SECURITY BENEFIT LIFE INSURANCE COMPANY

TopRidge Bonus Annuity Statement of Understanding

EFFECTIVE DATE: SEPTEMBER 27, 2024

Must be signed by the customer and financial professional, and the signature page returned to Security Benefit with the application.

Security Benefit®

SECURITY BENEFIT
TOPRIDGE BONUS ANNUITY

Statement of Understanding

Thank you for your interest in the TopRidge Bonus Annuity from Security Benefit Life Insurance Company (SBL). It is important for you to read this summary before you decide to purchase the annuity. This document describes the features, fees and charges, and other terms of the annuity. Based on this information, you can determine if the TopRidge Bonus Annuity will help you meet your financial goals. Once you have read this summary, please sign the last page to confirm that you understand the annuity and submit it and the Annuity Suitability form with your annuity application.

For more specific information, please refer to the annuity contract, and any attached riders and endorsements, as they contain the terms of the annuity.

What is the TopRidge Bonus Annuity?

The TopRidge Bonus Annuity is a modified single premium, deferred fixed index annuity. The TopRidge Bonus Annuity includes a Bonus, which adds an amount to the Account Value, and a Cumulative Free Withdrawal Rider with Rider Charge Refund (for which an annual charge applies).

You should only purchase the TopRidge Bonus Annuity if you do not expect to need the funds in the next 10 years, other than amounts available through Free Withdrawals. The TopRidge Bonus Annuity is designed to be held for the long-term.

During the Surrender Charge Period, a Surrender Charge, and, in most states, a Market Value Adjustment (MVA) apply if you surrender your TopRidge Bonus Annuity, and may apply if you take withdrawals from your TopRidge Bonus Annuity. In addition, during the Surrender Charge Period, a Bonus Recapture applies if you surrender your TopRidge Bonus Annuity, and may apply if you take withdrawals in excess of the available Free Withdrawal Amount.

What do I pay for the TopRidge Bonus Annuity?

You must pay a **Purchase Payment** of at least $25,000. Any additional Purchase Payments will be allocated to the Fixed Account. You may make additional Purchase Payments during the first contract year. After the first contract year, no further Purchase Payments are accepted.

The Purchase Payment, along with all other payments for other annuity contracts issued by SBL to you, or if the owner is not an individual, issued with the same Annuitant, may not exceed $1,000,000 without prior approval by SBL.

Can I change my mind after purchasing the TopRidge Bonus Annuity?

Yes, you have a specific number of days, known as the free look period, to review an annuity after you buy it. During that time, you can return the annuity for your entire Purchase Payment, less any withdrawals (no Bonus will be included). Your free look period is shown on the contract cover page; if you replaced a previous life or annuity contract, there may be an additional notice with a longer free look period included with your contract.

You can return your annuity during the free look period. If you do, you will receive only your Purchase Payment, less any withdrawals.

What terms do I need to know?

The following terms are key to understanding the TopRidge Bonus Annuity:

Account Value: Your value in the TopRidge Bonus Annuity. It is the sum of the Fixed Account Value and the Index Account Values.

Annual Spread: For Index Accounts using an Annual Spread, a decrease to the percentage change in index value used in computing the Index Interest Rate. For Index Accounts with multiple-year Index Terms, the Annual Spread is multiplied by the number of years in the Index Term.

Annuitant: The person on whose life the Annuity Payments depend for Annuity Options 1 through 4. The Annuitant receives Annuity Payments under this contract. The Annuitant must be a natural person and may not be changed.

Bonus: An amount added to your Account Value based on the Purchase Payments received by SBL in the first contract year.

Bonus Recapture: A charge that may be assessed during the Surrender Charge Period. It is based upon the amount of Bonus added to the Account Value.

If you surrender your annuity during the Surrender Charge Period, all or part of the Bonus credited will be recaptured.

Cap: For Index Accounts using a Cap, the maximum amount of percentage change in index value that is taken into account in computing the Index Interest Rate.

Cumulative Free Withdrawal: An increased Free Withdrawal available in a contract year if you do not take the previous contract year's Free Withdrawal. The Cumulative Free Withdrawal is the current contract year's Free Withdrawal, plus the Free Withdrawal(s) not taken from up to two immediately previous contract years. **No Cumulative Free Withdrawal is available in a contract year if you took any withdrawals in the previous contract year.**

Current Interest Rate: The interest rate credited to your Fixed Account Value. It will never be less than the Guaranteed Minimum Interest Rate.

Fixed Account Value: The amount allocated to the Fixed Account.

Free Withdrawal: The amount that may be withdrawn from your TopRidge Bonus Annuity each contract year without incurring any applicable Surrender Charge, Bonus Recapture, or MVA. The withdrawal may be subject to applicable premium or other tax. **Free Withdrawals are based on the Purchase Payments applied to your TopRidge Bonus Annuity in the first contract year (excluding the Bonus)**, multiplied by the Free Withdrawal Percentage shown in your contract.

Free Withdrawal Amount: If your TopRidge Bonus Annuity is a non-qualified contract, the greater of the Free Withdrawal or the Cumulative Free Withdrawal. If your TopRidge Bonus Annuity is a qualified contract, the greatest of the Free Withdrawal, Cumulative Free Withdrawal, or Required Minimum Distribution (if applicable).

Guaranteed Minimum Interest Rate or GMIR: The minimum annual interest rate used to compute the minimum rate for the Fixed Account.

Index Accounts: The accounts to which we credit interest based on part of the change in an index.

Index Account Value: The amount allocated to an Index Account. A different Index Account Value applies to each Index Account.

Index Interest Rate: The interest rate credited to an Index Account Value based on part of the change in an index.

Index Term: A term of a specified number of years for each Index Account. At the end of an Index Term, the Index Interest Rate is computed and credited. You may only transfer out of an Index Account at the end of its Index Term.

Market Value Adjustment or MVA: An increase or decrease to the amount available during the Surrender Charge Period for surrenders or withdrawals due to the change in the interest rate environment since your contract was issued. No MVA applies to contracts issued in California.

Participation Rate: For Index Accounts using a Participation Rate, a percentage rate applied in computing the Index Interest Rate.

Required Minimum Distributions or RMDs: If your TopRidge Bonus Annuity is a qualified contract, the amount SBL computes as required to be distributed under the Internal Revenue Code for your contract for one calendar year, not as a result of death or with respect to a beneficiary of a qualified annuity.

Spread: For Index Accounts using a Spread, the difference between the percentage change on the underlying index value and the interest credited to the Index Account for a particular time period.

Surrender Charge: A charge that may reduce the amount available from your annuity during the Surrender Charge Period.

Surrender Charge Period: The first 10 contract years (9 contract years if the contract is issued in California).

What interest crediting options are available under the TopRidge Bonus Annuity?

Under the TopRidge Bonus Annuity, you may select among the Fixed Account and the following Index Accounts, with the following crediting methods.

Index Crediting Options	
With Cap	MSCI EAFE Annual Point to Point Index Account
	NASDAQ-100® Annual Point to Point Index Account
	Russell 2000® Small Cap Annual Point to Point Index Account
	S&P 500® Annual Point to Point Index Account
With Participation Rate	S&P 500® Annual Point to Point Index Account
With Participation Rate and Annual Spread	Morgan Stanley Global Equity Allocator Annual Point to Point Index Account
	Morgan Stanley Global Equity Allocator 2-Year Point to Point Index Account
	MSCI BofA US Dualcast Annual Point to Point Index Account
	MSCI BofA US Dualcast 2-Year Point to Point Index Account
	S&P 500® Dynamic Intraday TCA Annual Point to Point Index Account
	S&P 500® Dynamic Intraday TCA 2-Year Point to Point Index Account
	SG AI Navigator Annual Point to Point Index Account
	SG AI Navigator 2-Year Point to Point Index Account

The Fixed Account, S&P 500® Annual Point to Point Index Account (with Cap), S&P 500® Annual Point to Point Index Account (with Participation Rate), NASDAQ-100® Annual Point to Point Index Account, Russell 2000® Small Cap Annual Point to Point Index Account, and MSCI EAFE Annual Point to Point Index Account are the only crediting options available to Iowa residents or for contracts issued in Iowa.

How is interest credited for the Fixed Account?

For the Fixed Account, we credit interest daily on your Fixed Account Value at a fixed interest rate we set called the Current Interest Rate. The rate will not change more frequently than annually and will at least equal the GMIR. At the time we issue your contract, we set the GMIR. It will be shown in your contract and will be at least 0.05%.

How is interest credited for the Index Accounts?

For each Index Account you have chosen, at the end of its Index Term we compute the Index Interest Rate **which is not guaranteed to be positive but will never be less than 0%**. For each Index Account, the Index Interest Rate is based upon the applicable change in the value of the index and the crediting method, including the Cap, Annual Spread, and Participation Rate, as applies. **You are not investing directly in the index by allocating some or all of your contract's value to an Index Account.**

At the time we issue your contract, we set the following parameters for the applicable Index Accounts: the initial Cap, the initial Annual Spread, the initial Participation Rate, the guaranteed minimum Cap, the guaranteed maximum Annual Spread, and the guaranteed minimum Participation Rate. They are shown in your contract. At the start of each Index Term, we may change the Participation Rate or Cap, but they will at least equal the guaranteed minimum Participation Rate and Cap. We may also change the Annual Spread, but it will be no more than the guaranteed maximum Annual Spread.

We use index values reported to us. Once used, we will not change the index value even if a new value is reported to us. If the index value is not available for any day, we will use the index value reported on the prior business day.

How does the Cap, Participation Rate, and/or Annual Spread affect interest credited for the Index Accounts?

The Index Interest Rate is based on the change between the beginning and ending index values for the Index Term. The ending index value for one Index Term is the starting index value for the next Index Term. If the difference is positive, we divide that difference by the Index Term's starting index value to determine the percentage change in the index value for the Index Term. If the difference between the beginning and ending index values is negative, the Index Interest Rate for the Index Term is 0%.

The amount of interest credited to each Index Account is determined based on whether the Index has a Cap, Participation Rate, and/or Annual Spread. If the Index has a Cap, the Index Interest Rate is the lower of the percentage change or the Cap. If the index has a Participation Rate, the Index Interest Rate is the percentage change multiplied by the Participation Rate. If the Index has a Participation Rate and Annual Spread, the Index Interest Rate is the percentage change multiplied by the Participation Rate and then reduced by the Annual Spread. For Index Accounts with multiple-year Index Terms, the Annual Spread is multiplied by the number of years in the Index Term. The Index Interest Rate is then multiplied by the applicable Index Account Value to determine the amount of interest credited to the Index Account. See the following page for examples.

Example – Point to Point with Cap Crediting Method:

Assume that Jennifer purchased a contract on February 1, 2025 for $100,000 and allocated her entire Purchase Payment to the S&P 500® Annual Point to Point Index Account (with Cap) with a Cap of 3%. Jennifer does not make any additional Purchase Payments during the first contract year and does not take any withdrawals. On February 1, 2025, the index value is 1,000 and on February 1, 2026, the index value is 1,100.

Change in Index Value	=	Ending Index Value	–	Beginning Index Value
100	=	1,100	–	1,000

Because the difference is positive, we determine the percentage change as follows:

Percentage Change in Index value	=	Change in Index Value	÷	Beginning Index Value
10%	=	100	÷	1,000

The Index Interest Rate is the lower of the percentage change in index value (10%) or the Cap (3%). Thus, the Index Interest Rate would be 3%, and the index interest would be $3,000 ($100,000 x 3%). The ending Index Account Value for the Index Term would be $103,000 ($100,000 + $3,000).

Example – Point to Point with Participation Rate Crediting Method:

Assume that Steve purchased a contract on February 1, 2025 for $100,000 and allocated his entire Purchase Payment to the S&P 500® Annual Point to Point Index Account (with Participation Rate) with a Participation Rate of 90%. Steve does not make any additional Purchase Payments during the first contract year and does not take any withdrawals. On February 1, 2025, the index value is 1,000 and on February 1, 2026, the index value is 1,100.

As shown in the Point to Point with Cap Crediting Method example, the percentage change in index value is 10%. We determine the Index Interest Rate as follows:

Index Interest Rate	=	Percentage Change	X	Participation Rate
9%	=	10%	X	90%

The index interest would be $9,000 ($100,000 x 9%). The ending Index Account Value for the Index Term would be $109,000 ($100,000 + $9,000).

Example – Point to Point with Participation Rate and Annual Spread Crediting Method:

Assume that Paul purchased a contract on February 1, 2025 for $100,000 and allocated his entire Purchase Payment to the S&P 500® Dynamic Intraday TCA 2-Year Point to Point Index Account (with Participation Rate and Annual Spread) with a Participation Rate of 110% and an Annual Spread of 4%. Paul does not make any additional Purchase Payments during the first contract year and does not take any withdrawals. On February 1, 2025, the index value is 1,000 and on February 1, 2027, the index value is 1,100.

As shown in the Point to Point with Cap Crediting Method example, the percentage change in index value is 10%. Because the S&P 500® Dynamic Intraday TCA 2-Year Point to Point Index Account has a two year Index Term, the Annual Spread used in computing the Index Interest Rate is 8% (4% x 2). We determine the Index Interest Rate as follows:

Index Interest Rate	=	Percentage Change	X	Participation Rate	-	Annual Spread
3%	=	10%	X	110%	-	8%

The index interest would be $3,000 ($100,000 x 3%). The ending Index Account Value for the Index Term would be $103,000 ($100,000 + $3,000).

These examples are only to show how the Index Interest Rate is computed. They do not reflect what the interest would be for your annuity.

What is the Morgan Stanley Global Equity Allocator Index?

The Morgan Stanley Global Equity Allocator Index is an equities-linked index that employs a momentum based allocation process and seeks to maintain a 10% annual volatility. Each day, the index allocates, through listed futures, to the following index components: United States Large Cap Equities, United States Tech Equities, United Kingdom Equities, Eurozone Equities, Emerging Market Equities and Japanese Equities. Purchasing a product linked to the index is not equivalent to investing in the underlying futures, and your premiums are not invested in any equities, bonds, commodities, or any other securities.

Global Equities and Momentum Signal Allocation

Morgan Stanley Global Equity Allocator Index allocates among the index components based on momentum signals. Each momentum signal is a ratio that is calculated by comparing the index component's approximate 16-day average level to its approximate 4-year average level. As measured by the momentum signal, the index component with the highest ratio will be allocated 50%, second-highest will be allocated 30%, and third-highest will be allocated 20%. The index components with the lowest ratios receive no allocation. The momentum signals are measured on a daily basis and may result in daily reallocations.

Volatility Control

The Morgan Stanley Global Equity Allocator Index seeks to maintain a 10% annualized volatility target. To preserve the 10% volatility target, the index components are re-allocated and leveraged. If the index volatility is less than the 10% target volatility, the index will allocate over 100%, up to a 200% maximum, to the index components. If the index volatility is greater than the 10% target volatility, the index will allocate under 100% to the index components. While the allocations to the United States index components may be adjusted intraday, all other index components are adjusted at day's end. Low volatility in the index is not synonymous with low risk in a product linked to the index. There is no guarantee that the realized volatility of the index will not be less than or greater than 10%, and the volatility target feature of the index may dampen its performance in up market conditions.

Variable Index Deduction Factor

The Variable Index Deduction Factor is a dynamic fee mechanism that is built into the Morgan Stanley Global Equity Allocator Index. The Variable Index Deduction Factor is a daily fee that fluctuates based on the index's value. Such fee will reduce the level of the index and the performance of any product linked to the index.

The Variable Index Deduction Factor for the following day is determined by comparing the index's current value and the index's moving average over an approximate one month window. Based on that comparison, the fee is scaled up or down.
For example:

1. If the index is significantly below the moving average, then the Variable Index Deduction Factor will be lower, with a potential minimum of 0.00% per day.
2. If the index is equal to the moving average, then the Variable Index Deduction Factor is 0.00197% per day.
3. If the index is significantly above the moving average, then the Variable Index Deduction Factor will be higher, with a potential maximum of 0.150% per day.

In addition to the Variable Index Deduction Factor, the index has other embedded costs, which include transaction and margin costs associated with trading the underlying futures contracts. As a result of these costs, the level of the index and the performance of any product linked to the index will be reduced.

What is the MSCI BofA US Dualcast Index?

The MSCI BofA US Dualcast Index (the "Index") was collaboratively designed by MSCI, Bank of America and QuantCube Technology. The Index leverages QuantCube Technology's real-time insights into US GDP and US inflation for rules-based allocation among five asset classes. The Index was launched on June 28, 2024.

The five asset classes are:

1. U.S. equities, represented by the MSCI USA Index (Gross Total Return), which is designed to measure the performance of the large and mid-cap segments of the US. The MSCI USA Index covers approximately 85% of the free float-adjusted market capitalization in the US.
2. U.S. Treasuries, represented by a rules-based, tactical allocation to a dynamic excess return basket of 2-, 5-, and 10-year U.S. Treasury rolling futures indexes.
3. Gold, represented by a rolling futures index.
4. Industrial Metals, represented by a basket of rolling futures indexes, including aluminum, copper, nickel, lead, and zinc futures.
5. Currencies, represented by a U.S. dollar-based rolling futures index that aims to represent the international value of the U.S. dollar.

These five asset classes have historically performed differently during various market regimes. For example, gold may defend against inflation and economic uncertainty. By allocating weights between asset classes that have had low correlation historically, the Index aims for steady positive performance over time.

While many investors rely on official economic data to evaluate prevailing market conditions, this economic data is published with a time lag: US GDP is published quarterly, and US inflation is published monthly. MSCI's data partner, QuantCube Technology, publishes their US GDP and US inflation estimates each day. These daily estimates are used to systematically determine the Index's asset weightings.

QuantCube Technology's real-time insights into GDP growth and inflation outlook are based on machine learning-based artificial intelligence to process and systematically analyze billions of real-time economic data points. QuantCube Technology's GDP insight has an approximately 95% correlation with the official USA GDP, and its inflation insight has an approximately 97% correlation with the official USA CPI historically.

Leveraging the GDP and inflation estimate by QuantCube Technology, the Index assigns the state of the U.S. economy to one of four regimes daily:

1. **Stagflation** — Falling GDP Indicator and High Inflation Indicator
2. **Heating Up** — Rising GDP Indicator and High Inflation Indicator
3. **Slow Growth** — Falling GDP Indicator and Low Inflation Indicator
4. **Goldilocks** — Rising GDP Indicator and Low Inflation Indicator

Allocations among the five asset classes are based on the identified economic regime. For each economic regime, the Index first aggregates data from all matching historical regimes that have occurred since 2000. This historical data shows which assets have outperformed or underperformed in each regime, and it is used to determine allocation across asset classes with the goal of overweighting the assets that historically provided the best risk-adjusted returns during such regime. As the Index accumulates live history, more observations are added to determine future asset allocations. New time periods are more heavily weighted to account for global and market shifts over time.

The Index may systematically rebalance daily among the five asset classes if there is a change in the economic regime. If there is no change in the economic regime, the Index systematically rebalances its asset allocation monthly.

The Index rebalances daily between the five asset classes and a notional cash position to target an 8% annualized volatility. When realized volatility is below 8%, the Index applies leverage (synthetic borrowing) to allocate up to 250% to the five asset classes. When realized volatility is above 8%, the Index allocates up to 100% to cash.

The Index reflects a 0.50% embedded cost and incorporates a deduction for transaction costs (including a borrowing cost) (collectively, the "Transaction Costs"). These Transaction Costs are not a set annual amount; they are adjustments to the Index level made in order to account for synthetic costs (e.g., bid-ask spread, slippage, and brokerage) that would be incurred by a professional investor seeking to replicate the Index strategy. In addition, the Index is calculated on an excess return basis, which reflects returns on a hypothetical investment in the Index components using borrowed funds. The borrowing cost is a market rate which is deducted from the Index performance on a daily basis. These embedded Transaction Costs reduce the Index value and therefore the value of any financial instrument linked to the Index. For more information about the Index, please visit https://www.dualcast.ml.com.

What is the MSCI EAFE Index?

The MSCI EAFE Index is maintained and calculated by MSCI, Inc. (formerly Morgan Stanley Capital International). The index is designed to measure the stock performance of more than 900 large and mid-cap sized companies across 21 developed markets in Europe, Australasia, and the Far East (EAFE) (the U.S. and Canada are excluded). The companies represent a variety of business sectors including, but not limited to, financials, industrials, health care, consumer discretionary, information technology, consumer staples, materials, energy, communication services, utilities, and real estate. The index was launched in 1986.

A country is a developed market if (1) it has Gross National Income per capita of 25% above the World Bank high-income threshold for three consecutive years, (2) at least five companies within the country meet minimum size requirements and a liquidity threshold based on annualized traded values, and (3) it exhibits a high degree of openness to foreign investment, as measured by indicators such as the absence of foreign ownership limits or restrictions on the flow of capital.*

The MSCI EAFE Index is a market capitalization-weighted index, meaning each component is weighted according to its free float adjusted market capitalization (the perceived value of a company based on the dollar value of outstanding shares of stock available for purchase by the public) relative to the index's total market capitalization. Larger market capitalization is generally associated with more established, mature companies. The index covers approximately 85% of the free float-adjusted market capitalization in the market.**

The index is built using MSCI's Global Investable Market Index (GIMI) methodology, which takes into account liquidity, market cap size, free-float requirements, and market size segmentation with a balance between global size and market coverage targets. The composition of the index is reviewed quarterly in February, May, August, and November. For a complete description of the index methodology, please see https://www.msci.com/index-methodology.

* As of January 31, 2023.

** A market is equivalent to a single country, except in DM Europe, where all DM countries in Europe are aggregated into a single market for index construction purposes under the MSCI Global Investable Market Indexes methodology.

What is the NASDAQ-100® Index?

The Nasdaq-100® is a globally recognized index that tracks the performance of 100 of the largest non-financial companies listed on the Nasdaq Stock Market®. From technology and retail to healthcare, telecommunications, biotechnology, transportation, media, and services, these companies collectively shape the new 21st century economy.

Companies must meet the following criteria to be included in the index:

1. Hold registration as a company within the United States of America.

2. Be listed on the Nasdaq Stock Exchange; if the company has recently moved their listing to Nasdaq, they must have traded on another major exchange for at least three consecutive months.*

3. Be classified as a non-financial company.

4. Have an average daily trading volume of at least 200,000 shares every day for three months.

5. Have no current involvement in bankruptcy proceedings.

The eligible companies are ranked based on their market value, and the largest companies are included in the Nasdaq-100®.

As the Nasdaq-100® is a modified market capitalization-weighted index, companies are assigned weights based on their market value or size. For example, if Company A's market value is $100 billion and the total market value of the companies in the index is $10 trillion, Company A's weight within the index would be 1% ($100 billion divided by $10 trillion). The larger a company's market value, the larger its weight within the index, and the greater the effect its stock price performance will have on the index's overall performance.

There are two limitations on company weights: (1) no company's weight may exceed 24%, and (2) the total weight of the companies whose weights exceed 4.5% may not exceed 48%. If either (1) or (2) occurs, a special rebalancing will be undertaken. If a company becomes ineligible for continued inclusion in the index, it will be removed from the index as soon as practicable.

The Nasdaq-100® remains up to date through route revisions and possible recalibrations of the weightings of its included companies. These quarterly reviews adhere to a predefined set of rules, known as its methodology, enabling the index to keep pace with any market shifts. Additionally, an annual reconstitution happens every December for further updates and adjustment. For more information about the Nasdaq-100® Index and its methodology, visit https://indexes.nasdaq.com/docs/Methodology_NDX.pdf.

* The security must have traded for at least three full calendar months, not including the month of initial listing, on an eligible exchange, which includes Nasdaq (Nasdaq Global Select Market, Nasdaq Global Market, or Nasdaq Capital Market), NYSE, NYSE American or CBOE BZX. Eligibility is determined as of the constituent selection reference date and includes that month. A security that was added to the index as the result of a spin-off event will be exempt from the seasoning requirement.

What is the Russell 2000® Small Cap Index?

The Russell 2000® Index is currently managed by the FTSE Russell Group and measures the stock performance of approximately 2,000 of the smallest companies Russell 3000 Index based on their market capitalization. The index was launched in 1984.

FTSE Russell calculates the total market capitalization of each security to determine whether it should be included in one or more of the Russell indexes. Total market capitalization is determined by multiplying total outstanding shares by the market price as of the rank day for those securities being considered at annual reconstitution. Once the market capitalization for each security is determined, each security is placed in the appropriate Russell market capitalization-based index. A security is placed in the Russell 2000 Index if its rank is 1,001 to 3,000. Changes in company rankings can be made to reflect corporate actions such as a merger or acquisition and eligible IPOs (initial public offering). Each June FTSE Russell reviews the companies' rankings and their placements in the index to ensure that companies continue to be correctly represented in the index. If a company is removed from the index due to a corporate action, it is not replaced; thus, the number of index components may fluctuate throughout the year until the index is reconstituted.

What is the S&P 500® Dynamic Intraday TCA Index?

The S&P 500® Dynamic Intraday TCA Index provides exposure to the S&P 500® Index using E-mini S&P 500 Futures and uses an intraday volatility control that is more responsive than a traditional risk control index to the volatility and trends that are occurring during each trading day. This index was launched on August 14, 2023.

Volatility and momentum trends of the S&P 500® Index are measured 13 times a trading day allowing the S&P 500® Dynamic Intraday TCA Index to adjust its allocation to E-Mini S&P 500 Futures up to 13 times a trading day. This seeks to allow the S&P 500® Dynamic Intraday TCA Index to be able to quickly respond to changing market environments while seeking to maintain a 15% volatility target. This volatility target also allows for more potential exposure to the S&P 500® Index.

The S&P 500® Dynamic Intraday TCA Index's maximum exposure to the S&P 500® Index is 250% when volatility is less than 15%. The higher the exposure, the higher the impact changes in the value of the S&P 500® Index have on the S&P 500® Dynamic Intraday TCA Index's value. The S&P 500® Dynamic Intraday TCA Index's minimum exposure to the S&P 500® Index is 0% during periods of concurrent heightened market volatility and sell-offs. The lower the exposure, the lower the impact changes in the value of the S&P 500® Index have on the S&P 500® Dynamic Intraday TCA Index's value.

The calculation of the S&P 500® Dynamic Intraday TCA Index's value includes a rebalancing fee of 0.02% that applies each time the index is rebalanced, up to 13 times per trading day. A replication fee of 0.12% on the entire index for the cost of managing the index also applies. These fees reduce the value of the index.

For more information on the S&P 500® Dynamic Intraday TCA Index, visit https://www.spglobal.com/spdji/en/indices/multi-asset/sp-500-dynamic-intraday-tca-index-usd-er/#overview.

What is the SG AI Navigator Index?

The SG AI Navigator Index was created by Société Générale (SocGen) and includes stocks within the 500 largest US publicly traded companies, identified as having the best perceived outlook and most upside potential. The index also takes a tactical short position in the SPDR® S&P 500 ETF to mitigate risk. The SG AI Navigator Index was launched on June 6, 2024.

Earnings calls offer insights into a company's financial performance, business development, and management perspective. The stocks included in the index are selected based upon analysis of earnings calls leveraging an artificial intelligence (AI) natural language processing model developed by Alexandria Technology. The AI model was trained with over 20 years of data and has a 92% correlation to human assessment. For each stock amongst the 500 largest

US stocks, the AI extracts sentiment from each company's earning call to calculate a score based on the ratio of positive to negative sentiment. The top 20% companies with the most positive outlook are chosen for inclusion in the index. The stocks are selected monthly and are weighted according to their market capitalization.

Daily, the SG AI Navigator Index uses SocGen's proprietary SG Sentiment Indicator Index to assess risk and determine the short position on the SPDR® S&P 500 ETF. The SG Sentiment Indicator Index observes equity volatility and other market risk metrics to gain a view of the market's risk appetite or sentiment (bearish or bullish). When the SG Sentiment Indicator Index observes the market is bearish, the SG AI Navigator Index increases its short position on the SPDR® S&P 500 ETF and reduces the index's exposure to equities, which may result in zero exposure to equities. When the SG Sentiment Indicator Index observes the market is bullish, the SG AI Navigator Index decreases its short position on the SPDR® S&P 500 ETF and increases the index's exposure to equities, which may result in up to 100% exposure to equities.

The SG AI Navigator Index also includes a volatility control that aims to keep volatility near 8%. When realized volatility is below 8%, then the exposure to the underlying strategy can be dialed up to a maximum of 150%. When volatility is above 8%, the exposure to equities can be dialed down to as low as 0%.

The SG AI Navigator Index reflects a maintenance fee of 0.50%, a replication cost of 0.75% if the index is fully allocated to stock, and 0.50% for any allocation to SPDR® S&P 500, and transaction costs that may be up to 0.02%. These fees reduce the index value.

For more information on the SG AI Navigator Index, visit sg-ai-navigator-index.com.

Volatility Control

Due to the volatility control, in up market conditions, the change in the S&P 500® Dynamic Intraday TCA Index, the MSCI BofA US Dualcast Index, the SG AI Navigator Index, and the Morgan Stanley Global Equity Allocator Index will not be as high as if there was no volatility control.

Likewise, in down market conditions, the change in the S&P 500® Dynamic Intraday TCA Index, the MSCI BofA US Dualcast Index, the SG AI Navigator Index, and the Morgan Stanley Global Equity Allocator Index will not be as low as if there was no volatility control. Because the TopRidge Bonus Annuity already provides down market protection through the guaranteed minimum 0% Index Interest Rate, the volatility control feature of an index may benefit SBL more than the annuity purchaser, through reduced hedging costs to SBL.

Where can I find information on the different indexes?

The indexes are published under the following tickers:

- S&P 500® Composite Stock Price Index — SPX
- S&P 500® Dynamic Intraday TCA Index — SPFDYNI
- Nasdaq-100® Index — NDX
- Russell 2000® Small Cap Index — RUT
- MSCI EAFE Index — MXEA
- MSCI BofA US Dualcast Index — MXUSCAST
- Morgan Stanley Global Equity Allocator Index — MSUSMSGE
- SG AI Navigator Index — SGIXAIN8

Can I change how interest is credited under my contract?

Yes, for the Fixed Account, as of any contract anniversary, and for the Index Accounts, as of a contract anniversary that coincides with the end of an Index Term. We must receive a request to transfer the Account Value for a contract anniversary on a form accepted by SBL on or before the 21st day after that contract anniversary. After each contract anniversary we will send you a notice about the Fixed Account Value and Index Account Values available to be transferred and information on the interest crediting options then available

If we do not receive a request to transfer the Account Value, or if it is received late, the allocation of the Account Value will remain the same, unless SBL ceases to offer an Index Account in which Account Value is held. If SBL ceases to offer an Index Account in which Account Value is held and a transfer request is not received by SBL, or is received late, SBL will transfer the Index Account Value in that Index Account to the Fixed Account. No Surrender Charge, Bonus Recapture, or MVA applies to transfers.

What is the value of my annuity?

We compute your Account Value and your Cash Surrender Value.

The **"Account Value"** is the sum of the Fixed Account Value and the Index Account Values. The Fixed Account Value and Index Account Values include interest credited, any premium tax and rider charges, and reflect transfers, withdrawals, death payments, or annuitization, including the Surrender Charge, Bonus Recapture, and MVA that may apply to any withdrawals, death payments, or annuitization. As of the end of the Surrender Charge Period, the Fixed Account Value also incudes any Rider Charge Refund.

The **"Cash Surrender Value"** is the greater of:

(i) The Guaranteed Minimum Cash Surrender Value, or

(ii) The Account Value, (a) minus any Surrender Charge, (b) minus any Bonus Recapture, (c) in most states, plus or minus any MVA, and (d) minus any premium or other taxes that apply, including federal tax withholding, and (e) minus any rider charge that applies.

The **"Guaranteed Minimum Cash Surrender Value"** is the minimum amount required for benefits and available for surrender as required by state law. The Guaranteed Minimum Cash Surrender Value is equal to:

(i) The Fixed Account Minimum Cash Surrender Value;

(ii) Plus the Index Accounts Minimum Cash Surrender Value; and

(iii) Minus Premium Tax, if it applies.

If any withdrawals reduce the Guaranteed Minimum Cash Surrender to zero, then the annuity has no minimum value. This may occur even if there is Fixed Account Value or Index Account Value.

The **"Fixed Account Minimum Cash Surrender Value"** is based upon 87.5% (90.75% for contracts issued in California) of the total Purchase Payments allocated to the Fixed Account, increased by daily interest at the "Fixed Account Minimum Cash Surrender Value Rate" and takes into account:

- Amounts withdrawn from the Fixed Account, including the impact of taxes,
- Transfers into or out of the Fixed Account, and
- Adjustments to the Fixed Account Minimum Cash Surrender Value due to a withdrawal from an Index Account.

An increase to the Fixed Account Minimum Cash Surrender Value occurs if all Index Account Values have been withdrawn and any remaining Index Accounts Minimum Cash Surrender Value is transferred into the Fixed Account Minimum Cash Surrender Value. A decrease to the Fixed Account Minimum Cash Surrender Value occurs if all Index Account Values have been withdrawn when there is insufficient Index Accounts Minimum Cash Surrender Value to take the withdrawal and the remainder is taken from the Fixed Account Minimum Cash Surrender Value.

The **"Index Accounts Minimum Cash Surrender Value"** is based upon 87.5% (90.75% for contracts issued in California) of the total Purchase Payments allocated to any Index Accounts, increased by daily interest at the "Index Accounts Minimum Cash Surrender Value Rate" and takes into account:

- Amounts withdrawn from any Index Accounts, including the impact of taxes,
- Transfers into or out of any Index Accounts, and
- Adjustments to the Index Accounts Minimum Cash Surrender Value due to a withdrawal from the Fixed Account.

An increase to the Index Accounts Minimum Cash Surrender Value occurs if all Fixed Account Value has been withdrawn and any remaining Fixed Account Minimum Cash Surrender Value is transferred into the Index Accounts Minimum Cash Surrender Value.

A decrease to the Index Accounts Minimum Cash Surrender Value occurs if all Fixed Account Value has been withdrawn when there is insufficient Fixed Account Minimum Cash Surrender Value to take the withdrawal and the remainder is taken from the Index Accounts Minimum Cash Surrender Value.

Example — Guaranteed Minimum Cash Surrender Value and Transfers:

Assume that Jane's contract was issued on June 1, 2025 for $100,000 (not in California), and she allocated to:

- The Fixed Account — Purchase Payment allocation of $25,000, starting Fixed Account Value = $28,500 and the Fixed Account Minimum Cash Surrender Value Rate is 2%
- The S&P 500® Annual Point to Point Index Account (with Cap) — Purchase Payment allocation of $75,000, starting Index Account Value = $85,500 and the Index Accounts Minimum Cash Surrender Value Rate is 1%
- A Bonus rate of 14% is assumed.

The Guaranteed Minimum Cash Surrender Value is computed as follows:

Purchase Payment Allocation to Fixed Account	$25,000	Purchase Payment Allocation to Index Account	$75,000
x Premium Factor	x 87.5%	x Premium Factor	x 87.5%
= Fixed Account Minimum Cash Surrender Value	= $21,875	= Index Accounts Minimum Cash Surrender Value	= $65,625
Guaranteed Minimum Cash Surrender Value ($21,875 + $65,625)			**= $87,500**

On the third contract anniversary, Jane transfers $15,000 from the Fixed Account into the S&P 500® Annual Point to Point Index Account (with Cap) when:

Fixed Account Value	$29,495	Index Account Value	$90,237
Fixed Account Minimum Cash Surrender Value	$23,214	Index Accounts Minimum Cash Surrender Value	$67,614
Guaranteed Minimum Cash Surrender Value ($23,214 + $67,614)			**= $90,828**

The Guaranteed Minimum Cash Surrender Value transferred is computed as follows:

Account Value Transferred from the Fixed Account to the Index Accounts	$15,000
÷ Fixed Account Value before the Transfer	÷ $29,945
= Percentage Transferred from the Fixed Account to the Index Accounts	= 50.9%
x Fixed Account Minimum Cash Surrender Value before the Transfer	x $23,214
= Minimum Cash Surrender Value Transfer Amount	**= $11,816**

The Guaranteed Minimum Cash Surrender Value after the transfer is computed as follows:

Fixed Account Minimum Cash Surrender Value		Index Accounts Minimum Cash Surrender Value	
Before the Transfer	$23,214	Before the Transfer	$67,614
- Transferred Amount	- $11,816	+ Transferred Amount	+ $11,816
= Fixed Account Minimum Cash Surrender Value	= $11,398	= Index Accounts Minimum Cash Surrender Value	= $79,430
Guaranteed Minimum Cash Surrender Value $10,748 + $80,080			**= $90,828**

As shown, the transfer did not impact the Guaranteed Minimum Cash Surrender Value amount.

Example – Guaranteed Minimum Cash Surrender Value Withdrawal with Adjustment:

Assume that Kathy's contract was issued on June 1, 2025 for $100,000 (not in California), and she allocated to:

- The Fixed Account – Purchase Payment allocation of $50,000, starting Fixed Account Value = $57,000 and the Fixed Account Minimum Cash Surrender Value Rate is 3.0%.
- S&P 500® Annual Point to Point Index Account (with Cap) – Purchase Payment allocation of $50,000, starting Index Account Value = $57,000 and the Index Accounts Minimum Cash Surrender Value Rate is 2.0%.
- A Bonus rate of 14% is assumed.

During the eleventh contract year, Kathy requests a $58,441 withdrawal when:

Fixed Account Value	$58,441	Index Account Value	$57,000
Fixed Account Minimum Cash Surrender Value	$58,796	Index Accounts Minimum Cash Surrender Value	$53,331
Guaranteed Minimum Cash Surrender Value ($58,796 + $53,331)			**= $112,127**

She requests that all the Fixed Account Value be used for the withdrawal. The withdrawal was taken after of the Surrender Charge Period; thus, Kathy receives $58,441.

The Fixed Account Minimum Cash Surrender Value after the withdrawal is initially computed as follows:

Fixed Account Minimum Cash Surrender Value before Withdrawal	$58,796
– Amount Julia Received	–$58,441
= Remaining Fixed Account Minimum Cash Surrender Value after Withdrawal	**= $355**

Since the Fixed Account Value was reduced to zero due to the withdrawal, the Remaining Fixed Account Minimum Cash Surrender Value is transferred to the Index Accounts Minimum Cash Surrender Value, and the Guaranteed Minimum Cash Surrender Value is calculated, as follows:

Fixed Account Minimum Cash Surrender Value		Index Accounts Minimum Cash Surrender Value	
After the Withdrawal	$355	Before the Adjustment	$53,331
– Adjustment	– $355	+ Adjustment	+ $355
= Fixed Account Minimum Cash Surrender Value	= $0	= Index Accounts Minimum Cash Surrender Value	= $53,686
Guaranteed Minimum Cash Surrender Value ($0 + $53,386)			**= $53,686**

Kathy's Guaranteed Minimum Cash Surrender Value was reduced by the $58,441 she received:
($112,127 - $58,441 = $53,686).

What is the Surrender Charge?

The Surrender Charge is a charge that reduces the amount available from your annuity during the Surrender Charge Period. The Surrender Charge varies by contract year and is based upon where you purchase your contract. The Surrender Charge that may apply during the Surrender Charge Period is based upon the following tables:

Surrender Charge Table

Contract year	1	2	3	4	5	6	7	8	9	10	11+
All states except those listed below	12%	12%	11%	11%	10%	9%	8%	7%	6%	4%	0%
AK, CT, DE, ID, IN, MA, MD, MN, MO, NH, NJ, NV, OH, OK, OR, PA, SC, TX, UT, VA, and WA	9.0%	8.1%	7.2%	6.3	5.4%	4.5%	3.6%	2.7%	1.8%	0.9%	0%
California	8.1%	7.2%	6.3%	5.4%	4.5%	3.6%	2.7%	1.8%	0.9%	0%	0%
Florida	10%	10%	10%	10%	10%	9%	8%	7%	6%	4%	0%

What is a Market Value Adjustment?

The MVA is an amount that is added to, or subtracted from, the Account Value for certain transactions under the TopRidge Bonus Annuity. The MVA is equal to the MVA Factor multiplied by the Account Value less any Bonus Recapture, subject to the MVA limit.

The MVA Factor is: [[(1 + i0) / (1 + i1 + Adj)] ^ T] – 1

Where:

i0	=	10-year treasury rate on the date prior to the contract date;
i1	=	10-year treasury rate on the date prior to the withdrawal;
Adj	=	(i) 0.0025, in all states except those listed below, (ii) 0, in AK, CT, FL, ID, IN, MA, MD, MN, MO, NH, NJ, NV, OH, OK, OR, PA, SC, TX, UT, VA, and WA; and
T	=	the number of whole and fraction years until the end of the Surrender Charge Period.

- In all states except those listed below: An amount is deducted if: (i) interest rates in the market are higher than when you purchased your contract, or (ii) interest rates in the market are lower than when you purchased your contract by less than 0.25%. An amount is added if interest rates in the market are lower than when you purchased your contract by more than 0.25%.
- In AK, CT, FL, ID, IN, MA, MD, MN, MO, NH, NJ, NV, OH, OK, OR, PA, SC, TX, UT, VA, and WA: An amount is deducted if interest rates in the market are higher than when you purchased your contract. An amount is added if interest rates in the market are lower than when you purchased your contract.
- The MVA does not apply to contracts issued in California. See page 15 for examples of the MVA.

What is the Bonus?

With the TopRidge Bonus Annuity, a Bonus is added to your Account Value based on the Purchase Payments made in the first contract year multiplied by the bonus rate amount indicated in your contract.

There is no charge for the Bonus Rider. However, the Bonus Rider will result in a lower credited rate, if any, than would apply if the Bonus Rider was not part of the TopRidge Bonus Annuity. The Current Interest Rate and, as applies, the Index Account Participation Rates and Caps will be lower, and the Index Account Annual Spreads will be higher, because the Bonus Rider is part of the TopRidge Bonus Annuity. This applies even if no Bonus Recapture applies or the Bonus Rider is terminated. The Bonus is not a Purchase Payment; thus, if you return the contract during the free look period, any Bonus credited is not paid as part of the refund of any Purchase Payments. The Bonus will be allocated to the Fixed and Index Accounts in the same manner as the Purchase Payment to which it is related.

What is a Bonus Recapture?

A Bonus Recapture is a charge that reduces the amount of previously credited Bonus. The Bonus Recapture varies by contract year and is based upon the state where you purchase your contract. A pro rata share of the Bonus Recapture applies to partial withdrawals in excess of the Free Withdrawal Amount. The pro rata share is based on the decrease in Account Value attributable to the excess amount, including any applicable charges, fees, and adjustments. The Bonus Recapture amount during the Surrender Charge Period is based on the table below:

Bonus Recapture Table

Contract year	1	2	3	4	5	6	7	8	9	10	11+
All states except those listed below	100%	100%	100%	100%	100%	100%	80%	60%	40%	20%	0%
AK, CT, DE, ID, IN, MA, MD, MN, MO, NH, NJ, NV, OH, OK, OR, PA, SC, TX, UT, VA, and WA	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%
California	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%	0%

When do the Surrender Charge, Bonus Recapture, and Market Value Adjustment apply?

A Surrender Charge, Bonus Recapture, and Market Value Adjustment may apply during the Surrender Charge Period as follows:

- In all states except those listed below, if: (i) you surrender your contract, (ii) you take withdrawals in excess of the Free Withdrawal amount, (iii) a payment is made upon the death of a joint owner who is not the spouse of the Annuitant, or (iv) you apply your Account Value to an annuity option.
- For CA, it is the same as above, except no MVA applies.
- For FL, if: (i) you surrender your contract, (ii) you take withdrawals in excess of the Free Withdrawal amount, or (iii) a payment is made upon the death of a joint owner who is not the spouse of the Annuitant. No Surrender Charge or MVA applies if you annuitize your contract, but if you annuitize your contract during the Surrender Charge Period, only limited annuity options are available.

During the Surrender Charge Period, a Surrender Charge, Bonus Recapture, and MVA do not apply if you satisfy the conditions in the Nursing Home Waiver or Terminal Illness Waiver, if avaliable in your state, after the applicable waiting period.

How are the Rider Charge and Premium Tax Deducted?

We deduct any rider charge and premium tax from the Fixed Account. If any rider charge or premium tax is not fully paid from the Fixed Account, then we deduct the unpaid portion pro rata from the Account Value held in all Index Accounts with the same term, starting with the shortest term Index Accounts.

Thus, if you purchased the annuity and no funds are in the Fixed Account, the unpaid portion of the rider charge or premium tax is deducted first, pro rata from the Account Value held in Index Accounts with 1-year Index Terms, and then, pro rata from the Account Value held in Index Accounts with 2-year Index Terms. The pro rata amounts are based upon the Index Account Values and the Account Value as of the date the rider charge or premium tax are deducted. The amount of rider charge or premium tax deducted from an Index Account mid-Index Term will not receive any index interest.

Example of the Market Value Adjustment

This example shows how the MVA is added to or subtracted from the Account Value. The MVA is based on changes in the market interest rate and is limited by the Guaranteed Minimum Cash Surrender Value, which takes into account the Fixed Account Minimum Cash Surrender Value Rate and the Index Accounts Minimum Cash Surrender Value Rate, as they may apply. The example assumes that the Guaranteed Minimum Cash Surrender Value is based on the Non-Forfeiture Rates shown below.

Assume that: (i) Jim purchased a TopRidge Bonus Annuity on June 1, 2025 for $100,000 and received a $14,000 Bonus added to his Account Value; (ii) on June 1, 2029, Joe surrenders his contract when his Account Value is $125,834.67; and (iii) Joe purchased his contract in Kansas; thus, on June 1, 2029, the Surrender Charge is 10% and the Bonus Recapture is 100% of the $14,000 Bonus paid.

3% Non-Forfeiture Rate	2% Non-Forfeiture Rate	1% Non-Forfeiture Rate
The MVA limit is $2,410.20	The MVA limit is $6,598.21	The MVA limit is $10,664.84

Interest Rate Increase – MVA Reduction

Market interest rate at purchase = 6%
Market interest rate at surrender = 7%

First Step – Compute the MVA:

MVA = the MVA Factor multiplied by the Account Value [minus the Bonus Recapture]

- [[(1 + 0.06) / (1 + 0.07 + 0.0025)] ^ 6] – 1 = –0.067924
- The MVA is – $7,596.26, [–0.067924 x ($125,834.67 – $14,000)].

Second Step – See if MVA Limit Applies:

- For a 3% Non-Forfeiture Rate, the MVA limit applies and the MVA decreases the Account Value by $2,410.10.
- For a 2% Non-Forfeiture Rate, the MVA limit applies and the MVA decreases the Account Value by $6,598.21.
- For a 1% Non-Forfeiture Rate, the MVA limit does not apply and MVA decreases the Account Value by $7,596.26.

Interest Rate Reduction – MVA Increase

Market interest rate at purchase = 6%
Market interest rate at surrender = 5%

First Step – Compute the MVA:

MVA = the MVA Factor multiplied by the Account Value [minus the Bonus Recapture]

- [[(1 + 0.06) / (1 + 0.05 + 0.0025)] ^ 6] – 1 = 0.043524
- The MVA is $4,867.49, [0.043524 x ($125,834.67 – $14,000)].

Second Step – See if MVA Limit Applies:

- For a 3% Non-Forfeiture Rate, the MVA limit applies and the MVA increases the Account Value by $1,787.32.
- For a 2% Non-Forfeiture Rate, the MVA limit does not apply and the MVA increases the Account Value by $4,840.38.
- For a 1% Non-Forfeiture Rate, the MVA limit does not apply and the MVA increases the Account Value by $4,840.38.

Cumulative Free Withdrawal Rider with Rider Charge Refund

The Cumulative Free Withdrawal Rider with Rider Charge Refund is issued automatically as part of your TopRidge Bonus Annuity. In the first contract year and during the remaining Surrender Charge Period, you may take Free Withdrawals from your TopRidge Bonus Annuity, as one or multiple withdrawals. Free Withdrawals are not subject to a Surrender Charge, Bonus Recapture, or MVA. With the Cumulative Free Withdrawal Rider with Rider Charge Refund, if no withdrawals are taken in a contract year, the Free Withdrawal can be carried over to the next contract year, and you can take what is known as a Cumulative Free Withdrawal, as one or multiple withdrawals. You can carry over Free Withdrawals from up to two immediately preceding contract years.

Each contract year's Free Withdrawal is based on the Purchase Payments applied to your TopRidge Bonus Annuity in the first contract year (excluding the Bonus), multiplied by the Free Withdrawal Percentage shown in your contract.

A contract year's Free Withdrawal is eligible to be carried over to the next contract year if no withdrawals are taken during the current contract year. Two successive contract years' Free Withdrawals are eligible to be carried over to the next contract year if no withdrawals are taken during those two contract years; thus, if no withdrawals are taken in two successive contract years, in the third successive contract year, you would be able to take up to three contract years' worth of Free Withdrawals as a Cumulative Free Withdrawal.

If you take any withdrawals in a contract year, the Free Withdrawal for that contract year and the prior contract year are no longer eligible to be carried over to the next contract year. During the contract year after you take a withdrawal, only the Free Withdrawal will be available. If you take part of an available Free Withdrawal or Cumulative Free Withdrawal, the remaining amount cannot be carried over to the next contract year.

To the extent you take a withdrawal to satisfy a calendar year's RMD, the total Free Withdrawal Amount that may be taken during that contract year is (assuming no withdrawal was taken in the prior successive contract year) the greater of (1) a Cumulative Free Withdrawal equal to two contract years' worth of Free Withdrawals, or (2) the RMD.

If no withdrawal was taken in the prior two successive contract years, the total Free Withdrawal Amount is the greater of (1) a Cumulative Free Withdrawal equal to three contract years' worth of Free Withdrawals, or (2) the RMD. However, if you take a withdrawal in any contract year, the Free Withdrawal Amount in the next contract year is the greater of (1) the Free Withdrawal, or (2) the RMD. If the RMD is greater than the Free Withdrawal in a contract year but the RMD is not taken from the contract that year, only the Free Withdrawal from that contract year (excluding the Bonus) can be carried over to a subsequent contract year. The RMD amount cannot be carried over.

Examples – Cumulative Free Withdrawal Rider:

1. Assume that Sarah makes Purchase Payments of $100,000 for her TopRidge Bonus Annuity. The Free Withdrawal Percentage is 10%, so each contract year's Free Withdrawal equals $10,000. When the contract is in its second contract year, Sarah decides to take a Free Withdrawal. Sarah did not take any withdrawals in the immediately preceding contract year, so her available Cumulative Free Withdrawal in the second contract year is $20,000.
2. If Sarah had waited until the third contract year and did not take any withdrawals in the immediately preceding two contract years, her available Cumulative Free Withdrawal in the third contract year would be $30,000.
3. Assume that Sarah's contract is a qualified contract, she has reached the age at which she must take an RMD, and her RMD for the current calendar year is $25,000. Further assume that Sarah's contract is in its second contract year, and her available Cumulative Free Withdrawal is $20,000 (two years' worth of accumulated Free Withdrawals because she did not take any withdrawals in the first contract year). Sarah's available total Free Withdrawal Amount is $25,000 — the greater of the $20,000 Cumulative Free Withdrawal and the $25,000 RMD. If Sarah's contract was in its third contract year, and her available Cumulative Free Withdrawal was $30,000 (three years' worth of accumulated Free Withdrawals because she did not take any withdrawals in the prior two contract years), her available total Free Withdrawal Amount would be $30,000, as that is greater than the $25,000 RMD.
4. Using the assumptions from Example 1, further assume that Sarah makes three withdrawals of $5,000 each in the second contract year when her Cumulative Free Withdrawal is $20,000. Although Sarah only withdrew $15,000 of her available $20,000 Cumulative Free Withdrawal, the remaining $5,000 does not carry over to the next contract year. Thus, in the third contract year, Sarah only has a Free Withdrawal of $10,000 available (10% of her Purchase Payments (excluding the Bonus). She has no Cumulative Free Withdrawal available in the third contract year.

Rider Charge

An annual charge for the Cumulative Free Withdrawal Rider with Rider Charge Refund is deducted from the contract's Account Value on each contract anniversary during the Surrender Charge Period if the rider has not been terminated. The Rider Charge is calculated and deducted from your Account Value after any interest credits have been applied. The Rider Charge is equal to the Rider Charge Rate shown in your contract, multiplied by your contract's Account Value at the time the charge is deducted. A partial Rider Charge is deducted from your Account Value upon the occurrence of any of the following:

- The payment of any amounts payable at death,
- Surrender of the contract (which terminates the rider), or
- The Annuity Start Date if the entire Account Value is applied to an Annuity Option, as set forth in the contract.

A partial Rider Charge is based on the portion of the elapsed contract year and the Account Value at the time the charge is deducted. No Rider Charge will be deducted after the Surrender Charge Period.

Rider Charge Refund

At the end of the Surrender Charge Period, if the Rider Charge Refund has not been forfeited, a one-time Rider Charge Refund may be credited to the Fixed Account Value. The amount credited, if any, will equal the positive difference between the total amount of Rider Charges deducted during the Surrender Charge Period and the total interest credited to the Account Value during the Surrender Charge Period.

The Rider Charge Refund will be forfeited if, prior to the end of the Surrender Charge Period, withdrawals are taken in excess of the Free Withdrawal Amount or if the Rider is terminated for any reason, including surrender and death.

Example — Rider Charge Refund:

Assume that during the Surrender Charge Period, Tom's TopRidge Bonus Annuity contract was credited with a total of $50,000 of interest, and the charges assessed for the Cumulative Free Withdrawal Rider with Rider Charge Refund during the Surrender Charge Period totaled $60,000. Further assume that the Rider Charge Refund has not been forfeited as of the end of the Surrender Charge Period.

At the end of the Surrender Charge Period, a $10,000 Rider Charge Refund would be credited to the Fixed Account in Tom's contract. In contrast, if the total interest credited during the Surrender Charge Period was greater than the total Rider Charges assessed, no Rider Charge Refund would be credited.

Termination of the Cumulative Free Withdrawal Rider with Rider Charge Refund

The Cumulative Free Withdrawal Rider with Rider Charge Refund terminates automatically at the end of the contract's Surrender Charge Period or when the contract is terminated, whichever occurs earlier.

How can I access funds from my annuity?

You may request funds from your annuity at any time. During the Surrender Charge Period, the Surrender Charge, a Bonus Recapture, and, in most states, an MVA may apply if you access funds from your annuity. When you request funds from your annuity, you may select from which interest crediting options we take the funds. If you do not make a selection, we will take the funds in the same way we deduct the rider charge and any premium tax.

Can I access funds from my annuity without any fees or charges?

Yes, except for any premium or other tax we may pay, if you take a Free Withdrawal. Beginning on the date your contract is issued and during the Surrender Charge Period, you may take Free Withdrawals from your annuity, as one or multiple withdrawals, up to 10% of the Purchase Payment(s) made during the first year of the contract (excluding the Bonus).

If your TopRidge Bonus Annuity is a qualified contract, during each contract year, you may withdraw the RMD amount required for a single calendar year during the contract year as Free Withdrawals. SBL determines the amount required to be distributed under the Internal Revenue Code for your contract for one calendar year. Because RMDs are computed as of a calendar year-end, and your contract year is based on the date your annuity is issued, two different RMD amounts may apply in a single contract year. The amount of the second RMD may be higher or lower than the first RMD amount and, if lower, may cause the Free Withdrawal for a contract year to decrease.

If you surrender your TopRidge Bonus Annuity during the Surrender Charge Period, there is no Free Withdrawal available for the surrender. The entire Account Value is subject to a Surrender Charge, Bonus Recapture, and, in most states, an MVA. In all states except AK, CT, ID, IN, MA, MD, MN, MO, NH, NJ, NV, OH, OK, OR, PA, SC, TX, UT, VA, and WA, a Surrender Charge, Bonus Recapture, and MVA (except in CA) will also apply to the total decrease in Account Value attributable to Free Withdrawals taken in the 12 months prior to the surrender.

What annuity income may I take from my annuity?

You may choose any of the five different annuity options we currently offer, except if the annuity is purchased in Florida. For contracts issued in Florida: (i) if you decide to take annuity payments during the Surrender Charge Period, you may only choose options 1 through 4, and (ii) if you decide to take annuity payments after the Surrender Charge Period, you may choose any of the five options.

The amount applied to an annuity option depends upon the state where you purchased your annuity.

- For all states other than those listed below — It is the Cash Surrender Value.
- For FL — It is the greater of: (i) the Guaranteed Minimum Cash Surrender Value, or (ii) the Account Value, less any Bonus Recapture, Premium Tax, and rider charges.
- For CA — It is the Cash Surrender Value. For contracts issued in California, no MVA applies.

On or after the annuity start date, you cannot change the annuity option or surrender your annuity.

The annuity options are:

Option 1 — Life Option: For the life of the Annuitant. Upon death, no further payments will be made.

Option 2 — Life with Period Certain Option: For the later of: (i) the life of the Annuitant, or (ii) the end of a 5, 10, 15, or 20 year period that you choose.

Option 3 — Life with Installment or Unit Refund Option: For the later of: (i) the life of the Annuitant, or (ii) the end of the period equal to the annuity start amount divided by the first payment.*

Option 4 — Joint and Survivor Option: For as long as either the Annuitant or joint Annuitant is living.

Option 5 — Period Certain Option: For a fixed period of 5, 10, 15, or 20 years.*

*If the Annuitant dies before the end of the chosen period, the beneficiary receives the remaining annuity payments.

Life with 10-Year Period Certain applies if no annuity option is selected.

When may I begin receiving annuity payments?

When annuity payments may begin depends upon the state where you purchased your annuity.

- For all states other than those listed below — You may begin receiving annuity payments on the later of: (i) the contract anniversary following the Annuitant's 95th birthday, or (ii) the 26th contract anniversary.
- For FL — You may begin receiving annuity payments on the later of: (i) the contract anniversary following the Annuitant's 95th birthday, or (ii) the 26th contract anniversary. You may request to change the date to any day after the first contract anniversary and prior to the contract anniversary following the Annuitant's 95th birthday, so long as we receive written notice at least 30 days prior to the day annuity payments are to begin.

- For AK, CA, CT, ID, IN, MA, MD, MN, MO, NH, NJ, NV, OH, OK, OR, PA, SC, TX, UT, VA, and WA — Annuity payments may begin on any date after the 10th contract anniversary (9th contract anniversary for contracts issued in California), so long as we receive the written request at least 30 days prior to that date. Annuity payments must begin by the contract anniversary following the Annuitant's 95th birthday, unless we agree otherwise.

What happens upon a death?

If your contract has no Cash Surrender Value at the time of the death of the Annuitant because you have annuitized, we will make annuity payments, if any, as may apply under the annuity option you chose, to the beneficiary of the contract.

If your contract has any Cash Surrender Value at the time of the death of the Annuitant or the owner, there is an amount payable under your contract. The amount payable depends upon who died.

If the Annuitant dies or if a joint owner who is the spouse of the Annuitant dies, the amount payable is the greater of: (i) the Guaranteed Minimum Cash Surrender Value, or (ii) the Account Value, less a partial rider charge. If a joint owner who is not the spouse of the Annuitant dies, the amount payable is equal to the Cash Surrender Value.

In California, if the contract is issued to persons 60 or older, the amount payable is the greater of: (i) the Guaranteed Minimum Cash Surrender Value, or (ii) the Account Value, less a partial rider charge, regardless of who died.

We determine the amount payable on the date we receive due proof of death and instructions regarding payment, in certain circumstances, the contract can be continued and no death benefit is paid, as shown in the "Distribution Rules" section of your contract.

What endorsements are available?

If allowed by your state, the Nursing Home Waiver and Terminal Illness Waiver endorsements are included with your annuity for no additional fee or charge.

What are the Nursing Home Waiver and Terminal Illness Waiver?

If you satisfy the conditions of the Nursing Home Waiver or Terminal Illness Waiver, we will waive the Surrender Charge, Bonus Recapture, and MVA that may have applied to any withdrawal or surrender request made after the third contract year (state variations apply). These waivers may not be available in all states, and the available features may vary by state.

- Nursing Home Waiver: You are confined to a hospital or nursing facility for a minimum of 90 consecutive days immediately preceding a withdrawal and continue to be confined at the time we receive your request. The confinement must begin after the contract date. We require proof of the confinement to the hospital or nursing home. This endorsement is form 6054 (5-11) (not available in CA or MA).

- Terminal Illness Waiver: You have been diagnosed with a terminal illness by a licensed physician and the terminal illness was first diagnosed after the contract date. Terminal Illness is an incurable condition that will result in death within one (1) year. We require proof of the terminal illness. This endorsement is form 6055 (5-11) (not available in CA and NJ).

How will annuity payments and withdrawals from my annuity be taxed?

This guide is not intended to provide tax advice. You should consult your tax adviser to discuss your particular circumstances.

Generally, for contracts owned by natural persons, interest credited to an annuity is tax deferred. You pay ordinary income taxes on the interest earned when you take annuity payments or make a withdrawal (and on the Purchase Payment for certain tax qualified contracts). You may also pay a 10% federal income tax penalty on amounts you withdraw before reaching age 59½ if the withdrawal does not meet certain exceptions. Please note, this document is not intended to provide tax advice. You should consult your tax adviser to determine if your circumstances qualify as an exception to the 10% penalty tax. If your state imposes a premium tax, it will be deducted from the money you receive.

You can exchange one tax-deferred annuity for another without paying income taxes on the earnings when you make the exchange. However, taxes may be assessed if you withdraw from the annuity you exchanged into within 180 days of the exchange.

Before you make such an exchange, compare the benefits, features, and costs of the two annuities.

You should consult a tax adviser to discuss the tax treatment of making exchanges or withdrawals to determine any potential tax consequences.

Does buying an annuity in a retirement plan provide extra tax benefits?

No, buying an annuity within an IRA, 401(k), or other tax-deferred retirement plan does not provide you any extra tax benefits. You should choose your annuity based on its features and benefits, as well as its risks and costs, and not on tax benefits alone.

Important Information About Replacements

A replacement occurs when funds are taken from an existing annuity contract or life insurance policy, whether by a loan, a partial withdrawal (including a free withdrawal), or a full surrender, and those funds are used to purchase a new annuity contract (or life insurance policy). A replacement occurs even if the withdrawal of funds and the purchase of the new annuity contract do not happen at the same time. Some state laws specify that a replacement has occurred if funds taken from an existing annuity contract or life insurance policy are used to purchase a new annuity contract (or life insurance policy) up to a year later. Replacement of an existing annuity contract or life insurance policy is something that should be considered carefully. You should weigh the benefits and costs of the existing contract or policy against those of the TopRidge Bonus Annuity to determine whether the replacement would better serve your insurance needs and financial objectives.

How can I reach Security Benefit?

You can reach us in several ways:

By phone: 800.888.2461

By email: AnnuityProcessing@SecurityBenefit.com

On the web: SecurityBenefit.com

By mail: One Security Benefit Place
Topeka, KS 66636-0001

Please sign the next page and send this page and the original, signed signature page to Security Benefit with the Application, provide the Applicant with a copy of the entire signed SOU, and retain a copy for your records.

Applicant Acknowledgment:

By signing below, I certify that:

- I have read the above information and it has been explained to me by the Producer.
- I understand the features of the TopRidge Bonus Annuity described.
- I understand that certain withdrawals, surrenders, and payments made during the Surrender Charge Period may be subject to a Surrender Charge, Bonus Recapture, and a Market Value Adjustment (in most states).
- I understand that the Cumulative Free Withdrawal Rider with Rider Charge Refund is subject to conditions, and an annual charge (deducted from the contract's Account Value) applies during the Surrender Charge Period.
- I understand that the Rider Charge Refund feature of the Cumulative Free Withdrawal Rider may be forfeited under certain conditions, including if I take withdrawals in excess of the Free Withdrawal Amount during the Surrender Charge Period.
- I understand that any values shown are for explanatory purposes only and are not guaranteed.
- I understand that the Producer will be compensated if I purchase the annuity.
- I understand that I should consult my tax advisor regarding possible tax implications of the purchase, sale, surrender, and annuitization of an annuity and, if it applies, the exchange of an existing annuity or life insurance contract.
- I understand that the insurance producer who presented the annuity for purchase is an independent insurance producer appointed to sell annuities for Security Benefit Life Insurance Company, and that any promises, statements, or representations made by the Producer contrary to the information set forth in this Statement of Understanding or the annuity contract issued to me are not binding on Security Benefit Life Insurance Company.
- I understand that the GMIR, Cap, Participation Rate, Fixed Account Minimum Cash Surrender Value Rate, and Index Accounts Minimum Cash Surrender Value Rate, may change and may be lower, and the Annual Spread may change and may be higher, between the date I apply for the TopRidge Bonus Annuity and the date my contract is issued.

Security Benefit®

TopRidge Bonus Annuity
Statement of Understanding
Effective Date: September 27, 2024

Complete the following acknowledgments (refer to the Important Information About Replacements on page 24):

Applicant: I acknowledge that a replacement ○ is ○ is not occurring by my purchase of the TopRidge Bonus Annuity.

____________________ ____________________
Applicant's Initials Joint Applicant's Initials (if applicable)

Producer: I acknowledge that a replacement ○ is ○ is not occurring by the Applicant's purchase of the TopRidge Bonus Annuity.

____
Producer's Initials

X ____ ____________________
Applicant Signature Date (mm/dd/yyyy)

Social Security Number ____

X ____ ____________________
Joint Applicant Signature Date (mm/dd/yyyy)

Social Security Number ____

Producer Acknowledgment

By signing below, I certify that I have reviewed the above information with the Applicant(s) and provided him or her with a signed copy of this document. I also certify that I have not made any statements that differ from what is stated in this document and that no promises or assurances were given as to the future value of any non-guaranteed elements of the TopRidge Bonus Annuity. I further certify that, prior to discussing the TopRidge Bonus Annuity with the Applicant(s), I received from Security Benefit and reviewed product-specific training and training materials which explain all material features of the TopRidge Bonus Annuity.

X ____ ____________________
Producer Signature Date (mm/dd/yyyy)

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Bonus annuities 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.

This Statement of Understanding describes the Security Benefit TopRidge Bonus Annuity, a modified single premium, deferred fixed index annuity contract. In most states, the TopRidge Bonus Annuity is issued on form 5600 (9-19). In Alaska, Connecticut, Idaho, Indiana, Maryland, Massachusetts, Minnesota, Missouri, Nevada, New Hampshire, New Jersey, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Texas, Utah, Virginia, and Washington the TopRidge Bonus Annuity form is ICC19 5600 (9-19).

Your path *To and Through Retirement*®
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