

Norman [REDACTED]

Tempe, AZ [REDACTED]

October 23, 2017

The Honorable Mark Brnovich
Arizona Attorney General
1275 West Washington Street
Phoenix, AZ 85007-2926

Dear Attorney General Brnovich,

As a 76-year-old retiree, I am writing this letter to you in hopes of protecting my age group of future buyers of annuities like the Security Benefit Total Value Annuity with TVI investment feature opportunity that I purchased over five years ago. My story is an important one to tell and I ask that you take it seriously in order to prevent more stories like mine. This is not a letter to cast blame on the advisor who sold me the Security Benefit Total Value Annuity. This is not a letter to complain about "lost opportunity" from picking an underperforming asset now with the benefit of hindsight. Based on my personal experience that I am about to share with you, I see a serious threat to seniors that needs to be addressed. The purpose of this letter is a call to action to create change and prevent far worse stories than mine to hard-working Americans living on fixed incomes who want to have a successful retirement.

Over five years ago, I met with a financial advisor/insurance agent to purchase the Security Benefit Total Value Annuity. I had an existing Midland Fixed Index Annuity at that time and the new soliciting agent wanted me to replace my existing Midland Fixed Index Annuity (which was performing well and I was happy with overall) with this new proposed Security Benefit Total Value Annuity. I want to be clear, I am not casting blame on the advisor/agent who was offering the Security Benefit Total Value Annuity. Instead I want there to be a comprehensive review and investigation into the insurance company (Security Benefit) and the product (Total Value Annuity) that empowered the financial advisor to convince me to make a change. If I was misled by Security Benefit and the Total Value Annuity, how many others will become victims of the same trap?

I understand that some states, such as Iowa, do not allow this product to be sold in their state due to the potentially misleading, and more importantly, confusing, performance calculations that the Security Benefit Total Value Annuity contain. This raises a serious concern. Why is this product allowed to be sold in Arizona when the concerns and merits of another state are valid and now in hindsight, have come to find out these concerns have been validated?

Back in 2012, I was shown company brochures and an illustration explaining the Total Value Index that is a crediting strategy available on the Security Benefit Total Value Annuity. The performance numbers showed annual returns in the 7-10% range. I would not lose if the market went down, and I could see five year returns in the 30-50% range. I know these returns were not made up by the financial advisor, they were simply just the messenger relaying the information that was provided by Security Benefit. That is why I want the focus of this letter and the focus of the investigation that should follow to be on the company, Security Benefit, and any other company that offers similar pie in the sky performance

numbers to mislead annuity buyers. Again, I am a financially savvy buyer and I was convinced based on what I saw that this would be a good annuity to purchase.

Fast forward to today, after five years I finally get to see my first returns from the Security Benefit TVI annuity. I did not get 50%, 40%, or 30%. I did not get 25%, 15%, or 10%. I received 0% interest after waiting five years. This crediting strategy intentionally earns 0% for the first four years, while the five-year number is being calculated. Back in 2012 during the solicitation, I was shown returns in the 30-50% range at the end of the five-year term with Security Benefit materials which I used to educate myself to make an informed decision. Even though Security Benefit mislead me, I am not writing this letter for personal gain or for personal vendetta. I am writing this letter because I cannot sit back knowing what I have been through and stay quiet while more retirement plans are ruined. I urge you to investigate Security Benefit and their company materials and marketing practices before more damage is done.

Thank you very much. I look forward to hearing back from you at your earliest convenience.

Sincerely,

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Norm [REDACTED]

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