



SALES IDEAS

AT THIS RATE, OUR MAINSTAY FIXED ANNUITIES ARE GENERATING A GOOD DEAL OF INTEREST

Are your clients leery of investing long term in a low interest rate environment? Do they feel that rates will be rising soon and therefore do not wish to "lock up" their money for a long period of time? Are they leaning toward a Certificate of Deposit (CD)? If this is the case, you should ask them if they think that current 1-year CD rates could double and then double again within three years. The answer may be yes, but the reality is that in today's rate environment they probably will not. At this point you can sit down and do a little math. Let's look at the following hypothetical example:

Rate	One-Year CD	MainStay Fixed Annuity
Year 1	1.12% ¹	3.60% ²
Year 2	2.24%	3.60%
Year 3	4.48%	3.60%
Interest Earned	\$8,016.74	\$11,193.47

Assumptions:

- \$100,000 initial investment
- CD rates double between years 1 and 2 and then double again between years 2 and 3

As you can see, based on current rates of return, 1-year CD interest rates could double from year one to year two and then double again between years two and three and the interest earned will still be less than the interest earned under the current MainStay Fixed Annuity 3-year initial guaranteed interest rate over that same three-year period. Are your clients willing to gamble on a rate increase of this magnitude or go for the sure thing with a MainStay Fixed Annuity and still come out ahead of the game? Not to mention the additional tax advantages they receive with a fixed annuity, as more fully described below and on the other side.³

POWER OF TAX DEFERRAL WITH MAINSTAY FIXED

It is also important to point out to your clients that a fixed annuity gives them the ability to accumulate earnings without being subject to current taxation (unlike CDs). As a result of tax-deferred growth, the annuity owner benefits from the advantages of compounded interest by:

- earning interest on the principal,
- earning interest on the interest, and
- earning interest on the money that would have been lost to current income taxes.

Income taxes on annuity earnings will not be due until money is withdrawn. As a result, money grows faster tax deferred. In addition, annuities can help relieve the greatest retirement fear of all: outliving income. A MainStay Fixed Annuity from New York Life Insurance and Annuity Corporation (NYLIAC) can provide your clients with a guaranteed income they cannot outlive.

¹ Source: www.banxquote.com web site. 1-year term CD national average benchmark rate as of February 24, 2003. Please note that all financial institutions used by BanxQuote in its benchmark rating meet minimum regulatory capital requirements and are rated as "adequately" or "well capitalized." CD rates are subject to change at any time and may not be available in all market areas.

² Three-year rate with initial premium of \$100,000 or more. Rate is subject to change at any time. The interest rate is an effective annual yield based upon a nominal rate which is compounded daily.

³ CDs are FDIC insured to \$100,000 per depositor. Annuities are backed by the financial strength of the issuing insurance company.

The example below illustrates the power of tax-deferred growth. This example assumes an issue age of 35, an initial premium of \$100,000, and a tax rate of 33%. For the sake of showing the effects of tax deferral, we will also assume that the CD and the annuity each earn 5%.

AGE	APPROX AFTER-TAX VALUE OF CD ^{4,5}	APPROX TAX-DEFERRED VALUE OF ANNUITY ⁴	APPROX AFTER-TAX VALUE OF ANNUITY ^{4,6}
45	\$139,029	\$162,889	\$142,136 ⁷
55	\$193,290	\$265,330	\$210,771 ⁷
65	\$268,729	\$432,194	\$322,570
75	\$373,611	\$713,999	\$504,679
85	\$519,426	\$1,146,740	\$803,316

Remember to remind your clients that when they pay taxes on a CD, they are paying those taxes out-of-pocket, even if the CD is reinvesting the earnings. Don't you think they would like to avoid declaring their interest earnings each year?

For those clients who are concerned about retirement and have longer-term financial goals, a MainStay Fixed or MainStay Choice Fixed Annuity may be the answer. A fixed annuity from MainStay Annuities provides more income options than a CD, can help your clients avoid probate costs and delays and may be a good solution for those concerned about taxation of their Social Security benefits. So, talk to your clients today about the tax-deferred products offered by MainStay Annuities—it's really in your best interest and theirs.

For more information, please call the
MainStay Annuities Sales Desk at
1-888-695-7253
or visit our web site at
www.MainStayAnnuities.com

⁴ These are approximate values for illustration purposes only.

⁵ CD values assume that Federal income tax is deducted each year.

⁶ Annuity values assume that a total withdrawal is made at the age shown and Federal income taxes are paid at that time. Under current tax law interest earned on an annuity is not taxed until withdrawn. Total or partial surrenders of the annuity before age 59½ may incur a 10% tax penalty.

⁷ These figures do not reflect the 10% tax that may be applicable to withdrawals taken prior to age 59½. If the 10% tax were imposed, the approximate after-tax value of the annuity at age 45 would be \$135,847 and at age 55 would be \$194,238.



MainStay Fixed Annuities are issued by New York Life Insurance and Annuity Corporation (a Delaware Corporation), 51 Madison Avenue, New York, NY 10010. New York Life Insurance and Annuity Corporation is a subsidiary of New York Life Insurance Company.