The Capitol Life Insurance Company

# BANKERS PREMIER PLUS

**CLIC BankersPlus-0307**

## Description

**Bankers Premier Plus** is a Single Premium Deferred Annuity (Policy Form: CLIC BankersPlus-0307-*) designed to accumulate money for retirement. It is suitable for use as an IRA or as an attractive alternative to CDs and other taxable vehicles. You can start your **Bankers Premier Plus** annuity with a minimum premium of $10,000.

## How Interest is Credited

Interest is credited at an initial interest rate guaranteed for the first five contract years. During the first contact year, the rate will be 1% greater than during years two through five. At the end of the fifth contract year and each contract year thereafter, a new rate will be declared for the following contract year. Beginning on the first day of the sixth contract year, your annuity will earn a portfolio interest rate, which may go up or down, but can never earn less than the contract's minimum guaranteed rate at the time of your purchase. There are no front-end sales charges or annual administrative fees. 100% of your money works for you!

| MINIMUM GUARANTEED RATES | | |
|---|---|---|
| % | % | 2.50 % For policies issued in 2008 |
| Year 1 | Years 2-5 | Years 6+ |

*Until the policy is issued, rates are subject to change without notice.*

## Bankers Premier Advantages

Tax Deferred – Your annuity grows much faster than alternative vehicles because:

- $ You earn interest on your principal.
- $ You earn interest on your interest.
- $ You earn interest on the money you would otherwise pay in taxes.
- $ You don't pay tax on interest until you take it out.
- $ You decide on the best time to withdraw your money.

## Policy Values

Your Accumulated Value is 100% of all premiums and earned interest. The Cash Surrender Value is the Accumulated Value less any cash withdrawals and applicable surrender charges and Market Value Adjustment (MVA). Surrender charges and MVA are waived in the event of the Annuitant's death. Prior cash withdrawals are deducted from the Accumulated Value, Cash Surrender Value and Death Benefit. **Bankers Premier Plus** contains no permanent surrender charge features.

## Liquidity

You may have access to your annuity at any time permitted by law. Your interest earnings are available when you need them. Without surrender charges or MVA, you may withdraw 100% of your accumulated interest two times per policy year or receive monthly checks of your accumulated interest. The minimum monthly interest check is $100. Withdrawals in excess of these amounts are subject to a Market Value Adjustment and the following surrender charges:

| Policy Year | 1 | 2 | 3 | 4 | 5 | 6+ |
|---|---|---|---|---|---|---|
| Surrender Charge | 8.1% | 7.3% | 6.4% | 5.5% | 4.5% | 0% |

Penalty-free withdrawals do not apply to full surrenders. A 10% IRS penalty may apply on amounts withdrawn before the owner reaches age 59½.

## Market Value Adjustment (MVA)

The Market Value Adjustment is an amount by which we adjust the Accumulation Value. An MVA will apply to a full surrender or to a partial withdrawal subject to a surrender charge made before the fifth policy anniversary. The MVA may increase or decrease your Accumulation Value, depending on whether interest rates* have fallen or risen from the time of purchase. If interest rates have declined, your Accumulated Value could be higher. If interest rates have increased, your Accumulated Value could be lower. The MVA is not assessed after the fifth policy anniversary or upon the death of the Annuitant.

* The Treasury Constant Maturity Series, published by the Federal Reserve, is used to measure changes in interest rates.

## Payout Options

There is a wide range of annuity settlement options from which you may choose, including: life only, life with 10 years certain, and fixed period payments. A customized payout option may be tailored to meet your specific needs.

If you elect to annuitize non-qualified money, generally only a portion of each payment is taxable because a part of each payment is a return of your premium.

## Other Important Features

The following benefits are added to certain plans (check with your agent):

- **$** *Nursing Home Benefit*. After the first policy year, you may withdraw 50% of your Accumulated Value if you are confined to a nursing home for 90 consecutive days.
- **$** *Disability Benefit*. After the first policy year, you may withdraw 50% of your Accumulated Value if you are disabled for 90 consecutive days.
- **$** *Terminal Illness Benefit*. After the first policy year, you may withdraw 50% of your Accumulated Value if you are diagnosed with a medical condition that is expected to result in death within 12 months.

Your money is never subject to stock market risk. You pay no front-end sales charges or annual maintenance fees. 100% of your money is always earning interest for you (state premium taxes may be deducted, if applicable).

X _____ X _____
Owner's Signature — Joint Owner's Signature (if any)

_____ _____
Owner's Name — Joint Owner's Name (if any)

_____
Agent's Signature — Date

_____
Agent's Name (please print)

*May differ in some states.

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