



KANSAS CITY LIFE

# Century II Variable Annuity



*Variable Product Series*

*Building your future with a secure partner<sup>SM</sup>*

*Kansas City Life Insurance Company*

# Century II Variable Annuity Features at a Glance

<b>Minimum Deposit</b>	\$5,000 minimum single deposit or \$50 monthly payment
<b>Surrender Charge</b>	There is a seven-year surrender charge schedule beginning the date of contract issue.
<b>Annual Fee</b>	\$30 annual fee, waived if the contract value is \$50,000 or more
<b>Variable Account Charge</b>	1.40% annualized charge to the variable subaccount funds

*See your Century II Variable Annuity prospectus for product details and charges.*



## What is a variable annuity?

An annuity is a savings vehicle that helps you accumulate assets on a tax-deferred basis. Annuities are issued by insurance companies and are the only investment vehicle that can guarantee\* an income for your entire lifetime – one you cannot outlive.

A variable annuity (VA) allows you to decide how to invest your money. You can choose from a diverse portfolio group that includes a variety of investment options, offering you an opportunity for a higher rate of return. Most variable annuities offer a fixed account with a guaranteed minimum interest rate. In short, a variable annuity can offer the best of both worlds.

Variable annuities also offer protection for your heirs in the form of guaranteed\* minimum death benefits. Most variable annuities provide for at least a return of the principal invested (adjusted for any withdrawals or loans); many provide for enhanced guaranteed\* minimum death benefits.

*\*Guarantees are backed by the claims-paying ability of the issuing insurance company.*

## Who should consider a variable annuity?

Variable annuities are an effective way to get a head start on your retirement savings because they can grow your money faster than fixed annuities. Of course, they can also lose money. Variable annuities are best suited for investors willing to take some risk in order to take advantage of the opportunity for higher returns.

Variable annuities can also be a good choice if you've invested the maximum amount allowed in your employer-sponsored retirement plan or if you are self-employed. And, a variable annuity can help you manage retirement income and control when you pay your taxes.

## Why choose Kansas City Life's Century II Variable Annuity?

Kansas City Life Insurance Company's Century II Variable Annuity is designed to help you achieve your lifelong objectives of financial security. Because acquiring a substantial nest egg doesn't just happen, Kansas City Life's Century II Variable Annuity can be an important part of your complete financial plan.

The Kansas City Life Century II VA gives you the opportunity for increased earnings, tax advantages, and the expertise of professional investment managers, along with many of the key features of a traditional annuity.



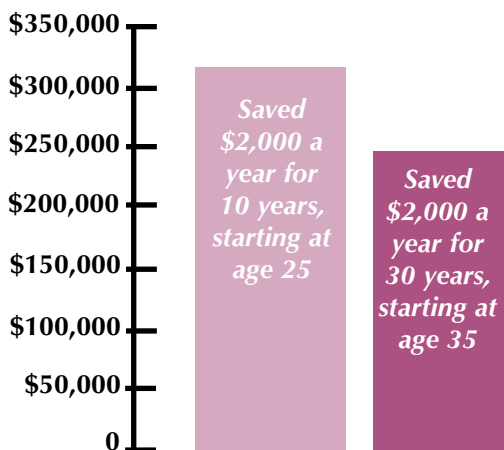
## Tax-Deferred Growth

### After 30 Years



The hypothetical example assumes a single contribution of \$30,000, a hypothetical annual rate of return of 8% and an annual tax rate of 31%. This example is for comparison purposes only and is not intended to represent the performance of any investment security. A 10% federal tax penalty may be imposed on surrenders by purchasers who have not yet reached age 59 ½. Withdrawals of tax-deferred accumulations may be subject to ordinary income taxes. Century II Variable Annuity has a 1.25% mortality and expense charge and a 0.15% administration charge. It also has a \$30 annual administrative fee that is waived if the contract value is \$50,000 or more at the beginning of the contract year. The fees and charges associated with variable annuities, when taken into account, would lower the earnings of this investment.

## Effects of Compounding at Age 65\*



\*Assumes interest rate of 8% during the investment period. This is a hypothetical example and for illustrative purposes only. It does not represent the performance of any specific investment.

## Using tax deferral to meet your goals

One reason annuities have been so popular throughout the years is the tax advantages they offer.

Tax deferral means your money stays invested and works to build more money for your future. Unlike traditional savings vehicles, annuity earnings are not taxed until you begin receiving payments or take a withdrawal. That translates into more money you get to keep.

Investing in an annuity within a tax-deferred account such as an Individual Retirement Account (IRA) will provide no additional tax savings.

## The importance of time

The time value of money is another important factor in building a strong cash reserve. Although it's never too late to plan for retirement, the earlier you start, the easier it will be to accumulate the funds you need. Why?

- You will have more years to build a retirement nest egg;
- Your savings program will become a habit; and
- The effects of compounding will be magnified with time, as shown in the accompanying chart.



## Making your money work as hard as you do

Added benefits of the Kansas City Life Century II Variable Annuity include services and contract design features to help you in planning and using the contract to your best advantage.

### Automatic Dollar Cost Averaging

This feature allows you to systematically invest specific dollar amounts at regular intervals so you buy more shares when prices are low and fewer shares when prices are high. Dollar Cost Averaging helps minimize the effect of market fluctuations and may help maximize growth potential.

#### Example of Dollar Cost Averaging

Month	Monthly Allocation Amount	Share Price at Purchase	Number of Shares Purchased
January	\$250.00	\$24.00	10.42
February	\$250.00	\$22.00	11.36
March	\$250.00	\$18.00	13.89
April	\$250.00	\$26.00	9.62
<b>Totals</b>	<b>\$1,000.00</b>	<b>\$90.00</b>	<b>45.29</b>

Average Price Per Share \$22.50  
Average Cost Per Share \$22.07

Although Dollar Cost Averaging does not ensure a profit or protect against loss, it does take the emotion out of investing and helps keep your program on track.

Because this plan involves continuous investment in securities, regardless of fluctuating price levels, you should consider your financial ability to continue purchases through periods of low price levels.

You can elect this option for a period of three to 36 months. Funds designated for Dollar Cost Averaging are deposited in the Federated Hermes Government Money Fund II subaccount and are transferred monthly according to your instructions.

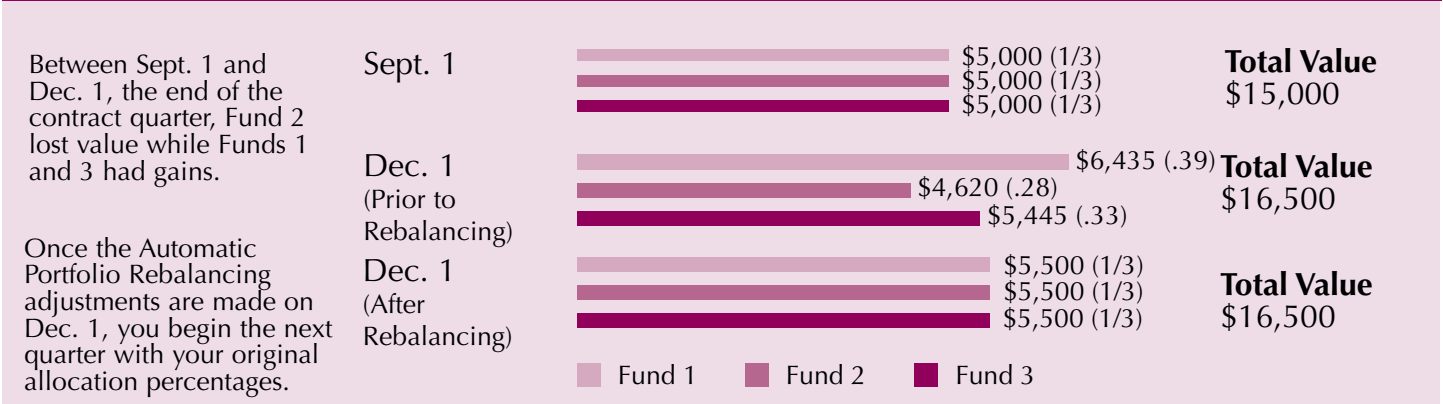
## Automatic Portfolio Rebalancing

Portfolio Rebalancing, another valuable feature of the Kansas City Life Century II Variable Annuity, lets you maintain the level of diversification you have chosen for your variable account investments. When you select this option, we automatically adjust your portfolio mix every three months to equal your current allocation instructions.

This concept is illustrated in the hypothetical example using three equal allocations. You, of course, are free to choose any allocation percentages you desire.

You may choose this feature when you start or at any time during the life of your contract. If the Dollar Cost Averaging plan is in effect, Automatic Portfolio Rebalancing starts when Dollar Cost Averaging ends. Transfers made under Dollar Cost Averaging and Portfolio Rebalancing do not count against the six free transfers permitted each contract year.

### Hypothetical Example of Automatic Portfolio Rebalancing



## Transfer privileges

You can transfer funds between your variable subaccounts and/or the Fixed Account without any current tax consequences. You are free to move money in your variable annuity subaccounts as often as you wish. However, certain restrictions apply to transfers from the Fixed Account.

Your first six transfers each year are free; thereafter, a \$25 fee applies to each transfer. You can make transfers by telephone, fax, or email.

See the Century II Variable Annuity prospectus for details.

## Guaranteed death benefit\*

The Kansas City Life Century II Variable Annuity protects the premiums you pay into your variable annuity. While planning and saving for the future, you have the comfort of knowing your beneficiary will receive a guaranteed death benefit if you die before converting to a payout option. Refer to the Century II Variable Annuity prospectus for more details.

\*This guarantee is backed by the claims-paying ability of Kansas City Life.

## Income options

You select when and how to begin using the cash you've accumulated. You can choose from a variety of income options including:

- Lump sum distribution
- Payments for a specified amount
- Payments for a specified period of time
- Life income options including those with 10- or 20-year guarantees\*
- Joint and survivor income options

*\*This guarantee is backed by the claims-paying ability of Kansas City Life.*

## Withdrawals

Withdrawal proceeds can be paid to you as a lump sum or on a scheduled monthly, quarterly, semi-annual, or annual basis as long as each payment is at least \$100.

A 10% federal tax penalty may be imposed on withdrawals made prior to age 59 ½. We suggest you consult with your tax advisor.

Withdrawals of 10% or less of your contract value may be made once each contract year without a surrender charge. Withdrawals will reduce cash value and death benefit.

## Nursing Home Waiver\*\*

Should health needs arise that require a nursing home stay, the full value of your Variable Annuity will be there to help cover the cost. If you are confined to a licensed nursing home for at least 90 days, Kansas City Life will waive all surrender charges if your annuity proceeds are taken over a period of three years or more.

*\*\*Currently not available in all states. Consult your registered representative for further information.*



## Contract fees and charges

A \$30 annual administrative fee is assessed at the beginning of each contract year. This will be waived if your contract value is \$50,000 or more at the beginning of the contract year.

For funds in the variable subaccounts, an asset-based administration charge and a mortality and expense risk charge is assessed daily. These charges equal an annualized fee of 1.40%.

## Quarterly reports keep you informed

After the end of each calendar quarter you will receive a report giving the value of your contract. The report also will reflect all transactions occurring during the past quarter.

**Table of Surrender Charges**

Contract Year	Surrender Charge Percentage*
1	7
2	7
3	7
4	6
5	5
6	4
7	2
8+	0

*\*Surrender charges are waived if you elect a life income option. Also note that, depending on your individual program, other tax penalties may be assessed upon surrender. Please see your tax advisor for details.*



Financial stability, based on a history of fiscal integrity, highlights Kansas City Life Insurance Company's record of progress. For 130 years, Kansas City Life has seen the insurance and financial services world transform dramatically. We are prepared to see our policyholders through the challenges of the future.

Kansas City Life's reputation is built on integrity, sound fiscal policies, and honest business practices. To us, integrity is not an outdated notion in today's fast-paced world. It is the guiding force behind every decision we make. Every product we sell is backed by more than a century of quality service and financial security.

*This brochure is authorized for distribution only when preceded or accompanied by product and fund prospectuses. The prospectuses contain more complete information about the product, including charges, limitations, expenses, and investment options. As an investor, you should consider the investment objectives, risks, charges, and expenses of the investment company carefully before investing. Read the prospectuses carefully before investing money.*

*Additional prospectuses can be obtained from your registered representative or by calling our toll-free number 800-616-3670.*

*Kansas City Life's Century II Variable Product Series is distributed by Sunset Financial Services, Inc., a wholly owned subsidiary of Kansas City Life Insurance Company.*

*The federal and state income tax laws in this area are complex and subject to change. Representations made herein are neither complete nor necessarily up to date. Neither Kansas City Life nor its representatives give tax or legal advice. You should consult your tax advisor or attorney for complete details.*

# *Protecting policyowners for 130 years*



Since 1895, Kansas City Life Insurance Company has assisted policyholders through world wars, the Great Depression, and various periods of recession and inflation. Built on integrity, sound investment strategies, and honest business practices, every product we sell is backed by more than a century of quality service and financial security.

*Security Assured.®*



**KANSAS CITY LIFE**

3520 Broadway  
Kansas City, MO 64111  
816-753-7000  
[www.kclife.com](http://www.kclife.com)

## **Service – a Kansas City Life priority**

Customer service representatives are available to assist you with questions and requests for changes, transfers, etc. We value your business and want to serve you any way we can. Simply call or contact us at:

**Kansas City Life Insurance Company**  
**Variable Administration Department**  
P.O. Box 219364 | Kansas City, MO 64121-9364  
800-616-3670 | 8 a.m. – 4:15 p.m. CT  
Fax: 816-931-3585 | Email: [customerservice@kclife.com](mailto:customerservice@kclife.com)

To obtain information about your variable contract after business hours, call our interactive phone system at the toll-free number shown above. Or, access information about your variable contract on our website: [www.kclife.com](http://www.kclife.com).

*Coverage described is for the Century II Variable Annuity contract, contract J185, issued by Kansas City Life Insurance Company (Home Office: Kansas City, Mo.). Contract form and form numbers may differ in some states; coverage may not be available in all states.*