ANNUITY

TRANSAMERICA INDEX ADVANTAGE

Transamerica Fixed Annuity Series

A Single Premium Indexed Deferred Annuity

TRANSAMERICA

Transamerica Life Insurance Company

PSI 3134 T 1108

This brochure is not valid in the states of Indiana and Maryland.

Looking for a more reliable income stream when you retire?

Transamerica Index Advantage from Transamerica Life Insurance Company is a single premium indexed deferred annuity that provides the guarantee of a fixed annuity with the potential for increased interest earnings based on the performance of the Standard & Poor's® 500 Composite Stock Price Index (S&P 500® Index).[1]

Safety, Stability, and Guarantees

When it comes to retirement, it's important to be able to count on having a reliable income stream. That's why the Transamerica Index Advantage annuity may be a good choice for you—because it provides important guarantee features such as minimum interest rate guarantees and guaranteed income at retirement through annuitization. Please note that all guarantees mentioned in this brochure are based on the claims-paying ability of Transamerica Life Insurance Company.

You also receive:

- **Tax-deferred earnings**[2] – Your premium earns interest, your interest earns interest.
- **Guaranteed death benefits** – The death benefit prior to the annuity commencement date is the Policy Value, which consists of the value in the equity indexed account and the value in the guaranteed interest account. If you die while surrender charges are in effect, these charges will be waived.
- **Beneficiary protection** – If the annuitant dies prior to annuitization, the policy value passes directly to the named beneficiaries, helping to avoid costly and time-consuming probate in most states.

Plus, the Transamerica Index Advantage annuity offers you the potential to earn higher interest based on the performance of the S&P 500 Index (excluding dividend income). The index is one factor that together with any cap determines the interest, if any, to be credited under the contract. Even though the interest credited to the annuity policy may be affected by the S&P 500 Index, this product is not an investment in the stock market and does not participate in any stock or equity investments.

Here's how the Transamerica Index Advantage annuity works

When you purchase the Transamerica Index Advantage annuity, you make a one-time premium payment and choose to allocate your funds between a guaranteed interest account and an equity indexed account.

The Guaranteed Interest Account

The allocation in the guaranteed interest account earns a fixed rate of interest credited daily at a rate equivalent to the annual effective interest rate then in effect. At the beginning of each policy year, the rate is set and is guaranteed for one policy year. Your interest rate is guaranteed never to go below 1.5% for as long as you own your annuity. The guaranteed cash values will always be at least as great as the minimum cash values required by your state.

The Equity Indexed Account
The equity indexed account offers you the potential for higher interest earnings, up to a cap, based on the performance of the S&P 500 Index (excluding dividend income) each policy year. Transamerica Life determines the interest to be credited, if any, to the equity indexed account by comparing the index value on the current anniversary to the index value on the prior anniversary or the policy issue date (for the policy's first anniversary) as follows:[3]

- The index change is determined by subtracting the prior anniversary's index value from the current anniversary's index value and then dividing the difference by the prior anniversary's index value.
- If the results are a positive index change, the percentage change in growth will be used to determine index interest. If the positive index change is greater than the current cap, however, the current cap percentage is used to determine the interest rate credited to the equity indexed account value.
- If the index change is negative, no loss of principal is incurred during the deferral period and the value of the equity indexed account does not change.

Lock in Gains with the Annual Reset Feature
The annual reset method credits interest based on positive movement of the index up to an annually declared cap. If the index decreases, no interest is credited. This method locks in interest earnings in positive years while protecting your principal from any years with negative returns.

Interest credited annually may fluctuate along with market and other economic conditions. Past performance does not guarantee future results. A prolonged downturn in the stock market, the payment of premium tax, and/or fees and charges could ultimately lead to a loss in principal.

Cap
The cap is set at the beginning of each policy year and is guaranteed for one year. The cap is the maximum percentage that can be used to determine the interest credited in the equity indexed account for that policy year. Your interest crediting rate is limited to the increase in the S&P Index during the year, up to the annually declared cap. The initial cap is shown in the policy.

Cap Bailout Rate
This policy has a bailout provision. If the company-declared cap for a policy year is less than the cap bailout rate specified at policy issue, then you may surrender the policy within the first 30 days of that policy year with no company-imposed surrender charges. During this window, you will also have the option of transferring money to the guaranteed interest account during the first 30 days of the policy year. The cap bailout rate is shown in your policy.

You Can Transfer Between Accounts
You can allocate funds between account options at policy issue or transfer between account options on policy anniversaries (or the next index day if the policy anniversary is not a business day). Transamerica Life Insurance Company must receive notification to transfer no later than the close of business on the last day of the policy year.

You Have Access to Your Money
If you need access to your funds, they are there for you. Company-imposed surrender charges will be waived in certain instances. See the "Other Important Facts" section for more details.

How the Transamerica Index Advantage Can Work for You

To better understand how Transamerica Index Advantage can help secure your financial future, here's an example.

The following rates of return are for a hypothetical policy year and do not represent the historical results of any particular investment. Returns are for illustrative purposes only and are not indicative of past or future performance of the Transamerica Index Advantage annuity. The following examples do not take into account the impact of any withdrawals.

Example 1: Positive Index Change Less Than the Cap

Assumptions:

Cap = 7% (declared annually, the actual cap may be more or less)

Policy Value allocated to Equity Indexed Account = $10,000

S&P 500 Index Value at beginning of Policy Year = 900

S&P 500 Index Value at end of Policy Year = 945

Calculations:

Percent change of S&P growth during policy year

$$= \frac{\text{Ending Index - Beginning Index}}{\text{Beginning Index}}$$

$$= \frac{945 - 900}{900}$$

$$= .05 \text{ or } 5\%$$

Interest rate credited to the equity indexed account is the positive change in the index up to the cap (7%)

Interest credited to the Equity Indexed Account this policy year
= Policy value x interest rate credited
= $10,000 x 5%
= $500

Therefore, the new policy value on the policy anniversary
= Policy value + interest credited
= $10,000 + $500
= $10,500

Example 2: Positive Index Change Greater Than the Cap

Assumptions:

Cap = 7% (declared annually, the actual cap may be more or less)

Policy Value allocated to Equity Indexed Account = $10,000

S&P 500 Index Value at beginning of Policy Year = 900

S&P 500 Index Value at end of Policy Year = 981

Calculations:

Percent change of S&P growth during policy year

$$= \frac{\text{Ending Index - Beginning Index}}{\text{Beginning Index}}$$

$$= \frac{981 - 900}{900}$$

$$= .09 \text{ or } 9\%$$

Interest rate credited to the equity indexed account is the positive change in the index up to the cap (7%)

Interest credited to the Equity Indexed Account this policy year
= Policy value x interest rate credited
= $10,000 x 7%
= $700

Therefore, the new policy value on the policy anniversary
= Policy value + interest credited
= $10,000 + $700
= $10,700

Example 3: Negative Index Change for the Policy Year

Assumptions:

Cap = 7% (declared annually, the actual cap may be more or less)

Policy Value allocated to Equity Indexed Account = $10,000

S&P 500 Index Value at beginning of Policy Year = 900

S&P 500 Index Value at end of Policy Year = 873

Calculations:

Percent change of S&P growth during policy year

$$= \frac{\text{Ending Index - Beginning Index}}{\text{Beginning Index}}$$

$$= \frac{873 - 900}{900}$$

= -.03 or -3%

Interest rate credited to the equity indexed account is the positive change in the index up to the cap (7%). Any negative change in the index is ignored and the value of the equity indexed account remains unchanged.

Interest credited to the Equity Indexed Account this policy year
= Policy value x interest rate credited
= $10,000 x 0%
= 0

Therefore, the new policy value on the policy anniversary remains at $10,000.

Example 4: Premium Allocated to Both Account Options

Assumptions:

Cap = 7% (declared annually, the actual cap may be more or less)

Guaranteed Interest Account Rate = 1.50%

Policy Value allocated to Equity Indexed Account = $10,000

Premium allocated to Guaranteed Interest Account = $5,000

S&P 500 Index Value at beginning of Policy Year = 900

S&P 500 Index Value at end of Policy Year = 981

Calculations:

Percent change of S&P growth during policy year

$$= \frac{\text{Ending Index - Beginning Index}}{\text{Beginning Index}}$$

$$= \frac{981 - 900}{900}$$

$$= .09 \text{ or } 9\%$$

Interest rate credited to the equity indexed account is the positive change in the index up to the cap (7%)

Interest credited to equity indexed account this policy year
= Policy value x interest rate credited
= $10,000 x 7%
= $700

Therefore, the new equity indexed account value on the policy anniversary
= Policy value + interest credited
= $10,000 + $700

The Guaranteed Interest Account value at end of year
= $5,000 x (1 + declared rate) = $5,075

Therefore, the new policy value at the end of the year is $10,700 + $5,075 = $15,775

Other Important Facts about Transamerica Index Advantage

Minimum Single Premium
The minimum single premium is $10,000 for non-qualified contracts and $2,000 for qualified contracts.[4]

Maximum Single Premium
The maximum single premium is $1,000,000 (without prior company approval).*

Maximum Issue Age
The maximum issue age is 80 (owner or annuitant).

Early Withdrawal Charge
Withdrawals in the first 10 policy years are generally subject to a company-imposed surrender charge. The surrender charge in the first two policy years is 9% of the amount withdrawn and decreases each year thereafter (9%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%). After the first 10 policy years, there is no company-imposed surrender charge.

Surrender Charge-Free Withdrawal[5,6]
Company-imposed surrender charges will be waived in the following instances:

- Partial Sum – Beginning in the second policy year, withdrawals of up to 10% of the policy value as of the prior policy anniversary.
- Minimum Required Distribution – For tax-qualified plans, partial withdrawals taken to satisfy minimum distribution requirements with respect to this policy under the Internal Revenue Code.
- Nursing Care and Terminal Condition Withdrawal Option[7] – Beginning in the second policy year, if the owner or the owner's spouse (annuitant or annuitant's spouse if the owner is not a natural person) has been 1) confined in a hospital or nursing facility for 30 consecutive days, or 2) diagnosed as having a terminal condition with 12 months or less to live, and the confinement begins or diagnosis is made on or after the policy date, the owner may elect to withdraw all or a portion of the policy value free of surrender charges. Minimum distribution is $1,000. In New Jersey these options are not available to the spouse of the owner or annuitant and the minimum w/d amount is $500.

* In NJ and MI, the maximum single premium is $1,000,000

Transamerica Index Advantage can provide you with a more reliable income stream when it comes to your retirement income.

Partial Withdrawals[5,6]
Partial withdrawals are deducted in proportion to the amount of policy value in each account, unless you specify otherwise. If the policy is surrendered in mid-year, it will result in no interest credited for that year to the equity indexed account. If a partial withdrawal is taken mid-year, funds withdrawn from the equity indexed account will receive no interest credited for that year. Interest is credited to funds withdrawn from the guaranteed interest account up to the withdrawal date.

Guaranteed Minimum Cash Value
You may surrender this contract at any time and receive the minimum cash value. The cash value is guaranteed to never be less than 90% of the premium, less prior gross partial withdrawals, all accumulated at the applicable minimum non-forfeiture interest rate shown in your policy. This interest rate may vary by state and issue date but will never be less than 1% or greater than 3%.

Annuitization
On the annuity commencement date, company-imposed surrender charges are waived if the payout option provides for lifetime income or income for a period of at least 60 months. The annuity commencement date may be changed by giving Transamerica Life 30 days notice, but in no event can it be changed during the first policy year or later than the last day of the month after the annuitant attains age 95.

Payment in the Event of Death
Should the annuitant die before electing to receive income payments, the death benefit becomes payable. The death benefit is equal to the policy value. If an owner who is not the annuitant dies before income payments begin, the successor owner will become the new owner. The successor owner must then take the policy value within five years from the owner's date of death or, if an individual, may elect to annuitize, with the first annuity payment to be made within one year from the owner's date of death. If the successor owner is the spouse of the deceased owner, the successor owner may continue the policy as the new owner.

The Annuity Policy
The annuity will be issued after we receive the single premium, and after all necessary documentation is received and approved by us.

Policies are issued on the 1st, 8th, 15th, and 22nd of each month. The policies for applications and funds received on or after one of these dates will be issued on the next issue date. Special rules apply to issue dates that fall on holidays or weekends.

Secure Your Financial Future Today

Transamerica Index Advantage can give you the guarantees you need when it comes to your retirement income, plus the potential to earn more interest.

A qualified financial professional can help you determine whether an annuity is appropriate for you. Consider your: age, income, net worth, tax status, insurance needs, financial objectives, liquidity needs, time horizon, risk tolerance and any other applicable information. Together, you can decide if an annuity is right for you.

The insurance company nor any of its investment professionals/licensed insurance agents provide tax or legal advice. Please consult with your tax/legal advisors before making your final purchase decision.

[1] "Standard & Poor's®", "S&P®", "S&P 500®", "Standard & Poor's 500", and "500" are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by Transamerica Life Insurance Company. The Product is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of purchasing the Product.

[2] Tax deferral is only available to individuals. It is not available for annuities owned by entities such as corporations and most types of trusts.

[3] Special rules apply to anniversary dates that fall on holidays or weekends.

[4] There is no additional tax deferral benefit derived from placing IRA or other tax-qualified funds into an annuity. Features other than tax deferral should be considered in the purchase of a qualified annuity.

[5] Under current federal tax laws, amounts withdrawn or distributed may be subject, in whole or in part, to federal income tax. In addition, a 10% federal income tax penalty may apply if distributions are made prior to the owner reaching age 59½.

[6] If any partial withdrawal reduces the cash value below $500, Transamerica Life Insurance Company reserves the right to pay the full cash value and terminate the policy.

[7] Not available in all jurisdictions. In New Jersey, these options are not available to the spouse of the owner or annuitant and the minimum amount is $500.

Transamerica Index Advantage (Policy Form #AS736 107 98 803, Florida #AS739 107 98 803, Oregon #AS768 107 98 803) is a single premium indexed deferred annuity issued by Transamerica Life Insurance Company, Cedar Rapids, IA 52499. Policy form and number may vary, and this product may not be available in all jurisdictions. Not available in New York. This product does not purchase shares of stocks or shares of a stock index fund. The S&P 500 Index does not reflect the dividends paid on the underlying stocks.

Transamerica Index Advantage is designed as a long-term retirement savings vehicle. If the annuity is terminated before the end of the company-imposed surrender charge period, the value may be less than the original premium. You should consider a different product with more liquidity for some or all of your money if you anticipate a future need to access the funds prior to the end of the surrender charge period.

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