



BANKERS LIFE INSURANCE COMPANY

SINGLE PREMIUM TAX- DEFERRED ANNUITY

SPDA-(5 or 7)

Product Training

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For Producer Use Only

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The Single Premium Deferred Annuity product is a 5 or 7 year single premium deferred annuity with a fixed interest rate guaranteed for five years on the SPDA5 and guaranteed for 7 years on the SPDA7.

This product training contains the following sections:

1. Suitability
2. Product Guarantee Period
3. Credited Interest Rate
4. Interest Crediting Method
5. Interest Rate Lock
6. Premiums
7. Issue Age
8. Qualified Plans
9. Non-Qualified Funds
10. Policy Effective Date
11. Approved States
12. Premium Taxes
13. Withdrawal Charges
14. Penalty Free Withdrawal Options
15. Maturity Date
16. Settlement Option
17. Withdrawal Benefits Applied to a Settlement Option
18. Death Benefit
19. Agent Contracting
20. Downloading Forms
21. Completing the Application and any Other Required Forms

1. Suitability

Bankers Life Insurance Company requires that a completed, signed and dated company specific annuity suitability profile be submitted with every application. The suitability form is designed to help you assess your client's financial situation and determine whether the annuity is suitable. It will ask questions such as:

- your client's net worth
- how much does the client have in liquid assets
- what is the source of funds
- what are the financial objectives of the client for purchasing this annuity
- when will your client need to access the funds
- what tax bracket is your client in

You will obtain the suitability profile from the proposed annuity owner. If the owner is a non-natural owner (i.e. trust) you should obtain the information from the proposed annuitant or in the case of a revocable trust, the grantor. By obtaining this information, you should have an understanding of your client's needs as well as their current financial stability. Attempt to obtain answers for all of the questions.

Once you have asked all of the questions, the suitability form must be signed by you the agent and

- the owner
- If a revocable trust, the grantor
- If the owner is a corporation, an authorized signer must sign the suitability form

When an agent recommends an annuity to a client, you as the agent should have reasonable grounds based on the information provided that the annuity recommended is suitable for the consumer.

2. Product Guarantee Period

The SPDA5 has a five year interest rate guarantee period. The SPDA7 has a seven year interest rate guarantee period. The guarantee period begins on the effective date of the policy. The interest rate for the subsequent years is set annually on the policy anniversary.

3. Credited Interest Rate

Interest rates are subject to change. An email notice will be sent to all active and pending agents; however it is recommended that you verify the current interest rate on our website at www.bankerslifeinsurance.com. The BLIC Investment Committee will determine on an as-needed basis what the interest rates will be. Check the policy pages for the minimum guaranteed interest rate after the initial guarantee period. The guaranteed minimum varies by state.

4. Interest Crediting Method

Interest is posted to the account value daily and compounded at the end of the contract year. Interest payments and interim account balances are computed using the nominal daily interest rate and the daily account balances.

5. Interest Rate Lock

This product qualifies for the 45-Day Interest Rate Lock for transfers. In order to receive the higher credited rate the completed application must be received in our office the day before the rate change is to go into effect. In addition, all funds must be received by the company before the expiration of the rate lock period. If funds are not received within the rate lock period, the rate will become the currently offered rate.

6. Premiums

The pre-authorized minimum initial premium is \$5,000 Qualified & Non-Qualified funds. Premiums below \$10,000 may result in a reduction of commission. The maximum initial premium is \$500,000 Qualified & Non-Qualified funds. Home office approval is required for premiums outside these limits.

7. Issue Age (Based on the Age at Last Birthday)

Annuitant (Qualified and Non-Qualified): 0-85. Annuitant ages 81 years and older may result in a reduction of commission. For those annuitants over the age of 80, a statement of good health is required. Policyowner (Qualified and Non-Qualified): 18+. Home Office approval is required for ages outside these limits.

8. Qualified Plans

Qualified Plans accepted as New Business include IRA rollovers, IRA transfers and transfers out of Qualified Plans (i.e., 401(k), TSA-403B) into an IRA. We recommend that the Owner take their Required Minimum Distribution (RMD) from their current investment(s) prior to money being received by Bankers. If an RMD is taken out within the first policy year, Bankers will chargeback the agent for commissions paid on the amount withdrawn. Please indicate on the application and the transfer paperwork whether or not this will be a rollover or a transfer.

9. Non-Qualified Funds

In order to qualify as a 1035 exchange, a policy must be transferred to our company as like for like. The owner and annuitant on the new policy must be listed the same as the owner and annuitant on the existing policy. If the transfer is a 1035 exchange, please indicate on the application and the transfer paperwork.

10. Policy Effective Date

The contract will be effective on the date the single premium is received at BLIC. If funds are coming from more than one source, all monies received will be combined and Bankers will then issue the policy with the effective date of when the last money is received.

11. Approved States

The SPDA-5 product is approved in 39 states. The SPDA7 is approved in 21 states. Current state approval lists are located on our website at www.bankerslifeinsurance.com

12. Premium Taxes

Premium taxes are any taxes related to this contract imposed on us by states or other governmental jurisdictions. When we incur premium taxes, we will deduct the taxes from the account value. Premium taxes will be imposed when the Single Premium is made for SD, WV and WY. Premium taxes will be imposed at the time a Settlement option is effective for the state of NV.

State	Percentage	Type of Contract	Timing
NV	3.5%	Qualified and Non-Qualified	Back End
SD	1.25%	Non-Qualified	Front End
WV	1.0%	Qualified and Non-Qualified	Front End
WY	1.0%	Non-Qualified	Front End

13. Withdrawal Charges

Withdrawal charges apply to any amount withdrawn from the contract in excess of that which is allowed under one of the penalty free-withdrawal options. Any such withdrawals are subject to the following withdrawal charges.

Contract Year	1	2	3	4	5	6	7	8
SPDA5 Withdrawal Charge	9%	8%	7%	6%	5%	0%		
SPDA7 Withdrawal Charge	9%	8%	7%	6%	5%	4%	3%	0%

14. Penalty Free Withdrawal Options

- Monthly Interest Option (MIO): This option is available after the policy has been in force for 30 days. Each payment must be a minimum of \$100.00 and must be made by electronic funds transfer (EFT).
- 10% Penalty-Free Withdrawal Option: After the policy has been in force for one year, the owner may withdraw up to 10% of their policy value without a withdrawal charge in a single transaction per contract year.
- Nursing Home: If a qualifying condition occurs to the annuitant, after the policy has been in force for one year, the policyowner may withdraw up to 50% of the account value without a withdrawal charge. The annuitant must be 80 or younger on the effective date.

If the policyowner requests a withdrawal of all of the Cash Surrender Value within twelve months after making one or more free withdrawals, the Cash Surrender Value will be reduced by the withdrawal charges that would have applied to such free withdrawals in the absence of the free withdrawal provision.

15. Maturity Date

All plans mature on the contract anniversary on or following the annuitant's 95th birthday. On the maturity date, we will distribute the account value under one of the settlement options described in the settlement options section. If we do not receive a request of a settlement option from you at least 30 days before the maturity date, the annuitant will become the payee. The settlement option will be life income with payments guaranteed for ten years.

16. Settlement Option

The contract can be annuitized at any time up to the contract maturity date if the Policyowner has owned the policy for one (1) year or more. The provisions of the settlement option are:

- Payments for a fixed period of time
- Life Income
- Life income plus fixed period
- Payment of a fixed amount
- Payments can be monthly, quarterly, semi-annually, or annually
- Minimum number of years is 5 years; maximum years is 20 years (unless life income is selected)
- Any other settlement that is agreed to by the company and policyowner.

For values used for the settlement option, please see section 17

17. Withdrawal Benefits Applied to a Settlement Option (except AZ, DC, DE, FL, MT, ND and SD)

Withdrawals from the Cash Surrender Value may be applied to a Settlement Option under the terms of the Settlement Options provision of this contract. The Account Value rather than the Cash Surrender Value will be the value used to determine the benefits payable under a Settlement Option if and only if:

- (1) the contract has been in force for one year from the Effective Date; and
- (2) the entire value of this contract is being applied to the Settlement Option; and

the Settlement Option chosen guarantees payment for (i) at least ten (10) years, or (ii) the lifetime of the Annuitant and the Annuitant is not older than 80 years of Age at the time payments begin.

18. Death Benefit

If the annuitant dies during the withdrawal charge period, the beneficiary will receive the account value of the annuity. Withdrawal charges do not apply at death. For the states of **AZ, DC, DE, FL, MT, ND and SD** If any Owner dies prior to the Maturity Date and while this Policy is in force, a Death Benefit determined immediately after death will become payable to the Beneficiary. The amount of the Death Benefit will be the Cash Surrender Value.

For all other states, if any Owner dies prior to the Maturity Date and while this contract is in force, a Death Benefit determined immediately after death will become payable to the deceased Owner's Beneficiary. The amount of the Death Benefit will be the Cash Surrender Value. If there are joint owners the surviving Joint Owner(s), if any, will be treated equally as the primary Beneficiary and the Owner's Beneficiary will be treated as a contingent beneficiary.

Unless there are Joint Annuitants, if the Annuitant dies prior to the Maturity Date and while this contract is in force, a Death Benefit determined immediately after death will become payable to the deceased Annuitant's Beneficiary. The amount of the Death Benefit will be the Account Value.

19. Agent Contracting

If you would like to become an agent of Bankers Life Insurance Company, you can download a copy of the agent contract from our website at www.bankerslifeinsurance.com. Bankers Life Insurance Company is a just in time company which means we run your background and credit once we have received your first piece of business. In order to be contracted with Bankers, we require

- Current Errors and Omissions (E&O) – we require our agents to send us an updated E&O declaration page each year
- Anti-Money Laundering Training (AML) – we require our agents to take AML every two years. We use LIMRA as a vendor; however we will accept a copy of an AML certificate from another vendor. It must include the title of the course, your name, the company's name and a date. The certificate should be signed as well.
- Product Training (PT) – The product training, if required in your state, must be completed before you solicit business.
- Continuing Education (CE) – The senior suitability continuing education, if required in your state, must be completed before you solicit business.

Failure to submit these requirements may delay the issuance of your business.

20. Downloading Forms

All forms needed for completing an application or servicing an existing policy are located on our website at www.bankerslifeinsurance.com. When we receive your agent contract, you will be assigned an agent log in.

- Forms to write a new policy - New business forms are under the new business tab – select your state and whether it is a transfer and if the client is over the age of 80. The website will download all the forms you will need.
- Service an existing policy - click on the inforce administrative forms tab. (i.e., withdrawal form, change request or claim statements)
- Additional forms – click on Agent Materials (i.e., specimen policy, Bankers AML policy)
- When printing the forms from the website, please adjust your printer margins so the form numbers are included on the print out.

21. Completing the Application and Any Other Required Forms

When completing the application, please be sure to answer all of the questions. Incomplete forms or incorrect forms result in amendments and may delay the issuance of a policy.

Always keep copies of all the paperwork for your records. Document conversations you have with the client that helped you determine that the SPDA (5 or 7) was a suitable annuity for them.

**This concludes the Single Premium Tax- deferred Annuity SPDA-5 or 7
Training Module v. 08/2014**