



KANSAS CITY LIFE

# Affinity Variable Annuity



*Variable Product Series*

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

*Kansas City Life Insurance Company*

# Affinity Variable Annuity features at a glance

|   |   |
|---|---|
| <b>Minimum deposit</b>                    | \$10,000 minimum initial deposit.   |
| <b>Guaranteed contract value bonuses*</b> | <ul style="list-style-type: none"><li>• 0.15 percent annualized rate of the value in the variable subaccount paid monthly if the contract value is \$100,000 or more.</li><li>• 0.20 percent annualized rate of the value in the variable account paid monthly beginning in the ninth contract year.</li></ul>  |
| <b>Guaranteed death benefit*</b>          | <ul style="list-style-type: none"><li>• The Base Guaranteed Minimum Death Benefit is the greater of premiums paid or the contract value, available at no additional charge.</li><li>• The Annual Ratchet Guaranteed Minimum Death Benefit is the greater of the base death benefit or the greatest contract anniversary value.</li><li>• The Enhanced Combination Guaranteed Minimum Death Benefit is the greater of the base, annual ratchet or premium paid accumulated annually at 5 percent interest.</li></ul> |
| <b>Surrender charge</b>                   | There is an eight-year surrender charge schedule for each premium payment.  |
| <b>Annual fee</b>                         | \$30 annual fee, waived if the contract value is \$50,000 or more.  |
| <b>Variable Account charge</b>            | 1.40 percent annualized charge to variable subaccounts funds.   |

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

*\*Guarantees are backed by the claims-paying ability of Kansas City Life Insurance Company.*



## 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 Affinity Variable Annuity?

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

The Affinity 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.





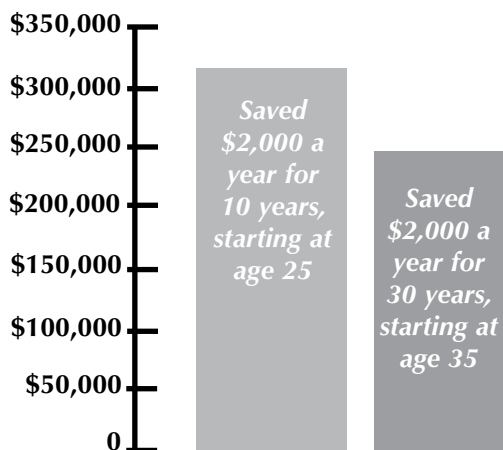
## Tax-Deferred Growth

### After 30 Years



The illustration assumes a single contribution of \$30,000, a hypothetical annual rate of return of 8 percent and an annual tax rate of 31 percent. This illustration is for comparison purposes only and is not intended to represent the performance of any investment security. A 10 percent 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. The Affinity VA has a 1.25 percent mortality and expense charge and a 0.15 percent 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 percent over 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 over 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.
- 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 Affinity VA include services and contract design features to help you in planning and using the contract to your best advantage.

## Guaranteed Minimum Death Benefit (GMDB)\*

The Affinity VA offers you a choice of three death benefit options to help assure proceeds are available when they are needed most:

- The Base GMDB is the greater of premiums paid or the contract value. There is no additional charge for this option.
- The Annual Ratchet GMDB is the greater of the Base death benefit or the greatest contract anniversary value on or preceding the annuitant's date of death or attained age 80. This option is available for an annualized charge of 0.20 percent of the value of the funds in your variable subaccounts.
- The Enhanced Combination GMDB is the greater of: 1) the Base death benefit; 2) premiums paid, accumulated annually at 5 percent interest until the day of the annuitant's death, up to a maximum of two times the net premiums deposited; or 3) the highest contract anniversary value on or preceding the annuitant's date of death or attained age 80. This option is available for an annualized charge of 0.35 percent of the value of the funds in your variable subaccounts.

All death benefits will be adjusted for withdrawals and outstanding loan balances. The Annual Ratchet death benefit is available for issue ages up to 75. The Enhanced Combination death benefit is available for issue ages up to 70. These options must be requested at the time of application. *Please see the Affinity VA prospectus for more details.*

## Guaranteed bonuses

The Affinity VA offers two contract bonuses to help you accumulate even more for retirement.

- When your contract value is \$100,000 or more, you'll earn a monthly bonus equal to an annualized rate of 0.15 percent of the value of your funds in the variable subaccounts.
- Beginning in the ninth contract year, you'll receive a monthly bonus equal to an annualized rate of 0.20 percent of the value of your funds in the variable subaccounts.

*Please refer to your Affinity VA prospectus for more information on guaranteed bonuses.*

Surrender charges may be slightly higher and surrender charge periods may be slightly longer for the Affinity VA than other variable contracts that do not credit bonuses on contract values.

## 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.

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.

### 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

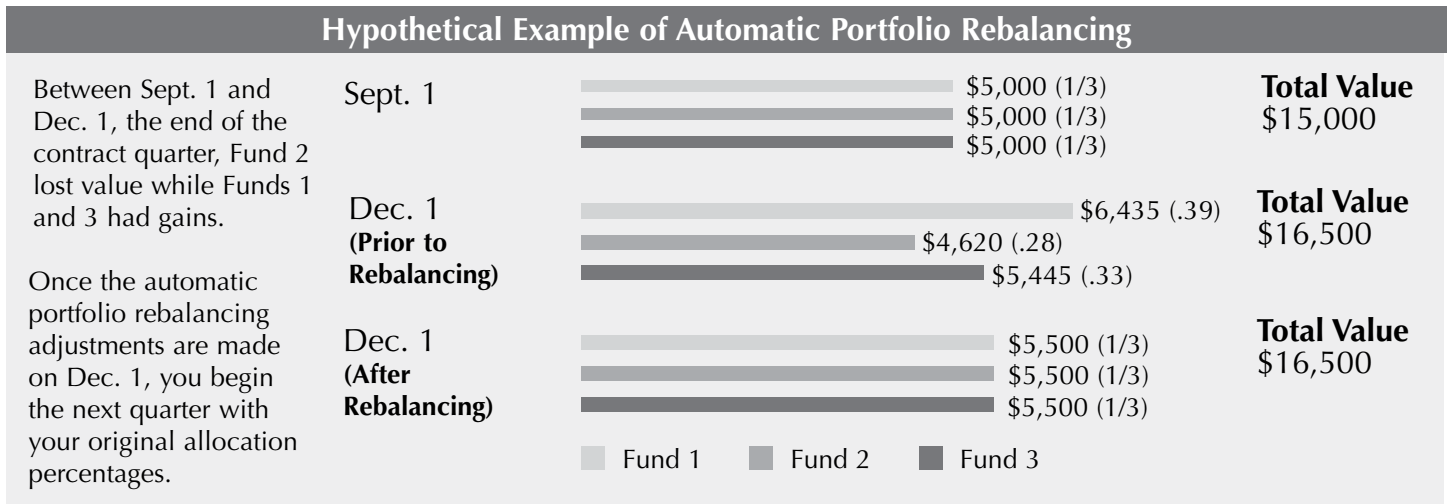
You can elect this option for a period of three to 36 months. Funds designated for dollar cost averaging are deposited in the Federated Hermes Government Money Fund II subaccount and are transferred monthly according to your instructions.

## Automatic portfolio rebalancing

Portfolio rebalancing, another valuable feature of the Affinity VA, 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.



## 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 sub-accounts 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, facsimile or email.

See the Affinity VA prospectus for details.

## 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

There may be a time when you need to access your funds for special needs, planned or otherwise. If so, you can withdraw up to 10 percent of your contract value once each contract year without a surrender charge. A 10 percent federal tax penalty may be imposed on withdrawals made prior to age 59 ½.

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. Other withdrawals made during the year, or withdrawals in excess of 10 percent, will be subject to the following charges. 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 annual fee of 1.40 percent.

## 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             | 8                            |
| 2             | 8                            |
| 3             | 7                            |
| 4             | 6                            |
| 5             | 5                            |
| 6             | 4                            |
| 7             | 3                            |
| 8             | 2                            |
| 9+            | 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 more than 120 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 a fast-paced world. It is the guiding force behind every decision we make. Every policy we sell is backed by more than a century of quality service and financial stability.

*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.*

## Service – a Kansas City Life priority

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

*The coverage described is for the Century II Affinity Variable Annuity contract, issued by Kansas City Life Insurance Company (Home Office: Kansas City, Mo.). Contract form J186. Form number may differ by state. Coverage may not be available in all states.*