



LIBERTY BANKERS LIFE INSURANCE COMPANY (LBL)
THE CAPITOL LIFE INSURANCE COMPANY (CLIC)

P. O. Box 224 • Brownwood, Texas 76804-0224
 5750 CR 225 • Brownwood, Texas 76801
 800-745-4927 • Fax: 866-505-9377

BANKERS ELITE

Disclosure Form

DESCRIPTION

Bankers Elite is a Single Premium Deferred Annuity (Policy Form: BankersElite-0112*) 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 Elite** annuity with a minimum premium of \$10,000.

Issue Ages: Age 90 for Elite 3 & 5, Age 85 for Elite 7 and Age 80 for Elite 9.

HOW INTEREST IS CREDITED

Interest is credited at an initial interest rate guaranteed for the Initial Guarantee Period you select. At the end of the Initial Guarantee Period and each contract year thereafter, a new rate will be declared for the following contract year.

Each year after the Initial Guarantee Period you select, the minimum guaranteed interest rate can vary between 1% and 3% from year to year. The minimum guaranteed interest rate is calculated each contract year after the Initial Guarantee Period by using the average of the five-year Constant Treasury Rate for each business day starting with October 15th of the preceding calendar year and ending with December 15th of the preceding calendar year, less one hundred twenty-five basis points, then rounded to the nearest 120th of 1%. This rate will not exceed 3% nor fall below 1%.

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.

POLICY VALUES

Your Accumulated Value is 100% of the premium paid and earned interest, less any partial withdrawals. The Cash Surrender Value is the Accumulated Value less any applicable surrender charges and Market Value Adjustment (MVA). The death benefit is the Cash Surrender Value, unless the death benefit is paid under a Payout Option over a period of 5 years or longer or over the beneficiary's life expectancy. **Bankers Elite** contains no permanent surrender charges.

LIQUIDITY

After the contract has been in force for thirty (30) days, you may withdraw a portion of your policy value by making a partial surrender. **All partial surrenders (including required minimum distributions from qualified retirement accounts) will be reduced by any applicable surrender charges and MVA.** The amount of a partial surrender must be at least one hundred dollars (\$100). The remaining Accumulated Value after any partial surrender must be at least one thousand dollars (\$1,000). A 10% IRS penalty may apply to all amounts withdrawn before the owner reaches age 59½.

| IMPORTANT: SURRENDER CHARGES | | | | | | | | | | |
|-------------------------------------|------|------|------|------|------|------|------|------|------|------|
| Policy Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10+ |
| Elite 3 | 7.9% | 7.0% | 6.2% | None | | | | | | |
| Elite 5 | 7.9% | 7.0% | 6.2% | 5.3% | 4.4% | None | | | | |
| Elite 7 | 7.9% | 7.0% | 6.2% | 5.3% | 4.4% | 3.5% | 2.7% | None | | |
| Elite 9 | 7.9% | 7.0% | 6.2% | 5.3% | 4.4% | 3.5% | 2.7% | 1.8% | 0.9% | None |

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 during the Initial Guarantee Period. 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 Initial Guarantee Period. Assets subject to MVA are not held in a separate account.

* 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.

BANKERS ELITE ADVANTAGES

Tax Deferred - Your annuity grows much faster than alternative vehicles because: 1) You earn interest on your principal. 2) You earn interest on your interest. 3) You earn interest on the money you would otherwise pay in taxes. 4) You don't pay tax on interest until you take it out.

No Recurring Surrender Charges - After your Initial Guarantee Period, your account value is available to you at all times free of any Surrender Charges or Market Value Adjustments. **Bankers Elite** contains no permanent or renewing surrender charges. You decide on the best time to withdraw your money.

Please Select and Sign Below

I am applying for a **Bankers Elite** annuity with the Initial Guarantee Period indicated below:

| | LIBERTY BANKERS | CAPITOL LIFE |
|--------------------------|----------------------------------|----------------------------------|
| Elite 3 for 3 yrs | <input type="checkbox"/> _____ % | <input type="checkbox"/> _____ % |
| Elite 5 for 5 yrs | <input type="checkbox"/> _____ % | <input type="checkbox"/> _____ % |
| Elite 7 for 7 yrs | <input type="checkbox"/> _____ % | <input type="checkbox"/> _____ % |
| Elite 9 for 9 yrs | <input type="checkbox"/> _____ % | <input type="checkbox"/> _____ % |

Rates in effect on: _____ (Subject to Change Without Notice)

X

Owner's Signature

Joint Spousal Owner's Signature (if any)

Owner's Name

Joint Spousal Owner's Name (if any)

X

Agent's Signature

Date

Agent's Name (please print)



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BANKERS ELITE

Annuity Application

FORM #S: BANKERS ELITE-0112

Choose Initial Guarantee Period: 3 Year 5 Year 7 Year 9 Year

| Please Print in Ink | A. ANNUITANT <i>(Joint Annuitants are not permitted)</i> | B. OWNER <i>(if Other Than Annuitant)</i> | C. JOINT SPOUSAL OWNER (if any), WROS: <i>(Not Available for Qualified Funds)</i> |
|------------------------------|---|--|--|
| Name: | | | |
| Mail Address: | | | |
| City, State, Zip Code: | | | |
| Social Security or Tax ID #: | | | |
| Date of Birth or Trust Date: | | | |
| Sex: | | | |
| Home Phone #: | | | |
| E-Mail Address: | | | |

D. ANNUITY PREMIUM: *(Minimum Premium: \$10,000)* **Make checks payable to Company checked at top of this form.**
 Paid with Application \$ _____ Anticipated Rollover/Transfer Amount \$ _____

E. LINE OF BUSINESS: (check one)
 Non-Qualified IRA Roth IRA SEP IRA Rollover/Transfer Other _____ Tax Year of New Qualified Contribution: _____

F. INTEREST INCOME CHOICE: Left to Accumulate *(Tax Deferred Growth)*
 Interest Paid Monthly is NOT available with the Elite Annuity without incurring Surrender Charges or an MVA.

G. OWNER BENEFICIARY DESIGNATIONS: *(Unless otherwise designated, all survivors in a class will share equally.)*
 If joint owners are named, on the death of either joint owner, the surviving joint owner will become the sole primary beneficiary, and the beneficiaries listed below will be considered contingent beneficiaries (unless otherwise requested in the Special Requests section).

| Name | Mail Address | City, State, Zip Code | DOB or Trust Date | SSN or Tax ID # | Relationship |
|-------------|--------------|-----------------------|-------------------|-----------------|--------------|
| Primary: | | | | | |
| Contingent: | | | | | |

H. REPLACEMENT: Does the annuitant have any existing life insurance or annuity contracts in force? Yes No
 If Yes, complete and forward any replacement forms as required in the state of application.
 Is the contract being applied for intended to replace or exchange any insurance or annuity now in force? Yes No

I. REMARKS AND/OR SPECIAL INSTRUCTIONS:

Application is hereby made for the Annuity described herein. The foregoing statements are correct to the best knowledge and belief of the persons signing this application. It is agreed that such statements shall form the basis of an Annuity issued by the Company checked at the top of this form and that such Annuity together with this application shall constitute the entire contract between the Company and the person signing this application. Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto may commit a fraudulent insurance act which is a crime and which may subject such person to criminal and civil penalties. A 10% IRS penalty may apply on amounts withdrawn before the owner reaches age 59½.

MVA DISCLOSURE: I am applying for a Market Value Adjusted fixed annuity (for Bankers Elite) and I understand that withdrawals from this policy may be subject to a market value adjustment and surrender charges.

Application Completed at (City, State): _____ Date: _____

X _____ X _____
SIGNATURE OF OWNER **SIGNATURE OF JOINT SPOUSAL OWNER (IF ANY)**

AGENT: Do you have knowledge or reason to believe that the applicant has existing policies or contracts now in force? Yes No
 If Yes, I presented and read the applicant a notice regarding the replacement.
 Is the contract being applied for intended to replace or exchange any insurance or annuity now in force? Yes No

X _____
 SIGNATURE OF AGENT(S) AGENT NUMBER(S) STATE LICENSE NUMBER OF AGENT(S)