

Staysail

Product Overview

A MULTI-YEAR GUARANTEED ANNUITY ON YOUR TERMS

ISSUE AGES

3, 5 & 7-Year Guaranteed Option Period: **0-85**

If jointly owned, eligibility is based on older Owner's age

PREMIUM

Minimum Premium: **\$10,000**

Maximum Premium: **\$2,000,000**

OWNERSHIP

Qualified Annuities: Rollovers accepted from IRAs, 401(K)s, 403(b)s and pension or profit-sharing plans. Owner and Annuitant must be the same individual.

Non-Qualified Annuities: Owner and annuitant must be the same individual. Joint Ownership is available but must also be Joint Annuitants and spouses. Non-natural ownership is also accepted.

GUARANTEED OPTION PERIOD (GOP)

Select between 3, 5, or 7 Years.

Simple interest is credited daily and is guaranteed for the entire term. Only one GOP may be elected per Contract.

WITHDRAWALS

Staysail is offered with an optional Free Withdrawal Rider. The Free Withdrawal Rider allows 10% of the Accumulation Value as of the beginning of the most recent Contract Year to be withdrawn without incurring withdrawal charges or MVA. The interest rate offered on Staysail will vary depending on whether the Free Withdrawal Rider is elected.

Required Minimum Distributions (RMD) can be withdrawn without incurring withdrawal charges or MVA, regardless of whether or not the Free Withdrawal Rider is elected.

MARKET VALUE ADJUSTMENT (MVA)

A Market Value Adjustment (MVA) may apply to any withdrawals exceeding the allowed Free Withdrawal amount for any GOP. The MVA may increase or decrease the amount received from the withdrawal.

WITHDRAWAL CHARGE SCHEDULE

CONTRACT YEAR	1	2	3	4	5	6	7
3-Year GOP	8.50%	8.00%	7.00%	N/A	N/A	N/A	N/A
5-Year GOP	8.50%	8.00%	7.00%	6.00%	5.00%	N/A	N/A
7-Year GOP	8.50%	8.00%	7.00%	6.00%	5.00%	4.00%	3.00%

**EXTENDED CARE &
TERMINAL ILLNESS
WAIVERS****Extended Care Waiver**

- Waiver provides access to 100% of the Accumulated Value up to a maximum of **\$250,000**.
- Eligibility begins after the first Contract Anniversary and is available for an Owner or Joint Owner.
- Must be confined to a qualified Hospital or Nursing Home for 90 consecutive days, starting after the Contract Issue Date.
- Not available in all states.

Terminal Illness Waiver

- Waiver provides access to 100% of the Accumulated Value up to a maximum of **\$250,000**.
- Eligibility begins after the first Contract Anniversary and is available for an Owner or Joint Owner. Diagnosis may have occurred at any time on or after the Contract Issue Date.
- Diagnosis must be made by a certified Physician that death will occur in 12 months or less following the Physician's statement.
- Not available in all states.

**SYSTEMATIC
WITHDRAWAL
PROVISION**

Withdrawals can be based on a specified dollar amount or percentage and occur on a recurring basis.

Frequency: monthly, quarterly, semi-annual or annual. **\$100 min.**

**MINIMUM SURRENDER
& WITHDRAWAL
AMOUNT**

\$500

**MINIMUM ACCOUNT
BALANCE AFTER
SURRENDERS &
WITHDRAWALS**

\$2,000

ANNUITIZATION

After the first Contract Year, the Contract's full Accumulated Value may be annuitized under any available annuity options in the Contract.

FREE LOOK PERIOD

30 days

DEATH BENEFIT

Upon death, the full Accumulated Value will be paid to the Beneficiary. The Death Benefit is free of withdrawal charges or MVA.

Disclosures

Staysail is multi-year guaranteed annuity which is issued by Merit Life Insurance Co. and only available in certain states. Staysail Policy Form: ICC23- FA100-0223 (subject to state variations). Policy form numbers and provisions may vary. Guarantees are backed by the claims-paying ability of the issuing company.

Knighthead Life is the brand name of Knighthead US Holdings, Inc. and its subsidiaries, Merit Life Insurance Co. ("Merit Life") and Knighthead American Life Insurance Company ("KALIC").

You should consider the features of Staysail carefully before purchasing. Taxes are due upon withdrawal and excess withdrawals may be subject to a surrender charge and market value adjustments. The IRS may impose a 10% penalty for withdrawals prior to age 59 ½.

Non-qualified annuities are generally entitled to tax deferral. IRAs and other qualified plans are already tax deferred. Therefore, a deferred annuity should be used to fund an IRA or qualified plan to reap annuity benefits other than tax deferral, such as lifetime income and death benefit options.

Information provided herein and on Knighthead Life's website is not intended as legal or tax advice. This material is intended to be a general description for public review and education and the language of your contract will control. Please consult with your Financial Advisor before purchasing any of Knighthead Life's annuity products, which may only be available in certain states. Annuities are long term retirement vehicles and may only be offered by a licensed insurance agent. Knighthead Life's products are not guaranteed by any bank nor insured by the FDIC/NCUA.

Knighthead Life is underwritten by Merit Life Insurance Co., rated A- (Excellent) as of November 13, 2025 by AM Best. For the latest AM Best's Credit Rating, access www.ambest.com. Please note this rating does not apply to any investment product and is subject to change.

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