

## Variable Annuity Expense Analysis

Contracts Analyzed:  
Schwab OneSource Annuity™ issued by Great-West Life & Annuity Insurance Company  
ABC Variable Annuity issued by ABC Life Insurance Company

Prepared for  
**John Q. Sample**  
January 2, 2007

Presented by  
Jane Q. Rep

A variable annuity's value will fluctuate depending on the performance of the underlying investments. An investor's units, when redeemed, may be more or less than the original amount invested. Before purchasing a variable annuity, you should carefully consider the information contained in the annuity prospectus including the portfolios' investment objectives and all risks, charges and expenses associated with the annuity and its underlying investment options. For these and other important details you can request a free prospectus by calling Charles Schwab at 1-888-311-4887 or you may view one online at Schwab.com. Please read the prospectus carefully before investing or sending money.

Expenses are but one factor to consider when comparing variable annuities. This Analysis is not a substitute for careful consideration by you of the relative merits of the other features of each variable annuity, such as investment choices, income payment options, and guaranteed benefits offered by each annuity. Before exchanging an annuity for another, you should consider the amount of any surrender charge you incur, your investment time horizon, and any other factors appropriate to your situation.

The analysis of some of the features of your existing annuity contract is based on information you have provided. Other information regarding the annuity contracts contained herein is obtained from Morningstar/VARDs<sup>®1</sup>, an independent third-party source believed to be reliable, but its accuracy of completeness cannot be guaranteed. Schwab is not responsible for the accuracy of the information for your existing annuity contract.

This Analysis is not considered completed unless all pages are included. The number of pages in this Analysis appears at the bottom of every page. Please refer to the Important Disclosures at the end of this Analysis.

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# Schwab Variable Annuity Expense Analysis

## Your Current Annuity Summary

### ABC Variable Annuity

ABC Life Insurance Company

Approx. Purchase Date	Jan. 2000
Approx. Current Value	\$100,000

## Prepared for John Q. Sample on January 2, 2007

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## Insurance Expenses

### Expense Analysis

	Schwab OneSource Annuity	ABC Variable Annuity
Base Mortality & Expense Risk Charge (M & E)	0.65%	1.25%
Administrative Charges	0.00%	0.10%
Std DB - Opt 1 / Opt 1	0.00%	-
Std DB / IssAge 79 & Under	-	0.00%
<b>Total Annual Insurance Expenses</b>	<b>0.65%</b>	<b>1.35%</b>
Annual Contract Maintenance Fee	NONE	WAIVED

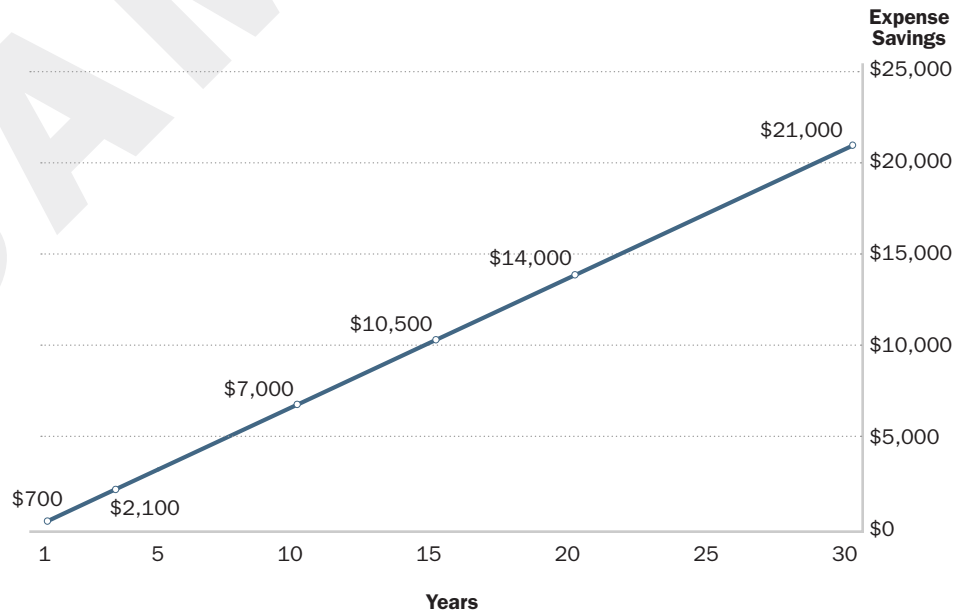
### Total Annual Insurance Expense Savings

	Schwab OneSource Annuity	ABC Variable Annuity
Total Annual Insurance Expense Savings	\$700	-

### Insurance Expense Savings Over 30 Years

Contract Anniversary Year	Cumulative Savings
1	\$700
3	\$2,100
5	\$3,500
10	\$7,000
15	\$10,500
20	\$14,000
30	\$21,000

This table illustrates what you could save in insurance expenses over time by exchanging your current annuity with a Schwab OneSource Annuity.



The insurance expense savings over time calculates the difference in estimated annual insurance expenses between the Schwab annuity and your current annuity (not including underlying portfolio fees and any applicable surrender charges), and assumes the same savings in each subsequent year. Your actual expense savings over time will vary based on additional factors including annuity asset levels and the fees and performance of the underlying portfolios. See the Hypothetical Analysis section for an assessment of how all applicable fees may impact your annuity value at various hypothetical rates of return.

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## Surrender Charge Information<sup>1</sup>

### Surrender Charge Comparison

	Schwab OneSource Annuity	ABC Variable Annuity
Estimated Surrender Charge Percentage	–	0%
Your Estimated Surrender Charge	–	\$0
Surrender Charge Hypothetical Break-Even Year <sup>2</sup> -8%	NA	–
Surrender Charge Hypothetical Break-Even Year <sup>2</sup> -0%	NA	–

<sup>1</sup> Schwab Variable Annuities do not have surrender charges, but many variable annuity products impose surrender charges for partial or full withdrawals before a certain number of years. The surrender charge information for your contract assumes there were no subsequent purchase payments. Subsequent purchase payments could be subject to additional surrender charges not reflected in this Analysis. In addition, the surrender charge information does not take into account any applicable fee withdrawal provision (typically 10% of the withdrawal amount). If applied, this could reduce the amount of the surrender charges and also the length of time it may take to reach the estimated break-even point.

<sup>2</sup> The hypothetical break-even point is the contract anniversary year in which the asset values for the two contracts are approximately equal. See Hypothetical Analysis section for details.

### Surrender Schedule

	Schwab OneSource Annuity	ABC Variable Annuity
Contract Anniversary Year	Surrender Charge Percentage	Surrender Charge Percentage
Less than 1 year	None	7%
1	None	6%
2	None	5%
3	None	4%
4	None	3%
5	None	2%
6	None	1%
7	None	0%

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## Investment Choices

### Available Options

	Schwab OneSource Annuity	ABC Variable Annuity
Number of Sub-Accounts/Portfolios	50	28 <sup>1</sup>
Number of Fund Families <sup>2</sup>	22	7
Fixed Account Availability	Not Available	See Contract

### Portfolio Expenses

	Schwab OneSource Annuity	ABC Variable Annuity
Portfolio Expense Range	0.27%–1.41%	0.39%–1.25%
Average Portfolio Expense	0.83%	0.86%

## Additional Details

### Insurer Ratings<sup>3</sup>

	Schwab OneSource Annuity Great-West Life & Annuity Insurance Company	ABC Variable Annuity ABC Life Insurance Company
A.M. Best <sup>4</sup>	A+	A

### Death/Living Benefits and Other Features

	Schwab OneSource Annuity	ABC Variable Annuity
Death Benefit <sup>5</sup>		
DB - Opt 2	May Be Available*	Not Available
Estate Enhancer Benefit	Not Available	May Be Available*
Std DB	Not Available	Included
Std DB - Opt 1	Included	Not Available
<b>GMIB</b>		
GMIB	Not Available	May Be Available*

\* May be subject to an additional fee. Please see the prospectus for complete information on fees and eligibility.

- 1) Some sub-accounts may not be available to you for new or additional purchase payments. Please see your contract or prospectus for the actual number of sub-accounts available for investment.
- 2) The number of fund families is determined by the number of investment advisors. Some fund families may have more than one investment advisor, the actual number of fund families offered in this contract may be somewhat less. In addition to the number of available investment options, please also consider the types and style characteristics, as well as the performance of sub-accounts within the two variable annuity products.
- 3) Insurer Ratings do not pertain to the investment performance of the underlying portfolios.
- 4) The A.M. Best Ratings scale includes 16 different rating levels, ranging from A++, A+ (Superior); A, A- (Excellent); B++, B+ (Very Good); B, B- (Fair); C++, C+ (Marginal); C, C- (Weak); D (Poor); E (Under Regulatory Supervision); F (In Liquidation); S (Rating Suspended). A.M. Best's Ratings ranging from A++ down to B+ are considered Secure. A.M. Best describes Secure insurers as having a strong or good ability to meet their long-term obligations to members and policyholders. Insurers assigned Secure ratings maintain a level of financial strength that can withstand unfavorable changes in the business, economic, or regulatory environment. A.M. Best's Ratings are not a warranty of an insurer's current or future ability to meet obligations to policy holders, nor are they a recommendation of a specific policy form, contract, rate, or claim practice. Ratings as of December 2005.
- 5) Not all standard death benefits (Std DB) are alike. Some may be limited to a return of the annuity's account value. See the prospectus for complete details.

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## Hypothetical Analysis

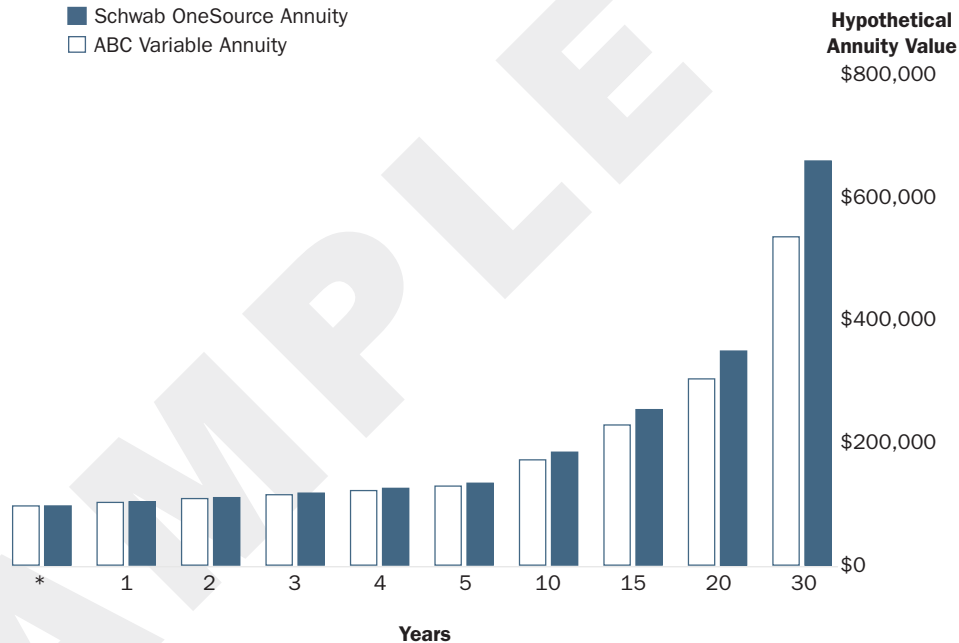
### Annuity Value at 8% Hypothetical Rate of Return

This analysis shows the value of the Schwab annuity vs. your existing annuity over time, assuming a hypothetical rate of return at 8%. All annuity contract and portfolio fees and any surrender charges you might incur by transferring are factored in the calculations.

■ Schwab OneSource Annuity  
 □ ABC Variable Annuity

Hypothetical Annuity Value  
 \$800,000

Year	Schwab OneSource Annuity (\$)	ABC Variable Annuity (\$)
*	100,000	100,000
1	106,520	105,790
2	113,465	111,915
3	120,863	118,395
4	128,743	125,250
5	137,137	132,502
10	188,067	175,568
15	257,910	232,632
20	353,690	308,242
30	665,173	541,176



Hypothetical break-even year: NA.

The hypothetical break-even point will occur in the year when the asset values for the two contracts are approximately equal.

\* Starting value after reduction of any applicable surrender charges which may apply from your existing annuity account.

### Annuity Value at 0% Hypothetical Rate of Return

Year	Schwab OneSource Annuity (\$)	ABC Variable Annuity (\$)
Starting Value	100,000	100,000
1	98,520	97,790
2	97,062	95,629
3	95,625	93,515
4	94,210	91,449
5	92,816	89,428
10	86,148	79,973
15	79,959	41,518
20	74,214	63,957
30	63,934	51,149

Hypothetical break-even year: NA.

This analysis shows the value of the Schwab annuity vs. your existing annuity over time, assuming a hypothetical rate of return at 0%. All annuity contract and portfolio fees and any surrender charges you might incur by transferring are factored in the calculations.

The above hypothetical examples use the gross return assumption stated above for each contract. The fees for each contract include the total annuity and average portfolio expenses listed in the Annuity Information section. Surrender charges, if applicable, are reflected in the beginning balance of the Schwab variable annuity. The actual performance of your annuity contract will determine if and when a break-even will occur.

### Important Disclosures

This variable annuity expense analysis is provided to you for informational purposes only. The expense comparisons are estimates only and your actual expenses will vary depending on factors such as annuity asset levels and the fees and performance of the underlying investments you select. The benefit of lower fees may be offset by superior performance of one contract over another. **Please be aware that part of any cost savings may result from loss of benefits or features not provided by the new contract.**

Although a fee is not charged for the withdrawal of assets from a Schwab Variable Annuity, many variable annuities do assess a fee to withdraw assets early. Before you exchange your annuity, check with your current provider to see if it will assess a surrender charge. Expense savings can be an important factor in determining whether an exchange of your existing annuity is appropriate or suitable. In addition to any expense savings, however, you should also carefully consider whether the exchange could result in a loss of important benefits or features that, over the long term, could outweigh the benefit of any expense savings. Before you proceed with an exchange, you should carefully evaluate the importance of any such benefits or features to you. We strongly advise that you consult with a Schwab Annuity Specialist who can guide you through the exchange process.

The asset-based annual insurance expenses reflected in this Analysis generally do not apply to fixed account allocations. The enclosed hypothetical calculations assume that assets are 100% invested in the portfolios at the average portfolio expense. The portfolio expenses reflect all reimbursements or waivers as applicable. All contract features displayed may not be available through your current annuity contract. Please refer to your existing annuity contract and related prospectus to confirm current expenses and available features.

Withdrawals of any earnings are subject to income tax and prior to age 59½ may also be subject to a 10% IRS penalty. Pursuant to IRS Code Section 1035, you can transfer your annuity assets tax-free to another annuity contract.

The Schwab OneSource Annuity™ (Form J444) is a flexible premium variable annuity issued by Great-West Life & Annuity Insurance Company. GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company, is the principal underwriter for the contracts. This contract is not available in all states. Great-West Life & Annuity Insurance Company is licensed in all states except New York. Charles Schwab & Co., Inc. is the selling broker-dealer and insurance agency. Any contract guarantees are dependant upon the claims-paying ability of the issuing insurance company.