Constance®
contingent deferred annuity (CDA)

Issued by Midland National® Life Insurance Company

MIDLAND NATIONAL®
A Sammons Financial Company

Frequently Asked Questions (FAQ)

Q: Is Constance an annuity?

A: Yes, it is a Contingent Deferred Annuity, sometimes referred to as a Stand-Alone Living Benefit, or SALB.

Constance offers insurance protections on the underlying investments it covers. However, those underlying investments don't reside on the insurance companies' administrative platform. Constance allows the covered investments to remain at a custodian of the advisor's choice, and the covered assets can be institutionally priced ETFs and mutual funds.

Q: What kinds of investments can be covered with Constance?

A: Institutionally priced ETFs and mutual funds are eligible to be covered by the Constance income guarantee. If you don't see funds you'd like among the list of eligible investment options, submit a request through Midland National to determine if those investments can be included, and therefore covered by the Constance CDA.

A few major asset management companies, including Blackrock, DFA and Franklin Templeton, offer models that are priced individually. This helps create a turnkey offer for advisors who lever strategies from institutional managers.

New fund requests may be researched and considered throughout a calendar quarter and approved and released for use quarterly with a prospectus update.

Q: What are the fees associated with Constance?

A: The fees associated with Constance are very transparent, making this an ideal solution for fiduciaries. The fees are:

1. **Insurance or Certificate Fee:** this fee pays for the high-water mark guarantee of the income base and the longevity protection that guarantees the clients can still draw income even though their account value has been depleted. These fees vary based on equity percentage of the portfolio (market risk), and which options the clients select (stable income or possible rising income, for example). See the prospectus for the current Certificate Fees based on the chosen coverage plan and allocation tier.
2. **Advisory fees:** this is what the advisor charges for managing the clients' assets. Advisory fees can be up to 1.25% per year.
3. **Fund Fees:** these are the underlying fees that support the management of the mutual fund or ETF. They range broadly from .08% for broad index ETF up to over 1.00% for more esoteric strategies, like alternatives.

Important Note: the client already pays advisory and fund management fees if they currently work with an advisor, the only new, unique fee would be the Certificate Fee.

Q: Can advisory fees be drawn from assets covered by Constance?

A: Yes, advisory fees may be billed directly from the account without impacting the benefit base, and without a taxable event to the client.

Q: Can my clients wrap their 401(k)s with Constance?

A: No. 401(k)s are not an eligible account. A version that can be used in a 401(k) plan is on our strategic roadmap but there is no timeframe yet for its availability.

Q: Can my clients wrap their IRA with Constance?

A: Yes.

Q: Can my clients wrap their Roth IRA with Constance?

A: Yes.

Q: Can my clients wrap their taxable brokerage accounts with Constance?

A: Yes.

Q: What are the coverage plans?

A: There are two Coverage Plans: Core and CorePlus.

Q: What is the difference between the portfolio allocation tiers?

A: Each portfolio allocation tier allows for varying levels of equity exposure. Tier A allows for a 45% allocation to equities, and therefore the Certificate Fee is lower. Tier B allows for a maximum equity exposure of 60%, and Tier C allows for a maximum equity exposure of 75%.

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Q: Can an advisor/client change the chosen portfolio allocation tier in order to de-risk or take on more risk?

A: Yes. The Certificate Fee will also change and may increase or decrease depending on whether the portfolio is reallocated to take on more risk or less risk.

Q: Where does the income come from? Who writes the check? The custodian or Midland National?

A: During the initial income phase, income is withdrawn directly from the covered account. The advisor and client determine which underlying position(s) to sell to generate the cash required, and the advisor coordinates the withdrawals directly with the custodian. If the custodian account is depleted, then Midland National will continue to make the payments directly to the client.

Q: What if the covered asset grew to over 250% of the contributions (maximum coverage base). Is the account owner free to move covered assets in excess of the maximum coverage base out of the custodian account, since the annual coverage amount will max out at 250% of the contributions, without it being considered an excess withdrawal?

A: No. It would be an excess withdrawal. All withdrawals in excess of the annual coverage amount are excess withdrawals.

Q: Is there a list of approved financial institutions?

A: Yes. Advisors can visit ConstanceIncome.com to obtain the list of approved financial institutions.

The Certificate is designed to protect investors who are concerned that, either because of withdrawals over time, poor market performance, or both, their Covered Asset Pool may be depleted during their lifetime. To address that need, the Certificate in effect provides a limited form of insurance against outliving assets. The Certificate has no cash value, surrender value or death benefit. The Certificate is intended for long-term investment purposes. You and your client should consider the risks and expenses of the annuity carefully before investing. The prospectus contains this and other information. Visit www.midlandnational.com.va-prospectus to obtain a current prospectus for the contingent deferred annuity. Inform investors to read it carefully before investing.

Annuity payments are backed by the claims-paying ability of Midland National® Life Insurance Company.

Midland National® Life Insurance Company does not give tax, legal, or investment advice. Please consult with and rely on your own tax, legal, or investment professional(s).

Midland Advisory, part of Midland National® Life Insurance Company, specializes in retirement solutions to help meet the needs of registered investment advisors (RIAs) and their clients. Midland Advisory is not an issuer of insurance products.

The Constance® Group Contingent Deferred Annuity (AG206A (contract) and AC206A (certificate) is issued by Midland National® Life Insurance Company, West Des Moines, Iowa 50266 and distributed by Sammons Financial Network®, LLC., member FINRA. The Constance® Group Contingent Deferred Annuity is not available in New York.

Product and feature availability may vary by state and program sponsor. In some states, the annuity is issued as an individual contract instead of a group certificate.

Sammons Financial Network®, LLC. and Midland National® Life Insurance Company are wholly owned subsidiaries of Sammons® Financial Group, Inc.

The Constance® Group Contingent Deferred Annuity can play an important role in retirement plan but may not be for everyone. Before investing, you and your client should discuss aspects that affect the appropriateness of their situation, including cost, investment timeframe and other retirement assets they may have. The Certificate is intended for long-term investment purposes. Excess withdrawals may significantly decrease and even terminate the benefits provided by the Certificate.

Not FDIC/NCUA Insured	No Bank/CU Guarantee	Not A Deposit
May Lose Value Including Loss of Principal	Not Insured By Any Federal Government Agency	

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