

# Advantage

SINGLE PREMIUM FIXED INDEXED ANNUITY

## Guaranteed Lifetime Withdrawal Benefit



### CLIENT GUIDE



**Columbus Life  
Insurance Company**

A member of Western & Southern Financial Group



## Consider a Course to Lifetime Income

**Advantage**, a single premium deferred fixed indexed annuity, earns interest based on changes in a market index, which measures how the market or part of the market performs. Issued and guaranteed by Columbus Life Insurance Company, this product gives both choice and potential in one contract that helps build a plan toward retirement confidence.

### Guaranteed Lifetime Withdrawal Benefit

#### Income for Life

Predictable ... sustainable ... income for life. Advantage's optional Guaranteed Lifetime Withdrawal Benefit may help secure it. The "lifetime payout amount" cannot be exhausted by market losses or guaranteed withdrawals. The result is an income stream that can't be outlived.

#### Confidence for Life

Retirement certainty comes in knowing income is for the life of the covered person or persons (owner and spouse if the spousal benefit is elected<sup>1</sup>). Just choose the benefit at issue (age 45-80) for an added annual charge.

If the younger covered person is 60 or older, annual withdrawals can begin immediately. Otherwise withdrawals can begin the first index year after the younger covered person turns 60.

#### Why Consider the Benefit?

Retirement income from Advantage's Guaranteed Lifetime Withdrawal Benefit:

- **Will not decline** even if market indices go down
- **Will not run out** due to guaranteed withdrawals
- **Will not end** as long as either of two covered spouses is alive (if spousal benefit is elected)

The ultimate purpose of the Guaranteed Lifetime Withdrawal Benefit is to provide an income stream that, once begun, can continue for the remainder of the covered person's life. If you intend to take withdrawals and seek assurance they can last a lifetime, read on for details.

See inside back cover for "Key Terms to Know"

<sup>1</sup> In OR, spouse includes domestic partner.

## How the Guaranteed Lifetime Withdrawal Benefit Works

### Count on a Lifetime Payout Amount (LPA)

The benefit provides a “lifetime payout amount” or LPA. You can withdraw that amount each index year for a lifetime (or, with the spousal benefit, for as long as the covered person or covered spouse is alive). Important points to understand include:

- An LPA withdrawal must be taken in its index year. It isn't available later.
- Receiving the benefit's guaranteed income requires limiting annual withdrawals to the LPA. Withdrawals before you are eligible for the LPA, or for more than the LPA, are not guaranteed. They reduce future LPA withdrawals and could cause the benefit to terminate (if they deplete the account value). There may be withdrawal charges.
- LPA withdrawals reduce the account value, but do not reduce the benefit base.

### Guaranteed to Continue

If withdrawals exhaust the account value — and are limited to the LPA — the benefit enters its guaranteed payment phase. This benefit protects you when your account value runs out.

Columbus Life continues paying the LPA for as long as you live (or, with the spousal benefit, for as long as the covered person or covered spouse lives). Charges are no longer deducted for the benefit.

Limiting withdrawals to the LPA is key. If a nonguaranteed withdrawal exhausts the account value, the benefit ends.



## Protection for the Path Ahead

### When Can Withdrawals Begin?

The LPA eligibility date is set when the Advantage contract is issued and will never change. For the individual benefit, LPA withdrawals begin the index year after age 60. If you are at least 60 on the first day after your sweep date, LPA withdrawals can begin right away.

For the spousal benefit, LPA withdrawals begin the index year after the younger covered person turns age 60. If the younger covered person is at least 60 on the first day after the sweep date, LPA withdrawals can begin right away. The LPA eligibility date doesn't change after either a spouse's death or at the removal of a spouse as a covered person under the benefit.

Keep in mind, the LPA eligibility date is the soonest you can begin LPA withdrawals. Whether the LPA withdrawals begin at the eligibility date or some time later is up to you.

### What Determines the LPA?

The LPA is the benefit base multiplied by the withdrawal percentage. Both are detailed below. The LPA is set at the start of each index year and does not change during that index year.

$$\text{Benefit Base} \times \text{Withdrawal Percentage} = \text{Individual LPA}$$

The spousal benefit has a reduced LPA (for both spouses) rather than a higher cost. The individual LPA is multiplied by a 90% spousal factor. Same as for the individual benefit, for the spousal benefit your LPA is set at the start of each index year and does not change during that index year.

$$\text{Individual LPA} \times 90\% = \text{Spousal LPA}$$

### What Determines the Benefit Base?

Initially, the benefit base equals the account value as of the contract's sweep date. Thereafter, at the end of each index year, the benefit base is reset to the **greatest** of the:

- **Roll-Up Base** — An annual roll-up opportunity in the first 10 index years, based on age and available for index years when you do not take a withdrawal.
- **Account Value** — A contract's premium, minus withdrawals and any withdrawal/ rider charges, if applicable, plus any interest credited.
- **Benefit Base** — At the start of the index year currently ending, reduced for any "adjusted nonguaranteed withdrawal" in the same index year (the "adjusted" amount being the greater of either a proportional or a dollar-for-dollar reduction; see "Important Information" for details).

### More About the Benefit Base

- Declines in market indexes never decrease the benefit base.
- Changes in the benefit base will change the LPA the next index year.
- The benefit base itself is not available for withdrawal and not payable as a death benefit.

## Protection for the Course Ahead

### How Does the Roll-Up Base Work?

A roll-up base is one factor used to determine the benefit base for the first 10 index years. Its initial value is the contract's account value on its sweep date. Annually, after each of the first 10 index years — provided no withdrawals are taken during that index year — a roll-up amount is added to the roll-up base, calculated as follows:

$$\left[ \begin{array}{c} \text{Premium —} \\ \text{Withdrawals} \\ \text{and Withdrawal} \\ \text{Charges} \end{array} \right] \times \text{Roll-Up Percentage} = \text{Roll-Up Amount}$$

The roll-up percentage is based on your age (if you are the sole “covered person”). For a spousal benefit, the roll-up percentage is based on the age of the younger covered person. The roll-up percentage varies with the (younger) covered person's age at the time the roll-up amount is added, as follows:

(Younger) Covered Person's Attained Age	Roll-Up Percentage
45–60	9%
61–74	10%
75–90	11%

For example, if the first five roll-ups come at ages 56 to 60 and the last five at ages 61 to 65, the first five will be 9% roll-ups and the last five will be 10% roll-ups. In such a scenario, assuming a \$100,000 premium and no withdrawals, the first five roll-ups to the roll-up base would be \$9,000 each. The last five would be \$10,000 each. After 10 years the roll-up base, which began at \$100,000, would be \$195,000.

Keep in mind that, during those first 10 index years, for any index year that a withdrawal is taken, no roll-up amount is added. And any time a nonguaranteed

withdrawal occurs over the life of the benefit, the roll-up base will be reduced by the “adjusted nonguaranteed withdrawal” amount (the “adjusted” amount being the greater of either a proportional or a dollar-for-dollar reduction; see “Important Information” for details).

### More About the Roll-Up Base

- Nonguaranteed withdrawals reduce future LPA withdrawals or may terminate the benefit (if they deplete the account value) and may incur withdrawal charges.
- The roll-up base itself is not available for withdrawal and not payable as a death benefit.

### What Determines the Withdrawal Percentage?

The sole covered person's withdrawal percentage is based on the age at the time of the first withdrawal. For a spousal benefit, the withdrawal percentage is based on the age of the younger covered person at that time.

Before age 60, there is no withdrawal percentage. At age 90 and older, the withdrawal percentage is 7.5%. Otherwise, from ages 60 to 89, the withdrawal percentage varies with the (younger) covered person's age at the first LPA withdrawal, as follows:

$$\left[ \frac{\text{Covered Person's Age}}{10} \right] \% - 1.5\% = \text{Withdrawal Percentage}$$

The withdrawal percentage locks in when you make the first withdrawal after the LPA eligibility date. (The lone exception would be if you declined an increase in the benefit's annual charge. More on that on page 10.)



## Later is Greater

The withdrawal percentage increases with age (up to 90). While not the sole factor to weigh, it does merit consideration. Refer to the tables below.

Covered Person's Age at First Withdrawal	Withdrawal Percentage
60	4.5%
61	4.6%
62	4.7%
63	4.8%
64	4.9%
65	5.0%
66	5.1%
67	5.2%
68	5.3%
69	5.4%
70	5.5%
71	5.6%
72	5.7%
73	5.8%
74	5.9%

Covered Person's Age at First Withdrawal	Withdrawal Percentage
75	6.0%
76	6.1%
77	6.2%
78	6.3%
79	6.4%
80	6.5%
81	6.6%
82	6.7%
83	6.8%
84	6.9%
85	7.0%
86	7.1%
87	7.2%
88	7.3%
89	7.4%
90	7.5%

## Important Information

### Nonguaranteed Withdrawals: A Caution

You (or the younger of you or your covered spouse with a spousal benefit) must wait until at least the index year after age 60 to make the first LPA withdrawal.

A “nonguaranteed withdrawal” is money taken out either before the LPA eligibility date or in excess of the LPA. In addition to reducing the account value, such reductions may incur withdrawal charges and

reduce the benefit base and the roll-up base, perhaps significantly. If a nonguaranteed withdrawal reduces the account value to zero, the benefit ends. Caution is advised because a nonguaranteed withdrawal reduces the bases (roll-up and benefit) by what is termed an “adjusted nonguaranteed withdrawal amount.”

- The nonguaranteed withdrawal amount multiplied by the greater of 1.0 (i.e., “dollar-for-dollar”) or the base (roll-up or benefit) divided by the account value (i.e., “proportional”).

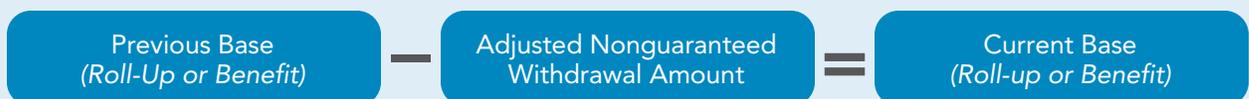
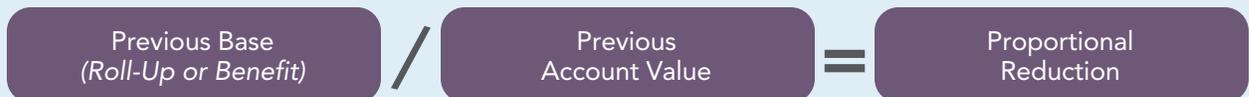
## Nonguaranteed Withdrawal Calculation

- Values determined immediately before the calculation.
- Any available LPA subtracted from the account value before the calculation.
- The resulting bases may not be less than zero.

### Calculating the Account Value After a Nonguaranteed Withdrawal



### Calculating the Benefit Base After a Nonguaranteed Withdrawal



# Guaranteed Lifetime Withdrawal Benefit

Therefore the account value is reduced by the amount of the nonguaranteed withdrawal, and the base is reduced by the adjusted nonguaranteed withdrawal amount, which may be even more.

Keep in mind, if the Advantage contract is at a point where the base (roll-up and benefit) is greater than the account value, the base is reduced by more than the nonguaranteed withdrawal amount.

Because the benefit base is a part of the formula that determines the LPA, the impact on the bases is an important factor.

Carefully consider the impact of nonguaranteed withdrawals so you receive the intended benefit. Take only guaranteed withdrawals as intended and you can disregard this impact on the bases.

## Case Study: Nonguaranteed Withdrawal Calculation

- Account Value = \$75,000
- Benefit Base = \$100,000
- Nonguaranteed Withdrawal Amount = \$5,000 (no withdrawal charges apply)

### Calculating the Account Value After a Nonguaranteed Withdrawal

$$\$75,000 - \$5,000 = \$70,000$$

### Calculating the Benefit Base After a Nonguaranteed Withdrawal

$$\$100,000 \div \$75,000 = 1.3333$$

$$\$5,000 \times 1.3333 = \$6,667$$

$$\$100,000 - \$6,667 = \$93,333$$

## The Cost of Confidence

### Consider Buying the Benefit

- The benefit is available only at the time you purchase the Advantage contract.
- The annual charge is 0.95% of the benefit base at the start of each index year. That charge is deducted from the account value annually, at the end of the index year, before any interest crediting for that year. The benefit charge may increase to a maximum of 1.50%.
- There is no additional charge for the spousal benefit. Instead, the spousal benefit — for both spouses — is 90% of the individual benefit.
- Columbus Life reserves the right to increase the charge up to a maximum of 1.50% with prior written notice. If we increase the charge and you decline it, you may either cancel the benefit or elect to continue with a reduction in the withdrawal percentage of up to 1%, effective with the start of the next index year.
- The owner must be the annuitant.
- You and any covered spouse must be age 45–80 on the contract date to buy.
- Purchase requires a premium of at least \$15,000. The maximum premium is \$1 million for an owner age 45–75 and \$750,000 for an owner age 76–80.

### Owning the Spousal Benefit

- You cannot switch from an individual benefit to a spousal benefit or vice versa.
- You cannot add or switch a spouse as a covered person.
- In the case of death or divorce, the spouse automatically is removed as a covered person:
  - Age-based features will continue to be based on the original younger spouse from issue (as a new spouse can never be added).

- The 90% spousal factor will continue to apply to the LPA.

### Before You Buy

To provide withdrawals for life, limits and conditions apply to the Guaranteed Lifetime Withdrawal Benefit, foremost as to when and how much you withdraw. At older ages, benefits paid may not exceed the charges associated with the rider depending on how long the owner lives. This brochure highlights important details of the features, restrictions, costs and operation of this optional benefit. You should carefully consider whether the rider is appropriate for you and understand the information before you buy.

### Ending the Benefit

Beginning with the sixth index year, you may cancel the benefit in the first 45 days of each index year. Upon cancellation, charges stop and you cannot reinstate the benefit. Otherwise the benefit ends (and cannot be reinstated) when the earliest of the following occurs:

- The (last) covered person dies
- The contract is annuitized (full annuitization) before the guaranteed payment phase
- The account value is zero due to a nonguaranteed withdrawal
- The contract matures at age 100 (unless the LPA option is elected)
- The contract is assigned
- The contract is surrendered (full surrender)
- The benefit is cancelled by you

## Required Minimum Distributions? No Problem!

If the Advantage contract is established as a traditional IRA or a SEP IRA, you may be required to withdraw money to satisfy IRS required minimum distributions (RMDs) after age 73.\* We will calculate the RMD for the contract.

You may take the greater of the LPA or the RMD each index year (but are limited to one RMD per index year and the timing of the RMD withdrawal may be restricted to avoid a nonguaranteed withdrawal).

Note that if you own the spousal benefit and your spouse is more than 10 years younger than you, any withdrawal used to satisfy your RMD may result in a nonguaranteed withdrawal.

## Strong Guarantees from a Strong Company

Confidence comes from knowing contractual promises will be fulfilled over time. Benefit guarantees are contractual promises supported by Columbus Life's General Account assets and backed by its claims-paying ability. Consider the importance of ratings for financial strength, stability and operating performance as you choose your path to a secure retirement.

Consider the **Advantage** fixed indexed annuity. Discuss possible next steps with a financial professional.

\*For taxpayers turning 72 after 2022.

## Key Terms to Know

**Account Value** — A contract's premium, minus withdrawals and any withdrawal and rider charges if applicable, plus any interest credited.

**Index Year** — Many of Advantage's annual contract features are based on this repeating annual period. The first index year begins on the date the account value is moved to the allocation options (the "sweep date"). The end of one index year marks the beginning of the next.

**Withdrawal** — An amount taken from your Advantage contract as a partial withdrawal, partial exchange or partial annuity option.

**Sweep Date** — The date when the account value is moved to the allocation options. A contract's sweep date marks the beginning of its first index year and first crediting period.

**Roll-Up** — An automatic, age-based increase to the benefit's roll-up base of the first 10 index years when you take no withdrawals. The roll-up base is used to calculate the benefit base.



## Columbus Life Insurance Company

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The Indexed Interest Options will never credit less than 0% even if the index goes down. The interest rate for the Fixed Interest Option is declared in advance, guaranteed for one Index Year, and will be no lower than the rate prescribed in the law of the state where the contract is delivered or issued for delivery.

Advantage is a tax-deferred insurance product. It is not a security. It is designed both to protect its accumulated account value from losses due to declines in the market indexes associated with the annuity as well as to guarantee a lifetime income.

Products are issued by Columbus Life Insurance Company, Cincinnati, OH. Columbus Life is licensed in the District of Columbia and all states except New York. Single Premium Deferred Annuity Contract with Indexed Interest Options series ICC14 ENT-03 1406, Guaranteed Lifetime Withdrawal Benefit Rider series ICC14 ER.03 GLWB-I 1406 and ICC14 ER.04 GLWB-S 1406.

Earnings and pre-tax payments are subject to ordinary income tax at withdrawal. Withdrawals may be subject to charges. Withdrawals of taxable amounts from an annuity are subject to ordinary income tax, and, if taken before age 59½, may be subject to a 10% IRS penalty. Neither Western & Southern member companies, nor their agents, offer tax advice. For specific tax information, consult your attorney or tax advisor. Interest rates are declared by the insurance company at annual effective rates, taking into account daily compounding of interest. Product and feature availability, as well as benefit provisions, varies by state. See your financial professional for product details and limitations.

**Annuity products are not bank products, are not a deposit, are not insured by the FDIC, nor any other federal entity, have no bank guarantee, and may lose value.**

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