

# Interest Crediting

Due to ever changing market conditions, the initial interest rate that will be credited to your annuity is determined at the time of purchase. Once determined, your initial interest rate is then guaranteed by Sagicor for 12 months.

Each year thereafter, following your contract's anniversary, you will receive an annual statement showing the interest rate to be credited for the next 12 months. This interest rate will never be less than the guaranteed minimum fixed interest rate stated in your contract.

The initial interest rate for the first year will be provided prior to your purchase and should be considered carefully as part of your decision making process.

## Features and Benefits

### Confinement/Terminal Illness Waiver of Surrender Charge

If the owner of the contract is confined to a licensed Nursing Home or Confined Care Facility, as defined in the contract, for 90 consecutive days or more or is diagnosed by a licensed physician as having a terminal illness with a life expectancy of 6 months or less, the contract accumulation value will be available without a surrender charge or MVA<sup>[1]</sup>. This feature is provided at no extra cost.

### Market Value Adjustment (MVA)

An MVA<sup>[1]</sup> will apply, only during the surrender charge period, to any partial withdrawals in excess of the maximum free partial withdrawal amount and at the time the contract is surrendered. Depending on the direction interest rates move, the MVA may increase or decrease benefits payable under the contract. However, in no event will the MVA reduce the cash surrender value below the guaranteed cash surrender value. An MVA will not apply if a payment option is elected that provides annuity payments for five years or longer, to pay a death benefit, or if the confinement/terminal illness waiver of surrender charge requirements are met.

### Penalty Free Withdrawals

Beginning in year 1, you may withdraw up to 10% of the last contract anniversary accumulation surrender

beginning in year 1, you may withdraw up to 10% of the last contract anniversary accumulation, surrender charge free (The minimum withdrawal is \$500). However, withdrawals may be subject to regular income tax and, if made prior to age 59 1/2 may be subject to a 10% IRS penalty. Sagicor does not render legal or tax advice. If legal or tax advice is required, the services of a qualified competent professional should be sought.

This provision is known as the "Bailout Feature", which provides you with an opportunity to receive 100% of the contract's value without penalty should, after the first contract year, Sagicor declare a fixed interest rate that is more than 1% below the contract's initial fixed interest rate.

To exercise the "Bailout Feature" of the penalty free withdrawal provision, the contract owner must notify Sagicor, in writing, within 30 days of receiving notice of the interest rate change. The "Bailout Feature" is only available the first time that a declared fixed interest rate is more than 1% below the contract's initial fixed interest rate. Thereafter, the "Bailout Feature" is no longer available to the contract owner.

## ⊖ Surrender Changes

The Sage Choice is not subject to any up front sales charge. However, during the first 6 years that you own your contract, there is a penalty called surrender charge that will be incurred for withdrawals in excess of the maximum free percentage.

Year	1st	2nd	3rd	4th	5th	6th	7th
Charge %	7%	7%	7%	6%	5%	3%	0%

*Surrender charge percentage by contract year*

The surrender charge does not apply in the event of the owner's death or in instances when the Confinement/Terminal Illness Waiver of Surrender Charge requirements are met.

## ⊖ The Power of Tax Deferral

Since your earnings will not be subject to income tax until they are withdrawn by you, the value of your contract is not being reduced by taxes. This means the money that would have gone to pay taxes can remain invested and continue to earn interest. Because of tax deferral, your money has greater potential for growth than it would in a similar, non-tax deferred investment.

# Footnotes

1. MVA not applicable in MN, MO, and PA.

If there is a conflict with the contract and rider, the terms of the applicable contract and rider control. If you have questions about the contract and riders, please contact your insurance agent. Contract and riders are not available in all states. State variations may apply. Sagicor does not provide tax, legal or accounting advice. Sagicor Life Insurance Company issues life insurance and annuity products. Home Office: Scottsdale, Arizona.

Contract Forms: 3005

Not FDIC insured. Not insured by any federal agency. Not a deposit or other obligation of the bank. Not bank guaranteed.