## Understanding Guaranteed Minimum Surrender Value



for fixed-indexed annuities from Great American Life

Fixed-indexed annuities from Great American Life<sup>®</sup> help provide financial security with protection from loss. Unless clients take money out of their contract, the account value (AV) will not go down. Additionally, fixed-indexed annuities offer a Guaranteed Minimum Surrender Value (GMSV) that is beneficial when a strategy earns 0% interest due to a flat or declining market. Clients will never receive less than the GMSV for surrenders, annuitizations and death benefit payments.

Here's how we calculate the AV, surrender value (SV) and GMSV:

100% of Interest credited at declared Any withdrawals and early withdrawal charges	-	AV
AV – Early withdrawal charge	=	SV
100% of purchase payments + Interest credited daily at a guaranteed minimum rate stated in the contract - Any withdrawals and early withdrawal charges - Early withdrawal charge rate multiplied by the AV	=	GMSV

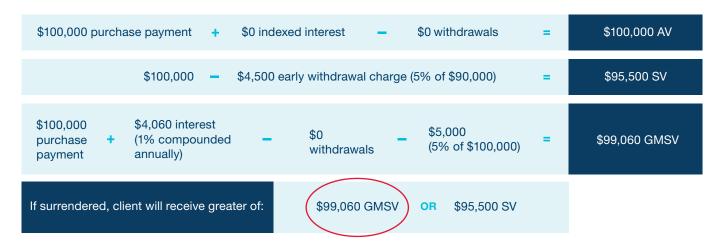
Note: The amount payable upon surrender, applied upon annuitization, or payable as the death benefit is reduced by any loan balance, applicable rider charges and applicable premium taxes.

## Hypothetical example

The following hypothetical example illustrates how we determine the amount payable upon surrender by comparing the GMSV and SV.

- Your client purchases a fixed-indexed annuity with a \$100,000 purchase payment, and allocates 100% of the purchase payment to the annual point-to-point indexed strategy.
- The indexed strategy earns zero interest in contract years one through four.
- Your client does not take any withdrawals during this period. No loans are outstanding and no rider charges or premium taxes apply.
- A 5% early withdrawal charge applies. The free withdrawal allowance is 10%.

Assuming a 1% guaranteed minimum rate, the annuity would have the following values at the start of contract year five:



Not all products feature a GMSV that uses 100% of purchase payments. Refer to the Product Reference Guide for details. Products issued by Great American Life Insurance Company<sup>®</sup> (Cincinnati, Ohio), a wholly owned subsidiary of MassMutual. All guarantees subject to the claims-paying ability of Great American Life. Copyright © 2021 by Great American Life Insurance Company. All rights reserved.

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