

First SunAmerica

FSA Flex 7 Annuity

A flexible-premium, tax-deferred
fixed annuity issued and guaranteed by
First SunAmerica Life Insurance Company





Retire stronger

Looking for a tax-advantaged solution to help secure your financial freedom? Like many Americans, you want to enjoy your retirement free from the worry of changing market conditions. And outliving your retirement income is a big concern. So you are right in exploring solutions that can help ensure the safety and growth of your hard-earned money.

The FSA Flex 7 Annuity, a flexible-premium, tax-deferred fixed annuity, may be the right choice for your portfolio.

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

Stability. Tax-deferred growth. Competitive rates.

Why do fixed annuities appeal to some people who want greater control over their finances? Benefits such as safety of principal, guaranteed growth and a guaranteed income stream for life (through annuitization) are just a few of the reasons. When the financial markets zig and the economy zags, it pays to have some protection from financial risks.

The FSA Flex 7 Annuity is a conservative addition to any retirement portfolio. Here is what you can expect:

- + The safety of your principal, a guaranteed rate of return and tax-deferred accumulation.
- + There are no initial sales charges or annual administrative fees. That means your money can start to work for you right away.
- + Even if interest rates in general decline, the annuity will pay the minimum guaranteed renewal rate stated in the contract or applicable endorsement.
- + During retirement, you can choose a payout option that will transform your contract balance into a guaranteed income stream for life. This and all guarantees mentioned are subject to the claims-paying ability of First SunAmerica Life Insurance Company.

Safety for your funds

It may ease your mind to know that with the FSA Flex 7 Annuity, your deposit (premium) is always secure. In fact, you can ask for and receive 100% of your principal back — at any time — less any withdrawals already taken.*

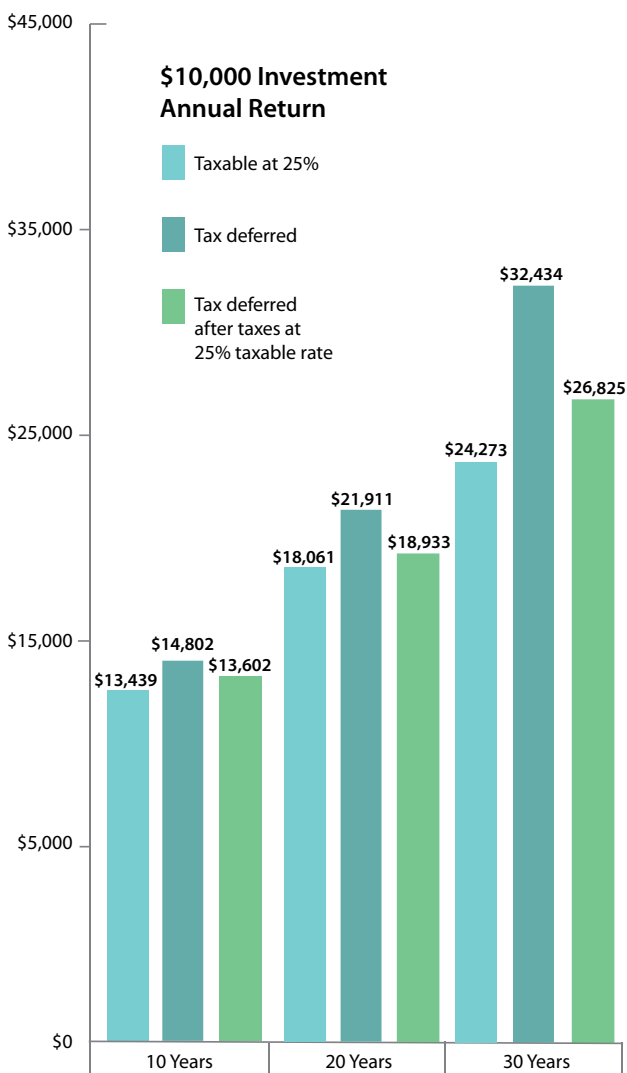
Tax deferral

What is the real impact of tax-deferred growth? Over time, your money can grow faster in a fixed annuity than it would in a taxable investment earning a similar rate of return. While your money remains in the annuity, your principal earns interest. Your earnings earn interest. Your money that otherwise would have gone toward federal income taxes stays in the account, earning interest.

Unlike a taxable account, you will not have to pay current taxes on any interest or earnings until you withdraw it.

*All guarantees are subject to the claims-paying ability of the issuing insurance company.

The power of tax-deferred growth



Source: First SunAmerica, 2009

Performance is not guaranteed. This hypothetical example assumes an annual rate of 4%, a constant yield, no additional premium payments and no withdrawals. This illustration is intended to reflect the advantage of tax deferral during the accumulation phase.

This example is for illustrative purposes only and does not reflect the performance of any particular investment and does not take into account the differences in risk, maturity and credit quality when comparing identical tax-deferred and taxable yields.



Competitive rates

As someone interested in conservative growth, you know it pays to secure a competitive interest rate. First SunAmerica offers multiple interest rate guarantees to choose from. Some guarantees may even include an interest enhancement.

Initial interest rate guarantees

Lock in the initial interest rate guarantee that works best for you. Whichever guarantee you choose, the competitive interest rate on your initial deposit will remain effective for the time frame selected. For example, if you choose the three-year guarantee, you will earn the competitive interest rate for three years on your initial deposit. Choose from the:

- + One-year interest rate guarantee*
- + Three-year interest rate guarantee*
- + Five-year interest rate guarantee*
- + Seven-year interest rate guarantee*

*Depending on market conditions some interest rate guarantees and/or enhancements may not be available at all times. Check with your licensed financial representative for availability.

What happens when the initial interest rate guarantee expires?

When the initial interest rate guarantee period expires, a new rate will be declared periodically. First SunAmerica will renew your annuity at or above the minimum interest rate stated in your contract. And that's regardless of future economic conditions.

When will the contract start to earn interest?

As soon as your contract is issued, 100% of your money will begin earning interest. That's because you will not have to pay initial sales charges and annual administrative fees.

How often is interest applied to the contract?

Interest is credited to the contract daily to achieve an annual yield that is equal to the declared rate. This is an annual effective rate. To achieve the rate annually, you must leave the money in the annuity (without any withdrawals) for the entire year. Bear in mind, fixed annuities are intended to meet long-term retirement goals. Withdrawals may be subject to income tax and early withdrawal charges.



Easy access to your money

It is difficult to predict the future. You may have an emergency during the annuity accumulation phase, the time when the money you contribute to the annuity, less any applicable charges, earns interest. That's why we offer penalty-free withdrawal options — in case you need to access your funds.

- + **Penalty-free early withdrawal privilege.** Early withdrawal charges are waived, so long as you do not go over the permitted free withdrawal amounts.
- + **Early withdrawal charge waivers.** Multiple early withdrawal charge waivers are available and can be used under certain defined circumstances.

How much can you withdraw penalty free?

After you've had the contract for 30 days, you can make multiple withdrawals each year — penalty free, totaling 15% of the previous anniversary annuity value. Or you can withdraw the accumulated interest earned.

If you do not need to use all of the 15% free withdrawal percentage in a contract year, you can carry over the unused portion to the next contract year, up to 20% of the annuity value. So long as you don't exceed the 20% withdrawal maximum within a year, you will not have to pay an early withdrawal penalty. Keep in mind, the IRS will require you to pay taxes on the money you withdraw.*

What happens if you go over the penalty-free amounts?

Early withdrawals that exceed the free amounts are subject to an early withdrawal penalty for seven years from the date of receipt of each premium payment.

*Withdrawals taken prior to age 59½ may be subject to a 10% federal income tax penalty.

Of course, you always have the option to withdraw more than the free withdrawal amount at any time if needed.

Bear in mind, any withdrawal that exceeds the free withdrawal amount is subject to an early withdrawal charge. The charges are based on a seven-year early withdrawal charge schedule. After seven years from the date of each premium payment, there are no withdrawal charges associated with that premium.

Charges and fees

YEARS FROM PURCHASE PREMIUM DATE

1	2	3	4	5	6	7	Thereafter
9%	8%	7%	6%	5%	4%	2%	0%

WITHDRAWAL CHARGE

(Charge is a percentage of premium withdrawn in excess of free amounts; interest earnings are withdrawn first [on a last-in, first-out basis] then premiums are withdrawn [on a first-in, first-out basis] after earnings are exhausted.)

Note that if you decide to take money out of your annuity prior to age 59½, the IRS will consider the withdrawal a premature distribution. In which case, you may be subject to a 10% federal income tax penalty. Your annuity value after a partial withdrawal must be at least \$2,000. If a partial withdrawal reduces the annuity value below \$2,000, we reserve the right to pay the entire withdrawal value and terminate the contract.

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 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 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.**

Early withdrawal charges will be waived for one full or partial withdrawal if the owner is diagnosed with a terminal illness that will result in death within one year. This requires written certification by a qualified physician.



Income for life

You could have a lot of years ahead of you in retirement. A fixed annuity is a retirement income solution that may help see you through them. You choose how you receive the payout:

- + You decide when you will begin to receive annuity payments and which payment option best suits you.
- + During the payout phase, the time when you or someone you choose begins receiving income, the amount of each income payment depends on the payout option selected. Once payments begin the payout option cannot be changed.
- + If you decide to annuitize your contract (that is, take the money in the form of regularly scheduled payments), you can choose an option that provides guaranteed lifetime income.

Your annuity income payment options

During the annuity's payout period, you will begin to receive a series of payments. You may choose from these basic payment options:

- + **Lifetime-only annuity.** Provides income payments for as long as the annuitant lives. Income payments end upon the annuitant's death.
- + **Lifetime annuity with guaranteed period.** Payments are guaranteed for as long as the annuitant lives. If the guaranteed period has not expired at the time of death, payments will continue to the beneficiary for the remainder of the guaranteed period.
- + **Fixed period.** Equal periodic payments are made for a fixed period of five to 20 years. The total of all premium and interest will be distributed during the period of time elected.
- + **Fixed amount.** Fixed amount income payments are made for a minimum of five and a maximum of 20 years in an amount elected, until the amount applied together with interest is exhausted.

Easy to own

- + The FSA Flex 7 Annuity is available to individuals age 85 and younger. However, if your fixed annuity is in a retirement plan or an IRA, you must be age 70 or younger.



- + The minimum deposit required to start an FSA Flex 7 Annuity is \$5,000 (\$2,000 for tax-qualified plans).
- + You can make additional deposits of at least \$2,000. You have the flexibility to do so at any time, until you reach age 85.
- + You can also make scheduled additional deposits. Additional deposits must be at least \$100 per month, automatically drafted from your bank account.
- + The FSA Flex 7 Annuity offers a guaranteed death benefit that makes it easy for you to designate a beneficiary of your choice. The annuity guarantees your designated beneficiary will be paid either 100% of total deposits, less any prior withdrawals taken, or the withdrawal value (annuity value less any early withdrawal charges) — whichever is greater.

Financial freedom is possible.
An open discussion about your
finances and goals will help
you and your licensed financial
representative determine if the
FSA Flex 7 Annuity is a suitable
fit for your portfolio.

Safe choice

Let us help you
put real retirement
solutions to work
for you

CALL

1-877-289-0256

CLICK

FSAannuity.com

VISIT

your licensed financial
representative

Agents, contact us at
1-888-237-4210

First SunAmerica Life Insurance Company is a leading provider of tax-deferred annuities through financial institutions. We offer innovative products and valued services to help Americans achieve their financial goals.

Our products can help you live retirement on your terms.

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.

Neither First SunAmerica Life Insurance Company nor its agents or representatives are authorized to give legal, tax or accounting advice. Please consult your attorney, accountant or tax advisor on specific points of interest.

The FSA Flex 7 Annuity is issued and guaranteed by First SunAmerica Life Insurance Company. Please refer to your contract for actual governing contractual provisions. First SunAmerica Life Insurance Company is licensed to conduct business in New York.



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