UNDERSTANDING THE MARKET VALUE ADJUSTMENT (MVA) 
ON YOUR CERTAINTY SELECT® ANNUITY
For Applications Received On or After 1/1/2010

What is the Market Value Adjustment?

The Market Value Adjustment or MVA is an adjustment that may apply to the value of your annuity. The MVA can either increase or decrease your value.

The MVA is determined by a mathematical formula. This formula is designed to measure changes in the interest rate environment since the beginning of your annuity’s current surrender charge period. The external index used to measure these changes is based on the Treasury Constant Maturity Series which is published by the Federal Reserve.

When does the MVA Apply?

Generally, the MVA will apply when you withdraw funds from the annuity contract during the surrender charge period and the amount withdrawn exceeds the amount available under the annuity’s penalty-free withdrawal provision.* If you have elected the optional rider, the MVA will also apply upon death in certain instances.

While the MVA can either increase or decrease the amount received from a withdrawal or full surrender, upon a full surrender the amount received will never be greater than the contract’s accumulated value or less than the contract’s minimum guaranteed contract value.

What is the actual MVA formula?

MVA Factor = 0.50 x \[(1 + s)/(1 + c + 0.005)]^{n/12} - 1

s = the starting Treasury Rate

c = the current Treasury Rate at the time of the MVA calculation

n = the number of complete months until the end of the current surrender charge period

Let’s look at an example:

Assume the annuity’s accumulation value is $125,000, that five years remain in the current surrender charge period, and the starting treasury rate was 4.50% at the beginning of the surrender charge period. Also assume that the current base credited rate is 4.00% and the minimum guaranteed interest rate is 1.00%.

If the annuity is surrendered and the current treasury rate has decreased to 3.50%, this would result in a positive adjustment to the cash surrender value. (The MVA factor**, calculated using the MVA formula, would be 0.01214, which would increase your cash surrender value by 1.214%.)

If, on the other hand, the current treasury rate has increased to 5.50%, this would result in a negative adjustment to the cash surrender value. (The MVA factor**, calculated using the MVA formula would be -0.0300, which reflects the MVA floor, and would decrease your cash surrender value by 3.000%.)

The figures used in this sample MVA calculation are summarized in the chart below:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease in Rates</th>
<th>1% Increase in Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulation Value</td>
<td>$125,000</td>
<td>$125,000</td>
</tr>
<tr>
<td>MVA Factor</td>
<td>0.01214</td>
<td>-0.03439</td>
</tr>
<tr>
<td>MVA Factor after Cap / Floor</td>
<td>0.01214</td>
<td>-0.03000***</td>
</tr>
<tr>
<td>MVA Amount = (Accumulation Value x MVA Factor)</td>
<td>$1,516.92</td>
<td>-$3,750.00</td>
</tr>
<tr>
<td>Hypothetical Surrender Charge of 8% = (Accumulation Value x 8%)</td>
<td>$10,000.00</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>Surrender Value = (Accumulation Value – Surrender Charge + MVA Amount)</td>
<td>$116,516.92</td>
<td>$111,250.00</td>
</tr>
</tbody>
</table>

* Withdrawals before age 59 ½ may be subject to a 10% IRS penalty.

**The MVA Factors for the examples above are:

1% Decrease in Rates:
0.50 x ((1 + 0.0450)/(1 + 0.0350 + 0.005))^{60/12} - 1 = 0.01214

1% Increase in Rates:
0.50 x ((1+ 0.0450)/(1 + 0.0550 + 0.005))^{60/12} - 1 = -0.03439

***The MVA factor, either positive or negative, is limited to the difference between the current base credited rate and the minimum guaranteed interest rate, which results in a MVA factor cap or floor of 4.00% - 1.00%, or 3.00% in this example.

This explanation is intended for general educational purposes only. Variations to the MVA may apply in some states. Consult your annuity contract.

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