

Annuity Product Overview

September 23, 2004



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U.S. Annuity Product Development Strategy

What is an annuity?

Annuity is a long-term investment designed for retirement. Annuity is appealing to investors because it offers *tax deferral* to grow money faster. In addition, it provides *death benefit protection* and gives clients access to funds through a *variety of payout options*.

- Build an innovative *variable* and *fixed annuity* product portfolio while meeting AXA's profitability standards
 - *Variable annuities* help investors build a potentially better portfolio, providing access to a variety of equity and fixed income investment options.
 - *Fixed annuities* offer tax deferred growth and guaranteed rates, providing stability and predictable returns.
- Develop top quartile competitive products that meet the needs of our distribution channels:
 - AXA and MONY career agents
 - AXA Distributors (3rd party): Wirehouses; Financial Institutions; Financial Planners
- Promote efficient development based on NBV

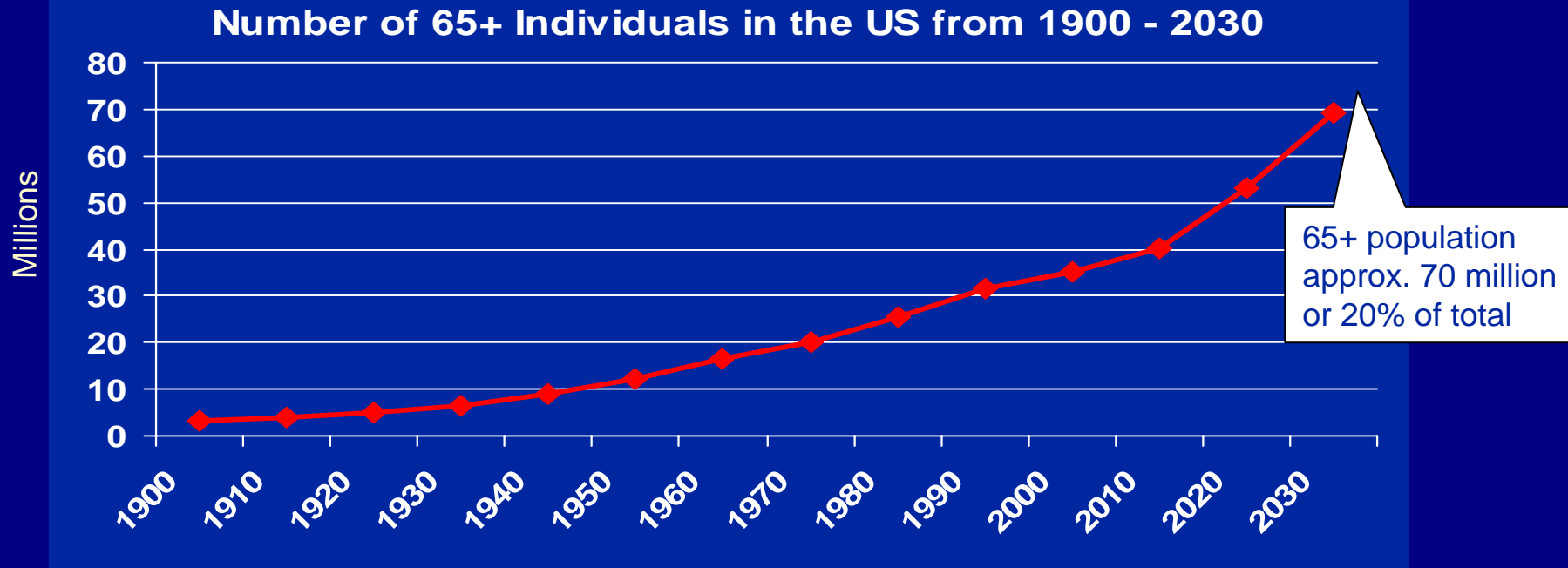


A history of new product development and rapid response to a dynamic market

- **Our origin:**
 - Strong legacy in variable annuities beginning in 1970's
- **The 1990's:**
 - Market leader in variable annuities
 - Invented "income benefit" rider
- **Early 2000's:**
 - Innovative variable annuity upgrades
 - Innovative new Lifestyle Asset Allocation funds
 - Increased market share



Baby boomers are nearing retirement and retirement assets are growing

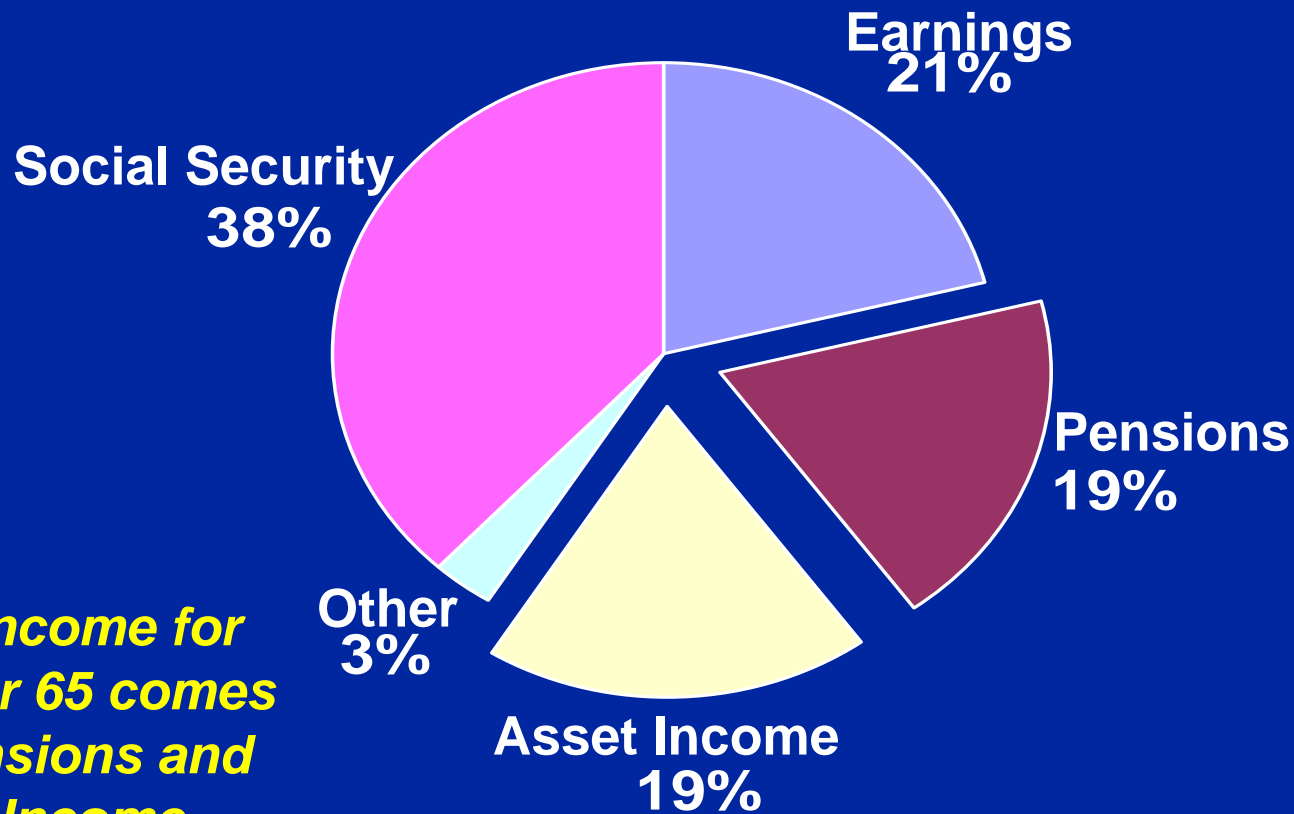


- The number of 65+ year olds is expected to reach approximately 70 million in 2030, double the 2000 level
- By the year 2050, at least \$40 trillion of wealth will be transferred via inheritance



People over 65 depend on many sources of income to meet retirement needs

Share of income by source for ages 65 and older



38% of income for those over 65 comes from Pensions and Asset Income



Outlook for the U.S. Annuity Market

- Retiree population expected to grow as baby boomers enter retirement
 - Annuities can offer guaranteed retirement income
- Demand for variable annuities is strong and growing
 - Financial guarantees including Living Benefit riders are a “must have” in the U.S. Life & Savings market
 - 75% of 2003 annuity sales included a Living Benefit rider*



AXA Equitable grew its variable annuity market share to 8% or #3 in 2003

Rank 2003	Rank 2002	Company	New Sales (\$MM)		Percentage Growth	Market Share	
			2003	2002		2003	2002
1	2	Hartford	15,741	10,395	51%	13%	9%
2	1	TIAA-CREF	12,814	12,773	0%	10%	11%
3	6	AXA Equitable	10,155	6,300	61%	8%	6%
4	5	MetLife Companies	9,847	6,384	54%	8%	6%
5	3	AIG SunAmerica/ VALIC	8,036	7,830	3%	6%	7%
6	10	Pacific Life	6,254	4,258	47%	5%	4%
7	7	ING Group	6,006	5,560	8%	5%	5%
8	8	Prudential/American Skandia	5,303	4,748	12%	4%	4%
9	9	Nationwide Life	4,544	4,394	3%	4%	4%
10	13	Manulife	4,146	3,884	7%	3%	4%
Industry Total			124,739	112,346	11%		

Source: VARDS and MPD Research



Key AXA Equitable Product Features

	<u>Variable Annuities</u>	<u>Fixed Annuities</u>
Professional Investment Management	✓	
Investment Diversification	✓	
Guaranteed Return Available	✓	✓
Guaranteed Lifetime Income Option	✓	✓
Guaranteed Death Benefits	✓	✓
Tax-Deferred Compounding	✓	✓
Tax-Free Transfers From Fund to Fund	✓	
No Age-Based Withdrawal Penalties		✓



Variable Annuity product innovation in 2003

Launched Accumulator Series 04

- Redesigned popular features and benefits
 - Guaranteed Minimum Death Benefit (GMDB)
 - Guaranteed Minimum Income Benefit (GMIB)
- Added optional Guaranteed Minimum Account Benefit (GMAB) that guarantees return of principal after 10 years
- Added five Lifestyle Asset Allocation Funds

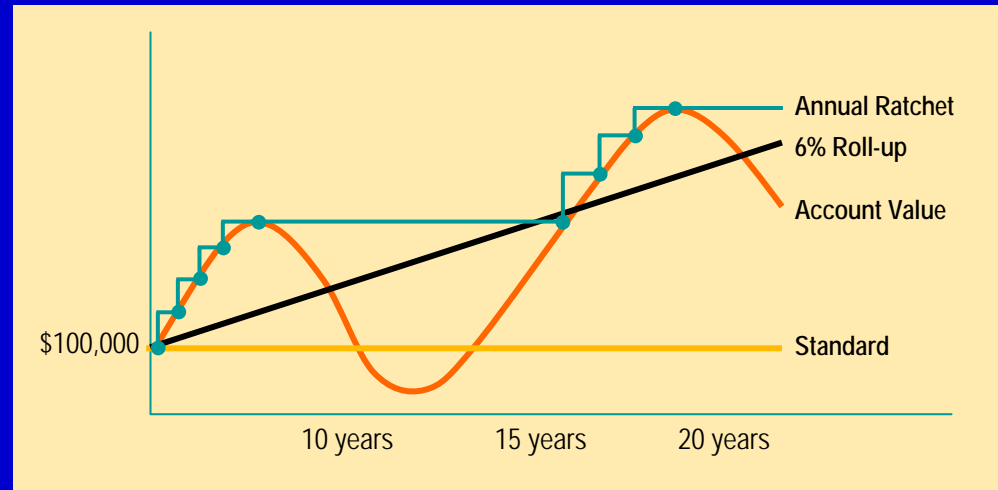


Accumulator '04 - GMDB Options

- GMDB is an option available to Accumulator customers
- GMDB guarantees the investment paid into the contract compounded with interest or “stepped-up” regularly to protect investment gains. This benefit is exercised at death of the contract owner or annuitant.
- The guarantee has value when the benefit is greater than the account value

Guaranteed Death Benefit Options:

- 1) **Standard Return of Premium:**
Higher of return of premium or account value, less any withdrawal
- 2) **Annual Ratchet to Age 85:**
highest account value at anniversary date, adjusted for withdrawals
- 3) **“Greater of” Ratchet or 6% Roll-up:**
greater of ratchet or 6% premium roll-up amount

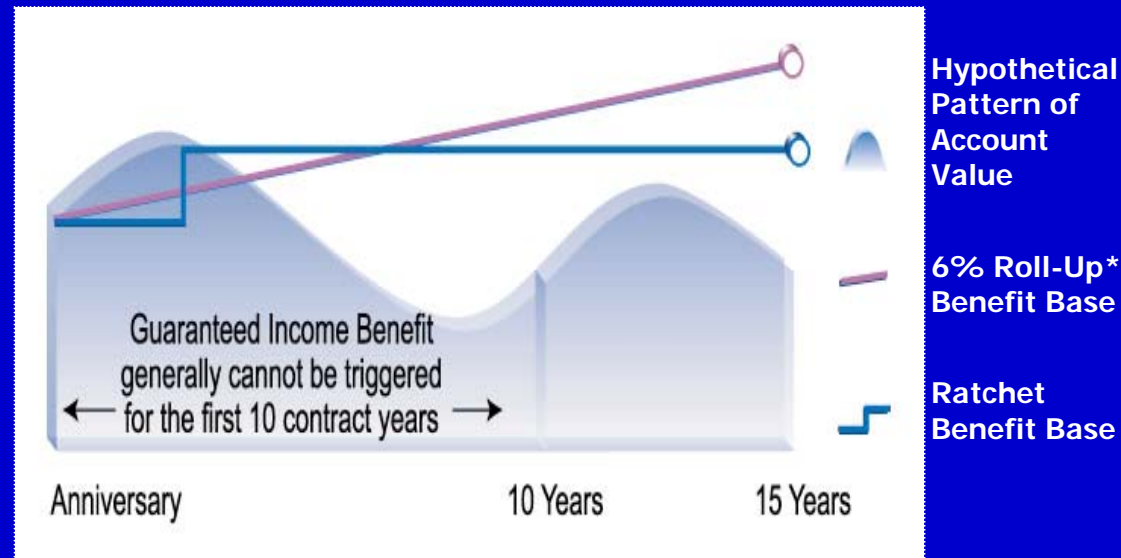


Accumulator '04 - GMIB Option

- GMIB is an option available to Accumulator customers
- GMIB guarantees the client to receive a predictable level of lifetime income despite market performance
- Customers can exercise the option after a 10 year waiting period by electing to use the benefit base to purchase a life annuity*

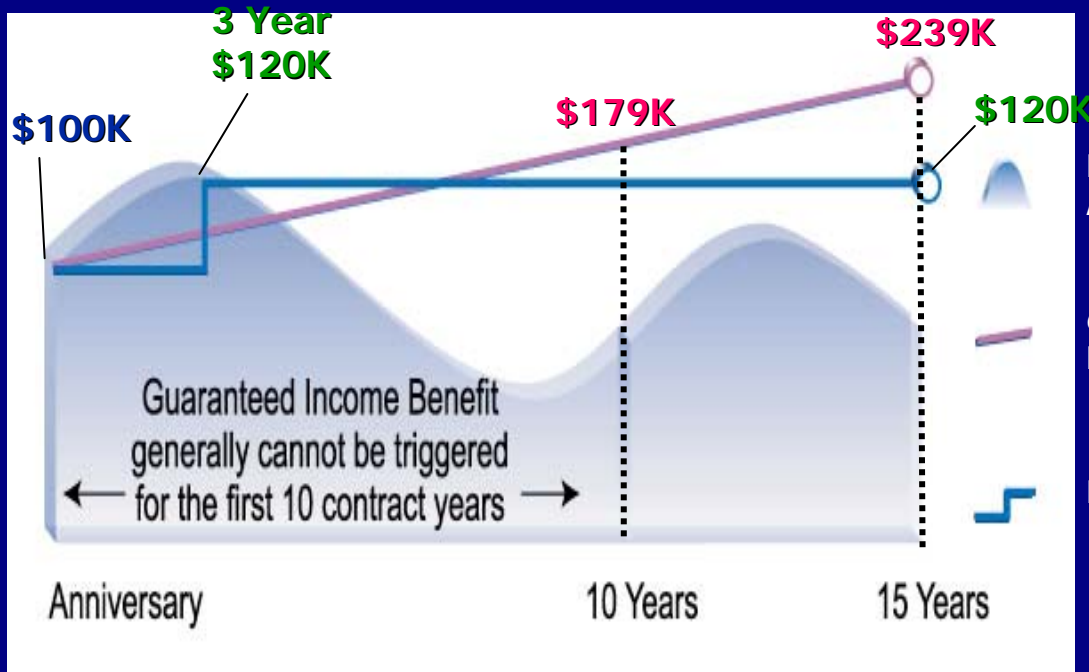
Guaranteed Living Benefit Option:

- Benefit Base equal to the greater of annual ratchet or 6% step-up.
- Must exercise by 85, after 10 year waiting period



* Benefit base is not an annuity account value and has no cash value

Accumulator '04 - GMIB Option



Hypothetical Pattern of Account Value

6% Roll-Up*
Benefit Base

Ratchet Benefit Base

Example: Male Age 55		
Initial Contribution: \$100,000		
Income Benefit: Life with Period Certain		
Age at Contract Anniversary	Benefit Base increasing annually at 6%	
	Guaranteed Benefit Base	Annual Income
55	100,000	-
65	179,085	9,671
70	239,656	14,164



* Benefit Base is not an annuity account value and has no cash value

New Guaranteed Minimum Withdrawal Benefit (GMWB)

- **What is GMWB?**

A way to invest in equities, bonds, and cash within the Accumulator VA series with the clients' principal guaranteed provided they limit withdrawal to a set amount of premium annually. (Launch date 7/19/04)

- **Two Withdrawal Options (ability to withdraw x% per year up to 100% of principal guaranteed)**

- 7% option: cost: 50bp

- 5% option: cost: 35bp

- **Automatic Reset Provision – if no withdrawals for first 5 years, annual withdrawal amount is increased to:**

- 10% for the 7% option

- 7% for the 5% option

- **Optional Step-up Provision after 5 years**



A recent Morgan Stanley survey of advisors highlighted the important market appeal of Living Benefits

- 65% of advisors viewed GMIB rider as very important or essential*
- 57% of advisors considered GMWB rider as very important or essential*

Customers concerned with:

- Increasing longevity risk
- Managing their retirement
- Market volatility

Living Benefits Provide:

- Investing confidence
- Option for lifetime income
- Opportunity to invest in equities with downside protection

* Source: Morgan Stanley: "The Future of the Annuity Market: 2004 Annual Survey", March 5, 2004



GMWB and GMIB are both Living Benefits

Principal Protector (GMWB)

- Withdrawal Benefit; Not an Annuitization Option
- No Waiting Period (5% or 7% Annual Withdrawal guaranteed from year one)
- Current or Future Cash Flow
- No Exercise Age
- Payments May Not Last a Lifetime

Who's electing: Suitable for client who wants return on investment and equity exposure for growth potential, but has a need for liquidity in the short term.

Guaranteed Income Benefit (GMIB)

- Guaranteed Lifetime Payments at Annuitization
- Generally, 10-year Waiting Period to Exercise the Guarantee; (6% Withdrawals can preserve initial Benefit Base)
- 6% Withdrawal Strategy
- Must Exercise by Age 85
- Lifetime Income Guarantee

Who's electing: Suitable for client who wants assets to experience long-term growth potential, no immediate need for liquidity, but wants to guarantee a future stream of income.



Living Benefits - The “Must Have” feature drove sales growth in 2003

<u>Rank</u>	<u>Company</u>	<u>2003 New VA Sales (mm)</u>	<u>2002 New VA Sales (mm)</u>	<u>% Growth</u>	<u>Feature driving growth</u>
1	Hartford	\$15,741	\$10,395	51%	GMWB
2	TIAA-CREF	\$12,814	\$12,773	0%	-
3	AXA Equitable	\$10,155	\$6,300	61%	GMIB
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6	Pacific Life	\$6,254	\$4,258	47%	GMIB/WB
7	ING	\$6,006	\$5,560	8%	GMIB/WB



* Source: VARDS



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