Choose a happy retirement with

WealthChoice

a Fixed Indexed Annuity

Pre-Sale Product Specific Training

Updated January 2025

This presentation is intended only for United Life agents.
Benefits are generally described and may vary by state.

Catholic United Financial

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THE DIFFERENCE BETWEEN:

TRADITIONAL FIXED ANNUITIES

AND

INDEXED ANNUITIES

IS HOW THE INTEREST CREDIT IS CALCULATED

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Traditional Fixed Annuities

There is no exact formula
for setting interest rates.

Combination of:

INVESTMENT YIELD

OPERATING EXPENSES

COMPANY SPREAD

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Example:
Investment Yield = 5%
Expenses and Spread = 2%

5% Investment Yield
- <u>2% Spread</u>
= 3% Crediting Rate

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Fixed Index Annuities

Crediting Rate is based on the performance of an Index S&P 500 most commonly used Index

In years that the S&P has a gain, a portion of the gain is credited to the Annuity. The portion that is credited is determined by the Cap and/or Participation Rate.

Examples Annual Point-to-Point:

The S&P increases by 10% by the end of the contract year

If the **CAP** is 4% - The contract will be credited **4%** (Crediting rate cannot exceed the Cap)

If the **Participation Rate** is 40% - The contract will be credited 4% (10% x 40% = 4%)

The S&P decreases by the end of the contract year - The contract will be credited 0%

Participation in the ***Up-Side*** of the market without the ***Up-Side*** risk!

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Features

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WealthChoice Features

Premium Type	Modified Single Premium
Issue Ages	0-90 (5 & 7 year) 0-80 (7-year with GLBR) 0-80 (10-year with or without GLBR)
Initial Premium Limits	$20,000 – $1,000,000
Additional 1st Year Premium	$5,000 minimum, allocated to fixed fund for fixed rate at that time
Owner/Annuitant	**Single** – owner must be annuitant **Joint Owner**– must be spouses **Joint Annuitant** – not allowed **Trust** – annuitant must be the trust grantor
Allowable Account Types	Non-Qualified, IRA, Roth IRA
Surrender Charge Durations	5, 7 & 10 year options
Surrender Charge Schedule 5 Year	9%, 8%, 7%, 6%, 5%, 0%*
Surrender Charge Schedule 7 Year	9%, 8%, 7%, 6%, 5%, 4%, 3%, 0%*
Surrender Charge Schedule 10 Year	10%, 9%, 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%, 0%*
Market Value Adjustment	Applies to all contracts

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*May vary by state.

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Additional Features

Minimum Guaranteed Cash Value	**87.5% of Premium, less withdrawals or applicable premium taxes, accumulated at standard non-forfeiture interest rate of 1-3%.**
Allocation Options & Minimum Guaranteed Rates	Allocations must be whole numbers and equal 100%, with 1% minimum allocation per option. $1000 minimum initial allocation per indexed option. 1 - **Fixed Rate** (1-3% min, set at time of issue) 2 -**S&P 500® Index, Point-to-Point Cap with Bailout** (2% min cap) 3 - **S&P 500® Index, Point-to-Point Par** (10% min par) 4 - **S&P 500® Index, Point-to-Point Sum Cap** (0.1% min cap) 5 - **Horizon Ascend 5% Index, Point-to-Point Par** (10% min par) 6 - **Barclays Global Quality Index, Point-to-Point Par** (10% min par) 7 - **S&P 500® Dynamic Intraday TCA, Point-to-Point** (2% min cap) 8 - **S&P 500® Index, Point-to-Point Trigger** (1% min trigger, 10% max threshold)
Cash Value	Available on Full Surrender will be the greater of Minimum Guaranteed Cash Value , Return of Premium Value and Accumulated Value, less Surrender Charge and MVA and Bonus Recapture
Rate Hold	45-day rate hold begins the date the application is received
Allocation Options	Allocations must be whole numbers and equal 100%, with 1% minimum allocation per option. $1000 minimum initial allocation per indexed option.
Reallocations	Available as of each Contract Anniversary The owner has 21 days to reallocate among accounts.
Maturity Age	110, unless extended to 120 by the Guaranteed Living Benefits Rider
Death Benefit	Before annuitization- full accumulated value. After annuitization- as provided in the payment option elected.
Death Benefit Enhancement	Death benefit will be multiplied by 110% if the beneficiary elects a five-year period certain payout or longer.

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Free Withdrawals	10% of the initial premium Year 1 10% of Prior Anniversary Value starting Year 2 RMD-friendly
Systematic Withdrawals	Free Partial, RMD or Dollar Amount available in monthly, quarterly, semi-annual or annual payments
Terminal Illness or Hospital or LTC Facility Confinement	Surrender Charges and MVAs will be waived for a Full or Partial Surrender if qualifications are met
Return of Premium	Available In the 6th contract year Guaranteed never less than 100% of premium less withdrawals
Guaranteed Minimum Cash Surrender Value	Multiply the guaranteed minimum interest rate set at contract issue to 87.5% of the premium.

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Market Value Adjustment | How it works

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MVA is applied during surrender charge period to full surrenders and to partial surrenders that exceed the Free Partial Surrender amount.

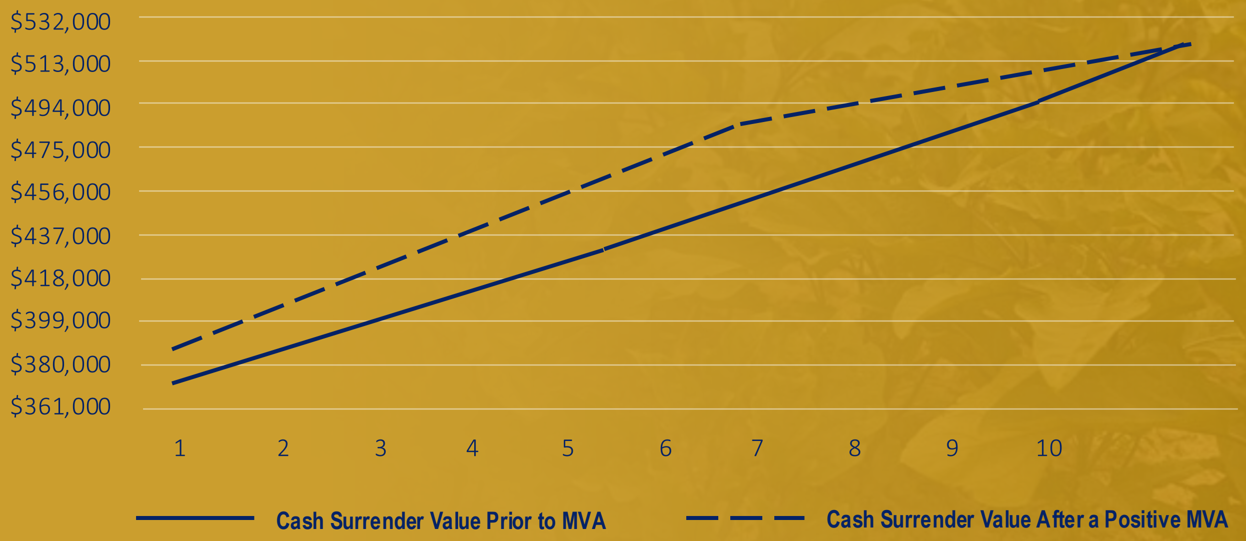
Adjustment could be positive or negative depending if the external index* increased or decreased.

*The MVA Reference Rate is applicable to the U.S. Treasury Constant Maturity yield that matches the timeframe of the chosen surrender charge period.

Here's a ***positive*** scenario

Positive MVA Scenario

The following example shows the effect of an MVA on the hypothetical, Cash Surrender Value, if the external index **decreases** by 2% from the assumed initial rate



Market Value Adjustment | How it works

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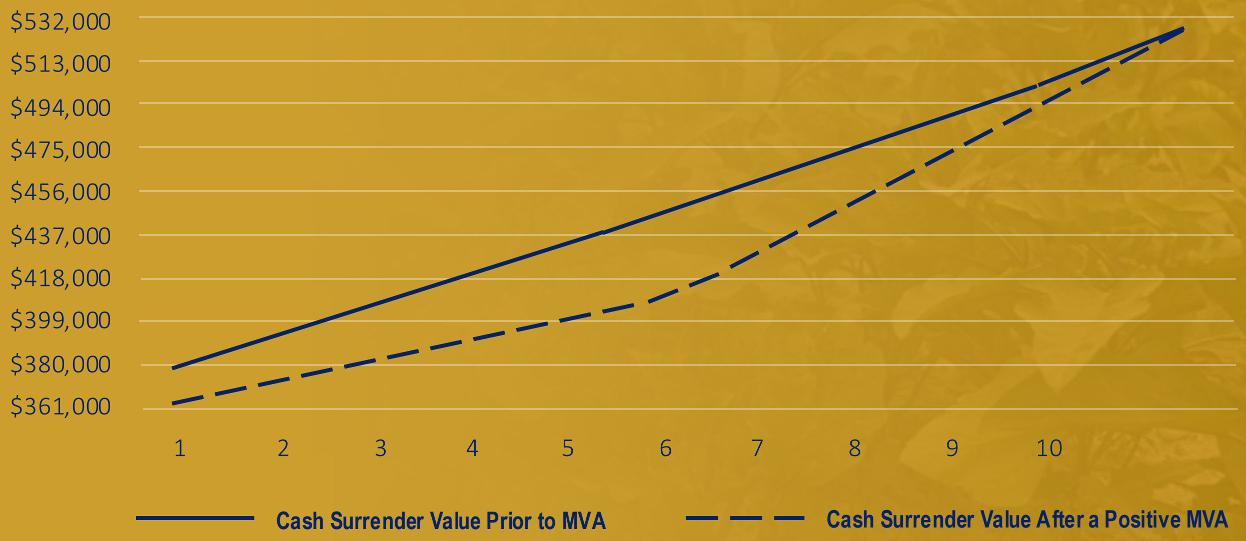
Here's a ***negative*** scenario

*The MVA Reference Rate is applicable to the U.S. Treasury Constant Maturity yield that matches the timeframe of the chosen surrender charge period.

Negative MVA Scenario

The following example shows the effect of an MVA on the hypothetical, Cash Surrender Value, if the external index **increases** by 2% from the assumed initial rate



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Interest Crediting Options

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ALLOCATIONS

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Account Option 1 | **Fixed Interest Rate**

1 Year Guaranteed Rate Period

Guaranteed Minimum Interest Rate 1%

1% minimum allocation required for each allocation option chosen

$1000 minimum initial allocation per indexed option

Allocations must be whole numbers and equal 100%

Additional premiums applied after issue earn the fixed rate at that time until end of first year

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Account Option 2 | S&P 500® Index, Point-to-Point Bailout Cap Indexed Account

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Measures 1-year change in Index value, e.g.

Feb. 4, 2022 = 100

Feb. 4, 2023 = 105

Index Change = +5%

Interest Credit = Smaller of Cap Rate or Index Change

Cap Rate = 4%

Interest Credited = 4%

Cannot be less than 0%

Annual Point-to-Point Bailout Cap Indexed Account

Fixed Index Annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Interest credits to a Fixed Index Annuity will not mirror the actual performance of the relevant index.

Obtain closing values at https://www.spglobal.com/spdji/en/indices/equity/sp-500/#overview

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Account Option 2 Continued | **S&P 500® Price Return Index**

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Annual Point-to-Point Bailout Cap Indexed Account

- Measured same way as S&P Annual Point-to-Point Cap
- **Includes Bailout:** Waives charges for 30 days when future cap is set below bailout rate
  - If the company declares a renewal rate below the bailout, the owner can withdraw some, or all, of the value without penalties during a 30-day window.
  - This endorsement is added to all new WealthChoice contracts and renewals.

Fixed Index Annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Interest credits to a Fixed Index Annuity will not mirror the actual performance of the relevant index.

Obtain closing values at https://www.spglobal.com/spdji/en/indices/equity/sp-500/ - overview

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Account Option 3 | S&P® 500 Price Return (PR) Index

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Annual
Point-to-Point
Participation
Indexed Account

Measures 1-year change in Index value, e.g.

March 10, 2022 = 110

March 10, 2023 = 125

Index Change = +15%

Interest Credit = Index Change x Participation Rate

Participation Rate = 40%

Interest Credited = 6%

Cannot be less than 0%

Fixed Index Annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Interest credits to a Fixed Index Annuity will not mirror the actual performance of the relevant index.

Obtain closing values at https://www.spglobal.com/spdji/en/indices/equity/sp-500/#overview

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Account Option 4 | S&P® 500 Price Return (PR) Index

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- Each year, measure twelve 1-month index percentage changes
- Each month's return subject to cap, not 0% floor
- Year-end interest credited is the sum of the 12 monthly capped returns. Cannot be less than zero.

Annual Monthly Sum Cap Indexed Account

See *WealthChoice* FIA Disclosure for an Example

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Fixed Index Annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Interest credits to a Fixed Index Annuity will not mirror the actual performance of the relevant index.

Obtain closing values at https://www.spglobal.com/spdji/en/indices/equity/sp-500/#overview

Account Option 5 | **Horizon Ascend 5% Index**

Available as of April 1, 2021

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Measures 1-year change in Index value, e.g.

Jan. 10, 2022 = 100

Jan. 10, 2023 = 120

Index Change = +20%

Interest Credit = Index Change x Participation Rate

Participation Rate = 50%

Interest Credited = 10%

Cannot be less than 0%

Point-to-Point Participation Indexed Account

Fixed Index Annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Interest credits to a Fixed Index Annuity will not mirror the actual performance of the relevant index.

Obtain closing values at https://www.spglobal.com/spdji/en/indices/equity/sp-500/#overview

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Account Option 6 | **Barclays Global Quality Index**

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Measures 1-year change in Index value, e.g.

Feb. 22, 2022 = 100

Feb. 22, 2023 = 95

Index Change = -5%

Interest Credit = Index Change x Participation Rate

Participation Rate = 165%

Interest Credited = 13.2%

Cannot be less than 0%

Point-to-Point Participation Indexed Account

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Obtain closing values at https://indices.cib.barclays/IM/33/en/indices/static/globalquality.app

Guaranteed Minimum Par Rate | on Barclays Index

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The Initial Guaranteed Minimum Indexed Interest Participation Percentage rate set at issue for the **Barclays Global Quality Index** **applies for the entire surrender charge period.**

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Account Option 7 | **S&P® Index**

Available as of April 1, 2021

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Measures 1-year change in Index value, e.g.

Feb. 4, 2022 = 100

Feb. 4, 2023 = 105

Index Change = +5%

Interest Credit = Smaller of Cap Rate or Index Change

Cap Rate = 4%

Interest Credited = 4%

Cannot be less than 0%

Dynamic Intraday TCA Cap

Fixed Index Annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Interest credits to a Fixed Index Annuity will not mirror the actual performance of the relevant index.

Obtain closing values at https://www.spglobal.com/spdji/en/indices/multi-asset/sp-500-dynamic-intraday-tca-index-usd-er/#overview

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Guaranteed Minimum Cap Rate | on S&P® Dynamic Intraday TCA Cap

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The Initial Guaranteed Minimum Indexed Interest Cap Percentage rate set at issue for the **S&P Dynamic Intraday TCA Index** **applies for the entire surrender charge period.**

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Account Option 8 | S&P® 500 Price Return Index

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Measured same way as S&P Annual Point-to-Point Cap

Feb. 4, 2023 = 1000

Feb. 4, 2024 = 1030

Index Change = +3%

Interest Credit = Interest Trigger if the Index Growth equals or exceeds the Trigger Threshold

Trigger Threshold = 0%

Interest Trigger = 5%

Interest Credited = 5%

Annual Point-to-Point Trigger Indexed Account

Note: Trigger Threshold may not always be zero. Refer to Interest Rate Bulletin.

Fixed Index Annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Interest credits to a Fixed Index Annuity will not mirror the actual performance of the relevant index.

Obtain closing values at https://www.spglobal.com/spdji/en/indices/equity/sp-500/ - overview

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Examples: **Cap & Participation**

S&P® Price Return
Increase 8%

3% - Cap	40% - Participation
3% Credited To Contract	3.2% Credited To Contract

S&P® Price Return
Increase 7%

3% - Cap	40% - Participation
3% Credited To Contract	2.8% Credited To Contract

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Guaranteed Living Benefit Rider

WealthChoice ***7 & 10***

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Guaranteed Living Benefit Rider

This optional rider is available for a cost of 0.95% of accumulated value annually. No waiting period, 30 days to process.

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Provides Guaranteed Income the client can't outlive*

The income continues after the Accumulation Value is reduced to $0
*Excess withdrawals can negatively impact this benefit.

Lifetime Yearly Income (LYI) = Rider Start Date Value X Payout Age Factor

Two Withdrawal Options *(Taking excess withdrawals reduces the LYI)*

Level Payout

Increasing Payout – Will increase by 3% each year on the anniversary of the Benefit Payout Start Date. Single Life or Joint Life Payouts Available

Joint payout calculation is based on the factor for the age of the younger spouse. Covered persons must be age 50 or older to begin payouts.

If a joint payout is selected, and death occurs during the first three years, the payout factor will be redetermined based on a single payout on the next anniversary election date.

*As long as withdrawals do not exceed the GLBR payout amount

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Guaranteed Living Benefit Rider (GLBR)

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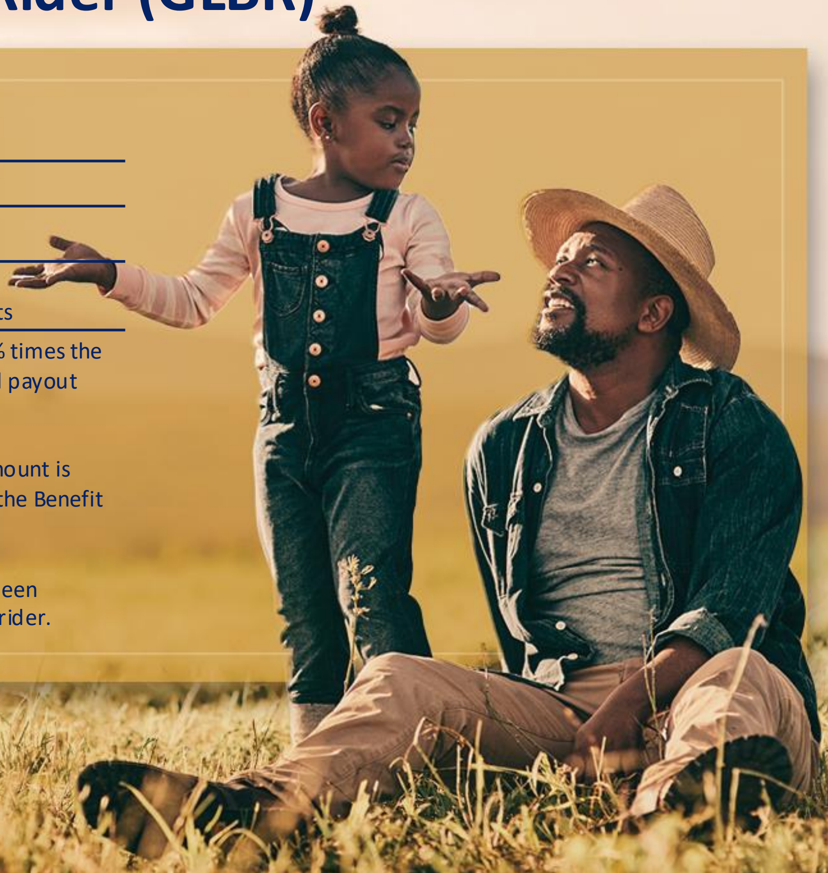
Product Availability	WealthChoice 7 & 10
Issue Ages	0-80
LYI Waiting Period	No waiting period
Minimum Start Age	Covered Persons (legal spouses only) must be at least Age 50 at time when payout starts
Rider Fee	Before the Benefit Payout Start Date - 0.75% times the Accumulation Value (at the time the elected payout starts) on each Contract Anniversary Date. After the Benefit Payout Start Date – the amount is equal to the most recent Rider Fee prior to the Benefit Payout Start Date. Will end once the Accumulation Value has been reduced to zero or upon termination of the rider.



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GLBR Additional Features

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Withdrawal Options	Single or Joint Lifetime Withdrawal can be selected when the Benefit Payout is elected. This is particularly important for qualified plans where you cannot have a joint annuitant on the base policy. Level or Increasing Benefit Payout Factors. The Free Partial Surrender amount on or after the Benefit Payout Start Date is the greater of Free Partial Withdrawal each Contract Year or the LYI.
Excess Withdrawals	Reduce the LYI. If the owner takes withdrawal amounts in excess of the GLBR, the GLBR amount will be reduced and could terminate. May be subject to Surrender Charges and MVAs.
Spousal Continuation	If the Base Contract is continued under Spousal Continuation after the Benefit Start Date, the GLBR will not change.
Termination	The rider terminates at the death of the single or joint lives or upon annuitization of the base contract, or if excess withdrawals take the benefit to zero.

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Level Payout Example:
Accumulation Value on Rider Start Date is $100,000 – Elected to begin at age 75

$100,000 X 8.50% Factor =

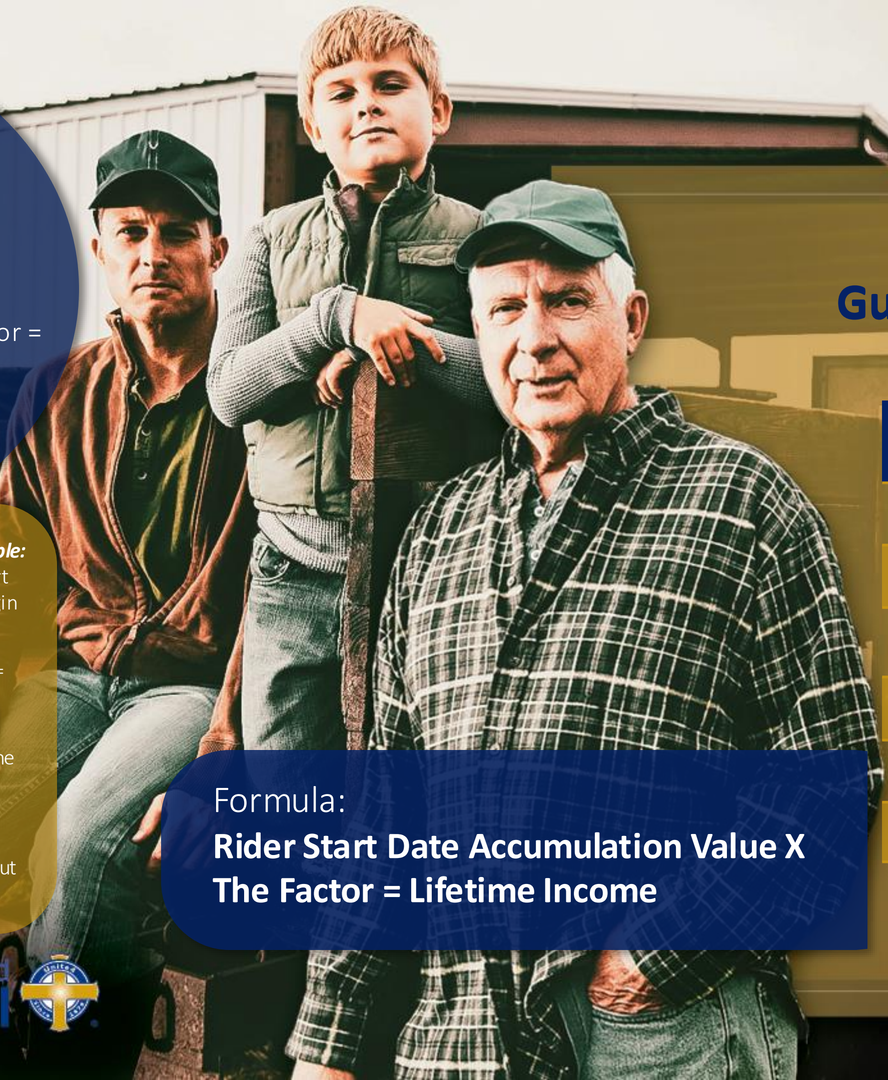
$8,500
Income for Life

****Increasing Annual Payout Example:***
Accumulation Value on Rider Start Date is $100,000 – Elected to begin at age75

$100,000 X 6.70% Payout Factor =

$6,700
First year of income

****Increasing Annual Payout***
The Annual Payout Amount will increase by <u>3%</u> each Benefit Payout Start Date Anniversary.



Formula:
Rider Start Date Accumulation Value X The Factor = Lifetime Income

Guaranteed Living Benefit Rider Payout Factors

Age Payment Begins	Level	Increasing
50	5.00%	2.70%
60	6.45%	4.60%
65	7.20%	5.55%
70	7.90%	6.40%
75	8.50%	6.70%
77+	8.50%	6.75%

The rates shown above are for illustrative purposes. Please refer to the Guaranteed Living Benefit Rider flyer, CR-0032 for current rates.

*Subject to the terms of the GLBR endorsement.

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Premium Bonus | Features and Benefits

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Product Availability	Only available with WealthChoice 10 Not available in combination with the Guaranteed Living Benefit Rider (GLBR).
Bonus Percentage	Applies to the initial premium according to allocation selections. Applies to additional premium during the first year, allocated to the fixed account, which can be reallocated at the next anniversary. Refer to the Interest Rate Bulletin for current bonus rate
Bonus Period	90 days from the Contract Date
Cost	No Fee – Caps and Participation Percentages may be lower
Withdrawal or Surrender During the Bonus Recapture Period	Some or all of the Premium Bonus may be forfeited in accordance with the Bonus Recapture Schedule.

Bonus Recapture Schedule

Contract Year	1	2	3	4	5	6+
Recapture %	100%	80%	60%	40%	20%	0%

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Advantages of *WealthChoice*

Five Year Return of Premium (ROP) – 100% of all premiums paid minus any withdrawals

Fixed rate and multiple crediting strategies

Optional Premium Bonus Rider Benefit Rider (GLBR).
Not available in combination with the Guaranteed Living

Optional Guaranteed Living Benefit Rider

Will continue even if the Accumulation Value is zero - subject to terms of the policy, or so long as withdrawals for any GLBR period do not exceed the GLBR amount.

Not available on WealthChoice 5.

Accumulation Value Death Benefit

Enhanced to 110% of Accumulation Value if beneficiary elects to annuitize over a period certain of at least 5 years or more.

Terminal Illness or Hospital or LTC Facility Confinement Rider

Surrender Charges and MVAs may be waived for full or partial surrender.

RMD Friendly

Liquidity- 10% free withdrawals each year

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Annuity Suitability

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Which Deferred Annuity Products are Suitable to Your Client's Needs and in their Best Interest?

When recommending an annuity to your client, you must have reasonable grounds for believing the recommendation of an annuity product, optional benefits, and any investment option within the product is suitable for and in the best interest of the applicant.

Only Recommend a Product that is Suitable based on your Assessment and in Your Client's Best Interest.

Review the various products you have to offer your client as they compare to your assessment of their particular needs and risk appetite. Your recommendation should be based on facts disclosed to you by the applicant after reasonable inquiry as to their age; annual income; liquid net worth; tax status; financial situation and needs, including the financial resources used for the funding of the annuity; intended use of the annuity; financial objectives, financial experience; liquidity needs; financial time horizon; risk tolerance; existing assets, and any other information known, used, or considered to be reasonable by you in making the recommendation.

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Annuity Suitability

Keep in mind with United Life's WealthChoice FIA with a 5, 7 or 10 year surrender charge periods:

1. **Funds are allocated to fixed interest or indexed accounts.**
   - Therefore, there is some market risk for the funds whose performance is predicated on the performance of a particular index.
2. **The Market Value Adjustment rider may cause the surrender or partial surrender value to increase or decrease depending on whether treasury yields increased (the value would go down) or decreased (the surrender value would go up).**
   - This adds greater risk but in so doing also allows for potentially higher crediting rates.
3. **Provides liquidity.**
   - Penalty-free withdrawal of up to 10% of prior year's accumulated value (in first year it is the premium).
4. **Provides a lifetime income benefit to reduce concerns about outliving assets.**
   - 7 & 10 year products offer optional Guaranteed Living Benefit Rider for either single or joint lifetimes.
5. **Nursing home/terminal illness surrender charge waiver.**
6. **Earns interest on a generally tax deferred basis.**

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Annuity Suitability

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- You are expected to be familiar with the product's attributes at the time of sale. You will be required to go over them with your client and complete a Disclosure Statement attesting that you have thoroughly reviewed the product details with them.

- You will also be required to complete a Suitability Profile depicting how the product sold is being recommended by you as suitable to and in the best interest of your client based on their specific situation. As part of demonstrating that a recommended sale is in the best interest of your client, you may also be required to complete a Producer Relationship disclosure.

If you have any questions regarding the product or the process, please contact your Sales Director or our Sales Support team.

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A Fixed Indexed Annuity underwritten by

UNITED LIFE
INSURANCE COMPANY

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