



SECURITY BENEFIT

Advanced Choice

FIXED ANNUITY





You make choices every day.

Whether your decisions are mundane or momentous, you are inundated with numerous options to pick from based on your personality, preferences, lifestyle stage, and budget. Determining which saving strategies to select for your financial well-being requires careful consideration too.

If you're close to retirement or recently retired, a fixed annuity could be a valuable portion of your portfolio.

Because annuities are designed to be held for the long term, they may offer higher interest rates than many other guaranteed-rate options. Plus, you'll know from day one what the Guaranteed Minimum Interest Rate will be for your contract.

How an Annuity Complements Your Saving Strategy

You may already be securing your financial future by contributing to your employer's 401(k) or 403(b) plan, IRAs, or other savings instruments to supplement Social Security and possibly a pension. A fixed annuity can complement your comprehensive approach, particularly since there is no annual contribution limit for an annuity.



How an Annuity's Tax-deferred Feature Grows Your Money

- 1 With certificates of deposit and money market funds, even if you're not withdrawing the interest, you will pay taxes on the interest accrued. With a tax-deferred product like the Advanced Choice Annuity, rather than paying taxes now, you can defer them until you withdraw your money later.¹ By that time, you may be in a lower tax bracket, further reducing the amount you'll owe to the IRS. An annuity differs from CDs in other ways too, though, including having surrender charges and not being insured by the FDIC as a CD is up to a certain amount.
- 2 Not only do you defer taxes with an annuity, but your credited interest (and any amount that normally would be lost to taxes each year in a taxable product) compound over time to generate more interest and more retirement income for you.²

Which amount would you rather earn interest on – \$39,242 or \$45,153?



The Security Benefit Advanced Choice Annuity provides peace of mind and a guaranteed interest rate as your money grows tax deferred. The graph above shows how tax deferral would affect a hypothetical \$25,000 account, before any withdrawals, during a 5-, 10- and 20-year accumulation phase. This example assumes an average interest rate of 3% and a federal income tax rate of 24% and in no way relates to the actual performance of the annuity or any other product. It is simply a way to show how tax deferral functions and the difference between a tax-deferred product and a taxable product. Because the value in the tax-deferred product account is taxable upon withdrawal, the money that otherwise would be paid in taxes can continue to accrue interest. For example, the buyer in the graph above would have an additional \$5,911 in a tax-deferred product such as the Advanced Choice Annuity.

¹ If you are purchasing an annuity to fund a retirement plan, such as an IRA that receives preferential tax treatment under the Internal Revenue Code, you should consider that an annuity does not provide any additional tax advantages to those already available from a retirement plan. However, an annuity does offer other features and benefits in addition to tax deferral that other funding vehicles may not offer, including death benefit protection for your beneficiaries and annuity options that guarantee income for life.

² Withdrawals are subject to ordinary income tax and, if made before age 59½, may be subject to a 10% penalty tax.

Here's How Advanced Choice Can Provide Growth as Well as Access

Advanced Choice can be purchased as an IRA, Roth IRA, SEP-IRA rollover, 403(b) rollover, or non-qualified contract.

Growth | Here's how your money can accumulate.

Higher Rate

- If your account value is \$125,000 or greater, you may qualify for an Accumulation Bonus Rate on all of your Contract Value, an additional 0.10% interest.
- You must maintain a Contract Value of \$125,000 to continue receiving the bonus rate. Check with your financial professional for complete details.*

Access | The annuity offers flexibility so you can receive a portion of your funds if your circumstances change.

- Whether you want to take a trip, replace a roof, or help a grandchild with college expenses, you may withdraw up to 10% of your Contract Value beginning the second year, free of surrender charges.
- You can receive it as income in a single payment or according to a planned payment schedule.

What if you incur expenses for emergency health care concerns?

You want safety and guaranteed growth but if you need emergency funds for hospital or nursing home care, you can access your money without paying surrender charges. (See surrender charge schedule on page 6.)

- **Nursing Home Waiver** — Surrender charges and any applicable Market Value Adjustment (MVA) are waived if you request a withdrawal after the 3rd Contract Anniversary and if, after you purchase the annuity, you are confined to a nursing home or hospital for longer than 90 days.^{3, 4}
- **Terminal Illness Waiver** — Surrender charges and any applicable MVA are waived if you request a withdrawal after the 3rd Contract Anniversary and if, after you purchase the annuity, you are diagnosed with a terminal illness that is expected to result in death within one year of the date of the physician's statement. (See surrender charge schedule on page 6.)^{3, 4}

* Bonus annuities, such as the Advanced Choice Annuity, may include changes to the elements used to determine the index interest credits or changes to the interest rate that are not included in similar annuities without a bonus. These changes may include lower current interest rates, higher surrender charges, longer surrender charge periods, lower participation rates or caps, higher spreads, or other changes. The amount of charges or reduction of interest credits may exceed the amount of the bonus.

³ Nursing Home Waiver is not available in CA and MA, and Terminal Illness Waiver is not available in CA and NJ. Other state variations may apply.

⁴ The Nursing Home Waiver and the Terminal Illness Waiver are not available on the 3-year option.

Options | Before the end of each Guarantee Period under your contract, you will be notified about reallocation options. You'll then have a 30-day window to decide which option is best for you:

- Take no action and your money will be automatically allocated to a new Guarantee Period of the same duration as the period previously selected at the latest interest rate.⁵
- Reallocate your money into any one of the other available Guarantee Periods. (Note that all premium must be directed to the Guarantee Period.)
- Withdraw all or a portion of your money from the contract.

Surrender Charge

As with other guaranteed savings products, early withdrawals may be subject to a surrender charge. The amount of the surrender charge is a percentage of your Contract Value and that percentage generally decreases over time. The Security Benefit Advanced Choice Annuity offers flexibility to avoid some or all surrender charges, depending on the circumstances. Refer to the table on page 6 to see the surrender charges by contract year.

Special Information for Contracts Purchased in Florida

Contracts purchased in Florida limit the total length of all Guarantee Periods to 10 years (after which Contract Value will be allocated to the Annual Interest Renewal Account). Additionally, at the end of a window period during which the Owner takes no action, the Contract Value will be allocated automatically to the Annual Interest Renewal Account. Please refer to the contract for details.

⁵ If your contract was issued in DE, its value will instead be allocated automatically to the Annual Interest Renewal Account.



Advanced Choice Overview								
Multiple Allocation Choices	Choose from several interest rate Guarantee Periods – 3- to 7-year rate-to-term options (entire premium amount must be allocated to the same Guarantee Period). (Note that not all Guarantee Periods may be available at all times.)							
Issue Ages	0 – 90							
Minimum Premium	\$10,000 (Single Premium Annuity)							
Minimum Account Value	\$5,000							
30-day Renewal (Window) Period	SBL will send a notice to both the contract Owner and the financial professional within 15 days prior to the end of the Guarantee Period. The contract Owner has 30 days to proceed with one of the following options: • Cash surrender the contract without an MVA or surrender charge⁶ • Reallocate funds into a new Guarantee Period⁷ • Take a partial withdrawal from the current contract (without an MVA or surrender charge) and apply the remaining value to a new Guarantee Period • Apply the Account Value to an annuity option • Take no action and SBL will apply the Account Value to a new Guarantee Period of the same length as the expiring Guarantee Period (For contracts issued in DE, the Account Value will be applied to the Annual Interest Renewal Account.)							
Free Withdrawal	After the 1st Contract Year, the Owner may withdraw up to 10% of the Account Value each year, free of surrender charges and MVA. Refer to the contract or the product brochure for details.							
Required Minimum Distributions (RMD)	Withdrawals from an Advanced Choice contract during the surrender charge period that are to satisfy RMD requirements are not subject to surrender charges or MVA by company practice (this practice may be changed at any time without notice).							
Guaranteed Minimum Interest Rate (GMIR)	The minimum interest rate that can be credited to the contract. Security Benefit commonly sets interest rates on the product higher than the GMIR. ⁸							
Account Value Bonus	Bonus interest rate credited as long as Account Value is \$125,000 or greater. See the rate sheet for the bonus rate.							
Nursing Home Waiver	We will waive the surrender charge and MVA on full or partial withdrawals after the 3rd Contract Year provided the Owner satisfies eligibility conditions for the waiver. In PA and TX, the waiver is available after the 1st Contract Year. In CT, the waiver is available beginning in the 1st Contract Year. Nursing Home Waiver is not available in CA and MA. (Note that the MVA cannot be waived in CT, PA, and TX.) ⁹							
Terminal Illness Waiver	We will waive the surrender charge and MVA on full or partial withdrawals after the 3rd Contract Year provided the Owner satisfies eligibility conditions for the waiver. In PA and TX, the waiver is available after the 1st Contract Year. In CT, the waiver is available beginning in the 1st Contract Year. Terminal Illness Waiver is not available in CA and NJ. (Note that the MVA cannot be waived in CT, PA, and TX.) ⁹							
Death Benefit	100% of Account Value, less any applicable premium tax							
Surrender Charge Schedule	Interest Rate Guarantee Period During Initial and Subsequent Guarantee Period ¹⁰							
	Year	1	2	3	4	5	6	7
	3 Year	9%	8%	7%	--	--	--	--
	4 Year	9%	8%	7%	6%	--	--	--
	5 Year	9%	8%	7%	6%	5%	--	--
	7 Year	9%	8%	7%	6%	5%	4%	3%

⁶ Please refer to the product brochure for details about the MVA and surrender charge.

⁷ A new surrender charge schedule will apply.

⁸ Rates can be changed at any time without notice.

⁹ Nursing Home Waiver is not available in CA and MA, and Terminal Illness Waiver is not available in CA and NJ.

¹⁰ The availability of Guarantee Periods and/or Guarantee Period Interest Rates may vary by distribution channel. Accordingly, the interest rate you receive may be higher or lower than is available through other distribution channels, even in the same Guarantee Period.

What Is a Market Value Adjustment (MVA)?

To help us manage changing market conditions and interest rate environments more effectively, Security Benefit applies a Market Value Adjustment (MVA) to withdrawals that exceed the free withdrawal amount during the surrender charge period.

The MVA also will apply if you annuitize during the surrender charge period and may apply under certain circumstances involving death and joint ownership. For a full withdrawal, the MVA Factor applies to the Account Value as of the date of the full withdrawal. For a partial withdrawal, the MVA Factor applies to the decrease in the Account Value to satisfy the partial withdrawal in excess of the free withdrawal.

In general, if at the time of withdrawal interest rates in the market, as measured by the Constant Maturity Treasury Rate and the Barclays U.S. Aggregate Index, increase so that they are higher than the rate in effect when you purchased your annuity, an additional amount is deducted from your withdrawal amount.

Conversely, if market interest rates decrease so that they are lower than when you purchased your annuity, an additional amount will be added to your withdrawal amount (which reduces the amount deducted from your withdrawal amount). The MVA will not apply to partial withdrawals that are less than the annual free withdrawal amount of the death benefit paid upon the death of the Annuitant or the death of the Joint Owner (if the Joint Owner is the spouse of the Annuitant).

When do the surrender charge and MVA apply?

A surrender charge and MVA may apply during the surrender charge period if (i) you surrender your contract or (ii) you take withdrawals or partial annuitizations in excess of the free withdrawal amount. During the surrender charge period, a surrender charge and MVA do not apply if you satisfy the conditions in the Nursing Home Waiver or Terminal Illness Waiver, if available in your state.



9 Ways a Fixed Annuity Can Complement Your Goal for a *Confident, Comfortable Retirement*

You may already be saving for your financial future by contributing to your employer's 401(k) or 403(b) plan, IRAs, or other savings vehicles to supplement retirement income sources like Social Security and a pension. A fixed annuity can complement your comprehensive approach, particularly since there is no annual contribution limit for an annuity.

What is a fixed annuity?

A fixed annuity is an insurance product designed to grow your money over time to provide for financial needs such as retirement. If you have sufficient liquid assets to cover living expenses and emergencies, then a fixed annuity might be a sound option for a portion of your portfolio.

Here are nine key features of a fixed annuity to consider.

- 1 Competitive, Current Rates:** Because annuities are designed to be held for the long term, they may offer higher interest rates than many other guaranteed-rate savings options. The rate is often guaranteed for a specified period of time.
- 2 Safety:** Buying a multi-year guarantee fixed annuity and holding it for the entire guarantee period is a safe way to save, even more so than bonds, which can fall in price in a rising rate environment. The value of a fixed annuity is fully backed by the issuing insurance company.
- 3 Tax Deferral:** Annuities are tax deferred so you don't pay taxes on interest credited until you make a withdrawal, allowing more money to compound over time.
- 4 Withdrawal Flexibility:** Generally, after the first year, you can withdraw up to 10% of your Contract Value each year, free of surrender charges and Market Value Adjustments, to put toward whatever retirement aspiration you want to fulfill.
- 5 Predictable Income:** You can annuitize your contract for a guaranteed stream of income for your lifetime, the longer of your or your spouse's lifetime, a fixed payment amount, or a specified period.
- 6 Emergency Access:** Many annuities allow withdrawals without surrender charges in the event of a terminal illness diagnosis or confinement to a nursing home or hospital for longer than 90 days (additional restrictions usually apply).
- 7 Principal Guarantee:** The issuing insurance companies guarantee principal for fixed annuities.
- 8 Death Benefit:** Contract Value passes directly to beneficiaries without the delay of probate, providing your heirs access to your annuity's death benefit quickly and without additional expense.
- 9 Ease:** You can put your funds in an annuity for a specified number of years and earn a competitive rate for the Guarantee Period you choose. At the end of the Guarantee Period, you can continue to keep your funds in the annuity or switch to another product.



Retire with confidence.

Your path *To and Through Retirement*[®] begins here.

Talk to your financial professional to see whether Advanced Choice can complement your retirement portfolio or contact us at 800.888.2461.

Security Benefit Life Insurance Company is not a fiduciary and the information provided is not intended to be investment advice. This information is general in nature and intended for use with the general public. For additional information, including any specific advice or recommendations, please visit with your financial professional.

The Security Benefit Advanced Choice Annuity, form ICC13 5200 (9-13) and 5200 (9-13), a single premium deferred annuity, is issued by Security Benefit Life Insurance Company. Product features, limitations, and availability vary by state.

Guarantees provided by annuities are subject to the financial strength of the issuing insurance company. Annuities are not FDIC or NCUA/NCUSIF insured; are not obligations or deposits of and are not guaranteed or underwritten by any bank, savings and loan, or credit union or its affiliates; and are unrelated to and not a condition of the provision or term of any banking service or activity.

Neither Security Benefit nor its representatives offer legal or tax advice. Please consult with your personal attorney and/or advisor regarding any legal or tax matters.



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