

COUNTRY Investors Life Assurance Company[®] Annuity Handbook



This section of the handbook provides important information to help you understand the type and scope of fixed annuity products available through COUNTRY Investors Life Assurance Company[®] (“CILAC”; otherwise referred to as “we,” “us,” or “our”), material fees and costs that may apply, and conflicts of interest associated with a recommendation.

This handbook includes general information and common features of the fixed annuities offered through CILAC. The information is specific only to fixed annuity products from CILAC. The fixed annuity you select may have unique features not described in this handbook. Please read this information carefully and retain it for your records. If you have any questions regarding this information or to request a current copy of the handbook, please contact your financial professional.

The National Association of Insurance Commissioners (NAIC) also makes available “Buyer’s Guides” designed to help you understand basic information regarding fixed annuity products. This information is not intended to replace the Buyer’s Guide, but to supplement it with information specific to the relationship you will have with us and your financial professional. You will receive a copy of the Buyer’s Guide from your financial professional if you decide to move forward with purchasing a fixed annuity. We encourage you to read the guide thoroughly and ask questions before you proceed with your purchase. You can find a current copy of the Buyer’s Guide at naic.org/documents/prod_serv_consumer_anb_le_2013.pdf.

Information contained in this handbook is current as of September 2024 and supersedes prior handbooks you may have received.

Type and Scope of Services

CILAC is a state licensed insurance company authorized to issue fixed annuity contracts and universal life insurance policies in several states. CILAC offers deferred and immediate annuities as well as annuities with either a single premium or flexible premium structure. Below is information about doing business with CILAC, including specific information on what products we have available and how we compensate our financial professionals.

What to expect when you are doing business with us

To conduct our business, we engage financial professionals to offer and service our products. These individuals receive varying methods of compensation, which may affect their recommendations regarding our products. These will be discussed in further detail below.

We are obligated to provide recommendations appropriate for you based on factors including your retirement goals and objectives, financial and tax status, and other personal and financial information you provide to us. We use information provided by you to determine what products, if any, are suitable for your specific needs. Depending on the product recommended, our recommendation may be required to meet a suitability or best-interest standard of care. Regardless of the applicable standard of care, we will work with you to achieve your goals and objectives.

Our recommendations are limited by the products we offer. It’s important that you understand how the annuities we offer can be different from each other so you can choose the type of annuity that’s best for you. While we take reasonable care in developing recommendations, there is no guarantee that you will meet your retirement goals. You can use an annuity to save money for retirement and to receive retirement income for life. It is not meant to be used to meet short-term financial goals.

It is important to be aware of the taxation of annuities purchased within an Individual Retirement Annuity or other tax-qualified retirement plans. These annuities follow the tax requirements that apply to the tax-qualified plan and may vary according to plan type. Buying an annuity within an IRA or other tax-qualified plan **does not provide** any extra tax deferral benefits, so you should choose your annuity based on its other features and benefits as well as its risks and costs. Consult with your personal tax advisor for information regarding your specific situation.

Product Offerings

For purposes of this disclosure, CILAC offers the following fixed annuity products:

- Single Premium Deferred Annuities
- Flexible Premium Deferred Annuities
- Single Premium Immediate Annuities

Single Premium Deferred Annuity (SPDA)

An SPDA is a single premium annuity, which means you buy it with one premium payment and no further premium payments are allowed.

This is a fixed annuity, which means it earns interest at a specified rate that will not go below the guaranteed minimum interest rate. It is also deferred, which means payouts begin at a future date and you won't pay taxes on the interest until the money is paid to you.

An SPDA earns tax-deferred interest at an effective annual rate that is fixed for each contract year. When you buy your annuity, you choose an initial guarantee period and we guarantee that the credited interest rate will not change until the end of that period. The initial guaranteed rate you receive depends on the guarantee period chosen and the amount of initial premium paid. After the initial guarantee period, credited interest will be based on the then current rate that we make available. The rate will be guaranteed for the contract period, and may change to a new rate on your annuity's first anniversary after the contract period. Interest rates are periodically declared by us and not all guarantee periods are available at all times.

Flexible Premium Deferred Annuity (FPDA)

An FPDA is a flexible premium annuity, which means after the initial premium is paid, additional premium payments can be made (certain limits apply).

This is a fixed annuity, which means it earns interest at a specified rate that will not go below the guaranteed minimum interest rate. It is also deferred, which means payouts begin at a future date and you won't pay taxes on the interest until the money is paid to you.

Single Premium Immediate Annuity (SPIA)

A SPIA is a single premium annuity, which means you buy it with one premium payment and no further premium payments are allowed. Unlike an SPDA, payouts on a SPIA are required to begin within one year. At this time, CILAC does not offer a qualified Single Premium Immediate Annuity. If you wish to purchase an annuity product with qualified funds and start a payment stream within one year, your financial professional may recommend the purchase of a Single Premium Deferred Annuity with the option to annuitize the contract to begin a payment stream. The amount of compensation your financial professional receives may depend on the guarantee period of the annuity recommended.

Surrender Charges

You can't take any of the money out of your annuity after the payout begins. Before it begins, you can withdraw all of your annuity's cash surrender value (**full contract surrender**) or part of it (**partial withdrawal**).

Withdrawals made before the end of the guarantee period are subject to a **surrender charge**, which is calculated as a percentage of the amount withdrawn. For both full contract surrenders and partial withdrawals you will receive the amount of the withdrawal minus the surrender charge. During the first contract year, any amount withdrawn will be subject to a surrender charge. Beginning with the second contract year, the surrender charge only applies to that portion of the total amount withdrawn during a contract year that exceeds a percentage of your annuity's value as of the end of the previous contract year. Additionally, if you withdraw money from your annuity before you turn 59 1/2, you may owe a tax penalty on a portion of the withdrawal.

When you choose to start a payout on your annuity, you will also choose a specific payout option. Some options may be subject to age or other limitations. Please see the annuity contract for available payout options.

Our financial professionals can only solicit and recommend our products or the products of our affiliates, in their respective capacities, unless we or our affiliates refuse to underwrite or issue such products. For example, if a fixed annuity is being recommended, then it must be a CILAC fixed annuity or a fixed annuity sold through COUNTRY® Capital Management Company (CCMC), unless we do not offer the type of annuity features required or we will not issue a fixed rate annuity based on certain factors, e.g., age or amount. Our affiliates may receive third-party payments from carriers who offer products when we are not the issuing company. Additionally, our financial professionals may receive compensation that differs from what is outlined below on the sale of these third-party products.

The product(s) available from CILAC are proprietary product(s) of CILAC. These product(s) are developed, administered, and, as insurance product(s), are guaranteed by the claims paying ability of CILAC's financial strength and soundness. The availability of these products is limited to the states we are licensed to do business in and the state of your residence.

CILAC does not offer third-party products and, as such, any compensation in relation to CILAC product(s) is not paid by third parties.

Compensation and other conflicts of interest

Generally, CILAC and its financial professionals are compensated based on the sale of the products described herein. How we are compensated creates a conflict of interest by incentivizing our financial professionals to recommend the purchase of these products. To help mitigate this conflict, we have policies and procedures in place addressing conflicts of interest and ethical obligations. We require all of our personnel and financial professionals to act in accordance with policies, procedures, and applicable rules, regulations, and laws.

Your financial professional earns compensation from us in connection with selling annuity contracts and providing services. The maximum amount of commissions your financial professional is eligible to earn for sale of this contract is reflected as a percentage of premium paid. Additionally, the sale of the products may result in your financial professional earning a higher commission rate on other products or services they sell.

For in force historical CILAC products, financial professionals receive commissions based on the following chart. Based on compensation, your financial professional can also receive awards and recognition including paid travel. Any additional premium amounts may increase the commission payments for financial professionals on other lines of business as well.

Commission on contracts for CILAC fixed annuities will be paid to the financial professional as a percentage of paid Premium as follows:

Flexible Premium Retirement Annuity (Plan 557)

	1st thru 10th Contract Years	After 10th Contract Year
Flexible Premium Retirement Annuity (Plan 557)	5.00%	2.50%

Plan (Deferred Annuity Plans 558, 559, 560 and 561)

- For Premium representing new money paid during the first year of the Annuity Contract:

Insured Issue Age	7 Year - SPDA, FLEX, and SPIA		5 Year - SPDA		3 Year - SPDA	
	% of First \$10,000 in Premium	% of Premium in Excess of \$10,000	% of First \$10,000 in Premium	% of Premium in Excess of \$10,000	% of First \$10,000 in Premium	% of Premium in Excess of \$10,000
0-69	2.75%	1.75%	2.25%	1.25%	1.75%	0.75%
70-79	1.75%	1.25%	1.25%	0.75%	0.75%	0.25%
80-89	0.75%	0.75%	0.25%	0.25%	0.00%	0.00%
90+	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

- For Premium paid after the first year of the Annuity Contract:

Insured Issue Age	Contracts produced on or after December 1, 2012		Contracts produced before December 1, 2012	
	2nd thru 10th Contract Years	(Plan 560 Only) After 10th Contract Year	2nd thru 10th Contract Years	(Plan 560 Only) After 10th Contract Year
0-69	1.75%	0.25%	3.00%	1.50%
70-79	0.75%	0.00%	2.00%	1.00%
80-89	0.25%	0.00%	1.50%	0.75%
90+	0.00%	0.00%	0.00%	0.00%

- For Plan 561, Commissions will be paid at the rate of 0.25% for contracts produced on or after 12/01/2012 and 1.50% for contracts produced prior to 12/01/2012 for contract years after the tenth year for Insured Issued Ages 0-70 and none for Insured Issued Age 71 and greater.

In addition to the commission mentioned above, while the contract remains in effect your financial professional will receive a commission equal to a percentage of the contract's account value as of the end of each contract year. All commissions paid by us are from our general assets and are not deducted from premiums paid or from the contract's account value.

For products issued prior to 12/01/2012, Commission will be paid to the financial professional at the end of each Annuity Contract year in the amount of 0.20% of the account value of the annuity as long as the financial professional continues to represent Companies under the financial professional's Agreement, or until date of the annuitization of the Annuity Contract if sooner.

For products issued 12/01/2012 or after, Commission will be paid to the financial professional at the end of each Annuity Contract year in the amount of 0.10% of the account value of the annuity as long as the financial professional continues to represent Companies under the financial professional's Agreement, or until date of the annuitization of the Annuity Contract if sooner.

In addition to the fixed annuity products listed above, CILAC has a closed block of variable universal life and variable annuity products. This means that CILAC does not offer new purchases of these products but existing owners of these products may be able to pay additional premium. The compensation your financial professional may receive for recommendations will differ from recommendations for new products available through CILAC or its affiliates.

For variable annuity contracts issued by COUNTRY Investors Life Assurance Company, commissions will be equal to a percentage of each premium payment. In addition, commission equal to a percentage of the contract's accumulated value at the end of each contract year will be payable each year until the date of annuitization. No commissions will be paid after annuitization.

Lastly, if eligibility requirements are met, CC Services, Inc. ("CCSI"), an affiliate of CILAC, will credit a percentage of your financial professional's earnings to his/her deferred compensation account. CCSI may credit supplemental contributions to this account if your financial professional meets certain production requirements.

The compensation structure outlined above may incentivize your financial professional to make a recommendation to contribute to already purchased existing products or recommend purchasing a new product to earn additional compensation. The amount of compensation your financial professional receives may depend on several factors, including the length of the deferral period, your age, and the amount of premium you contribute.

If you have any questions, please ask your financial professional.