



# **Sentinel Life**

## **Personal Choice Annuity<sup>TM</sup> Guide**

## **PERSONAL CHOICE ANNUITY™ FIELD GUIDE**

This guide is intended to answer your questions and provide ideas to help you sell Sentinel's Personal Choice Annuity™. There are also several other tools available to support your learning needs. You must ensure that you correctly represent, to a customer or prospect, the product features based on the actual wording of the applicable annuity and riders for your state.

Some features may not be available in all jurisdictions, and certain restrictions may apply. Call the Agency Department for more detailed product information and availability. This product is filed under policy form SSLANPOL11-XX *where XX stands for the state's postal abbreviation and may not be available for sale in all states.*

### **For producer use only**

This document is intended for producer use only and should not be disclosed to the public. The information contained in this guide is general in nature and is subject to the applicable annuity and rider language.

## **IMPORTANT PHONE NUMBERS**

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### **Home Office:**

|                  |                                  |
|------------------|----------------------------------|
| Main Telephone   | (801) 484-8514                   |
| Toll Free Number | (800) 247-1423                   |
| Fax Number       | (801) 484-2459                   |
| New Business Fax | (801) 665-1813<br>(877) 841-8613 |

### **Department Phone Options:**

|                            |             |
|----------------------------|-------------|
| New Business/Suitability   | Opt 3, 3, 1 |
| Policy Service/Withdrawals | Opt 3, 2    |
| Agency/Commissions         | Opt 3, 4, 2 |

### **Department Email Addresses:**

|                             |                           |
|-----------------------------|---------------------------|
| New Business/Suitability    | underwriting@sslco.com    |
| Policy Services/Withdrawals | customerservice@sslco.com |
| Agency/Commissions          | agency@sslco.com          |

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## AGENT REQUIREMENTS

Please review the following to ensure that you are current on all requirements to sell annuity products.

- E&O Coverage (minimum amounts of \$1,000,000 single occurrence and \$1,000,000 in aggregate)
- AML Training (required every two years)
- Training as required by NAIC Suitability in Annuity Transactions Model Regulation

Please visit [www.sslco.com/agents](http://www.sslco.com/agents) for more information.

## SUMMARY

The Sentinel Personal Choice Annuity™ is both a single premium deferred annuity and a flexible wealth accumulation vehicle. It gives the opportunity to maximize the credited interest rate at the beginning of each Rate Guarantee Period by selecting riders that meet your clients' specific financial goals.

## PRODUCT HIGHLIGHTS

|                                  |   |
|----------------------------------|---|
| Type/Market                      | Single Premium Deferred Annuity   |
| Markets                          | Qualified or Non-Qualified  |
| Issue Ages                       | 0 to 90   |
| Contributions Limits             | \$ 2,500 to \$1 million Qualified or Non-Qualified; over \$1 million will require home office approval  |
| Guaranteed Minimum Interest Rate | 1% for the initial Guarantee Period years   |
| Market Value Adjustment (MVA)    | The MVA is specified in the contract. The MVA expires at the end of each Guarantee Period and then reinstates when the annuity rolls into a new Guarantee Period. |

### State Specific Instructions/Exclusions:

Oklahoma – issue ages limited to 80, maturity date age 90

Nebraska – In no case will the Death Benefit be less than the premium paid.

Florida – *Death Benefit Equals Contract Rider* is included on all contracts.

Product may not be available in all states. Terms and Conditions may vary by state.

Insurance and annuity products

\*Are not deposits \*Are not insured by the FDIC or any other federal government agency \* May decrease in value \* Are not guaranteed by any bank or its affiliates

## Annuity Premium Taxes

To date seven states have tax annuity considerations.

| State         | Qualified | Non-Qualified |
|---------------|-----------|---------------|
| California    | 0.50%     | 2.35%         |
| Maine         | 0.00%     | 2.00%         |
| Nevada        | 0.00%     | 3.50%         |
| South Dakota  | 0.00%     | 1.25%         |
| West Virginia | 1.00%     | 1.00%         |
| Wyoming       | 0.00%     | 1.00%         |

**Florida**, while imposing a premium tax, grants exemption from the tax if the insurer can show the savings from the exemption is passed on to Florida policy owners. Sentinel will pass on the premium tax savings to Florida policy owners.

### **Note: for the following states CA, ME, NV, SD, WV & WY**

Tax liability for premium tax will be reported on the “front-end” basis, premiums are reported at the time premiums are paid for the purchase of a deferred annuity (the accumulation period).

\* Sentinel is not currently licensed in Maine or West Virginia.

Insurance and annuity products

\*Are not deposits \*Are not insured by the FDIC or any other federal government agency \* May decrease in value \* Are not guaranteed by any bank or its affiliates

## AVAILABLE RIDERS

The following riders *may ONLY be added at issue*: The credited interest rate will be reduced by % as noted below

### **72(t) FREE WITHDRAWAL RIDER** **0.05%**

During the surrender charge period, any Withdrawal or Surrender Charges and the Market Value Adjustment will be waived for the amount that will equal an amount which would comply with Substantially Equal Periodic Payment requirement to avoid tax penalty for contract Owners younger than age 59 1/2, as required in IRS Code 72(t).

### **DEATH BENEFIT EQUALS CONTRACT VALUE RIDER <sup>1</sup>** **0.35%**

Upon the death of the Annuitant, the Death Benefit will be equal to the Total Account Value. Any Withdrawal, Surrender, or Market Value Adjustment Charges will be waived. The following additional annuity options may be selected by adding this rider.

#### OPTION ONE – LIFE ANNUITY

Payments will be made during the lifetime of the Payee.

#### OPTION TWO – LIFE ANNUITY WITH GUARANTEED PERIOD

Payments will be made for the period certain of ten years and thereafter for the lifetime of the Payee.

### **TERMINAL ILLNESS/NURSING HOME CARE RIDER** **0.15%**

#### Terminal Illness

If you become terminally ill; one or both of the following qualifying events:

1. Any medical conditions which a physician certifies has reduced your expected life span to twelve [(12)] months or less. Surrender and Withdrawal Charges in accordance with the conditions set out in this rider will be waived. Any applicable Market Value Adjustment will apply.
2. The owner is diagnosed with a Heart Attack, Stroke, or Life Threatening Cancer after the contract was purchased and has been in force for at least one year and the owner is not older than age 70. Surrender and Withdrawal Charges in accordance with the conditions set out in this rider will be waived. Any applicable Market Value Adjustment will apply.

#### Nursing Home

If the contract was purchased prior to the owner's 76<sup>th</sup> birthday and the contract has been in force for at least one year (during which time the owner has not been confined to a nursing home), then owner must be confined in a nursing home for a period of 90 continuous days, after which, You may request by Written Notice to make a full surrender or partial withdrawals (\$1,000 minimum) and we will waive the Surrender and

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<sup>1</sup> *Death Benefit Equals Contract Value* rider is included as part of the base policy in all Florida contracts at no charge.

Withdrawal Charges in accordance with the conditions set out in this rider. Any applicable Market Value Adjustment will apply.

**ACCUMULATED INTEREST WITHDRAWAL RIDER 0.08%**

During the Surrender Charge Period, the accumulated interest may be withdrawn without any Withdrawal or Surrender Charges or Market Value Adjustment being applied. Interest withdrawals will be available starting year one and will be available monthly, quarterly and annually. The withdrawal amount must be \$100 or greater.

**PREFERRED 10% FREE WITHDRAWAL RIDER 0.08%**

Beginning in the second contract year, during the Surrender Charge Period, we will waive any Surrender Charge and Market Value Adjustment on the first withdrawal in a contract year up to an amount that does not exceed the greater of:

1. 10% of the Contract Value as of the last Contract Anniversary date; or
2. The Required Minimum Distribution, as calculated under the Internal Revenue Code, as if this Contract were the only asset in your Traditional IRA Program.

*May be added at the beginning of each Guarantee Period: (if no other liquidity rider is in place)*

**REQUIRED MINIMUM DISTRIBUTION FREE WITHDRAWAL RIDER 0.16%**

During the Surrender Charge Period, if a request for the Required Minimum Distribution (“RMD”), as calculated under the Internal Revenue Service (“IRS”) Code, has been made; then any Withdrawal or Surrender Charges and the Market Value Adjustment will be waived for the amount equal to the RMD for this contract, if the contract was issued in connection with certain IRAs, or other tax qualified plans. If an applicant will reach age 70½ during a guaranteed period and has elected to not add the RMD rider, the RMD Disclosure form **must** be signed and returned.

***Once added, this rider cannot be removed.***

## **SUITABILITY**

You are **required** to complete the Suitability Questionnaire and review the Disclosure form with each applicant. Return the Suitability form to the home office with the application and leave the Disclosure form with the applicant.

Suitability is based on the producer recommendation and the company's assessment of suitability which includes:

- Age
- Annual income
- Financial situation and needs (including funding)
- Financial experience
- Financial objectives
- Intended use of the annuity
- Financial time horizon
- Existing assets (including investment and life insurance holdings)
- Liquidity needs
- Liquid net worth
- Risk tolerance
- Tax status/Filing status

## **APPLICATION PROCESS**

- The Agent can send the completed application by:
  - Fax/Email to Sentinel Life, Attn: New Business, 801-665-1813 or 877-841-8613, [underwriting@sslco.com](mailto:underwriting@sslco.com)
    - Include all of the application pages and any applicable forms such as the Suitability and Ownership Forms.
    - If faxed, **mail the original check**, attn: New Business, with a cover sheet clearly stating to which application the check should be matched.
    - If the application includes a 1035 or Transfer, **mail the original 1035 or Transfer form**, attn: New Business with a cover sheet clearly stating to which application the form(s) should be matched.
    - Please do not destroy any materials until a suitability underwriting decision has been made.
  - Mail to Sentinel Life, Attn New Business, PO Box 65478, Salt Lake City, UT 84165
  - Express Mail to Sentinel Life, Attn New Business, 2121 South State St., Salt Lake City, UT 84115
- All applications are considered on an individual basis. The Company reserves the right to limit or reject any application based on the suitability of each client.
- If the policy is approved other than as applied for, the Agent will be notified and allowed one business day to advise us whether or not to proceed. Otherwise, the

policy will be issued for and the credited interest will be adjusted accordingly.

- 45 Day Hold – we will process applications for up to 45 days from the date of any crediting rate adjustment for all applications dated prior to the rate adjustment. This hold period should be sufficient to allow for processing and any exchanges or transfers that need to take place before the contract is issued. All applications signed on or after the date of rate adjustment will receive the current crediting rate. If the crediting rate increases, all applications received, regardless of the date signed, will receive the current crediting rate.
  
- If the Owner, Annuitant, or Beneficiary is a Trust, please include a copy of the following pages from the Trust documents with the application:
  - Page indicating Name of Trust
  - Signature page of Trust document
  - TIN (tax identification number) for the Trust
  
- If the Owner, Annuitant, or Beneficiary is a Corporation/Entity, please include a copy of the following with the application:
  - Certificate of Existence/Certificate of Good Standing
  - TIN (tax identification number)
  
- Ensuring that all applicable fields are completed will help expedite processing time.

The company has provided this information to help producers understand the ideas discussed. Any examples are hypothetical and are used only to help producers understand the concepts of this product. What the company says about legal or tax matters is its understanding of current law, but the company is not offering legal or tax advice. Tax laws and IRS administrative positions may change. This material is not intended to be used by any taxpayer to avoid any IRS penalty. Your clients should consult independent tax and legal professionals for advice based on their particular circumstances.