IAC™ Insurers are not principal protected trusts nor are any portion of their statutory reserves. Nor do we assert are they or their reserves in any manner deemed to be trusts, under the principles of British common trust law, or US law as generally applied. They have no grantor, trustee, nor trust corpus. They do not maintain a beneficial interest for any party, in their assets. In fact, the IGF Act clearly states that the assets of these insurers are "their assets" – no party has any beneficial right to these assets. In this respect, the IGF Act, as the original "segregated reserve" legislation, differs substantially from subsequent legislation that copied portions of its key attributes.

- **Bermuda Home Office** – IAC™ Insurers are operating insurance companies based in Bermuda, subject to the laws of Bermuda and specifically the IGF Act. The home office is located in Hamilton, Bermuda.
- **Active Management of Company's Assets, Liabilities and Operations** – IAC™ Insurers' operations, assets, and liabilities are managed on a daily basis by a core team of insurance and investment professionals.
- **Not An Asset Manager for Third-Parties** – IAC™ Insurers, like most life insurance companies, are in the spread business, seeking a return from their funding and insuring activities. IAC™ Insurers do not manage third party money. The objective in issuing FlexGIA™ is to borrow money at a reasonable market rate, to manage its risk exposures and to generate a spread on the investment of its assets and underwriting activities.
- **Not a Traditional Life Insurance Separate Account Contract** – Generally, separate account contracts issued by life insurance companies are designed to pass the risk and reward of the assets being managed in the separate account, to the holders of contracts identified to such account. This is not the purpose of the design of FlexGIA™, nor is it a separate account contract.
- **Statutory Reserve Structure** – Under the IGF Act, IAC™ Insurers maintain pool(s) of eligible government obligations, matched to currency, country risk, and timing of payments, which are commingled, actively managed and in aggregate always sufficient to permit IAC™ Insurers to pay the maximum of all applicable policy payment liabilities, including Principal and interest on applicable FlexGIA™ series. While these portfolios collateralise and support IAC™ Insurers' ability to pay obligations in the amount and form as required by law, the structure is not a typical defeasance, as that term is understood in capital market finance. To fund discretionary interest and other contingent obligations and expenses in future periods, an IAC Insurer™ sets aside out of its capital, surplus and assets in reserves together with investment returns thereon.
- **No Bifurcation** – The Flex GIA™ holders rights are defined by contract and they have no interest in or right to any assets of an IAC Insurer™, except the specific repayment of Principal and payment of credited interest on a timely basis.