SECURITY MUTUAL LIFE

Security SP℠

A Single Premium Whole Life Insurance Policy

Product Summary

Designed for clients with liquid assets (cash or cash equivalents, like CDs) they intend to pass on to heirs, SecuritySP℠ is a simplified issue, single premium whole life insurance policy that is death-benefit focused, providing both wealth transfer opportunities and living benefits. By answering five (5) underwriting questions, and making one premium payment, SecuritySP offers guaranteed paid-up life insurance on the insured's life. Cash values develop immediately and over time, endowing the policy at age 121. Accelerated death benefit riders can add living benefits for chronic, critical and terminal illnesses, providing policy flexibility to access available funds when they are needed most. A one-year Return of Premium option provides additional flexibility should your client's needs change.

Product Highlights

Issue Ages: 1-85 *(age nearest birthday)*

Underwriting: Five questions, simplified issue.

Premium Classes (4):

- Juvenile Preferred
- Preferred Nonsmoker
- Preferred Smoker
- Standard Nonsmoker

Note: *Preferred classes include risks up to Table 2; Standard class includes Table 3-5 risks.*

Face Amount:

- Minimum: $10,000 or the amount $5,000 buys
- Maximum: $500,000

Premium (non-qualified only):

- Minimum: $5,000
- Maximum as follows:

Ages	Premium (*Maximum*)
1-4	$15,000
5-17	$20,000
18-25	$30,000
26-40	$50,000
41-50	$110,000
51-55	$150,000
56-60	$200,000
61-69	$250,000
70-75	$275,000
76-80	$150,000
81-85	$50,000

1035 Exchanges: Allowed, subject to suitability review and within maximum premium and death benefit amounts.

Policy Fee: $100 (No additional premium expense charges or loads apply.)

Return of Premium: Client may surrender the policy any time within the first 12 months (one year) and receive their full initial premium, with no penalty, less loans, withdrawals and death benefit accelerations.

Application: Firelight® e-application or paper.

Quotes: Use Security Illustrator™ or contact the National Sales Desk at 844-367-9585 to generate quotes, preliminary information and disclosure statements for client presentation at time of application. SecuritySP is a non-illustrated product.

Dividends (Participating): Although participating, dividends are minimized (if any) for this death-benefit focused product offering. Quotes do not feature dividends or dividend credits. Dividends are not guaranteed.

Dividend Options:

- Purchase Paid Up Additions (PUA)
- Cash
- Accumulate at Interest
- One-Year Term (OYT)

Living Benefits

Guaranteed Cash Values - SecuritySP cash values are calculated using a 4.5% non-forfeiture interest rate. Cash values appear on the SecuritySP quotes and in the policy.

Policy Loans - May be taken while the policy is in force and when there is a loan value. A variable loan interest rate applies to policy loan balances. Policy loan repayments may be made at any time while the policy is in force. Outstanding policy loans reduce the policy's death benefit, cash surrender and loan value. If the policy loan balance exceeds the policy's cash value, the policy will lapse according to its terms, which may result in a taxable gain.

Partial Surrenders - May be taken up to four (4) times each policy year. A partial surrender can be for no less than $500. If a policyowner requests a partial surrender resulting in less than a $500 cash surrender value in the policy, the request will be treated as one full surrender and reduce the policy's face amount by the ratio of the partial surrender to the policy's basic cash value. Partial surrenders reduce the policy's cash surrender value by the amount surrendered and reduce the policy's loan value. Partial surrenders cannot be repaid.

Available Riders

When added, these lien-based indemnity riders offer important policy flexibility to the insured by providing access to funds for specific reasons when they are needed most. These riders allow for funds that would otherwise be paid at the death of the insured to be advanced from the policy death benefit.

Chronic Illness Accelerated Death Benefit Rider (CHLN) *(Rider Form Nos. I0-9384-CHLN in NY; ICC20-I09384-CHLN; Series I0-9384-CHLN)*

This rider provides the policyowner with the option of accelerating the payment of a portion of the life insurance benefits available under the policy if the insured becomes chronically ill (as defined in the rider) while the policy is in force. There is no additional premium for this rider. Each time a chronic illness accelerated death benefit payment is made, it creates a lien against the death benefit for the amount of the benefit plus an administrative charge. The Company charges interest on the lien at an interest rate it establishes periodically, subject to a maximum lien rate described in the policy. If the lien interest is not paid when due it will be added to the lien. The lien reduces the policy's death benefit and surrender value by the amount of the lien and any unpaid interest accrued on the lien. A Chronic Illness Accelerated Death Benefit payment may result in taxable income to the policyowner.

CHRONIC ILLNESS ACCELERATED DEATH BENEFIT PAYMENTS RESULT IN A LIEN, AS DESCRIBED FURTHER IN THE RIDER, WHICH REDUCES THE POLICY'S DEATH BENEFIT AND THE VALUE AVAILABLE FOR LOANS, SURRENDERS, AND NONFORFEITURE OPTIONS, IF AVAILABLE.

THE RIDER MAY NOT COVER ALL OF THE COSTS ASSOCIATED WITH THE CHRONIC ILLNESS OF THE INSURED.

THE OWNER IS ADVISED TO REVIEW CAREFULLY THE RIDER BENEFITS.

THE RIDER IS NOT INTENDED TO BE A QUALIFIED LONG-TERM CARE INSURANCE CONTRACT UNDER SECTION 7702B OF THE INTERNAL REVENUE CODE.

Payments made under the Chronic Illness Accelerated Death Benefit Rider are intended to qualify for favorable tax treatment under Section 101(g) of the Internal Revenue Code. However, rider benefit payments made may be taxable depending upon specific facts and circumstances. Accordingly, the policyowner should consult with his or her tax advisor to determine the tax consequences before requesting the payment of an accelerated benefit under this rider.

Critical Illness Accelerated Death Benefit Rider (CRLN)

(Rider Form Nos. I0-9385-CRLN in NY; ICC20-I09385-CRLN; Series I0-9385-CRLN)

This rider provides the policyowner with the option of accelerating the payment of a portion of the life insurance benefits available under the policy if the insured becomes critically ill (as defined in the rider) while the policy is in force. There is no additional premium for this rider. Each time a critical illness accelerated death benefit payment is made, it creates a lien against the death benefit for the amount of the benefit plus an administrative charge. The Company charges interest on the lien at an interest rate it establishes periodically subject to a maximum lien rate described in the policy. If the lien interest is not paid when due it will be added to the lien. The lien reduces the policy's death benefit and surrender value by the amount of the lien and any unpaid interest accrued on the lien. A Critical Illness Accelerated Death Benefit payment may result in taxable income to the policyowner.

Terminal Illness Accelerated Death Benefit Rider (TIRLN) *(Rider Form Nos. I0-9383-TIRLN in NY; ICC20-I09383-TIRLN; Series I0-9383-TIRLN)*

This rider permits the policyowner to access a portion of the life insurance death proceeds during the insured's lifetime should the insured be diagnosed as terminally ill (life expectancy of 12 months or less). There is no additional premium for this rider. When an accelerated death benefit payment is made, it creates a lien against the death benefit for the amount of the benefit and an administrative charge. The Company charges interest on the lien at an interest rate it establishes periodically subject to a maximum lien rate described in the policy. If the lien interest is not paid when due it will be added to the lien. The lien reduces the policy's death benefit and surrender value by the amount of the lien and any unpaid interest accrued on the lien. A Terminal Illness Accelerated Death Benefit payment may result in taxable income to the policyowner.

Modified Endowment Contract

Almost all single premium whole life insurance policies are Modified Endowment Contracts (MEC). As defined in IRC Section 7702A, a Modified Endowment Contract, or a MEC, is a type of life insurance policy with premiums exceeding what is referred to as the seven-pay premium limit. Any distributions from a MEC prior to the insured's death are taxable on a last-in, first-out basis subject to any gain in the policy (i.e., the policy gain becomes distributed first).

In addition, any taxable distributions will be subject to an additional 10% penalty tax when the policyowner is under 59½ years old, unless he/she is disabled as defined by applicable law. Death benefits from a MEC are generally received by the beneficiary on an income-tax-free basis. Clients should make any decisions regarding the tax implications of this material in consultation with their independent tax and legal advisors. Neither Security Mutual Life nor its agents are permitted to provide tax or legal advice.

Tax laws are complex and subject to change. The information presented is based on current interpretation of the laws. Neither Security Mutual Life nor its agents are permitted to provide tax or legal advice.

This publication is intended for general information purposes or to support the promotion or marketing of the Company's products and does not constitute legal or tax advice. This publication is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed on the taxpayer under the Internal Revenue Code or any other applicable tax law. Taxpayers are advised to seek tax advice based on the taxpayer's particular circumstances from an independent tax advisor.

This publication describes the features of SecuritySP℠, a single premium whole life insurance policy, in general terms. This is not a policy. In the event of a conflict between the terms outlined within and the policy, the terms of the policy will control. Product, features and benefits may not be available in all states. Check state approval grid on SecurityLink for availability. Issuance of a policy and the payment of benefits may depend on the answers provided in the application and the truthfulness thereof. After the Life Insurance Policy has been in force for two years, the Company cannot void it because of misrepresentation or concealment of the insured/owner in obtaining the policy.

Accelerated death benefit proceeds paid for chronic or terminal illness are intended to qualify for favorable income tax treatment under Section IRC Section 101(g). There may be circumstances where accelerated benefit payments results in income tax consequences. Clients are urged to consult their tax advisors.

CHRONIC ILLNESS ACCELERATED DEATH BENEFIT RIDER
The Chronic Illness Accelerated Death Benefit Rider is not, and should not be marketed as, long-term care insurance. **This product is a life insurance policy and rider that accelerates the death benefit on account of chronic illness, and is not a health insurance policy or rider providing long-term care insurance subject to the minimum requirements of New York law or other applicable law, does not qualify for the New York State Long-Term Care Partnership program or similar programs in other jurisdictions, and is not a Medicare supplement policy or rider.** The receipt of accelerated death benefits may be taxable and may affect eligibility for public assistance programs.

The Agent must inquire and otherwise make every reasonable effort to identify whether a prospective applicant already has accident and sickness or long-term care insurance and the types and amounts of any such insurance. Applicable regulations prohibit twisting, high-pressure tactics and cold lead advertising. In recommending the purchase or replacement of any policy or certificate, the Agent must make reasonable efforts to determine the appropriateness of a recommended purchase or replacement.

In New York, there are special rules and regulations that apply if the Chronic Illness Benefit Rider is to be marketed or issued to an association or its members.

This product is a life insurance policy and rider that accelerates the death benefit on account of chronic illness, and is not a health insurance policy or rider providing long-term care insurance subject to the minimum requirements of New York law or other applicable law, does not qualify for the New York State Long-Term Care Partnership program or similar programs in other jurisdictions, and is not a Medicare supplement policy or rider.

TERMINAL ILLNESS ACCELERATED DEATH BENEFIT RIDER
RECEIPT OF ACCELERATED DEATH BENEFITS MAY BE TAXABLE OR MAY AFFECT ELIGIBILITY FOR PUBLIC ASSISTANCE PROGRAMS.

CRITICAL ILLNESS ACCELERATED DEATH BENEFIT RIDER
RECEIPT OF ACCELERATED BENEFITS UNDER THE CRITICAL ILLNESS RIDER WILL REDUCE THE CASH VALUE AND DEATH BENEFIT OTHERWISE PAYABLE UNDER THE POLICY.

Product availability and features may vary by state. Consult SecurityLink for state availability and state variations. Like all life insurance policies, this policy contains exclusions, limitations and terms for keeping it in force. For more information, consult the Product Information section of SecurityLink at https://www.smlnyagent.com or contact Security Mutual Life's Marketing Department.

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