

ARTISANS ORDER OF MUTUAL PROTECTION

Flexible Premium Deferred Annuity Contract Disclosure

Flexible Premium Annuity – Form # Annuity-2011

This document reviews important points to think about before you buy this annuity. This annuity is a flexible-premium annuity which means you can make additional deposits while the contract is in force. After the first premium deposit, you have the right to make additional premium deposits, but you are not required to do so. Additional deposits must be at least equal to \$100 and cannot exceed two times the Initial Deposit. It is classified as a fixed annuity because it earns a specified interest rate while the contract is in force. The guaranteed interest rate for the entire life of this annuity is 1%. This annuity is **deferred**, which means payouts begin at a future date. You don't pay taxes on the interest it earns until the money is paid to you.

You can use an annuity to save money for retirement and to receive retirement income for life. It is **not** meant to be used to meet short-term financial goals. No optional benefit riders are offered with this annuity.

If you have any questions about this annuity, please ask one of the Artisan's sales representatives or contact the home office at (800) 551-1873.

THE ANNUITY CONTRACT

How will the value of my annuity grow?

Your annuity earns **tax-deferred** interest. Premium deposits are credited to the account value. Interest is credited to the account value based on an annually compounded interest rate determined as of each policy anniversary by the Artisans; the interest rate will never be less than the guaranteed interest rate. The declared credited rate will be in effect from one policy anniversary to the next; any premium deposits made between policy anniversaries will earn interest at that rate up until the next policy anniversary, at which time a new declared rate will apply. The account value will be reduced by any partial cash surrenders. **Other than for partial cash surrenders, the account value of your annuity cannot go down.** There are no expense charges deducted from the account value. The account value is used to determine the annuity, death and surrender or withdrawal payments.

BENEFITS

How do I get income (payouts) from my annuity?

When you apply for your annuity, you choose a maturity date which is the date when you will start to get income from your annuity. Your maturity start date can be changed at any time by writing to the Artisans, although the date can not be later than the policy anniversary following your 85th birthday. You also choose how to get the income – the payout option. Your choices now are:

- **Life:** Guarantees income for as long as you live.
- **Life income with period certain:** Guarantees income for as long as you live. If you die within the "period certain" (usually 10 or 20 years), it pays income to your beneficiary for the rest of the period.
- **Fixed period of time:** Pays income for that period (e.g., 5 years, 10 years).
- **Lump sum:** One payout.

You may change both the maturity date and the payout option up until payout begins. On the maturity date, the account value will be multiplied by the purchase rate for the payout option you select in order to determine the amount of income you will receive. The guaranteed purchase rates are shown in the annuity contract. On the maturity date, if the Artisans provide current purchase rates that are greater than the guaranteed purchase rates, then you will receive the larger benefit. If you do not select a payout option, then payments will be made using the 10-year certain with life thereafter option beginning on the policy anniversary nearest your 85th birthday.

What happens if I die?

If you die before we start to pay you income from your annuity, we pay the account value of your annuity (without deducting any surrender charges) to your beneficiary. The beneficiary is named in the Application and may be changed at any time while the annuity is in force. If your surviving spouse or civil union partner is the beneficiary, then the annuity can be continued in that individual's name (and therefore taxes would not have to be paid at the time of your death). If your beneficiary is other than your spouse or civil union partner, then the interest in the annuity must be distributed within 5 years of your death.

If you die after the payouts start, depending on the type of payout you chose, we pay the remaining value in the annuity, if any, to your beneficiary.

FEES, EXPENSES & OTHER CHARGES

What happens if I take out some or all of the money from my annuity?

You can't surrender (cancel) your annuity or take any of the money out of your annuity after the payout begins. Before it begins, you can take out all of your annuity's value (**full surrender**) or part of it (**partial surrender**). You can take a partial surrender as long as the amount you take is at least \$1,000. A surrender charge will be deducted from the amount of any account value withdrawn in the first six contract years, except as described below. The charge will be a percentage of the amount withdrawn determined from the following table:

Contract Year	1	2	3	4	5	6	7 and later
Surrender Charge	6%	5%	4%	3%	2%	1%	none

We will not deduct a surrender charge (a) from amounts withdrawn in the seventh and later contract years; or (b) from any dividends and interest thereon that were added to the account value. In any one contract year after the first, you may make as many as three withdrawals, not exceeding in total, 10% of the account value at the end of the just prior contract year, without a surrender charge.

There are no expense charges other than the surrender charge. We will not deduct the surrender charge if we pay the account balance to a beneficiary after your death.

Example: If you withdraw \$5,000 from your annuity in the third contract year and your account value at the end of the prior contract year was \$4,900, your surrender charge is $(\$5,000 - 10\% \text{ of } \$4,900) \times 0.03 = \$135.30$. If you take out any amount after the end of the sixth contract year, there's no charge.

Do I pay any other fees or charges?

No. There aren't any other fees or charges on this annuity.

TAXES

How will payouts and withdrawals from my annuity be taxed?

This annuity is tax-deferred, which means you do not pay taxes on the interest it earns until the money is paid to you. When you make a full or partial cash surrender, you pay ordinary income taxes on the amount of earned interest that is withdrawn. When taking a partial cash surrender, the IRS assumes that you withdraw interest earnings first (which are taxable). You also pay a 10% federal income tax penalty on any earnings you withdraw before age 59 ½, although the tax penalty does not apply upon death, disability or if you receive substantially equal periodic payments over your lifetime (or life expectancy). Payments upon death are taxed in a similar manner as other withdrawals, although there is no 10% federal income tax penalty if death occurs before age 59 ½. If you are receiving income payouts, then each payment is considered as part interest earnings and part return of principal; you pay ordinary income taxes on the amount that is considered interest earnings.

You can exchange one tax-deferred annuity for another without paying taxes on the earnings when you make the exchange. Before you do, compare the benefits, features and costs of the two annuities. You may pay a surrender charge if you make the exchange during the first six years you own this annuity. Also, you may pay a surrender charge if you make withdrawals from the new annuity during the first six years you own it.

Does buying an annuity in a retirement plan provide extra tax benefits?

Buying an annuity within an IRA, 401(k), or other tax deferred retirement plan doesn't give you any extra tax benefits. Choose your annuity based on its other features and benefits as well as its risks and costs, not just its tax benefits.

OTHER INFORMATION

What else do I need to know?

Changes to your contract

We may change your annuity contract from time to time to follow federal or state laws and regulations. If we do, we'll tell you about the changes in writing.

Compensation

We pay the Artisans' agent or representative for selling the annuity to you. They receive the same compensation for selling this annuity contract as they do for selling any other annuity contracts offered by the Artisans.

Free Look

You have 20 days notice to cancel this contract from the date the contract is delivered. Within that 20-day period, you can return the annuity contract to the Artisans or through the agent it was purchased and the Artisans will provide a prompt refund of the premiums paid, including any contract fees or charges.

What should I know about the Artisans?

The Artisans is a fraternal benefit society that offers traditional life insurance products and a flexible premium deferred annuity plan. Because the Artisans is a fraternal benefit society, premiums paid by you are not currently subject to a premium tax in the State of New Jersey.

Artisans Order of Mutual Protection

**8100 Roosevelt Blvd.
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(800) 551-1873**

This is a summary document and not part of your **contract with the Artisans**. The sale and suitability of annuities is regulated by the New Jersey Department of Banking and Insurance and you may obtain assistance from the Department by contacting them at 609-292-7272 or 1-800-446-7467, or by visiting the Department's website at www.njdoib.org.