

**EquiTrust Life Insurance Company's Policy on  
Joint Ownership of Fixed Annuity Contracts  
Revised 9/2009**

Consumers may say they desire joint ownership of a fixed annuity because they are under the misconception that joint ownership of an annuity is like joint ownership of a bank account. It is not.

With a joint bank account, either of the persons named on the account can make a withdrawal from the account without permission from the other. With joint ownership of an annuity, the signatures of both owners are required to exercise the rights of ownership.

Additionally, when a contract has non-spousal joint owners, the distribution at death rules are applied upon the death of the first owner. Therefore the entire interest in the contract would then be distributed to the beneficiary(ies) of the contract, rather than to the Joint Owner.

Further, joint ownership of an IRA (Individual Retirement Annuity) is prohibited by the laws governing IRAs.

If a withdrawal is taken from an annuity, the oldest of the Joint Owners will generally receive a 1099 form for the entire withdrawal amount.

In the case of married couples, the effect of joint ownership, for purposes of successor ownership, is best obtained by having one spouse be the owner and the other spouse be the beneficiary. In the event of the Owner's death, the spouse can succeed to ownership by application of the spousal exception to the required distribution rules.

If joint ownership by a married couple is desirable for other reasons, be sure to write "surviving spouse" in the primary beneficiary section of the application. For the spousal exception to the required distribution rules to apply, the surviving spouse must be the designated beneficiary of the contract. Even when the surviving spouse is a joint owner the spousal exception may be lost if someone other than the surviving spouse is named as the designated beneficiary. Also, when the surviving spouse is named as a beneficiary along with another person the spousal exception may be lost. The desirability of joint ownership should always be carefully reviewed before naming more than one owner to an annuity.

The Certainty™ and MarketPower Bonus Index™ contracts, when issued with spouses as joint owners, allow spousal continuation without naming a spouse as beneficiary, but please be aware that adverse tax consequences could arise from such an arrangement. Neither the Company nor its agents can provide tax or legal advice. Clients should be encouraged to discuss such an arrangement with their tax and/or legal advisors.

**For all other contracts, EquiTrust Life will not accept Joint Owners other than spousal Joint Owners for nonqualified business. No Joint Owners will be allowed on qualified plans. State specific exceptions may apply in accordance with new marriage, domestic partner or civil union laws.**

If you have questions regarding the information provided above, please feel free to call our toll-free Sales Support line at 866-598-3694.