Power Index 7® Annuity

A Single-Premium, Index-Linked Deferred Fixed Annuity

Contracts issued and guaranteed by:
The United States Life Insurance Company in the City of New York (US Life)

Not FDIC-insured | May lose value | Not a deposit | No bank guarantee | Not insured by any federal government agency

Index annuities are not a direct investment in the stock market. They are long-term insurance products with guarantees backed by the claims-paying ability of the issuing insurance company.

Looking for a tax-advantaged solution that offers the safety of principal and guarantees of a traditional fixed annuity — but with the potential for higher interest earnings linked to a stock price index? Want the comfort of knowing you won't lose your principal due to market downturns and you'll receive guaranteed income for life?

The Power Index 7® Annuity, a single-premium, index-linked deferred fixed annuity, may be the solution that can help you build income for the future.

+ It offers you the chance to earn better returns than traditional fixed annuities when stock values are increasing — without the risk that your principal will decline in down markets.[1]
+ Any interest earned on your Power Index 7 Annuity each contract year is locked — which protects any interest earned from future index losses.
+ By linking the interest earned to a portion of the return of the stock price index (subject to the interest rate cap), you have the potential to outpace inflation.[1]
+ You can enjoy the benefits of a traditional fixed annuity and choose a payout option that guarantees income for life.[2]

All guarantees are subject to the claims-paying ability of The United States Life Insurance Company in the City of New York.

[1] The interest rate cap places a maximum limit on the amount of interest credited to the contract, regardless of the performance of the index. The cap is guaranteed for the first year in the term and is then declared annually. Note that The United States Life Insurance Company in the City of New York guarantees the cap will never be set lower than the minimum cap rates stated in your contract. There is no guarantee that an annuity will keep pace with inflation or rising costs.

[2] Annuitization required (the process of converting the annuity into a series of periodic income payments). You no longer have access to your principal once a contract is annuitized.

This material is intended only for educational purposes to help you, with guidance of your agent or financial professional, make informed decisions. We are not a fiduciary and do not provide investment advice or recommendations.

When the financial markets zig and the economy zags, it helps to have some protection from financial risks

An index-linked deferred fixed annuity may be a good fit for certain customers who:

+ Are looking to help satisfy long-term financial goals
+ Want to protect their principal, and have the potential for better returns than many other financial instruments and traditional fixed annuities
+ Want an income they will not outlive*
+ Are looking for an annuity or other insurance product to help diversify their retirement assets

When you purchase an index-linked deferred fixed annuity, you are buying an insurance product — not shares of any stock or equity investment. It's a contract between you and an insurance company. Keep in mind that index-linked deferred fixed annuities do not guarantee that index-linked interest will be credited in any contract year. The performance of the index will dictate whether interest is credited. However, if the index is flat or negative in any given year, your annuity will still earn interest at the guaranteed fixed interest rate specified in your contract. Principal may be reduced due to withdrawals and any associated charges.

*Available through annuitization—a process of converting your annuity contract into a stream of income payments that can last for life or for a certain period of time. Once the contract is annuitized, the account owner will no longer have access to the principal account value.

Firm restrictions may apply. Not all features and account options are available in all states and firms. Please check with your agent or financial professional.

Benefit from a unique blend of product features for your retirement dollars — guaranteed interest crediting, tax-deferred growth and more.

Power Index 7 Annuity highlights

+ **Guaranteed interest crediting —** you can take comfort in knowing the value of your annuity will never be less than 100% of your single premium accumulated at the minimum guaranteed annual fixed interest rate ("fixed interest rate"), which is set on the date your contract is issued.[3] The annuity also offers an optional return-of-premium guarantee rider.[4]
+ **Tax-deferred accumulation —** your savings may accumulate at a faster rate than they would in a comparable taxable account.
+ **No initial sales charges or annual administrative fees —** your money can start to work for you right away.
+ **Easy access to your money —** take advantage of the penalty-free withdrawal options if you need to access your funds. Keep in mind that withdrawals of taxable assets are taxed as ordinary income and, if taken prior to age 59½, may be subject to an additional 10% federal early withdrawal penalty.
+ **Multiple retirement income payout options —** you choose how you receive the payout.
+ **Guaranteed death benefit —** can provide income payments to your beneficiary.[3]

[3] All guarantees mentioned are subject to the claims-paying ability of The United States Life Insurance Company in the City of New York.

[4] Note that adding this feature may result in a slightly lower interest rate cap than a contract without the feature would receive.

Principal protection from market downturns

It may ease your mind to know that if you decide to cancel your annuity at any time, you will receive at least your annuity value, minus any withdrawal and related withdrawal charges. If you want more protection, you can add the optional return-of-premium guarantee rider when you purchase the annuity.

+ **Optional return-of-premium guarantee rider.** If you want to add this optional rider to your contract, you must select it at the time of application. It allows you to return the annuity at any time for an amount equal to the single premium paid, less any prior withdrawals, or the annuity value less any early withdrawal charges, whichever value is greater. Just remember, adding this feature may result in a slightly lower interest rate cap[1] than a contract without the feature would receive. If you choose not to add the return-of-premium guarantee and need to cancel your contract before the end of the withdrawal charge period, then you may receive less than your premium paid due to withdrawal charges.

+ **Guaranteed interest crediting.** The United States Life Insurance Company in the City of New York guarantees that your annuity will never be less than 100% of your single premium payment accumulated at the fixed interest rate (set on the day your contract is issued), less any prior withdrawals and any related early withdrawal charges.

Tax-deferral advantage

Tax deferral is a key feature that can help your savings accumulate at a faster rate than they would in a comparable taxable account. That's because you won't have to pay current taxes on any interest or earnings until you withdraw it.[5]

+ While your money remains in the annuity, both your principal and earnings have the potential to earn interest.

+ Money that otherwise would have gone toward federal income taxes stays in your annuity, earning potential interest. Earnings are not taxed until withdrawn.

[1] The interest rate cap places a maximum limit on the amount of interest credited to the contract, regardless of the performance of the index. The cap is guaranteed for the first year in the term and is then declared annually. Note that The United States Life Insurance Company in the City of New York guarantees the cap will never be set lower than the minimum cap rates stated in your contract. There is no guarantee that an annuity will keep pace with inflation or rising costs.

[5] Remember, withdrawals of taxable amounts are taxed as ordinary income. In addition, withdrawals taken prior to age 59½ may be subject to a 10% federal early withdrawal penalty. Contractual withdrawal charges may also apply.

Estate-planning advantage (death benefit)

The Power Index 7 Annuity offers a guaranteed death benefit that allows you to designate and/or change your beneficiary(ies) at no cost.[3] Generally, fixed annuity proceeds avoid the probate process (a court-supervised process that establishes the validity of a will). That's a benefit because probate can become costly for your heirs and result in lengthy delays. It also becomes public record.

+ With the Power Index 7 Annuity, if an income plan has not begun, the annuity value will be paid to the beneficiary upon the death of the owner — without delays and privacy issues. Withdrawal charges are not assessed on death.
+ Any interest credited will include interest linked to the stock price index only up to the date of death, or the fixed interest rate, if higher. Thereafter, a declared rate of interest will be credited daily to the death benefit until the benefit is paid.
+ Although the cost of probate may be avoided, there is no step-up in cost basis afforded an annuity beneficiary and the amount inherited is subject to tax at the beneficiary's income tax rate.

[3] All guarantees mentioned are subject to the claims-paying ability of The United States Life Insurance Company in the City of New York.

Earn interest based on the positive performance of a stock price index, using an annual reset approach.

What stock price index is your interest linked to?

With the Power Index 7 Annuity, your interest is linked to a portion of the return on the S&P 500® index, without dividends. The index serves as a bellwether for the U.S. stock market.

+ Widely regarded as the best single gauge of the U.S. equities market, this world-renowned index includes 500 leading companies in leading industries of the U.S. economy.
+ Since its inception in 1957, the S&P 500 has generally outpaced inflation. Past performance does not guarantee future results.

The S&P 500 (the "Index") is a product of S&P Dow Jones Indices LLC and has been licensed for use by The United States Life Insurance Company in the City of New York ("US Life").

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How is interest applied to the contract?

Each year, you are guaranteed to earn interest equal to the higher of the percentage change in the index (subject to the cap) or the fixed interest rate shown in your contract. Here's how it works:

+ First, on each contract anniversary, we will compare the current index value to the index value on the previous anniversary. If the index has increased over the previous contract anniversary, the value of the index interest credit is equal to 100% of the gain, up to the amount of the interest rate cap.
  - The amount of the index interest credit is then compared to the fixed interest rate declared at the time your contract is issued. The company will credit your contract with interest equal to the higher of these two values: either (i) the percentage change in the index number subject to the applicable interest rate cap, or (ii) the fixed interest rate as described above.
  - This means that even if the index is flat or has declined from the previous contract anniversary, your annuity will not lose value and will always earn interest each year at least equal to the fixed rate specified in your contract.
+ Keep in mind, the annuity has an interest rate cap that places a maximum limit on the amount of interest. With that, no additional interest is credited if the change in the index exceeds the interest rate cap.
  - The interest rate cap is guaranteed for the first year in the term. On each contract anniversary, a new annual interest rate cap will be declared, which will apply during the next contract year.
  - The United States Life Insurance Company in the City of New York guarantees the interest rate cap will never be set lower than the minimum cap rates stated in the contract.
+ Any interest earned is "locked in" annually and the index value is reset at the end of each year. That means future decreases in the index will not affect the interest you have already earned or reduce the value of your contract.

Regardless of how the index performs during all the years of your Power Index 7 Annuity, you are guaranteed to always earn at least the annual fixed interest rate specified in your contract each year

Examples of how interest is applied to the contract

Take a look at the three hypothetical examples on page 9 to get an idea of how interest is applied to a contract when the index value is up and down.

+ These examples are based on the assumptions noted and are intended for illustrative purposes only.
+ The examples are not guaranteed and should not be considered a representation of past or future performance.

Assumptions:

+ Annuity funding: $100,000 single-premium payment
+ Seven-year withdrawal charge schedule
+ Interest rate cap: 4% (Remember, the interest rate cap is reset annually and may be higher or lower than illustrated here.)
+ Withdrawals taken: None
+ Fixed interest rate: 1%

Contract year 1 – index value is up

Single premium payment:	$ 100,000
Account value at the beginning of the year:	$ 100,000
Index value percentage change:	+6%
Interest rate cap:	4%
Fixed interest rate:	1%
Amount of interest applied at end of year:	$ 4,000
Annuity value at end of year:	$ 104,000

The change in the index from the previous year is up 6%, however, the interest rate cap is 4%. Therefore, the index interest credit is equal to 4% and since 4% is higher than the fixed interest rate of 1%, 4% would be credited to the annuity for the year.

Contract year 2 – index value is down

Account value at the beginning of the year:	$ 104,000
Index value percentage change:	-5%
Interest rate cap:	4%
Fixed interest rate:	1%
Amount of interest applied at end of year:	$ 1,040
Annuity value at end of year:	$ 105,040

The change in the index from the previous year is down 5%, so there is no index interest credit for the year; however, the contract would still be credited with fixed interest at the rate of 1% for the year.

Contract year 3 – index value is up

Account value at the beginning of the year:	$ 105,040
Index value percentage change:	+1.75%
Interest rate cap:	4%
Fixed interest rate:	1%
Amount of interest applied at end of year:	$ 1,838
Annuity value at end of year:	$ 106,878

The change in the index from the previous year is up 1.75%, however, the interest rate cap is 4%. Therefore, the index interest credit is equal to 1.75%, and since 1.75% is higher than the fixed interest rate of 1%, 1.75% would be credited to the annuity for the year.

Easy access to your money

Although the Power Index 7 Annuity is designed to help meet your retirement and other long-term financial goals, you still have access to your money if you need it.

You can take advantage of:

The penalty-free early withdrawal privilege. Early withdrawal charges are waived, so long as you do not go over the permitted free withdrawal amount.[6]

Early withdrawal charge waivers. Multiple early withdrawal charge waivers are available and can be used under certain situations.

Penalty-free early withdrawal privilege

How much can you withdraw penalty free? After you've had the contract for one year, you may take one random withdrawal each year — penalty free, up to 10% of the annuity value as of the previous anniversary.

If you make a withdrawal on a date other than a contract anniversary, the amount withdrawn will not be credited with interest resulting from the percentage change in the index (subject to the cap). Instead, any amounts withdrawn will be credited with daily interest equal to the fixed interest rate from the date of the last contract anniversary to the date of withdrawal.

Withdrawals of taxable amounts are subject to income tax and if taken prior to age 59½, a 10% federal early withdrawal penalty may apply.

Early withdrawals that exceed the permitted free amount

Of course, you always have the option to withdraw more than the free withdrawal amount at any time. Bear in mind, any withdrawal during the seven-year term that exceeds the free withdrawal amount is subject to a contractual early withdrawal charge, which can reduce the value of your annuity.

The minimum random withdrawal amount is $1,000, and your remaining annuity value must be at least $2,000.

Your withdrawal, plus any early withdrawal charge, will be deducted from your annuity value.

Remember the IRS rule. Withdrawals taken prior to age 59½ may be subject to a 10% federal early withdrawal penalty.

Early withdrawal charge schedule

The early withdrawal charge is based on a seven-year withdrawal charge period. The charge is a percentage of the amount you withdraw that exceeds the penalty-free amount. As shown in the early withdrawal schedule below, the charge decreases to zero after seven years from the date of the single premium payment (contract date).

Years from Contract Date	1	2	3	4	5	6	7	Thereafter
Early Withdrawal Charge	9%	8%	7%	6%	5%	4%	3%	0%

(Percentage of amount withdrawn that exceeds permitted free withdrawals)

Unless you elected the premium guarantee provision, if you terminate the annuity during the seven-year period, it is possible you may receive less than your premium.

Note that unless your contract is a traditional or Roth IRA, or another tax-qualified retirement plan, withdrawals will be treated for federal income tax purposes as coming first from earnings, taxable as ordinary income, and as a return of principal only after earnings are exhausted.[6]

[6] Withdrawals of the taxable amounts are subject to income tax and if taken prior to age 59½, a 10% federal early withdrawal penalty may apply.

Early withdrawal charge waivers

Unexpected changes in your life can throw your original plan off track. You can withdraw the funds without an early withdrawal penalty if you:

+ **Need to stay in a nursing home.** After the second contract year, withdrawal charges will be waived if the contract owner is confined to a qualifying institution or extended care facility for 90 consecutive days or longer.
+ **Are unable to perform certain activities.** After the first contract year, withdrawal charges will be waived if the contract owner cannot perform two or more of the six defined activities of daily living (bathing, continence, dressing, eating, toileting and transferring) for at least 90 consecutive days. Written documentation from a licensed healthcare practitioner is required.
+ **Discover you have a terminal illness.** Withdrawal charges will be waived on one full or partial withdrawal if the contract owner is diagnosed with a terminal illness that will result in death within one year. This requires written certification by a qualified physician.

Income choices — you decide how much you receive and for what time period

You could have a lot of years ahead of you in retirement. The Power Index 7 Annuity offers an income solution that can help see you through them. Anytime after 12 months from the contract date, you can convert your contract to an income stream and begin receiving payments.

+ You decide when you will begin to receive your annuity income payments and which payment option best suits you. Keep in mind, withdrawals taken prior to age 59½ are subject to an additional 10% tax penalty.
+ During the payout phase, the time when you begin receiving income, the amount of each income payment depends on the payout option selected. Once payments begin, the payout option cannot be changed.
+ You can choose an option that provides guaranteed lifetime income.[3]

Income payment options

Life income allows the annuitant (the person entitled to receive the income payments) to receive income for life; when the annuitant dies, the payments cease.
Life income with period certain provides for payments over the lifetime of the annuitant or a set number of years, whichever is longer. If the annuitant dies before the period certain ends, the remaining assets are paid to the beneficiary(ies), as scheduled.
Period certain only provides for payments to be made for a specific time, usually five to 20 years.
Joint and survivor income provides payments as long as either of the annuitants is alive.

Note that generally, under an income plan from a nonqualified annuity, a part of each income payment is considered a tax-free return of principal and is not taxable. After the original investment amount is returned, the entire income payment is taxable. The rest is considered return of your original investment and is not taxed. For a qualified contract, 100% of each payment is taxable.

[3] All guarantees mentioned are subject to the claims-paying ability of The United States Life Insurance Company in the City of New York.

Ownership

+ The Power Index 7 Annuity is available to individuals age 75 and younger. However, if your fixed annuity is in a retirement plan or an IRA, you must be age 70 or younger.
+ The minimum amount (single premium payment) needed to start a Power Index 7 Annuity is $10,000 for nonqualified and tax-qualified annuities. The maximum amount without prior company approval is $1,500,000.

In determining if an index-linked fixed annuity is the right product for you, speak frankly with your licensed agent or financial representative about your financial situation and your retirement goals. As with all financial products, there are certain risks to consider. An open discussion will help you and your licensed insurance representative determine if the Power Index 7 Annuity may be an attractive solution for your long-term goal.

Smart choice

Let us help you put the power of fixed index annuities to work for you

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1-800-424-4990

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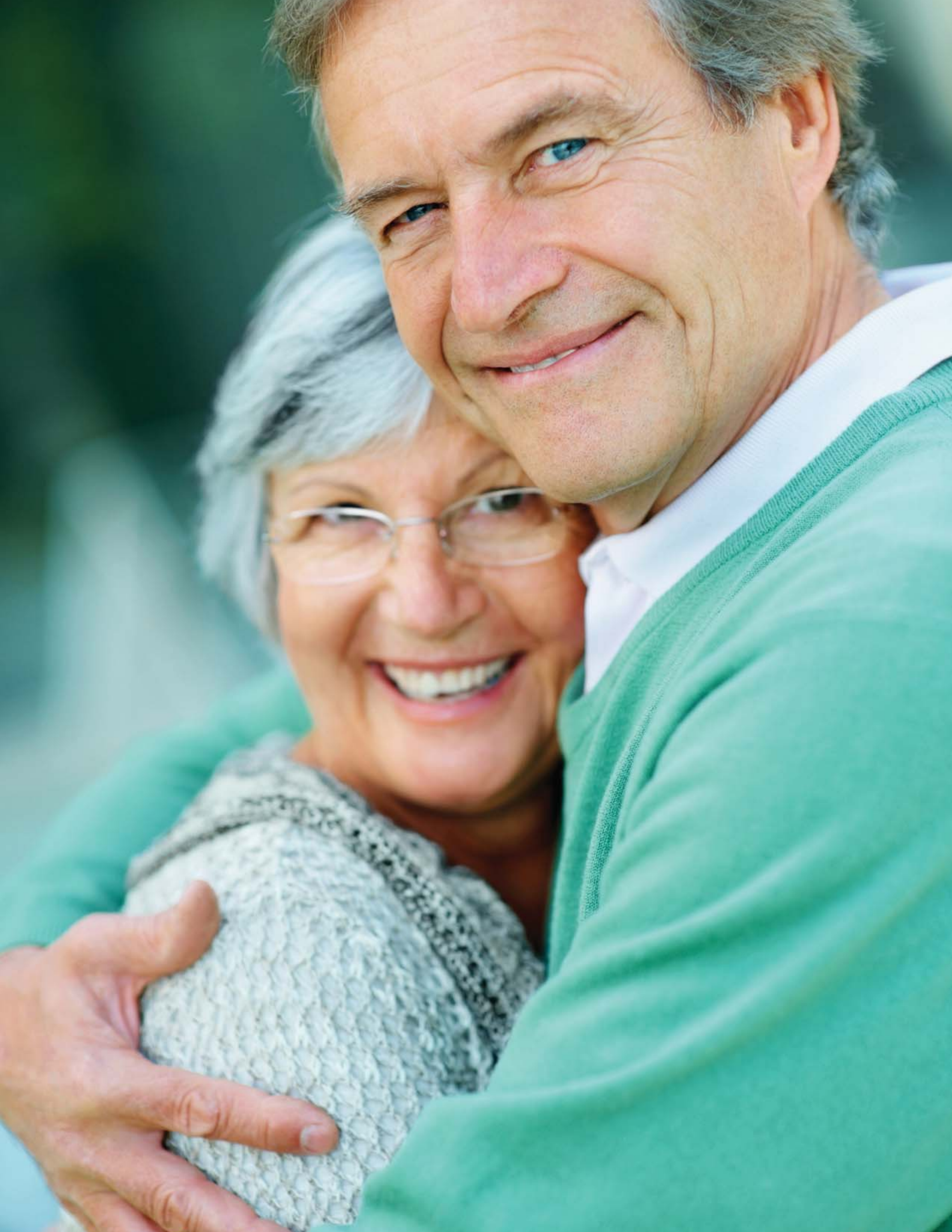

Benefit from the Strength and Experience of US Life

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Index annuities are not a direct investment in the stock market. They are long-term insurance products with guarantees backed by the claims-paying ability of the issuing insurance company. They provide the potential for interest to be credited based in part on the performance of the specified index, without the risk of loss of premium due to market downturns or fluctuations. Index annuities may not be suitable or appropriate for all individuals.

Tax-qualified contracts such as IRAs, 401(k)s, etc., are tax deferred regardless of whether or not they are funded with an annuity. If you are considering funding a tax-qualified retirement plan with an annuity, you should know that an annuity does not provide any additional tax-deferred treatment of earnings beyond the treatment by the tax-qualified retirement plan itself. However, annuities do provide other features and benefits such as income options.

U.S. Life and its distributors and representatives cannot provide tax accounting, legal, financial or investment advice or recommendations, and do not serve in any fiduciary capacity in our relationship with you. This material is intended only as education to help you, with your agent, make the best long-term decisions for your future.

The Power Index 7 Annuity is issued and guaranteed by **The United States Life Insurance Company in the City of New York** (US Life).

AIG

US Life

The United States Life Insurance Company in the City of New York

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