

# CHOICEFOUR™

Single Premium Deferred Annuity  
Form Series ET-SPA-2000(11-04),  
ET-SPA-2000CE(11-04),  
ICC16-ET-SPA-2000(07-16)  
**DISCLOSURE STATEMENT**

# EquiTrust Life Insurance Company®

7100 Westown Parkway, Suite 200  
West Des Moines, Iowa 50266-2521  
(866) 598-3692 [www.EquiTrust.com](http://www.EquiTrust.com)  
Mailing Address: PO Box 14500  
Des Moines, Iowa 50306-3500

Thank you for your interest in the ChoiceFour annuity. ChoiceFour is a single premium deferred annuity that accumulates interest through an interest rate that is guaranteed for one year and can be reset annually thereafter. You may cancel your annuity Contract within a certain number of days of your receipt to receive a complete refund of your premium.

Some features of this annuity may not be available in all states and may vary by state. If you have any questions, please contact your representative or EquiTrust Life Insurance Company (“the Company”) for details. This form is not intended to be a complete explanation of your annuity. **Please refer to your Contract for complete details.**

## INTEREST CREDITING

The Accumulation Value of your annuity equals the Premiums paid, plus any applicable Premium Bonus, less withdrawals (if applicable), accumulated at the current interest rate. The interest rate will be declared on each Contract Anniversary and is guaranteed for the following Contract Year. The declared interest rate can never be less than the Minimum Guaranteed Interest Rate. The Minimum Guaranteed Interest Rate will be no lower than 1% and no higher than 3%. Once your Contract is issued, the Minimum Guaranteed Interest Rate will not change. Ask your agent for the current interest rate and Minimum Guaranteed Interest Rate.

## LIQUIDITY FEATURES AND IMPORTANT TERMS

You may receive partial surrenders or periodic income payments from your annuity by submitting a request acceptable to the Company. **You may be subject to a 10% Federal penalty tax if you make withdrawals or surrender your annuity before age 59½.**

**Penalty-Free Withdrawals** - You may withdraw interest earned in the prior 12 months and not previously withdrawn without a Surrender Charge. If the Contract is subsequently surrendered during the Contract Year, the Surrender Charge will be applied to any previously uncharged Partial Surrender amounts taken in the same Contract Year.

**Partial and Full Surrenders** – Any withdrawal over the penalty-free amount will be subject to Surrender Charges. In the event of a full surrender, you will receive the cash surrender value of your Contract as a lump sum.

- **Surrender Charges** – This annuity product is a long-term Contract with substantial penalties for early surrender. A surrender charge is assessed, according to the schedule below, on any amount withdrawn as a partial or full surrender that is in excess of the penalty-free amount:

STATE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9
%	12%	11%	10%	9%	8%	7%	6%	4%	2%
FL	10%	10%	10%	9%	8%	7%	6%	4%	2%
+	9.0%	8.0%	7.0%	6.5%	5.5%	4.5%	3.5%	2.5%	1.5%

+ Applies to the following states: AK, CA, CT, IN, MA, MD, MN, MT, NV, OH, OK, OR, TX, UT, VT, WA

- **Cash Surrender Value** – The Cash Surrender Value equals the greater of (a) the Minimum Guaranteed Contract Value; or (b) the Accumulation Value less any applicable Surrender Charge, determined as of the date of surrender. The Minimum Guaranteed Contract Value will be 100% of Premium(s), less any partial withdrawals, plus interest earned at a rate no lower than 1% and no higher than 3%, less Surrender Charges. Once your Contract is issued, your Minimum Guaranteed Contract Rate will not change.

**Annuitization** – You may choose to have the proceeds of this Contract paid under a payment option on your income date. This is called annuitizing your Contract. When you annuitize, you can choose from several options, including income for life and/or a specified period of 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.

**Nursing Home Waiver**– After the first Contract Year, you may make a partial or a full surrender without incurring a Surrender Charge if you become confined to a Hospital or Nursing Care Center for at least 90 consecutive days. Nursing Home Waiver is only available through issue age 80.

**Terminal Illness Rider** – In the event that you become terminally ill, you may access up to 75% of your Contract’s Accumulation Value without a Surrender Charge. A waiting period may apply. Terminal Illness Rider availability may vary by state.

**Death Benefit** – The death benefit is equal to the Accumulation Value.

**OTHER NOTES**

- The ChoiceFour annuity is backed by the financial strength of the 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.
- Funded plans under the Employee Retirement Income Security Act of 1974 (ERISA) may not be used with this annuity.
- This material is provided by EquiTrust Life Insurance Company (“EquiTrust”), which issues annuity contracts that are generally described in this material. EquiTrust is not undertaking to provide investment advice for any individual or any individual situation, and you should not look to this material for any investment advice.
- In the states of NJ and PA, “Contract” is referred to as “Certificate”.

**ADDITIONAL OPTIONS –**

The following options are available to be chosen by you only at Contract issue and will change the Base Contract accordingly. You have the choice of choosing one, both, or neither of the options listed below. Please review the details of each available option and make your choice based upon your current and future needs.

**Liquidity Option**

If chosen, the Liquidity Option will shorten the Surrender Charge schedule of the Base Contract to a period of 6 years as follows:

STATE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
%	12%	11%	10%	9%	8%	7%
FL	10%	10%	10%	9%	8%	7%
+	9.0%	8.0%	7.0%	6.5%	5.5%	4.5%

+ Applies to the following states: AK, CA, CT, IN, MA, MD, MN, MT, NV, OH, OK, OR, TX, UT, VT, WA

In addition, the Base Contract’s Partial Surrender provision will be changed to allow withdrawals beginning in the second Contract Year, for up to 10% of the Accumulation Value as of the most recent Contract Anniversary, without incurring a Surrender Charge. There is a charge if you elect the Liquidity Option, which is equal to a lower interest rate in comparison to the Base Contract.

**Market Value Adjustment Option**

If chosen, the Market Value Adjustment Option will provide a Market Value Adjustment (MVA) on amounts withdrawn or surrendered from this Contract. The MVA 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. A 1.50% Premium Bonus is immediately applied to all Premium(s) if this option is elected. Annuities that offer bonus features may have higher fees and charges, longer surrender charge period and/or lower credited interest rates than annuities that do not provide the bonus feature.

Generally, the MVA decreases the amount received upon surrender when interest rates rise, and increases it when interest rates fall. In no event will the Cash Surrender Value after adjustment for the MVA be less than the Minimum Guaranteed Contract Value. Please refer to your Contract for complete details.

**Select your option preference by checking only one box below:**

- No Options/Base Contract:** 9 year surrender charge schedule
- MVA Option:** 9 year surrender charge schedule, 1.50% premium bonus, surrenders subject to MVA
- Liquidity Option:** 6 year surrender charge schedule, more flexible Partial Surrender provision, lower interest rate
- Both Liquidity & MVA Options:** 6 year surrender charge schedule, 1.50% premium bonus, surrenders subject to MVA, more flexible Partial Surrender provision, lower interest rate

**Note:** There is no additional fee associated with the options listed above. Please consider the contract features prior to making your election. Once your contract is issued, your option election cannot be changed and will remain in force for the life of the contract.

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

**Applicant Statement:**

By signing below, I acknowledge that I have read, or have been read, this document and understand I am applying for a single premium deferred 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. I have read the Important Notice Regarding Sales to Military Personnel, if applicable.

\_\_\_\_\_  
Owner(s)/Applicant(s) Signature                      Date

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

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Daytime Telephone Number

\_\_\_\_\_  
Joint Owner(s)/Applicant(s) Signature                      Date

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

\_\_\_\_\_  
Joint Owner Social Security Number

\_\_\_\_\_  
Joint Owner Daytime Telephone Number

**Agent/Producer 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 non-guaranteed elements. I have provided the client the Important Notice Regarding Sales to Military Personnel, if applicable.

\_\_\_\_\_  
Agent/Producer Signature                      Date

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

# UNDERSTANDING THE MARKET VALUE ADJUSTMENT (MVA) OPTION ON YOUR ANNUITY

**Only applies if the Market Value Adjustment Option is chosen.**

The Market Value Adjustment is a positive or negative adjustment that may apply to your value upon early withdrawal or surrender, based on the movement in credited rates.

**The Market Value Adjustment will only apply if the withdrawal amount exceeds the free withdrawal provision or the contract is surrendered during the surrender charge period\*.** The MVA can increase or decrease the amount the Contract Owner receives from a withdrawal or full surrender. However, the amount the Owner receives upon full surrender will never be greater than the Accumulated Value or less than the Minimum Guaranteed Contract Value.

The MVA is determined by a mathematical formula that measures changes in credited rates since the contract was issued. The amount withdrawn or surrendered is adjusted, either up or down, based on the difference between the credited rate at issue for your contract and the credited rate available on newly issued contracts.

**Let's look at an example:**

Assume the Accumulation Value is \$100,000, two years remain in the surrender charge period and your credited rate was 4.00% at issue. Also assume that your current credited rate is 4.00% and the Minimum Guaranteed Interest Rate on your contract is 2.00%

**What happens if I choose to surrender the Contract?**

If the credited rate available on new contracts decreases to 3.00%, this would result in a positive MVA factor of 0.01458, which means the Company would increase your Cash Surrender Value by 1.458%. If, on the other hand, the credited rate increases to 5.00%, this would result in a negative MVA Factor equal to -0.02, which reflects the MVA floor, and the Company would decrease your Cash Surrender Value by 2.00%. The Accumulation Value of the Contract is subject to the appropriate surrender charge before the application of the MVA Factor. The MVA Factor is then applied to the Accumulation Value less Surrender Charge to arrive at the Market Value Adjustment Amount.

\*Withdrawals before age 59 ½ may be subject to a 10% IRS penalty.

**What is the actual MVA formula?**

$$\text{MVA Factor} = [(1 + s) / (1 + c + 0.0025)]^{n/12} - 1$$

s = 4.00% = your credited rate at issue

c = 3.00% or 5.00% = the credited rate available on newly issued contracts

n = 24 = the number of complete months until the end of the surrender charge period

The MVA Factors for the examples above are:

1.00% Decrease in Rates:

$$[(1 + 0.04) / (1 + 0.03 + 0.0025)]^{24/12} - 1 = 0.01458$$

1.00% Increase in Rates:

$$[(1 + 0.04) / (1 + 0.05 + 0.0025)]^{24/12} - 1 = -0.02361$$

The MVA Factor, either positive or negative, will be limited to the difference between your current credited rate and the Minimum Guaranteed Interest Rate.

$$\text{MVA Factor Cap / Floor} = 4.00\% - 2.00\% = 2.00\%$$

	1.00% Decrease in Rates	1.00% Increase in Rates
Accumulation Value	\$100,000.00	\$100,000.00
Hypothetical Surrender Charge of 6%	\$6,000	\$6,000
Cash Surrender Value before MVA = (Accumulation Value – Surrender Charge)	\$94,000	\$94,000
MVA Factor	0.01458	-0.02361
MVA Factor after Cap / Floor	0.01458	-0.02
MVA Amount (Cash Surrender Value before MVA x MVA Factor)	\$1,370.58	-\$1,880.00
Cash Surrender Value after MVA = (Accumulation Value – Surrender Value + MVA)	\$95,370.58	\$92,120.00

**The MVA does NOT apply....**

upon death, to most settlement options, to free partial withdrawals or after the surrender charge period is over.

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STATE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9
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FL	10%	10%	10%	9%	8%	7%	6%	4%	2%
+	9.0%	8.0%	7.0%	6.5%	5.5%	4.5%	3.5%	2.5%	1.5%

+ Applies to the following states: AK, CA, CT, IN, MA, MD, MN, MT, NV, OH, OK, OR, TX, UT, VT, WA

- **Cash Surrender Value** – The Cash Surrender Value equals the greater of (a) the Minimum Guaranteed Contract Value; or (b) the Accumulation Value less any applicable Surrender Charge, determined as of the date of surrender. The Minimum Guaranteed Contract Value will be 100% of Premium(s), less any partial withdrawals, plus interest earned at a rate no lower than 1% and no higher than 3%, less Surrender Charges. Once your Contract is issued, your Minimum Guaranteed Contract Rate will not change.

**Annuitization** – You may choose to have the proceeds of this Contract paid under a payment option on your income date. This is called annuitizing your Contract. When you annuitize, you can choose from several options, including income for life and/or a specified period of 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.

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**Terminal Illness Rider** – In the event that you become terminally ill, you may access up to 75% of your Contract's Accumulation Value without a Surrender Charge. A waiting period may apply. Terminal Illness Rider availability may vary by state.

**Death Benefit** – The death benefit is equal to the Accumulation Value.

**OTHER NOTES**

- The ChoiceFour annuity is backed by the financial strength of the 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.
- Funded plans under the Employee Retirement Income Security Act of 1974 (ERISA) may not be used with this annuity.
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- In the states of NJ and PA, "Contract" is referred to as "Certificate".

**ADDITIONAL OPTIONS –**

The following options are available to be chosen by you only at Contract issue and will change the Base Contract accordingly. You have the choice of choosing one, both, or neither of the options listed below. Please review the details of each available option and make your choice based upon your current and future needs.

**Liquidity Option**

If chosen, the Liquidity Option will shorten the Surrender Charge schedule of the Base Contract to a period of 6 years as follows:

STATE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
%	12%	11%	10%	9%	8%	7%
FL	10%	10%	10%	9%	8%	7%
+	9.0%	8.0%	7.0%	6.5%	5.5%	4.5%

+ Applies to the following states: AK, CA, CT, IN, MA, MD, MN, MT, NV, OH, OK, OR, TX, UT, VT, WA

In addition, the Base Contract's Partial Surrender provision will be changed to allow withdrawals beginning in the second Contract Year, for up to 10% of the Accumulation Value as of the most recent Contract Anniversary, without incurring a Surrender Charge. There is a charge if you elect the Liquidity Option, which is equal to a lower interest rate in comparison to the Base Contract.

**Market Value Adjustment Option**

If chosen, the Market Value Adjustment Option will provide a Market Value Adjustment (MVA) on amounts withdrawn or surrendered from this Contract. The MVA 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. A 1.50% Premium Bonus is immediately applied to all Premium(s) if this option is elected. Annuities that offer bonus features may have higher fees and charges, longer surrender charge period and/or lower credited interest rates than annuities that do not provide the bonus feature.

Generally, the MVA decreases the amount received upon surrender when interest rates rise, and increases it when interest rates fall. In no event will the Cash Surrender Value after adjustment for the MVA be less than the Minimum Guaranteed Contract Value. Please refer to your Contract for complete details.



**Select your option preference by checking only one box below:**

- No Options/Base Contract:** 9 year surrender charge schedule
- MVA Option:** 9 year surrender charge schedule, 1.50% premium bonus, surrenders subject to MVA
- Liquidity Option:** 6 year surrender charge schedule, more flexible Partial Surrender provision, lower interest rate
- Both Liquidity & MVA Options:** 6 year surrender charge schedule, 1.50% premium bonus, surrenders subject to MVA, more flexible Partial Surrender provision, lower interest rate

**Note:** There is no additional fee associated with the options listed above. Please consider the contract features prior to making your election. Once your contract is issued, your option election cannot be changed and will remain in force for the life of the contract.

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

**Applicant Statement:**

By signing below, I acknowledge that I have read, or have been read, this document and understand I am applying for a single premium deferred 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. I have read the Important Notice Regarding Sales to Military Personnel, if applicable.

\_\_\_\_\_  
Owner(s)/Applicant(s) Signature                      Date

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

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Daytime Telephone Number

\_\_\_\_\_  
Joint Owner(s)/Applicant(s) Signature                      Date

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

\_\_\_\_\_  
Joint Owner Social Security Number

\_\_\_\_\_  
Joint Owner Daytime Telephone Number

**Agent/Producer 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 non-guaranteed elements. I have provided the client the Important Notice Regarding Sales to Military Personnel, if applicable.

\_\_\_\_\_  
Agent/Producer Signature                      Date

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

# UNDERSTANDING THE MARKET VALUE ADJUSTMENT (MVA) OPTION ON YOUR ANNUITY

**Only applies if the Market Value Adjustment Option is chosen.**

The Market Value Adjustment is a positive or negative adjustment that may apply to your value upon early withdrawal or surrender, based on the movement in credited rates.

**The Market Value Adjustment will only apply if the withdrawal amount exceeds the free withdrawal provision or the contract is surrendered during the surrender charge period\*.** The MVA can increase or decrease the amount the Contract Owner receives from a withdrawal or full surrender. However, the amount the Owner receives upon full surrender will never be greater than the Accumulated Value or less than the Minimum Guaranteed Contract Value.

The MVA is determined by a mathematical formula that measures changes in credited rates since the contract was issued. The amount withdrawn or surrendered is adjusted, either up or down, based on the difference between the credited rate at issue for your contract and the credited rate available on newly issued contracts.

**Let's look at an example:**

Assume the Accumulation Value is \$100,000, two years remain in the surrender charge period and your credited rate was 4.00% at issue. Also assume that your current credited rate is 4.00% and the Minimum Guaranteed Interest Rate on your contract is 2.00%

**What happens if I choose to surrender the Contract?**

If the credited rate available on new contracts decreases to 3.00%, this would result in a positive MVA factor of 0.01458, which means the Company would increase your Cash Surrender Value by 1.458%. If, on the other hand, the credited rate increases to 5.00%, this would result in a negative MVA Factor equal to -0.02, which reflects the MVA floor, and the Company would decrease your Cash Surrender Value by 2.00%. The Accumulation Value of the Contract is subject to the appropriate surrender charge before the application of the MVA Factor. The MVA Factor is then applied to the Accumulation Value less Surrender Charge to arrive at the Market Value Adjustment Amount.

\*Withdrawals before age 59 ½ may be subject to a 10% IRS penalty.

**What is the actual MVA formula?**

$$\text{MVA Factor} = [(1 + s) / (1 + c + 0.0025)]^{n/12} - 1$$

s = 4.00% = your credited rate at issue

c = 3.00% or 5.00% = the credited rate available on newly issued contracts

n = 24 = the number of complete months until the end of the surrender charge period

The MVA Factors for the examples above are:

1.00% Decrease in Rates:

$$[(1 + 0.04) / (1 + 0.03 + 0.0025)]^{24/12} - 1 = 0.01458$$

1.00% Increase in Rates:

$$[(1 + 0.04) / (1 + 0.05 + 0.0025)]^{24/12} - 1 = -0.02361$$

The MVA Factor, either positive or negative, will be limited to the difference between your current credited rate and the Minimum Guaranteed Interest Rate.

$$\text{MVA Factor Cap / Floor} = 4.00\% - 2.00\% = 2.00\%$$

	1.00% Decrease in Rates	1.00% Increase in Rates
Accumulation Value	\$100,000.00	\$100,000.00
Hypothetical Surrender Charge of 6%	\$6,000	\$6,000
Cash Surrender Value before MVA = (Accumulation Value – Surrender Charge)	\$94,000	\$94,000
MVA Factor	0.01458	-0.02361
MVA Factor after Cap / Floor	0.01458	-0.02
MVA Amount (Cash Surrender Value before MVA x MVA Factor)	\$1,370.58	-\$1,880.00
Cash Surrender Value after MVA = (Accumulation Value – Surrender Value + MVA)	\$95,370.58	\$92,120.00

**The MVA does NOT apply....**

upon death, to most settlement options, to free partial withdrawals or after the surrender charge period is over.



