

# CERTAINTY SELECT™

ET-MYG-2000(11-05) and ET-MYG-2000C(11-05)

## Single Premium Deferred Annuity

### DISCLOSURE STATEMENT

Some features of this annuity may not be available or may vary by state. If you have any questions, please contact your agent or EquiTrust Life Insurance Company. This form is not intended to be a complete explanation of your annuity. **Please refer to your contract for complete details.**

### WHAT IS AN ANNUITY?

An annuity is a long-term financial product offered by insurance companies. CERTAINTY SELECT™, Contract Form Series #ET-MYG-2000(11-05) and Group Certificate Form Series ET-MYG-2000C(11-05) is a single premium, multi-year guarantee annuity that accumulates interest through an interest rate that is guaranteed for a specified period. You may cancel your annuity Contract within a certain number of days of your receipt to receive a complete refund of your premium.

### HOW MUCH WILL I EARN ON MY ANNUITY?

The Accumulation Value of your annuity equals the single premium paid, less withdrawals (if applicable), accumulated at the current interest rate. The current interest rate will be guaranteed for the Rate Guarantee Period chosen by you. Ask your agent for the current interest rate.

**Rate Guarantee Period** – With CERTAINTY SELECT™ you choose a Rate Guarantee Period from those currently offered by EquiTrust Life Insurance Company. Currently you may choose from a guarantee period of 3, 5, 6, 8, or 10 years. During the last 30 days of the Rate Guarantee Period, you can withdraw your money without a Surrender Charge, or leave it in your CERTAINTY SELECT™ annuity for another Rate Guarantee Period and a new Surrender Charge schedule. At any other time outside of the 30-day window, withdrawals in excess of interest earned will be subject to Surrender Charges and a Market Value Adjustment.

### WHAT HAPPENS WHEN I NEED MY MONEY?

You may receive partial surrenders or periodic income payments from your annuity by submitting a request in writing, or in a form acceptable to the Company.

**Annuitization** – You may choose to have the proceeds of the Contract paid under a payment option. This is called annuitizing your Contract. When you annuitize, you can choose either the option of income for life or for a period of between 10 and 30 years. Once you annuitize your Contract, you may not surrender it or have access to any values of your annuity, other than your income payments.

**Cash Surrender Value** – The Cash Surrender Value will be the Accumulation Value adjusted by any Market Value Adjustment, less any Surrender Charge. In no event will the Cash Surrender Value be less than the Minimum Guaranteed Contract Value or greater than the Accumulation Value.

**Market Value Adjustment** – A Market Value Adjustment (MVA) may be made on amounts withdrawn or surrendered from this Contract. It may result in either an increase or a decrease to the amount withdrawn or surrendered. A Market Value Adjustment will be made only when a Surrender Charge is deducted. Generally, the MVA decreases the Accumulation Value surrendered when interest rates rise, and increases it when interest rates fall. In no case will the MVA cause the Cash Surrender Value to be greater than the Accumulation Value or less than the Minimum Guaranteed Contract Value.

**Minimum Guaranteed Contract Value** - The Minimum Guaranteed Contract Value will be 87.5% of Premium(s) Paid, less any partial withdrawals, plus interest earned at a rate no lower than 1% and no higher than 3%. Contact your agent for the minimum guaranteed rate for your state, and refer to your Contract for complete details.

**Nursing Home Waiver** – After the first Contract Year, you may make a partial or a full surrender without incurring a Surrender Charge or MVA if you become confined to a Hospital or Nursing Care Center for at least 90 consecutive days. Waiver of Surrender Charge Rider availability may vary by state and issue age. Please refer to your Contract for complete details.

**Tax Treatment** – You may be subject to a 10% Federal penalty tax if you make withdrawals or surrender your annuity before age 59½. If this is a qualified annuity, all distributions may be taxable. Under current tax law, annuities grow tax deferred and an annuity is not required for tax deferral in qualified plans. Consult your tax attorney for more details.

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### BASE CONTRACT/ CERTAINTY SELECT

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**Surrender Charges** – The Surrender Charge is a percentage of the Accumulation Value. With CERTAINTY SELECT™ the Surrender Charge schedule is based on the Rate Guarantee Period chosen:

- |   |  |
|---|--|
| • <b>3 years</b> - 10%, 10%, 9%             | • <b>8 years</b> - 10%, 10%, 9%, 9%, 8%, 8%, 7%, 7%          |
| • <b>5 years</b> - 10%, 10%, 9%, 9%, 8%     | • <b>10 years</b> - 10%, 10%, 9%, 9%, 8%, 8%, 7%, 7%, 6%, 5% |
| • <b>6 years</b> - 10%, 10%, 9%, 9%, 8%, 8% |  |

You may refer to your Contract for complete information on the product that you have chosen. **Please keep in mind that a surrender during the Surrender Charge period may result in a loss of principal.** Surrender Charges may vary by state.

**Partial Surrenders** – You may withdraw interest earned without a Surrender Charge or Market Value Adjustment. If the Contract is subsequently surrendered during the Contract Year, the Surrender Charge and Market Value Adjustment will be applied to any previously uncharged Partial Surrender amounts taken in the same Contract Year.

**Death Benefit** – Upon death of an owner, the death benefit is the larger of (a) the Contract's Accumulation Value; or (b) the Minimum Guaranteed Contract Value. Upon death of an Owner, the Beneficiary may choose to have the Death Benefit paid immediately or applied to a payment option.

Initial here **ONLY** if you wish to modify the Base Contract/Certainty Select by choosing the following 3 elections. The elections cannot be chosen separately. The following elections consist of a change in the Surrender Charges, the free Partial Surrender Amount available, and the Death Benefit provisions. The following elections are available only at Contract issue.

**1: The Surrender Charge schedule of the Base contract will be changed, based on the Rate Guarantee Period that is selected as follows:**

- **3 years** - 9%, 8.5%, 8%
- **5 years** - 9%, 8.5%, 8%, 7.5%, 7%
- **6 years** - 9%, 8.5%, 8%, 7.5%, 7%, 6.5%
- **8 years** - 9%, 8.5%, 8%, 7.5%, 7%, 6.5%, 6%, 5.5%
- **10 years** - 9%, 8.5%, 8%, 7.5%, 7%, 6.5%, 6%, 5.5%, 5%, 4.5%

**2: The Base Contract's Death Benefit will be changed to allow the Beneficiary to choose to have the death benefit paid under one of the following options:**(1) Immediate Payment: The death benefit is equal to the Cash Surrender Value; or (2) Payment Option: The Contract's Accumulation Value on the Owner's date of death is applied to one of the following Payment Options: (a) payable for the life of the designated beneficiary; or (b) payable for a designated term of no less than five years. For purposes of calculating the death benefit, we will use Accumulation Value, Market Value Adjustment, and Surrender Charges, if applicable, as of the date of the Owner's death, adjusted for any payments that may have been made since the date of death.

**3: The Base Contract's Partial Surrender provision will be changed as follows:** In the first year, withdrawals of interest earned and not previously withdrawn may be made without a Surrender Charge or Market Value Adjustment. Beginning the second contract year, withdrawals will be allowed for up to 10% of the Accumulation Value, as of the most recent Contract Anniversary, without incurring a Surrender Charge or MVA. If the Contract is subsequently surrendered during the Contract Year, the Surrender Charge and MVA will be applied to any previously uncharged Partial Surrender amounts taken in the same Contract Year.

**GUARANTEE PERIOD (MUST SELECT ONE)**  3 year  5 year  6 year  8 year  10 year

**OTHER NOTES**

- The CERTAINTY SELECT™ annuity is backed by the financial strength of EquiTrust Life Insurance Company®. It is not guaranteed by any bank and is not insured by the Federal Deposit Insurance Corporation (FDIC) or any other agency of the federal government.
- EquiTrust Life Insurance Company can be contacted toll-free at (866) 598-3692 for further clarification if, for any reason, your understanding of your annuity is different from this explanation.

**REPLACEMENT NOTICE:**

**If this annuity is replacing an existing annuity, it is important that you compare the two, taking into account whatever charges you may incur on the surrender of the existing annuity and your need to access your funds. For information about your existing annuity, contact the issuing company.**

The insurance producer is appointed to represent the Company and is approved to provide services to you on our behalf. The insurance producer will be compensated by us in connection with any business placed with our Company.

**Applicant Statement:**

By signing below, I acknowledge I have read, or have been read, this document and understand I am applying for a single premium annuity. I also acknowledge that the annuity meets my financial objectives. I have received a copy of this document, as well as any advertisement that was used in connection with the sale of this annuity. I understand that other than the minimum guaranteed values, there are no guarantees, promises or warranties.

Signature of Owner/Applicant \_\_\_\_\_ Date \_\_\_\_\_

Signature of Joint Owner/Applicant \_\_\_\_\_ Date \_\_\_\_\_

Name of Owner/Applicant (please print) \_\_\_\_\_

Name of Joint Owner/Applicant (please print) \_\_\_\_\_

Owner Social Security # \_\_\_\_\_

Joint Owner Social Security # \_\_\_\_\_

**Agent Statement:**

By signing below, I acknowledge I have reviewed this document with the applicant. I certify that a copy of this document, as well as any advertisement used in connection with the sales of this annuity, has been provided to the applicant. I have not made statements that differ in any significant manner from this material. I have not made any promises or guarantees about the future value of any nonguaranteed elements.

Signature of Agent \_\_\_\_\_ Date \_\_\_\_\_

Agent Name & Number (please print) \_\_\_\_\_

EquiTrust Life Insurance Company • 5400 University Avenue • West Des Moines, Iowa 50266-5997 • 866/598-3692

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