

INVESTING WITH COMMONWEALTH ANNUITY

Commonwealth Annuity offers annuities to help fund your retirement plan. These annuities offer a wide variety of investment and payout options to help create the retirement plan that is right for your needs.

An annuity purchased for a tax-qualified retirement account does not provide any additional tax-deferred treatment of earnings beyond the treatment that is already provided by the tax-qualified plan itself. For such plans, the contract should be purchased for other features and benefits.

The tax and legal information presented here is a summary of Commonwealth Annuity's understanding of current federal tax laws and is not exhaustive. We suggest you consult your attorney, accountant or tax advisor for information regarding your particular financial situation. Neither Commonwealth Annuity nor any of its agencies may give legal or tax advice.

This variable annuity contains certain fees and charges including mortality and expense risk charges, administrative charges, and a contract fee. Guarantees are based on the claims-paying ability of the insurer. Annuity contracts do not represent deposits or obligations of any banking institution nor are they insured by the Federal Deposit Insurance Corporation or guaranteed by any Federal government agency.

Horizon may not be available in all states. Certain contract provisions may not be available or may vary by state.

Commonwealth Annuity Horizon Variable Annuity is a flexible premium variable deferred annuity issued by Commonwealth Annuity and Life Insurance Company, 132 Turnpike Road, Suite 210, Southborough, MA 01772. Securities distributed by Epoch Securities Inc. member FINRA/SIPC. Commonwealth Annuity and Life Insurance Company is an affiliate of Goldman Sachs Asset Management.

This brochure does not constitute an offer to buy this product. Before purchasing a variable annuity contract, carefully consider the contract and the underlying funds' investment objectives, risks, charges and expenses. Both the contract prospectus and the underlying fund prospectuses contain information relating to investment objectives, risks, charges and expenses, as well as other important information. The prospectuses are available from your licensed financial adviser or the insurance company or by calling 1-800-533-7881. You should read them carefully before purchasing a variable annuity contract. Underlying securities distributed by Epoch Securities, Inc. (member FINRA/SIPC).

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HORIZON VARIABLE ANNUITY FOCUS ON THE *essentials*.

You've worked hard to build a rewarding retirement – and maybe even pass along some of your assets to the next generation. But with people living longer today, it's natural to have concerns about outliving your savings. Commonwealth Annuity Horizon is a low-cost, surrender charge free variable annuity that provides retirement investors a cost-efficient, tax-deferred investment vehicle with lifetime income options. With no-fee withdrawals and an extended annuity age of 99, Horizon gives you the flexibility to decide when it's time to access your assets.

- **Lower costs let you take your savings further.** Horizon features a low annual annuity charge of 0.75%. By focusing on the essentials and eliminating costly features you may not need – like an enhanced death benefit – Horizon provides the opportunity for improved investment performance over time.
- **Maximum lifetime annuity age of 99.** Available through age 90, with no mandatory payouts until age 99, Horizon allows you to enjoy a longer period of tax deferral than most variable annuity products. It's also a convenient way to pass assets along to your beneficiaries, tax-deferred.
- **No withdrawal fees.** Unlike most variable annuities, Horizon has no surrender charge schedule. That means you're always free to access your assets, without surrender charges.¹
- **Lifetime income options.** Choose guaranteed² income for life or a period of 10 years – for one person or two.
- **Well known investment options.** Horizon offers a range of investment options from multiple fund managers. Our variable investment options include domestic, international, industry-specific and fixed income funds from the world's most recognized fund families and trusted money managers³.

Sometimes, to get what you want in life, you need to focus on the essentials. The same can be said for your retirement assets. If simplicity, flexibility and tax deferral are priorities for your retirement strategy, your financial advisor can help you decide if Commonwealth Annuity Horizon is right for you.

¹Withdrawals are subject to income tax. Withdrawals prior to age 59 1/2 are subject to an additional 10% tax penalty.

²Guarantees are based on the claims paying ability of the insurance company.

³Only available on qualified funds.



Understanding VARIABLE ANNUITIES.

Making your retirement dreams a reality requires thoughtful planning. For many people, the assurance of guaranteed² income combined with the potential for tax-deferred growth makes variable annuities an integral component of their retirement strategy. With so many variations available today, understanding the basics of variable annuities, including their costs, risks and potential benefits can help you better evaluate your options.

Variable annuities are designed to help fund retirement and are meant to serve as long-term investments. In the simplest form, a variable annuity is a contract between you and an insurance company where, in return for your contribution(s), the company agrees to make a series of payments to you over time.

Variable annuities have two distinct phases—the accumulation phase and the payout phase. The accumulation phase begins with your first contribution—either a one-time lump sum or a series of contributions over time. The payout phase begins once you opt to begin receiving payments or “annuitize” your contract.

TAX-DEFERRED GROWTH

Your account grows on a tax-deferred basis. Compared to a taxable investment, this offers the potential to produce better results over time.

INVESTING YOUR ASSETS

With a variable annuity you decide how the assets in your account are invested, choosing from the various investment options offered under your contract. The value of your annuity depends on both the performance of the investment options you choose, the costs of your plan, and the payments you make. You can make transfers between investment options without incurring charges. Limitations on the frequency and dollar amount of transfers can vary from product to product.

ACCESS TO YOUR FUNDS

Most variable annuities have a surrender period, a minimum length of time—usually several years—during which you agree to keep your assets invested before taking withdrawals. If you withdraw before the surrender period expires, you may face surrender charges. Recognizing that not all investors are willing to give up access to their assets for an extended period, some products today eliminate the surrender charge period entirely.

RECEIVING PAYMENTS

Depending on your contract, you can decide whether your annuity payments last for a set period or indefinitely. While variable annuities have traditionally required investors to begin taking withdrawals by age 90, with people living longer today, some products now offer the option to delay until a later age.

EVALUATING YOUR OPTIONS

Charges and fees can vary significantly from one variable annuity product to another and can have considerable impact on the performance of your investment. Typical expenses include withdrawal/surrender charges, mortality and expense risk charges, administrative fees and underlying fund expenses.

As your needs change, certain features included in a particular contract may no longer be appropriate for you. In addition, another product may offer comparable features with lower expenses. If you already have a variable annuity or are considering investing in one, it's a good idea to periodically review the associated fees and charges as well as the product features to make sure they are in line with your needs.

When evaluating your variable annuity options, it's important to consider the financial strength of the issuing company and the choice of investment options offered to ensure you get the most from your retirement assets.

Your financial advisor can help you decide if a variable annuity makes sense for you.

²Guarantees are based on the claims paying ability of the insurance company.

The facts about HORIZON VARIABLE ANNUITY.

Commonwealth Annuity Horizon is a low-cost, simplified variable annuity that offers the flexibility of surrender charge free withdrawals and extended tax deferral. By focusing on the essentials and eliminating costly extra features, Horizon may provide opportunity for improved investment performance over time.

AVAILABILITY

Includes non-qualified and qualified plans: IRA (Traditional), Roth IRA, 401(k), 403(b), 457(b)gov, 457(b)non-gov

Maximum issue age of the Older Annuitant is 90.

When choosing an annuity to fund your qualified plan, keep in mind that tax deferral can be achieved through other investment vehicles funding the plan. Commonwealth Annuity Horizon offers several options and features that may be appropriate for your situation.

DOLLAR COST AVERAGING (DCA)

This option transfers an equal portion of your DCA account on a regular basis into your chosen subaccounts (investment options). This allows you to take advantage of fluctuating market prices by making scheduled investments. Over time, this feature can reduce the average price of your subaccount units. There is no minimum transfer amount. Dollar cost averaging does not ensure a profit. You should consider your ability to continue investing during periods of low price levels.

CONTRIBUTIONS

- Single and periodic payment(s)
- Payroll deductions for qualified plans
- Pre-authorized withdrawals from checking account available for non-qualified annuities and IRAs

PURCHASE PAYMENTS

	INITIAL	SUBSEQUENT
Qualified:	\$50	\$50
Non-Qualified:	\$5,000	\$250

TRANSFERS

Before your annuity date, while your contract is in the accumulation phase, you can transfer assets between the various subaccounts. There is no minimum dollar amount required for transfers. Transfers are generally limited to a maximum of 12 per year, but may differ based on individual fund requirements.



ANNUITY PAYOUT OPTIONS

All annuitizations are fixed payout options and may not begin later than; (1) the 99th birthday of the older annuitant or (2) 10 years after contract is issued.

- Guaranteed² income for a specified period of 10 years
- Guaranteed² income for life
- Guaranteed² income for life with 10 year period certain
- Guaranteed² for life and joint annuitant's life
- Guaranteed² income for life and joint annuitant's life with 10 year period certain

WITHDRAWALS

You can withdraw contract value, less applicable premium taxes, at any time.¹

CONTRACT CHARGES AND FEES

- Mortality and Expense Risk Charge: 0.60%
- Administration Fee: 0.15%
- Surrender Charges: None
- Annual Contract Fee: \$30 (if contract value is less than \$50,000)
- Transfer Charges: None
- Commutation Charge: None
- Premium Taxes: Range from 0% to 3.5%, may be assessed on purchase payments, death benefits, partial withdrawals, surrender, and/or annuitization
- Investment Management Fees: Charged in addition to the fees listed above. Please refer to the prospectus for a complete listing by underlying fund.

DEATH BENEFITS

Death Benefit is equal to accumulated value. (See prospectus for details)

AUTOMATIC ASSET REBALANCING OPTION

This feature allows you to establish a desired investment mix and have your assets automatically adjusted on a monthly, quarterly, semi-annual, or annual basis. It is not available concurrently with Dollar Cost Averaging.

INVESTMENT OPTIONS

To help you build a diversified portfolio during the accumulation phase, Horizon offers a range of equity and fixed income investment options.

¹Withdrawals are subject to income tax. Withdrawals prior to age 59 1/2 are subject to an additional 10% tax penalty.

²Guarantees are based on the claims paying ability of the insurance company.



HORIZON VARIABLE ANNUITY *client profiles.*

A low-cost, surrender charge free variable annuity may be the solution you need to get the most from your retirement assets. The right variable annuity product can help you enjoy a longer period of tax deferral, while maximizing your retirement income potential and maintaining liquidity. The client profiles below show how investors in various stages of life might use Commonwealth Annuity Horizon to do just that.



Client Profile: 85-year old with expectation to live past age 90

Ethlyn, age 85, has been widowed for several years. She is healthy and has no major medical issues. During an annual review, her advisor notes that she is approaching the annuity date for her variable annuity contract, age 90, at which point the enhanced death benefit will terminate and her contract will convert to a payout annuity. Ethlyn is concerned that she may reach the annuity date leading to distributions she does not yet want or need. She explains that she would like to continue the tax deferral benefits she has with her current variable annuity contract and also provide the opportunity for her children to stretch out the taxable distributions they will receive after her death as her beneficiaries.

After carefully reviewing her current financial situation and long-term goals, Ethlyn and her advisor agree to search for a new variable annuity contract that better suits her needs. Together, they select Horizon, the low-cost variable annuity from Commonwealth Annuity. With an annuity age of 99, Horizon offers Ethlyn considerable breathing room before she is required to annuitize and allows her children to stretch out their taxable distributions over time. In addition, Horizon's .75% mortality and expense risk charge is significantly lower than the 1.40% mortality and expense risk charge of her current contract, offering the potential for increased performance over time, a benefit to both Ethlyn and her children. Because Horizon has no surrender period, Ethlyn is free to withdraw her money at any time, without additional fees or penalties.

After describing the product features to Ethlyn, the financial advisor suggests that they set up a meeting with her children. In this way, they can be certain that her family is aware of her decision and understands her rationale before she purchases the new product.



Client Profile: 55-year old looking for a simple, low-cost variable annuity for tax-deferred retirement investments

Mary, age 55, is still working and plans to retire in approximately ten years. She is recently divorced and has no children. Mary feels she needs a way to increase the performance of her variable annuity contract in order to meet her retirement income goals.

Mary's current policy contains a number of relatively expensive features that she no longer needs, including an excess death benefit. After reviewing her current financial situation and future goals, she and her advisor determine that exchanging to a lower cost, less feature-intensive contract would provide the potential opportunity for increased investment performance over time, while still adequately addressing her needs.

They select Horizon, a low-cost variable annuity from Commonwealth Annuity that eliminates the excess death benefit and reduces her annual variable annuity mortality and expense risk charge from 1.40% to 0.75%. Based on her current life expectancy of 83 years, Mary has another 28 years to accumulate the benefits of these reduced costs. Because Horizon has no surrender charge schedule, it offers Mary the flexibility to withdraw her money sooner than planned without surrender charges.



Client Profile: 65-year old getting ready to take retirement income

Bill and his wife, Sue – both age 65 – have sold their business and are preparing to retire. They have contributed to their full-featured deferred variable annuity contract for several years. In recent years, their accounts have been impacted by sluggish equity markets, causing them to fall short of their initial retirement income projections. Because the surrender period of their current contract has expired, they are free to shop for a product better suited to their needs as 65-year old retirees. They decide to meet with their financial advisor to discuss their options for turning their accounts into the strongest possible income stream.

After reviewing their contract, the advisor points out that a few of its key components no longer fit their requirements and goals. In addition, the contract's 1.40% mortality and expense risk charge is significantly higher than some of the new low-cost annuity products. The advisor explains that because Bill and Sue are healthy and plan to convert their annuity to a guaranteed income stream in 10 years, generating higher account values may make sense if they no longer need the death benefit associated with their current product.

The advisor recommends that they switch to a lower cost, less feature-intensive contract. He suggests Horizon, a low-cost variable annuity from Commonwealth Annuity. Horizon's mortality and expense risk charge is 46% lower than that of their current variable annuity contract. With a smaller percentage of their contributions going towards insurance expenses, Bill and Sue will have the potential to receive a greater return on their investment over the long-term depending upon the investment experience of their chosen investment options. This change gives them the boost they are looking for in their future projected monthly income generated from these assets, and becomes even more compelling as that figure is projected out over both of their life expectancies.



We all have dreams for retirement. Whether you're enjoying yours now or it's still a few years down the road, you deserve to get the most from your assets. The low-cost, surrender-charge free Commonwealth Annuity Horizon variable annuity may be the solution you need as you seek to maximize your retirement income potential. With no withdrawal charges and an extended annuity age of 99, Horizon gives you the freedom to decide when it's the right time to access your assets. It's also a convenient way to pass assets along to your beneficiaries, tax-deferred.

GETTING STARTED

If Horizon sounds like the right fit for you, here's how to get started:

- 1. Review the enclosed materials.*
- 2. Complete the application with your financial advisor.*
- 3. Select your investment options.*

THE COMMONWEALTH ANNUITY COMMITMENT

We are Commonwealth Annuity and Life Insurance Company, a wholly-owned subsidiary of The Goldman Sachs Group. We offer a unique combination of insurance industry expertise with the capital markets resources of one of the world's leading financial institutions. We deliver customized reinsurance solutions for insurance companies and sound annuity products for individual investors.

We also offer the comprehensive range of investment options you need for a diversified portfolio.

Talk to your financial advisor today and learn how we can help you develop a personalized plan toward a more comfortable retirement.