



WEST COAST LIFE  
INSURANCE COMPANY

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## Candy Jar Sales Idea Script

This script focuses only on the interest crediting methodology of the West Coast Life Index Advantage annuity and must be used in conjunction with other approved marketing materials, including the Product Guide. Make sure to discuss surrender charges, the long-term nature of an annuity purchase, and other information about the risks of the fixed indexed annuity.

### Introduction:

*The Candy Jar analogy is an easy way to help clients understand the annual reset point-to-point interest crediting methodology of the West Coast Life Index Advantage annuity. The imagery of this analogy is helpful, and you may even want your clients to participate in this example.*



### Approach:

“If you don’t mind, we can use this candy jar, like the ones they have at candy stores, to show you how interest crediting for this indexed annuity might work. First, what we’ll do is take the lid off and put some candy in the candy jar. We’ll use this to represent the premium (or purchase payment) you would put into the annuity.

Let me tell you how this candy jar works. Each contract year that the S&P<sup>®</sup> 500 Index increases, you get to put more candy in the candy jar, since interest crediting for the West Coast Life Index Advantage annuity is linked, in part, to the performance of the S&P<sup>®</sup> 500 Index during the contract year. The addition of more candy is the interest, if any, that is credited to the annuity. Keep in mind, the S&P<sup>®</sup> 500 Index can go up or go down during any given period of time; and past performance does not guarantee future results.

So, since interest crediting is linked to the performance of the S&P<sup>®</sup> 500 Index, what do you think the index will do in the first year; will it go up or down? *[The client will typically say “up”, because they are hopeful about the potential performance of the indexed annuity.]* Up -- great, take the lid off of the candy jar and put more candy in the jar. Again, this represents interest crediting on your indexed annuity.

The second year—same thing—do you think that the S&P<sup>®</sup> 500 Index will go up or down? Up -- great, take the lid off of the jar, put more candy into the jar and close the lid. Mr. and Mrs. Client, you were just credited more interest on your indexed annuity.

Now I should point out that each year your credited interest will be limited to the current interest rate cap. If the performance of the index is equal to or higher than the current interest rate cap, you will be limited on how much candy you get to put in the candy jar. In other words, you may have a time where the index goes up an amount equal to 8 pieces of candy, but the cap is 6 pieces of candy, so you will only be credited with 6 pieces of candy.

The third year, I have bad news. The S&P<sup>®</sup> 500 Index went down because, again, it can go down as well as up. Let me show you what happens to your indexed annuity when the index goes down. Lift up the candy jar and flip it upside down. What happens?

All of the candy that is in the candy jar stays within the jar. All of the premium and the interest credited until that point stay in the candy jar – you don't lose any of it. You don't get to add more candy to the jar this year, but you don't have to worry about losing the interest credited nor the premium. This is an example of an annual reset point-to-point interest crediting method.

This example only discusses one important aspect of the annuity, which is the interest crediting methodology, but it does not consider any implications of taking something out of the candy jar, such as you taking a withdrawal out of the annuity. Let's take a look at the product guide, which covers more of the details of the annuity, such as surrender charges—details that you should consider when making a decision to purchase the annuity.”

The example assumes no withdrawals or surrenders during the period discussed. Surrender charges may apply to early withdrawals.

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