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An Annuity Illustration using  
**ING INCOME OUTCOME ANNUITY**  
*An Equity Index Flexible Premium Deferred Annuity*  
(Standard Form #2017 Nonqualified; may vary by state)  
ING USA Annuity and Life Insurance Company

*Designed for:*  
**Valued Client**

*Prepared by:*  
**Valued Agent**





HYPOTHETICAL ILLUSTRATION  
 Nonqualified Annuity

Prepared for:

Valued Client  
 Male, 65  
 State of Issue: Iowa  
 Initial Premium: \$260,011.00

STRATEGY OPTIONS

Strategy	Allocation	Illustrated Rate	Illustrated Index Cap	Income Value
Retirement Index Strategy	100.00%	Participation: 100%	6.00%	Cap: 11.00%

The following hypothetical illustration is based on the actual historical experience of the S&P 500® Index based on the above information. Your actual contract values may be greater than the guaranteed value, depending on the performance of the S&P 500® Index. An increasing and decreasing S&P 500® Index time period are illustrated as well as the time period you selected. Past performance is no guarantee of future results.

The illustrated values are shown as of the end of each contract year, and assume the premium is applied at the beginning of the modal period. There is no participation in current indexing period equity gains if the contract is annuitized or surrendered, or withdrawals are made prior to the end of the indexing period.

**Specified Period- S&P 500® Index Returns from 11/30/1994 to 11/30/2004**

Year Ending	Yr	Premiums	MINIMUM GUARANTEED VALUES		HYPOTHETICAL VALUES			Selected Allocation Return	S&P 500 Index Return
			Accum Value	Cash Surrender Value	Income Value	Accum Value	Cash Surrender Value		
11/30/1995	1	260,011	234,335	234,335	288,612	275,612	242,538	6.00%	33.43%
11/30/1996	2	0	241,365	241,365	320,360	292,148	257,091	6.00%	25.05%
11/30/1997	3	0	248,606	248,606	355,599	309,677	272,516	6.00%	26.21%
11/30/1998	4	0	256,064	256,064	394,715	328,258	295,432	6.00%	21.80%
11/30/1999	5	0	263,746	263,746	438,134	347,953	320,117	6.00%	19.36%
11/30/2000	6	0	271,658	271,658	438,134	347,953	323,597	0.00%	-5.33%
11/30/2001	7	0	279,808	279,808	438,134	347,953	327,076	0.00%	-13.35%
11/30/2002	8	0	288,202	288,202	438,134	347,953	330,556	0.00%	-17.83%
11/30/2003	9	0	296,848	296,848	486,328	368,831	354,077	6.00%	13.02%
11/30/2004	10	0	305,754	305,754	539,465	390,960	383,141	6.00%	10.93%
Total		260,011							

This illustration is not valid without all pages.

**Increasing Period- S&P 500® Index Returns from 01/31/1989 to 01/31/1999**

Year Ending	Yr	Premiums	MINIMUM GUARANTEED		HYPOTHETICAL VALUES			Selected Allocation Return	S&P 500 Index Return
			VALUES		Income Value	Accum Value	Cash Surrender Value		
			Accum Value	Cash Surrender Value					
01/31/1990	1	260,011	234,335	234,335	287,641	275,612	242,538	6.00%	10.63%
01/31/1991	2	0	241,365	241,365	300,621	288,049	253,483	4.51%	4.51%
01/31/1992	3	0	248,606	248,606	333,689	305,332	268,692	6.00%	18.86%
01/31/1993	4	0	256,064	256,064	358,178	323,652	291,287	6.00%	7.34%
01/31/1994	5	0	263,746	263,746	393,140	343,071	315,625	6.00%	9.76%
01/31/1995	6	0	271,658	271,658	393,140	343,071	319,056	0.00%	-2.32%
01/31/1996	7	0	279,808	279,808	436,386	363,655	341,836	6.00%	35.20%
01/31/1997	8	0	288,202	288,202	484,388	385,474	366,201	6.00%	23.61%
01/31/1998	9	0	296,848	296,848	537,671	408,603	392,259	6.00%	24.69%
01/31/1999	10	0	305,754	305,754	596,814	433,119	424,457	6.00%	30.54%
Total		260,011							

**Decreasing Period- S&P 500® Index Returns from 01/31/1966 to 01/31/1976**

Year Ending	Yr	Premiums	MINIMUM GUARANTEED		HYPOTHETICAL VALUES			Selected Allocation Return	S&P 500 Index Return
			VALUES		Income Value	Accum Value	Cash Surrender Value		
			Accum Value	Cash Surrender Value					
01/31/1967	1	260,011	234,335	234,335	260,011	260,011	234,335	0.00%	-6.75%
01/31/1968	2	0	241,365	241,365	276,913	275,612	242,538	6.00%	6.50%
01/31/1969	3	0	248,606	248,606	307,373	292,148	257,091	6.00%	11.68%
01/31/1970	4	0	256,064	256,064	307,373	292,148	262,934	0.00%	-17.46%
01/31/1971	5	0	263,746	263,746	341,184	309,677	284,903	6.00%	12.77%
01/31/1972	6	0	271,658	271,658	369,865	328,258	305,280	6.00%	8.41%
01/31/1973	7	0	279,808	279,808	410,551	347,953	327,076	6.00%	11.63%
01/31/1974	8	0	288,202	288,202	410,551	347,953	330,556	0.00%	-16.77%
01/31/1975	9	0	296,848	296,848	410,551	347,953	334,035	0.00%	-20.29%
01/31/1976	10	0	305,754	305,754	455,711	368,831	361,454	6.00%	31.02%
Total		260,011							

S&P 500® INDEX. Standard & Poor's® Composite Stock Index is a broad based measurement for changes in U.S. stock market conditions based on the average performance of 500 widely held common stocks. The index tracks industrial, transportation, financial, and utility stocks.

INDEX STRATEGY. A strategy with a declared interest rate based on the movement of the S&P 500® Index. The actual interest rate received is determined according to the indexing method of the particular strategy.

PARTICIPATION RATE. The percentage of the change in the Index, which will be recognized in calculating the Index Credit at the end of the Indexing Period. It is declared, for each premium and transfer amount, in advance, and will not change for related Accumulation Value unless that value is transferred. This percentage is declared by the Company and is guaranteed for the index period.

This illustration is not valid without all pages.

**ILLUSTRATED INDEX CAP.** The cap places a limit on the maximum interest rate that can be credited to your contract. It may change annually.

**TERM.** The duration of the guaranteed period for fixed interest strategy. For index strategies, the term is the duration of the indexing period.

**INCREASING PERIOD.** The 10 year period since 01/31/1989 where the index experienced an increase in value.

**DECREASING PERIOD.** The 10 year period since 01/31/1966 where the index experienced a decrease in value.

**SELECTED ALLOCATION RETURN.** The Retirement Index Strategy's index return compared to the prior year's return. It is reduced by withdrawals taken from the contract, if applicable. This value is multiplied by the S&P 500® Index Return. This return is independent of the contract's performance.

**S&P 500® INDEX RETURN.** The return used to calculate the Contract Index Return. This value can be either positive or negative. This value is based on the performance of the S&P 500® Index. This return is independent of the contract's performance.

## VALUABLE INFORMATION ABOUT YOUR ILLUSTRATION

This illustration does not recognize the effect of inflation. As a result of inflation, the illustrated values have more purchasing power today than in the future.

This is for illustrative purposes only and is not a representation of future results. The performance data quoted represents past performance, and the contract return and principal value will fluctuate so that an insurance product, when redeemed, may be worth more or less than its original cost. The rates of return are based on hypothetical past performance only, and are not an indication of current or future results. The examples assume that the product had been available and had been purchased on the dates indicated.

**ILLUSTRATIONS.** This illustration is not the actual annuity contract you will receive nor is it part of the contract. The illustration is intended only to show you how the annuity might function based on the assumptions contained in the illustration. The illustration is based on certain assumptions relating to the Standard & Poor's® Composite Stock Index performance, initial interest rate assumptions and time period chosen. Because your circumstances may vary from the assumptions used in the illustration, your results may differ from those illustrated.

**RETIREMENT INDEX STRATEGY.** An annual reset, point-to-point index strategy based on the S&P 500® Index. The growth is measured from one anniversary date to the next. Index gains are credited based on the participation rate times any positive index growth subject to a cap. The participation rate is declared, for each premium and transfer amount, in advance, and will not change for related Accumulation Value unless that value is transferred. The cap is declared in advance, is guaranteed for one year, and may change annually.

**GUARANTEED VALUES.** The surrender value will not be less than 87.5% of the premiums, less partial withdrawals, accumulated at 3.00% annual effective interest, compounded daily.

**HYPOTHETICAL INCOME VALUE.** Income Values displayed are not cash values, therefore are not available for withdrawal. The Income Value is calculated in the same way as the Accumulation Value, but based on more favorable rates (higher caps and interest rates) than the Accumulation Value. The Income Value is available only for annuitization on or after the 10th contract anniversary. The ING Income Outcome Annuity requires a minimum 10 year payout.

**HYPOTHETICAL ACCUMULATION VALUES.** The Retirement Index Strategy Accumulation Value is based on premiums paid, transfers to the strategy plus any index credits on index strategies, less any withdrawals and transfers from the strategies. Index credits are credited to the strategy on the premium anniversary only. During a premium year, the Accumulation Value associated with a given premium payment is equal to the Accumulation Value on the previous anniversary, less any withdrawals.

**HYPOTHETICAL SURRENDER VALUES.** The surrender value equals the Hypothetical Accumulation Value less the surrender charge.

**SUBSEQUENT PURCHASE PAYMENT MINIMUM AND MAXIMUM.** ING USA Annuity and Life Insurance Company may, at its discretion, refuse to accept any subsequent premiums of less than \$2,000 or any subsequent premiums which would cause the cumulative premium to exceed \$1,000,000. All premiums receive the rates in effect when they are received. Premiums received after the contract effective date are distributed among the strategies in the same percentage as your original request, unless you instruct otherwise.

**PREMIUM TAXES.** ING USA Annuity and Life Insurance Company may deduct any applicable premium taxes from the purchase payments or the Accumulation Value.

**SURRENDER CHARGES.** If the contract is surrendered within 10 years of its issue date, a surrender charge will be imposed based on the following surrender charge schedule. The Surrender Charge is a percentage of the Accumulation Value.

This illustration is not valid without all pages.

<u>Contract Year</u>	<u>Surrender Charge (%)</u>
1	12%
2	12%
3	12%
4	10%
5	8%
6	7%
7	6%
8	5%
9	4%
10	2%
11	0%

If a withdrawal exceeds the free withdrawal amount in any contract year, a surrender charge will be applied retroactively to the full amount withdrawn in that contract year. Any withdrawal charges imposed in this illustration are reflected in the contract values.

**DEATH BENEFIT.** The contract death benefit equals the greater of the accumulation value or the minimum guaranteed contract value.

**TAX TREATMENT.** When you make withdrawals from a non-qualified annuity, you will be subject to Federal income tax on the amount withdrawn that represents interest earnings. Federal law requires that withdrawals be taken first from interest earnings. If this is a qualified annuity, then all distributions may be subject to Federal income tax. An additional 10% Federal penalty tax will apply to all taxable annuity distributions you receive before you reach age 59 1/2, unless another statutory exemption applies. Taxable distributions from your annuity may also be subject to State income tax. Individual Retirement Accounts (IRA's) or other qualified plans already receive tax-deferred treatment. The tax-deferred feature of an annuity should not be a factor in purchasing an annuity in a tax qualified plan. Tax deferral is provided by the plan and the tax-deferral of the annuity does not provide any additional benefit. Individuals should only purchase an annuity in a qualified plan when its other benefits, such as lifetime income payments, family protection through death benefits, and/or guaranteed fees meet their current needs. Other features of an annuity besides tax deferral should be considered. The tax treatment of annuity distributions may differ substantially from distributions from other investments. State premium taxes may reduce the value of your annuity. Tax laws change frequently. Please consult your personal tax advisor regarding taxation of this annuity.

ING USA Annuity and Life Insurance Company and its representatives cannot give legal, tax, or accounting advice and recommends that you consult with any independent tax advisor or attorney with respect to the purchase of this annuity contract.

The annuity is not a deposit or other obligation of, or guaranteed by any bank or any affiliate of any bank. The annuity is not insured by the FDIC or any other agency of the United States, any bank, or any affiliate of any bank. Annuities involve investment risk, including the possible loss of value.

**FREE LOOK.** The annuity contract contains a free-look period allowing you to review all of its provisions. The number of days in the free-look period is shown on the first page of your contract. If, within that free-look period, you do not wish to keep the contract, you may return it to the Company to receive a full refund of any premium paid.

**NURSING HOME WAIVER.** If, after the effective date of the Contract, the Annuitant is hospitalized and/or confined to an eligible nursing home for 30 consecutive days, you may surrender any portion of the accumulation value without incurring a surrender charge. Such surrender must be made within sixty days of the last day of the qualifying period of confinement. Other restrictions apply; refer to your contract for more information. Not available in all states.

This illustration is not valid without all pages.

INCOME OPTIONS. After the first contract year, you may annuitize the annuity with a minimum 10 year payout without a Surrender Charge until the greater of the primary annuitants age 100 or 10 years (if later). Once a contract has been annuitized and income payments commence, the contract has no cash value, cannot be surrendered, and provides only the periodic income payments. The annuity contract will terminate on the death of the annuitant. If the contract is annuitized prior to the 10th contract anniversary, the annuitized amount will be the greater of the Accumulation Value or the Minimum Guaranteed Accumulation Value. If the contract is annuitized on or after the 10th contract anniversary, the annuitized amount will be the greater of the Income Value or the Minimum Guaranteed Accumulation Value.

Income Option: Monthly income for life.

<u>Year</u>	<u>Age</u>	<u>Guaranteed Payment</u>	<u>Current Payment</u>
11	75	\$2,186.39	\$5,102.79

The Guaranteed Payment is based on the guaranteed values from the Selected Period and the Minimum Amount of Payment listed in the annuity. The Current Payment is based on Hypothetical Accumulation Value if illustrated in the first 9 years, otherwise Hypothetical Income Value and current rates as set by the Company. The Current Payment is NOT GUARANTEED in the future.

Contract Values on the Illustration of Values page do not show the effect of annuitization.

ISSUER. ING Income Outcome Annuity is an equity index flexible premium deferred annuity available in most states. In those states where it is available, certain provisions may vary or may not be available. ING Income Outcome Annuity is issued by ING USA Annuity and Life Insurance Company, a member of ING, located at P.O. Box 617, Des Moines, IA 50303-0617. Form #2017 (may vary by state).

All guarantees are based upon the financial strength and claims-paying ability of ING USA Annuity and Life Insurance Company, which is solely responsible for all obligations under its contracts.

STANDARD & POOR'S® COMPOSITE STOCK INDEX. The S&P 500® Index is a widely recognized standard for the U.S. stock market performance. The S&P 500® Index is an unmanaged index of common stocks. It is not possible to invest directly in such an index. S&P 500® Index (registered trademark) is a trademark of the McGraw-Hill Companies, Inc. and has been licensed for use by ING USA Annuity and Life Insurance Company. The Product is not sponsored, endorsed, sold or promoted by Standard and Poor's and Standard and Poor's makes no representation regarding the advisability of purchasing The Product. (Note: Index does not reflect dividends paid on underlying stocks.)

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DISCLOSURE STATEMENT

*I understand that:*

**PURCHASE OF AN ANNUITY.** I am buying an equity index flexible premium deferred annuity issued by ING USA Annuity and Life Insurance Company (the "Company").

**ILLUSTRATIONS.** This illustration is based on certain assumptions relating to interest rates, S&P 500® Index performance, performance, participation rates and caps. Surrender charges, which may vary, depending on the type of annuity product I select, may apply to certain withdrawals and will reduce the value of my contract. Because my circumstances may vary from the assumptions used in the illustration, my results may differ from those illustrated.

**FREE LOOK.** The actual contract contains a free look period allowing me to review all of its provisions. The number of days in the free look period, which is shown on the contract cover, is based on the state of issue. If within that free look period, I do not wish to keep the contract, I may return it to ING USA Annuity and Life Insurance Company or my agent to receive a full refund of any premium paid.

**PARTIAL WITHDRAWALS.** Partial withdrawals are available, subject to certain limits and charges as explained in the contract.

**SURRENDER CHARGES.** As described in the contract, full or partial withdrawals taken from the contract that are in excess of the free withdrawals will be subject to a surrender charge.

The illustration is not the actual contract I will receive nor is it a part of the contract. The illustration is intended only to show me how the contract might function based on the assumptions contained in the illustration.

**TAX MATTERS.** I understand that the Company does not provide legal or tax advice in reference to this contract, and recommends that I consult with an independent tax advisor with respect to the purchase of this annuity contract.

I, the undersigned, acknowledge I have read and understand the information provided. Furthermore, I understand this disclosure is intended to provide information only and does not take the place of the contract for which I am applying. I wish to have my contract issued as applied for.

\_\_\_\_\_  
Applicant or Policyowner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Valued Agent

\_\_\_\_\_  
Date

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