

SENTINEL SECURITY LIFE INSURANCE COMPANY

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**Annuity Disclosure Statement for  
Single Premium Deferred Annuity  
PERSONAL CHOICE ANNUITY  
SSLANPOL11-TX**

*This form is not intended to be a complete explanation of your annuity. Only your contract contains complete details. In the event of a conflict between this disclosure and the contract, the contract shall take precedence. Please read your contract carefully for complete details. If you have any questions, please contact your representative or Sentinel Security Life Insurance Company for further explanation.*

An annuity is a long-term contract between you and an insurance company in which you give the insurance company a sum of money (called a premium). This premium accumulates over time on a tax-deferred basis until you withdraw it from the annuity or begin taking a guaranteed income from the contract. This contract is a single premium annuity which means you buy it with one premium. It is a fixed annuity which means it earns a specified interest rate during the guaranteed period. This annuity is deferred which means payouts begin at a future date. You do not pay taxes on the interest it earns until the money is paid to you.

You can use an annuity to save money for retirement and to receive retirement income for life. It is **not** meant to be used to meet short-term financial goals.

**THE ANNUITY CONTRACT**

*How will the value of my annuity grow?*

Your annuity earns tax-deferred interest at a guaranteed rate for a period of 5, 7 or 10 years. You choose the length of the guarantee period at time of application. Interest compounds daily and is credited to your annuity account on the last day of each month.

During the last 30 days before the end of any Guarantee Period, You may choose one of these options to take effect on Your next Contract Anniversary:

- (1) Continue Your Contract for another Guarantee Period, that can be different than the preceding Guarantee Period;
- (2) Apply the Contract Value to a Settlement Option;
- (3) Take a Partial Withdrawal, with no MVA or Surrender Charges, and apply the remaining value to another Guarantee Period that can be different than the preceding Guarantee Period; or
- (4) Surrender the Contract without MVA or Surrender Charges.

Unless you select one of the Options shown above, Your Contract will continue automatically for another Guarantee Period, the same as the preceding Guarantee Period, with a new Guaranteed Interest Rate. The new Guaranteed Interest Rate will be declared by us and depends on current market rates. Interest compounds daily at the current interest rate offered by the company for each subsequent renewal period.

## **BENEFITS**

*How do I get income (payouts) from my annuity?*

You begin to get income from your annuity on the maturity date of the contract. The maturity date is the later of the 10th Contract Anniversary or the anniversary next following the Annuitant's 70th birthday.

The value of your annuity will be paid out over a specified period of time which you can choose.

Once payouts begin, you cannot surrender (cancel) your annuity.

*What happens after I die?*

If you die before we start to pay you income from your annuity, we pay the cash surrender value of the annuity to your beneficiary. If you die after the payouts start, depending on the type of payout you chose, we pay the remaining value in the annuity, if any, to your beneficiary.

## **OPTIONAL BENEFIT RIDERS AND THEIR FEES**

*What other benefits can I choose?*

### **Terminal Illness / Nursing Home Rider**

*This rider allows you to access some or all of your funds under certain conditions if you are diagnosed with a terminal illness or confined to a nursing home. This rider will reduce the interest rate by 0.15%.*

### **Death Benefit Equal to Contract Value Rider**

*This rider ensures that upon the death of the Owner or Annuitant, the death benefit paid will be equal to the Total Contract Value, and any Withdrawal, Surrender Charge, or Market Value Adjustment will be waived. This rider also allows you to select certain additional death benefit payout options. This rider will reduce the interest rate by 0.35%.*

### **Preferred 10% Free Withdrawal Rider**

*This rider allows you to withdraw in a contract year, without Surrender Charge or Market Value Adjustment applied to your first withdrawal, up to 10% of your Contract Value (on a non-cumulative basis) or your Required Minimum Distribution. You will not be entitled to a 10% free withdrawal on full surrenders. This rider will reduce the interest rate by 0.08%.*

### **Required Minimum Distribution Rider**

*This rider allows you to withdraw a Required Minimum Distribution ("RMD") without Surrender Charge or Market Value Adjustment applied to the amount of the distribution. This rider will reduce the interest rate by 0.16%.*

### **72t Rider**

*For contract owners younger than 59½ years of age, this rider allows for withdrawal of Substantially Equal Periodic Payments under IRS Code 72t without Surrender Charge or Market Value Adjustment Applied. This rider will reduce the interest rate by 0.05%.*

### **Accumulated Interest Withdrawal Rider**

*This rider allows you, during the Surrender Charge Period, to withdraw accumulated interest without Surrender Charge or Market Value Adjustment applied. This rider will reduce the interest rate by 0.08%.*

## **FEES, EXPENSES AND OTHER CHARGES**

*What happens if I take out some or all of the money from my annuity?*

You cannot take any of the money out of your annuity after the payout begins. Before the payout begins, you can take out all of your annuity's value (full surrender) or part of it (partial surrender). You can take out any amount subject to minimum withdrawal amount rules established by Sentinel Security Life Insurance Company and in effect at the time of the partial withdrawal.

We take a surrender charge from the amounts you withdraw. The surrender charges that apply to amounts withdrawn are shown in the table below.

Initial Surrender Charge Schedule (applies during the Initial Guarantee Period)

Guarantee Period	Surrender Charges for Policy Year										
	1	2	3	4	5	6	7	8	9	10	11-20
3-year	9%	8%	7%								
4-year	9%	8%	7%	6%							
5-year	9%	8%	7%	6%	5%						
6-year	9%	8%	7%	6%	5%	5%					
7-year	9%	8%	7%	6%	5%	5%	5%				
8-year	9%	8%	7%	6%	5%	5%	5%	5%			
9-year	9%	8%	7%	6%	5%	5%	5%	5%	5%		
10-year	9%	8%	7%	6%	5%	5%	5%	5%	5%	5%	
20-year	9%	8%	7%	6%	5%	5%	5%	5%	5%	5%	5%

During renewal guarantee periods, surrender charges are 5% regardless of the guarantee period.

The following surrender charge applies after the annuitant has reached:

Attained Age	Surrender Charge
63	5%
64	4%
65	3%
66	2%
67	1%
68-100	0%

Issue Ages 60 and Older ( applies to all Guarantee Periods):								
1	2	3	4	5	6	7	8	9+
8%	7%	6%	5%	4%	3%	2%	1%	0%

When you make a withdrawal, we also may increase or decrease the amount you receive based on a **market value adjustment (MVA)**. If interest rates went up after you bought your annuity, the MVA likely will decrease the amount you receive. If interest rates went down, the MVA will likely increase the amount you receive.

*Can I take some of the money out of my annuity without a surrender charge or market value adjustment?*

Yes, in some cases, depending on the optional riders you add to your policy.

*Do I pay any other fees or charges?*

No. There are not any other fees or charges on this annuity.

## **TAXES**

*How will payouts and withdrawals from my annuity be taxed?*

This annuity is tax-deferred, which means you do not pay taxes on the interest it earns until the money is paid out to you. When you take payouts or make a withdrawal, you pay ordinary income taxes on the earned interest. You may also pay a 10% federal income tax penalty on earnings you withdraw before age 59½. If your state imposes a premium tax, it will be deducted from the money you receive.

You can exchange one tax-deferred annuity for another without paying taxes on the earnings when you make the exchange. Before you exchange annuities, compare the benefits, features and costs of the two annuities. You may pay a surrender charge if you make the surrender during the surrender charge period. Also, you may pay a surrender charge if you make withdrawals from the new annuity during the first years you own it.

*Does buying an annuity in a retirement plan provide extra tax benefits?*

Buying an annuity within an IRA, 401(k) or other tax-deferred retirement plan does not give you any extra tax benefits. Choose your annuity based on its other features as well as its risks and costs, not its tax benefits.

## **OTHER INFORMATION**

*What else do I need to know?*

### **Changes to your contract.**

We may change your annuity contract from time to time to follow federal or state laws and regulations. If we do, we will notify you about the changes in writing.

### **Compensation**

We pay the agent or representative for selling the annuity to you. The actual percentage of compensation paid to the agent or representative will vary based on specific circumstances.

### **Free Look**

Many states have laws that give you a set number of days to review an annuity after you buy it. If you decide during that time that you do not want to keep the annuity, you can return it and get all of your money back. Read page 1 of your annuity contract to learn about the free look period.

### **Tax Advice**

Neither Sentinel Security Life Insurance Company nor its agents and representatives give legal, tax or accounting advice. Please consult an attorney or independent tax advisor as to the applicability of this information to your own situation.