

Underwritten by
Bankers Life and Casualty Company



Bonus Annuity

Principal protection. Interest bonus. Retirement certainty.

A FIXED DEFERRED ANNUITY



What are fixed annuities?

Top reasons to consider an annuity:

- 1 Protection from outliving retirement savings.
- 2 Safeguard retirement savings from market losses.
- 3 Access funds through free partial withdrawals or annuitizing.
- 4 Leave a legacy for loved ones or a favorite charity.
- 5 Supplement monthly Social Security benefits or pension.

A fixed annuity is an insurance product designed to accumulate tax-deferred money (during what is called the accumulation phase), with principal that isn't subject to market volatility. An annuity is one of the few savings vehicles that can guarantee payments for life (during what is called the payout phase). In the range of accumulation options, an annuity is generally considered a safe option. That's because annuities offer principal protection, in addition to guaranteed interest accumulation, to help grow money for retirement.

Here's how a fixed annuity works:

An annuity is a contract between you and an insurance company. You agree to fund your annuity—either with a lump sum of money or through regular payments. The interest your annuity earns, under current tax law, accumulates on a tax-deferred basis. This means that while your annuity is earning interest and you're not withdrawing money, you don't pay taxes on interest. A variety of payout options are available based on income needs.

Types of annuity plans:

Nonqualified annuity plan

- » Premiums come from **after-tax funds** (cash, excess savings, certificates of deposit (CD), mutual funds, non-IRA annuities, life insurance cash value or 1035 exchanges).
- » When you take money out, only the earnings are taxable as ordinary income.

Qualified annuity plan

- » Premiums come from Roth IRAs or **pretax funds** (IRAs, 401(k)s, CD IRAs, IRA annuities, IRA mutual funds, TSAs/403(b)s, governmental 457s).
- » When an owner takes a distribution, the entire pre-tax amount distributed (contributions and earnings) is subject to ordinary income taxes.

Build financial security

Planning for retirement is one of the biggest challenges people will face. After paying monthly expenses and saving for emergencies, how will you set aside funds for retirement? Consider the simple figure below highlighting the three circles of personal finance concept.

Maximize a nest egg

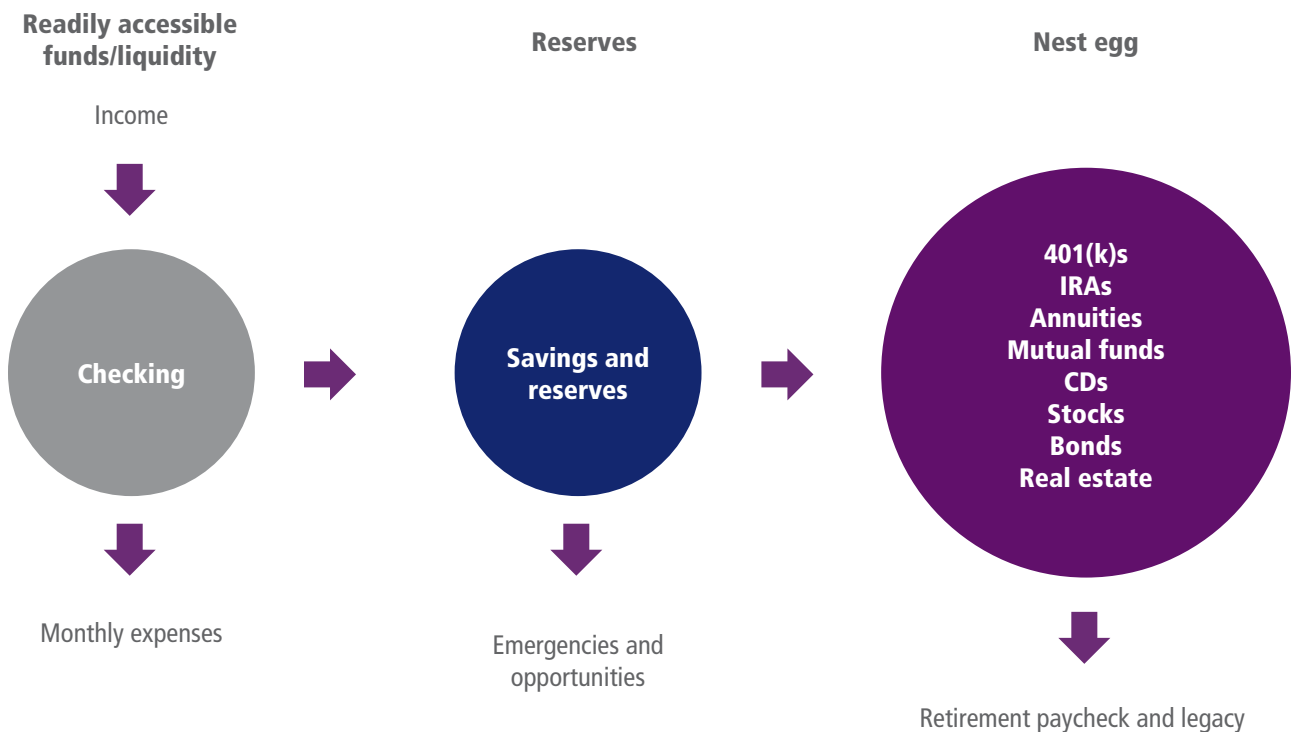
An annuity can help to accomplish retirement goals by:

- » Protecting principal and offering opportunity for growth.
- » Paying guaranteed income for life, among other available payout options.

It's a safe, reliable retirement-savings vehicle that can help to accumulate savings or convert existing savings into a guaranteed income stream.

An annuity provides the opportunity to make money work harder.

Three circles of personal finance



Bankers Life Bonus Annuity

Benefits

- 1 Higher returns
- 2 Tax-deferred earnings
- 3 Beneficiary-friendly money
- 4 Access to funds

The Bonus annuity:

- » Protects principal from market volatility and guarantees a minimum interest rate.
- » Earns a bonus on any additional payments in the first policy year.
- » Allows you to access your money in times of uncertainty.

Features:

Guaranteed fixed interest for the life of the policy

Secure interest earnings on the amount paid and protect your retirement funds with a guaranteed fixed interest rate of at least 1% that grows regardless of market conditions.

Opportunity to add premiums throughout the first policy year

Increase the annuity's value by making additional premium payments anytime during the first policy year.¹

Interest bonus

Earn an interest bonus on any premiums paid during the first policy year—helping the annuity to increase in value right from the start.

Withdrawals available

This policy offers added flexibility by giving access to funds through partial and systematic withdrawals.²

¹The minimum amount of each payment is \$1,000, and the total premium must meet Bankers Life and IRS guidelines. Each payment will have its own guaranteed interest rate with a one-year guarantee period.

²Withdrawals during the early years may be subject to Withdrawal Charges. See the Access to funds section below for more information.

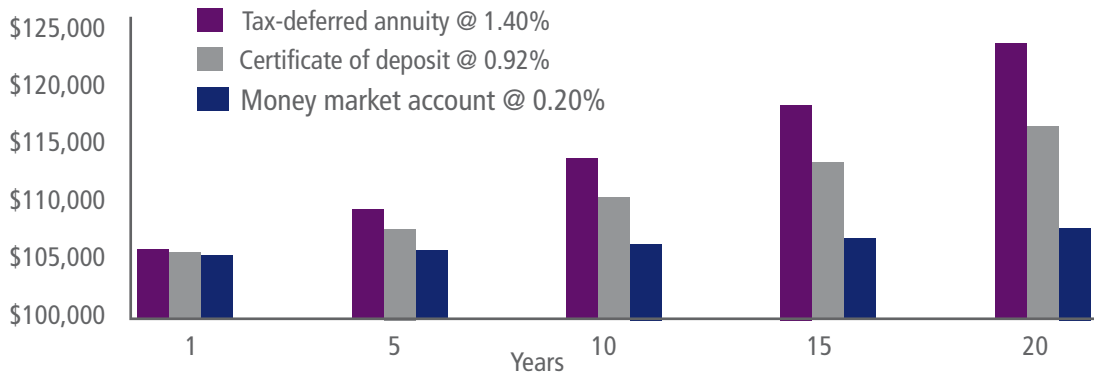


Fixed annuity benefits

1 Higher returns

Compared to other savings options, annuities may deliver greater returns due to tax-deferred income.

Annuities offer higher potential returns than other savings



The chart above is only intended as a hypothetical example to reflect that annuities may earn more than certificates of deposit and money market accounts. This chart isn't a guarantee, representation or projection of annuity earnings.

This example assumes a \$100,000 lump-sum premium with no withdrawals and 28% federal tax bracket during the stated number of years.

Certificate of deposit (CD) rate is the national average for "5-year jumbo CD" as of 4/7/2015 from bankrate.com. Money market account is the national average "jumbo MMA & savings" as of 4/7/2015 from bankrate.com.

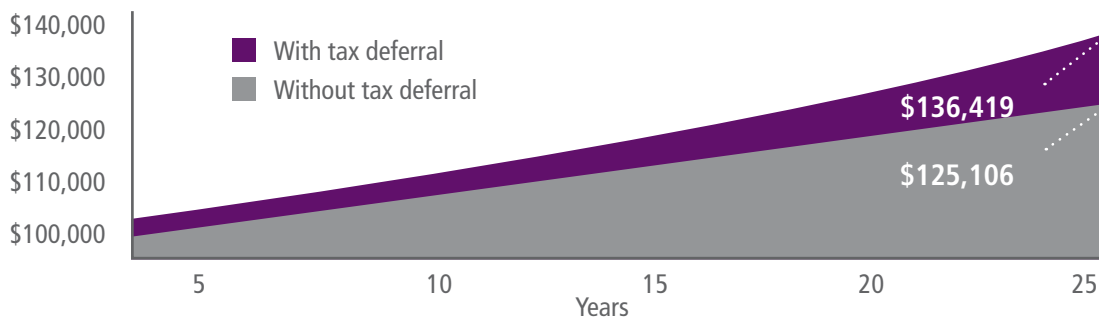
This annuity rate is an average yield to the end of a nine-year surrender period for Bankers Life fixed annuities sold in 2014, which is not guaranteed.

CDs generally impose early penalties or fees for withdrawals prior to term expiration. Money market accounts generally allow withdrawals at any time without penalty or fee. Interest earned on CDs and money market accounts is generally taxable in the year credited.

2 Tax-deferred earnings

Build interest earnings on a tax-deferred basis.

Taxes are paid when money is taken out of an annuity or you start receiving payments. Because taxes are not paid on the gain of an annuity, earnings grow faster and build more funds to use during retirement. The following chart is only intended as a hypothetical example to reflect the effect of tax deferral and is not a projection of the annuity earnings.



The chart above is only intended as a hypothetical example to reflect the effect of tax deferral and is not a projection of the annuity earnings. The chart is based on nonguaranteed values and isn't a guarantee, representation or projection of annuity earnings.

This chart assumes fixed, nonguaranteed rates of return.

The annuity (with tax deferral) and comparison investment (without tax deferral) earn a hypothetical 1.25% per year. The average first-year base crediting rate 2012-2014 for the bonus annuity (LA-06T) was 1.28%.

The client is in the 28% tax bracket and no money is withdrawn before age 59 1/2.

Assuming 28% tax bracket, if the entire \$136,419 is withdrawn after 25 years, the after-tax value would equal \$126,222.



3 Beneficiary-friendly money

An annuity can help heirs avoid the time-consuming and expensive probate process that can reduce their inheritance and delay estate distribution. In most cases, upon death of the annuitant, annuity funds pass to a properly named beneficiary without the delays and costs of probate.

The public probate process vs. the private probate process

Public probate process beginning with the will



Private process¹



Annuities or
life insurance



Beneficiary¹

¹Beneficiary must be named person. Listing estate as beneficiary does not avoid probate.

4 Access to funds

There may be times when you want to access your annuity funds due to an unforeseen situation or emergency. The Bonus annuity provides you with access to your annuity funds through partial or systematic withdrawals.

While an annuity has withdrawal charges in its early years (see chart below), beginning with the first policy year and each year thereafter, partial and systematic withdrawals may be made of up to 10% of the account value without a withdrawal charge. After the first policy year, partial and systematic withdrawals totaling no more than 20% of the account value may be made without a withdrawal charge, provided no partial or systematic withdrawals were taken in the previous policy year. The 10% or 20% maximum withdrawal amounts are referred to as the penalty-free withdrawal amounts. If your total partial and systematic withdrawals in a policy year exceed the penalty-free withdrawal amount, the withdrawal amounts in excess will be subject to withdrawal charges.

Withdrawal charges

Policy year	1	2	3	4	5	6	7	8	9	10+
Withdraw charge	9%	9%	8%	7%	6%	5%	4%	3%	2%	0%

The company's "penalty-free" provision has no effect on federal income and penalty taxation. Withdrawals are subject to income taxes and, if taken before age 59 1/2, may be subject to a penalty tax.

Partial withdrawals

Partial withdrawals must each be at least \$100.

Systematic withdrawals

Systematic withdrawals allow you to draw regularly scheduled funds for a period of time without annuitizing your policy. You have the option to make regular monthly, quarterly, semi-annual or annual systematic withdrawals consisting of interest only, a set percentage or a set amount.

Automatically included riders

Convalescent Care rider

This rider is included automatically and allows one additional free partial withdrawal equal to 10% of the account value. Funds may be accessed after 30 consecutive days of qualified nursing home care beginning one year from the issue date. The rider is available through issue age 75.

Terminal Illness rider

This rider is included automatically and allows for one free partial withdrawal up to 75% of the account value after the rider is in force one year. Funds may be accessed when a doctor certifies terminal illness expected to cause death within a year. The rider is available through issue age 75.

Both riders above are based on state availability.



Get to know Bankers Life®

With a history dating back to 1879, Bankers Life products include a broad selection of life and health insurance designed especially for Americans who are near or in retirement.

With over 300 offices across the country, our more than 4,800 insurance agents live and work in the communities they serve. Our agents take the time to get to know their customers, listen to their needs and values, and are dedicated to helping them meet their goals for a secure retirement.

Get to know Bankers Life—and learn why our more than 1.4 million customers trust us to help protect their financial future, ensuring a healthier and rewarding retirement.

Bankers Life and Casualty Company is part of CNO Financial Group, Inc., whose companies provide insurance solutions that help protect the health and retirement needs of working Americans and retirees.

The Bonus Annuity is issued by Bankers Life and Casualty Company, Chicago, IL. This product and its features are subject to state availability and may vary by state.

Annuity policies are products of the insurance industry and are not guaranteed by any bank nor insured through the FDIC.

Policy Form LA-06T (Series)
Convalescent Care Rider Series LA-105N
Terminal Illness Rider Series LA-105R

This material provides general information about the described insurance product(s) for educational purposes only. This is not intended as investment advice or to recommend the insurance product(s).

The specific terms, conditions and limitations will be found in the insurance product(s) approved by state insurance department(s), which shall govern. Please consult with a financial professional for more information or assistance.

The Company and its producers do not provide legal or tax advice. Each individual should seek specific advice from their own tax or legal advisors. The general and educational information presented in this material is a sales and marketing piece for insurance products offered by Bankers Life and Casualty Company.

Bankers Life is a marketing brand of various subsidiaries of CNO Financial Group, Inc., including Bankers Life Securities, Inc., Bankers Life Advisory Services, Inc., Bankers Life and Casualty Company and select policies sold in New York by Bankers Consec Life Insurance Company (BCLIC). BCLIC is authorized to sell insurance in New York.

Underwritten by Bankers Life and Casualty Company
Administrative Office: Chicago, IL

BankersLife.com

© 2017 Bankers Life
(06/17) 175711
17140B

