



**Sentinel
Life**

**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. The Sales Department can provide more detailed product information and state 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

Home Office:

Main Telephone	(801) 484-8514
Toll Free Number	(800) 247-1423
New Business Fax	(801) 880-1241
	(888) 433-4795

Department Email Addresses:

New Business/Suitability	annuity@sslco.com
Policy Services/Withdrawals	customer.service@sslco.com
Commissions	commissions@sslco.com
Licensing	licensing@sslco.com
Sales	sales@sslco.com

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 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.

California – *Terminal Illness/Nursing Home Care* Rider is not available.

Florida – *Death Benefit Equals Contract* Rider is included on all contracts and the *Terminal Illness/Nursing Home Care* Rider is not available.

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

Important Items to Consider When Selling a Sentinel Personal Choice[™] Annuity

1. Age used for commissions – owner (See commissions section for more details)
 - a. if joint then older of the two
 - b. if non-natural owner then age of oldest annuitant
2. Age used for maturity/issue age - annuitant
 - a. if joint then older of the two
3. Age used for calculating surrender charges – annuitant
 - a. if joint then older of the two

4. When there are joint owners/annuitants we assume 50%/50% ownership for tax reporting purposes

Annuity Premium Taxes

To date seven states have tax annuity considerations.

States Requiring Premium Taxes

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% on first \$500,000 0.0008% portion exceeding \$500,000
West Virginia	1.00%	1.00%
Wyoming	0.00%	1.00%

Note: Although Florida imposes a premium tax, the state grants exemption from the tax if the insurer can show that the savings from the exemption are passed on to Florida policy owners. Sentinel will pass on the premium tax savings to Florida policy owners so no premium taxes will be withheld.

Sentinel is not currently licensed in Maine or West Virginia.

Procedures – South Dakota and Wyoming

Sentinel will pay premium taxes in the states of South Dakota and Wyoming on a ‘front-end’ basis, as required by the Department of Insurance. The premium deposit will be reported at the time premiums are paid for the purchase of the deferred annuity and the premium tax amount will be deducted from the policy owner’s account.* The full initial premium deposit will be reflected in the contract delivered to the policy owner and the payment of the premium taxes will be reported to the policy owner when the first annual Contract Summary is delivered.

It is important that the policy owner is aware of the premium tax liability at the point of sale. Please make sure your clients are aware of this situation and how Sentinel will process the transactions.

Procedures – California and Nevada

Premium taxes will be charged on a ‘back-end’ basis only upon annuitization in the states of California and Nevada.

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 ¹

0.35%

Upon the death of the Annuitant or owner, 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 RIDER²

0.15%

Terminal Illness

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

1. Any medical condition 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 76th 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 Withdrawal Charges in accordance with the conditions set out in this rider. Any applicable Market Value Adjustment will apply.

¹ *Death Benefit Equals Contract Value* rider is included as part of the base policy in all Florida contracts.

² *Terminal Illness/Nursing Home Care* rider is not available in California or Florida.

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, semi-annually 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 to Sentinel Life, Attn: New Business, 801-665-1813 or 877-841-8613, or email to annuity@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.
- Crediting Interest Rate Changes – Once a decision has been made to change the crediting interest rates, we will notify agents via e-mail and on our website. From the time of the announcement there will be a two-week period before the changes take effect. All applications signed and dated prior to the effective date must be received at the Home Office within five business days.

45 Day Hold – we will process applications for up to 45 days from the effective date of any crediting rate adjustments for all applications dated prior to the rate adjustment effective date. 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 effective date of a rate adjustment will receive the current crediting rate.

If the crediting rate increases, all applications received regardless of the date signed, will receive the higher crediting rate.

- If the Owner, Annuitant, or Beneficiary is a Trust, please complete form SSLAN-CERTTRUST-OT, Trustee Certification of Trust and 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
 - In addition to the Trustee Certification, please complete the SSLAN-72u Trust and Other Non-Natural Owner form.

- 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)
 - In addition to the Certification of Existence/Certificate of Good Standing, please complete the SSLAN-72u Trust and Other Non-Natural Owner form.
- Ensuring that all applicable fields are completed will help expedite processing time.
- Delivery Receipts – we do not require delivery receipts prior to paying commissions unless:
 - The commission amount owed to the writing agent on any one contract is \$15,000 or greater
 - The upline agency requires signed delivery receipts in order to pay commissions

COMMISSION

Please see your up line for your commission schedule and any details in reference to your commission payout. Below is some general information.

- Commission is based on the owner's age. If there are joint owners, it is based on the older of the two. In the case of a non-natural owner, commissions are based on the annuitant's age or oldest annuitant if there are joint annuitants.
- Commissions are paid based on the owner's age at issue and not the owner's age at the time the application is received.

For example, John Doe's birthday is April 15th. He signed an application on April 1st and is currently 80 years old. The Home Office received the application on April 3rd. There was a 1035 request to have funds transferred from an existing annuity. The funds were received at the Home Office on April 18th and the policy was issued the same day. The issue age would be 81 and the commissions in this case would be paid based on the issue age 81 and not 80.

- If a policy automatically rolls into a new guarantee period by not removing the funds within the 30 day window, then commissions are automatically paid at half the original commission without any additional paperwork from the agent.
- Commissions will be charged back if a policy is surrendered or partially surrendered within the first year.
 - The charge back is pro-rated for any surrenders or partial surrenders that occur in the first year
 - If a death occurs in the first year, 50% will be charged back if the owner is older than 80. There will be no chargeback if the owner is younger than 80 years old even if no death benefit rider is selected.

The Personal Choice Annuity™ is an Owner-driven contract with the following death scenarios:

Owner-driven contracts – What happens if a party to the contract dies (deferral status)		
Ownership arrangement	Who dies	Result
Annuitant and owner are the same	Annuitant / Owner	Death benefit is paid to the beneficiary
Annuitant and owner are the same and there are joint owners and annuitants	One of the Joint Annuitants / Owners	The remaining joint owner assumes ownership or selects to receive the death benefit
Annuitant and owner are different individuals	Owner	Death benefit is paid to the beneficiary
Annuitant and owner are different individuals	Annuitant	The owner becomes the annuitant or the owner can choose to name a new annuitant
Annuitant and owner are different individuals and there is joint ownership of the policy	One of the joint owners	The remaining joint owner assumes ownership, elects a new joint owner, or selects to receive the death benefit
Annuitant and owner are different individuals and there is joint ownership of the policy	Annuitant	One of the joint owners becomes the annuitant or the joint owners can choose to name a new annuitant
Annuitant and owner are different individuals and there are joint annuitants	Owner	Death benefit is paid to the beneficiary
Annuitant and owner are different individuals and there are joint annuitants	One of the joint annuitants	The owner may continue the contract with the remaining annuitant or designate a new joint annuitant
Annuitant and owner are different and the owner is not an individual (trust, corporation, etc.)	Annuitant	Non-natural entity may elect a new annuitant. If one cannot be named, the death benefit will be paid to the beneficiary

Owner-driven contracts – What happens if a party to the contract dies (payout status)		
Ownership arrangement	Who dies	Result
Annuitant and owner are the same	Annuitant / Owner	Any remaining guaranteed payments will continue to the beneficiary
Annuitant and owner are different individuals (if not an individual the trust can't "die")	Owner	Payments will continue to the beneficiary
Annuitant and owner are different individuals or are not individuals (trusts, corporation, etc.)	Annuitant	Any remaining guaranteed payments would continue to the owner
Annuitant and owner are different individuals and there is joint ownership of the policy	One of the joint owners	The remaining joint owner's portion of the payments continue to their designated beneficiary
Annuitant and owner are different individuals and there is joint ownership of the policy	Annuitant	Any remaining guaranteed payments would continue to the owner
Annuitant and owner are different and the owner is not an individual (trust, corporation, etc.)	Annuitant	Any remaining guaranteed payments would continue to the beneficiary

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. If an example is not presented here and you need clarification, please contact the Home Office for more information or further clarification. 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. The information presented in this guide should be used in conjunction with contract policy forms for each applicable state.