



July 1, 2009

RE: Commission Reduction Effective July 7, 2009

By now you are very aware of the demanding nature of our economic environment. Despite the challenges, Forethought continues to remain financially secure and strong. We manage our assets prudently and follow a diversified investment strategy to provide stable, predictable income for our policyholders and shareholders.

As part of a program of continuous review, we have decided to implement another modest commission reduction on Forethought Destination Indexed Annuity applications received on or after Tuesday, July 7, 2009. The reduction of 0.5% (on most products) will allow us to continue offering the enhanced income benefits so popular with consumers. The change affects all commission levels, but as an example, allows us to offer a 7.5% GA commission on Income 125, and maintain the industry leading 25% income account bonus, keeping us ahead of the competition.

The decrease affects Income 125, Destination Income 15, Guaranteed Destinations and 6 and 9 Yr products. Commissions on Washington Guaranteed Destinations remain the same.

Please contact the Annuity Services team at **1-877-244-7526, option 1** if you have any questions.