

# Primerica Freedom Accumulation

# Benefit

## What Is the Freedom Accumulation Benefit and How Does It Work?

When you pay your premium, you can elect to add some additional dollars to your Freedom Accumulation Benefit that can be used for future premiums.<sup>1,2</sup>

- These extra dollars will be held by the company in your name and we will pay interest on the balance you keep with us.
- In most states, the maximum balance you will be able to keep in your Freedom Accumulation Benefit is \$5,000.
- You'll receive an annual statement showing your balance, transactions and any interest earned.

## How We'll Calculate Your Interest

- The interest rate we'll pay on the balance you accumulate in your Freedom Accumulation Benefit is variable and based current market conditions.
- The interest rate will never be less than the Benchmark Rate which is published on the website <http://www.imoney.net.com/retail-money-funds/index.aspx>.<sup>3</sup>

## How Are Freedom Accumulation Benefit Funds Used?

Unless you tell us otherwise, any unpaid premiums will be paid from any available Freedom Accumulation Benefit balance in order to keep your policy from lapsing – after you've had time to make your regular payment.<sup>4</sup>

<sup>1</sup> You can send a written request to withdraw, at no charge, a minimum of \$100 or the entire balance amount. If your balance is less than \$100, you can withdraw the entire balance. If your Freedom Accumulation Benefit balance is less than \$10 and you haven't made any additional deposits to it for 12 months, the company will return the balance to you. <sup>2</sup> Funds are held under the terms of the Advance Premium Deposits Agreement (APDA) by either National Benefit Life Insurance Company, Home Office: Long Island City, NY (form NBF11AGO) for New York-issued policies; Primerica Life Insurance Company, Executive Offices: Duluth, GA (form PLF11AGO) for all other US jurisdiction-issued policies and Primerica Life Insurance Company of Canada, Head Office: Mississauga, ON (form ZLF11AGO) for Canada-issued policies. <sup>3</sup> The rate is listed under the Retail Trade National Averages, Savings and Money Market Accounts, "Regular Savings \$10K." The published rate as of the last business day of a month will be the effective Benchmark Rate for the following month (for example, the effective Benchmark Rate for September would be the rate published as of the last business day of August on the imoney.net website). The interest earned on the balance of the Freedom Accumulation Benefit is taxable, so you should consult a tax advisor about any tax questions. The interest paid on the balance of the Freedom Accumulation Benefit is not tied to, and may be less than the Company's earnings on its general account. Interest rates may change without notice. If you withdraw the balance during the year, you will receive any interest earned up to the date of withdrawal. Terms -- Primerica can change the terms of the Freedom Accumulation Benefit, including the Benchmark Rate. In the event of changes, notice of the proposed changes will be sent to you. In most states, you will have 60 days to agree to these changes. In most states, continuing your Freedom Accumulation Benefit is considered to be agreeing to the changes. <sup>4</sup> If your Freedom Accumulation Benefit balance is insufficient to cover your premium due, then the policy will continue to be in a lapsed status.

## What Happens If the Insured Dies?

- If the Primary insured dies, the balance of any advance premium deposits plus any interest earned will be paid to the beneficiary.
- If the policy terminates for a reason other than death of the primary insured, the policy owner will receive a check for the balance of the advance premiums plus any accumulated interest.

## Are Freedom Accumulation Benefit balances covered by the Federal Deposit Insurance Corporation (FDIC)?

The FDIC does not cover Freedom Accumulation Benefit balances because they are not bank accounts. They are protected by state guaranty funds, up to state coverage limits (generally \$300,000).

