amount is repaid (or may be commuted to a lump-sum payment).

Joint And Survivor Life Income With Certain Period

A guaranteed income for as long as both annuitants live. When either annuitant dies, payments will continue at 100 percent of the payments received when both were living. If both annuitants die prior to the end of the period specified (5, 10, 15 or 20 years), payments continue to the beneficiary until the end of the period (or may be commuted to a lump-sum payment).

Joint And Contingent Survivor Life Income

A guaranteed income for as long as both annuitants live. If the primary annuitant dies first, payments will continue at 50 percent of the payments received when both were living. If the contingent annuitant dies first, payments will continue at 100 percent of the payments received when both were living. Payments will cease upon death of both annuitants.

Certain Period

A guaranteed income for a time period chosen (5, 10, 15 or 20 years). At any time, benefits may be commuted to a lump-sum payment. If the annuitant dies prior to the end of the period specified, payments continue until the end of the period (or may be commuted to a lump-sum payment).

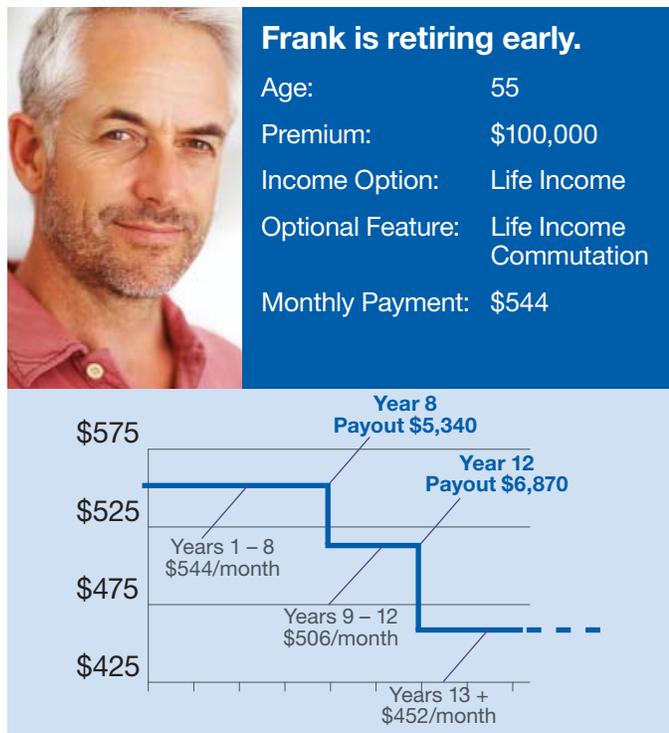
Tailor This Option By Adding

- Inflation Protection

² This feature is not available in Washington.

Illustrations Of Life Income Commutation

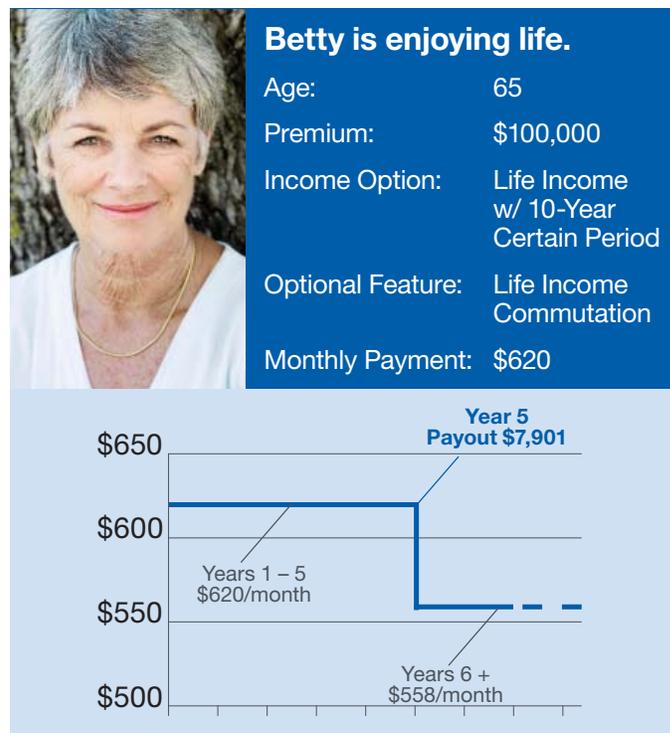
Commutation is a substitution or exchange of one kind of payment for another. With the Tailored Income Annuity some routine, ongoing payment streams may be “commuted” to a lump-sum payout.



Today Frank is buying an immediate annuity. He is choosing the *Life Income* payment option and will receive \$544 every month as long as he lives. He is also adding the *Life Income Commutation* feature, as he knows there are many unplanned events that could happen during such a long retirement.

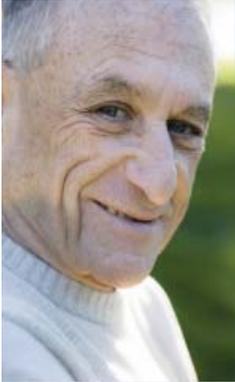
Eight years from now, Frank will find himself in need of a knee replacement. Realizing he can do with less than his current monthly income, he will choose to commute 7 percent of his future annuity payments and use the \$5,340 to help offset the costs. Exercising this feature will reduce his lifetime monthly payments to \$506.

Four years later, Frank will find that his daughter is in need of financial assistance after being laid off from her job. Frank this time will commute 10 percent of his future payments, the maximum available to him during any contract year. After the payout of \$6,870, he will find himself with a monthly income of \$452 for the duration of his life — and he still has the option to commute 3 percent more during any future contract year if he finds the need.



Today Betty is taking money from the pension plan to which she’s been contributing for 30 years and buying an immediate annuity. She is choosing the *Life Income with 10-year Certain Period* payment option to ensure that she will receive a lifetime of monthly payments. She will receive \$620 every month during her lifetime and if she happens to die before 10 years, her beneficiary will receive the remaining payments. Betty is also adding the *Life Income Commutation* feature, as she likes the idea of retaining some flexibility with such a large investment.

In five years, Betty will be surprised with the opportunity to go on a once-in-a-lifetime family cruise on the Mediterranean. Knowing that she will be fine with a reduction in her payments, she will choose to commute 10 percent of her future payments for a payout of \$7,901. This commutation will reduce her lifetime monthly payments to \$558 and she will retain the option of commuting up to 10 percent more of her future payments during any future contract year.



Harold is ready to sit back.

Age:	75
Premium:	\$100,000
Income Option:	Life Income w/ Installment Refund
Optional Feature:	Life Income Commutation
Monthly Payment:	\$797



Today Harold is annuitizing his deferred annuity contract to begin receiving an income stream. He is choosing the *Life Income with Installment Refund* payment option and is adding the *Life Income Commutation* feature, just to keep his options open. He will receive \$797 every month during his lifetime and if he happens to die before his full premium is repaid, his beneficiary will receive the remaining payments.

Next year, unknown to Harold, he will begin to experience the early signs of Alzheimer's disease and, with the help of his family, will decide to move to an assisted-living facility. The initial costs of this life change are substantial and he's grateful to have the option of commuting 10 percent of his future payments for a \$8,396 payout. Exercising this feature will reduce his monthly payments to \$717 for the duration of his life and he will still have the option of commuting up to 10 percent more of his future payments during any future contract year.



J. Greg Ness
Chairman, President and CEO

Standard Insurance Company Financial Strength Ratings

A+ (Strong) by Standard & Poor's
5th of 20 rankings
A2 (Good) by Moody's
6th of 21 rankings
A (Excellent) by A.M. Best*
3rd of 13 rankings
As of January 2013

* Rating includes The Standard Life Insurance Company of New York

StanCorp Financial Group Long Term Senior Debt Ratings

Standard & Poor's: BBB+
Moody's: Baa2
A.M. Best: bbb
As of January 2013

Balance Sheet As Of December 31, 2012

Assets	\$ 19.79 billion
Fixed Maturity Securities	56.5%
	of invested assets
A- or Higher	66.2%
BBB- to BBB+	28.4%
BB- to BB+	3.8%
B- or Lower	1.6%
Commercial Mortgage Loans	41.4%
	of invested assets
60-Day Delinquencies	0.40%
Other	2.1%
	of invested assets
Portfolio Yields	
Fixed Maturity Securities	4.66%
Commercial Mortgage Loans	6.09 %

2012 Segment Data (Dollars In Millions)

Revenues	
Insurance Services	\$ 2,510.8
Asset Management	404.1
Other	(16.5)
Total	\$ 2,898.4
Income before income taxes	
Insurance Services	\$ 179.8
Asset Management	64.0
Other	(60.4)
Total	\$ 183.4

Our Financial Strength

For an insurance and asset management company, there is nothing more important than financial strength. Our customers and shareholders alike must be confident that we will be there regardless of the current economic environment. We take this responsibility very seriously and back it up with our disciplined business practices, sound investment strategies and unique industry expertise.

While various other financial institutions have struggled with their business mix and capital levels, at The Standard, we have maintained our focus on providing excellent customer service while still seeking attractive business opportunities. By approaching our commitments with a long-term perspective, we are able to invest for our customers and build value for our shareholders.

Our balance sheet is the cornerstone of our financial strength and has provided us with a foundation for profitability through a wide range of economic cycles.

Bond Portfolio

Our bond portfolio is strong. Our strategy is to maintain a diversified portfolio of high-quality, fixed-maturity securities to keep us well-protected should any industries experience difficulties.

- Average portfolio rating of "A-" as measured by Standard & Poor's
- No direct exposure to sub-prime or alt-A mortgages

Commercial Mortgage Loan Portfolio

Our commercial mortgage loans have consistently provided a superior balance of risk and return. We offer small commercial mortgage loans to borrowers who want a fixed rate over time, and we rigorously underwrite every commercial mortgage loan we make. The quality of our commercial mortgage loans is excellent, and our delinquency rates are very low.

- \$5.27 billion portfolio (on more than 6,320 loans)
- Average loan size: approximately \$0.8 million

The Standard Stands The Test Of Time

In the August 2012 issue of Best's Review, Standard Insurance Company was recognized for maintaining an "A" rating or higher from A.M. Best Company since 1928. The Standard was honored to be among one of only 11 life/health insurers to consistently achieve an "A" rating or higher for more than 75 years. Given the rapidly evolving markets, changing customer needs and challenging economic times, this is a significant accomplishment. We are proud of this longstanding track record of financial strength.

Corporate Profile

StanCorp Financial Group, Inc., through its subsidiaries marketed as The Standard — Standard Insurance Company, The Standard Life Insurance Company of New York, Standard Retirement Services, StanCorp Mortgage Investors, StanCorp Investment Advisers, StanCorp Real Estate and StanCorp Equities — is a leading provider of financial products and services. StanCorp's subsidiaries offer group and individual disability insurance, group life and accidental death and dismemberment insurance, group dental and group vision insurance, absence management services, retirement plans products and services, individual annuities, origination and servicing of fixed-rate commercial mortgage loans and investment advice. For more information about StanCorp Financial Group, Inc., visit its investor website at www.stancorpfinc.com.



The Standard is a marketing name for StanCorp Financial Group, Inc. and subsidiaries. Insurance products are offered by Standard Insurance Company of Portland, Oregon in all states except New York, where insurance products are offered by The Standard Life Insurance Company of New York of White Plains, New York. Product features and availability vary by state and company, and are solely the responsibility of each subsidiary. Except where indicated, data represents consolidated results for StanCorp Financial Group, a separate entity which is not responsible for the financial condition or obligations of the insurance subsidiaries.

The Tailored Income Annuity is a product of Standard Insurance Company. It may not be available in some states. The annuity is not guaranteed by any bank or credit union and is not insured by the FDIC or any other governmental agency. The Life Income Commutation feature is not available in Washington.

The guarantees of the annuity are based on the financial strength and claims-paying ability of Standard Insurance Company.

Policy: SPIA

Riders: R-IPA, R-COMM-DB1, R-COMM-L1, R-COMM-CP1, R-COMM-LCP3, R-COMM-IR2, R-ERTSA, R-NERTSA, R-IRA-IMM, R-Roth IRA-IMM, R-QPP-IMM

Standard Insurance Company
1100 SW Sixth Avenue
Portland OR 97204

www.standard.com

SPIA

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