

## Product Specifications

### Product Positioning

This Universal Life insurance policy is designed to provide Death Benefit protection along with the potential for significant long-term Cash Value accumulation and strong single short pay No-Lapse Guarantees using the Capital Transfer Riders.

### Issue Ages and Underwriting Classes<sup>1</sup>

**Ages:** 0–85 age last birthday

Underwriting Class	Issue Age	Minimum Specified Amt.
Juvenile <sup>1</sup>	0–19	\$25,000
Super Preferred Non-Tobacco User	20–79	\$100,000
Preferred Non-Tobacco User	20–79	\$100,000
Preferred Tobacco User	20–79	\$100,000
Standard Non-Tobacco User	20–79	\$25,000
Standard Non-Tobacco User	80–85	\$100,000
Standard Tobacco User	20–79	\$25,000
Standard Tobacco User	80–85	\$100,000

### Death Benefit Options

**Option 1:** Specified Amount

**Option 2:** Specified Amount plus the Account Value

### Definition of Life Insurance: Guideline Premium Test or Cash Value Accumulation Test

Under Section 7702 of the Internal Revenue Code, a policy will generally be treated as life insurance for federal tax purposes if at all times it meets either (1) a **Guideline Premium Test** or (2) a **Cash Value Accumulation Test**. In general, the Cash Value Accumulation Test will allow you to make higher premium payments during the policy's early years. The Guideline Premium Test may allow you to maintain a higher Cash Value in relation to the Life Insurance Benefit. You must choose either the Guideline Premium Test or the Cash Value Accumulation Test before the policy is issued. The test method cannot be changed after issue.

### Premiums

The minimum initial premium the company will accept is the policy's 10-Year No-Lapse Guarantee (NLG) (Continued Coverage Benefit in IL) minimum monthly premium or \$180, whichever is greater. During the 10-Year No-Lapse Guarantee period, if the policy owner pays at least the minimum premium the policy is guaranteed not to go into the grace period.

**Note:** For the policy to take effect, the first premium must be at least equal to the 10-year NLG (Continued Coverage Benefit in IL) minimum monthly premium. For premium payments via Pre-Authorized Transfer, we will require at least two months' premium.

### Current Cost of Insurance (COI) Rates

Current COI rates are select and ultimate rates with a 25-year select period. Three face amount (Base + Supplemental Coverage Rider [SCR]) bands exist: **(1)** \$25,000 up to \$249,999; **(2)** \$250,000 up to \$499,999; **(3)** \$500,000 and over. The cost of insurance is deducted each month from the Account Value.

### Policy Expense Charges

**Policy Fee:** Deducted monthly from the Account Value.

- **Current:** \$4.00
- **Guaranteed Maximum:** \$7.00

### Premium Expense Charge<sup>2</sup>:

Deducted from each premium received.

- **Current**  
Years 1–12: 5.50% up to Target, 2.75% on Excess.  
Years 13+: 2.50% up to Target, 2.50% on Excess.
- **Guaranteed Maximum**  
Years 1–12: 6.50% up to Target, 3.75% on Excess.  
Years 13+: 3.50% up to Target, 2.75% on Excess.

### State Tax Charge<sup>2</sup> (Tax Charge Back in OR):

Deducted from each premium received. Current rate equals the state premium tax rate for the state of residence.

**Expense Charge per \$1,000:** Deducted monthly from the Account Value. This charge applies from issue of each coverage layer and varies by age at issue, gender, policy duration, and underwriting class. It does not change based on ratings or riders and does not apply to SCR.

- **Current:** Assessed for 10 years from issue of each coverage layer.
- **Guaranteed Maximum:** Assessed for 20 years from issue of each coverage layer.

<sup>1</sup> In NH, minimum issue age is 20 and Juvenile underwriting class not available.

<sup>2</sup> In TX, state premium tax charges do not apply and premium expense charges are higher.

### Policy Cash Values

Monthly interest is credited at a competitive current, non-guaranteed interest rate. The portion of the Account Value equal to any outstanding loan will be credited a separate Loan Crediting rate. Explorer Plus offers enhanced interest crediting from day one and first dollar. Guaranteed minimum interest rate: 3.00% (4.00% for FL, MO & TX).

### Policy Loans & Withdrawals

**Policy Loans:** The maximum cumulative loan, including loan interest to the next anniversary, is the Cash Surrender Value less two months' charges. Loan interest is charged in arrears.

Policy Duration	Loan Crediting		Loan Interest	
	Current	Guaranteed	Current	Guaranteed
Years 1-10	3.00%	3.00%	3.50%	3.50%
Years 11+	3.00%	3.00%	3.00%	3.50%

For FL, MO and TX, add 1% to each of these rates.

**Withdrawals:** Withdrawals may be requested after the first policy year. Your clients receive one free withdrawal each policy year. Additional withdrawals within a policy year are subject to a charge of \$50. The minimum withdrawal is \$500. The maximum withdrawal is the Net Cash Surrender Value less \$250 (or less if such withdrawal would reduce the Specified Amount below the minimum issue limit).

Your clients may obtain tax-free income from their policy through a combination of loans and withdrawals by withdrawing up to the cost basis, and then using policy loans. This assumes that the policy meets the definition of life insurance, is not a modified endowment contract and does not lapse with an outstanding loan.

Loans and withdrawals can generate an income tax liability, reduce the Account Value and the Death Benefit, or cause the policy to lapse.

### Surrender Charges

Surrender charges are per \$1,000 of Specified Amount (including Supplemental Coverage Rider), and decrease over 10 years from issue or from an increase in Specified Amount. Surrender charges can vary by issue age, gender and underwriting class. The surrender charge pattern for a coverage layer is unaffected by decreases or Death Benefit option changes.

### Substandard Ratings

Maximum Table H (8), or 300% of Standard. Both Non-Tobacco User and Tobacco User rates.

## Riders and Benefits

### Enhanced No-Lapse Guarantee Riders 2011 (Capital Transfer Riders)

This rider can be used to add a Lifetime No-Lapse Guarantee for Single and Short Pay premium scenarios. The rider guarantees that the policy will not lapse prior to the insured's death, provided that the policy passes a premium test on the 10th policy anniversary and on any Monthly Anniversary day following a loan or a withdrawal.

This rider offers three versions:

- 1) Death Benefit (DB)** – provides higher Death Benefit guarantees with lower Cash Values
- 2) Return of Premium (ROP)** – provides higher Cash Value accumulation with lower Death Benefit guarantees with a Return of Premium feature through the first 10 policy years
- 3) Accumulation (AV)** – provides higher Cash Value accumulation with lower Death Benefit guarantees

The three versions of the rider all include a liquidity feature which allows for a partial withdrawal without terminating the No-Lapse Guarantee. The partial withdrawal will proportionately decrease the specified amount. The proportional decrease can be avoided by terminating the Enhanced No-Lapse Guarantee Rider 2011 prior to the withdrawal.

The three versions of the rider also provide for a simplified underwriting process for Single Premium policies with total specified amounts (base + SCR) under \$100,000. The process is simplified through fewer underwriting requirements.

If a policy is issued for at least \$100,000, the policy may not be reduced below \$100,000 without terminating the rider. If a policy is issued below \$100,000, the policy may not be reduced below \$25,000 without terminating the rider. An initiation of a Death Benefit option change or specified amount increase will terminate the riders.

The rider version can be added at issue only, cannot be changed after issue and cannot be reinstated if policy or riders lapse. The only other riders available with these rider versions are the Accelerated Death Benefit, Accelerated Death Benefit Plus, Life Plus Accelerated Death Benefit (where available) and the Enhanced Cash Value (ECV) Rider. However, the ECV Rider is not available on the ROP version of the Enhanced No-Lapse Guarantee Rider 2011. Issue ages 35–85 for Death Benefit option 1 policies. COI charges apply.

### Enhanced Cash Value Rider

This rider enhances the Cash Surrender Values during the first 5 policy years by reducing the surrender charge and levelizes the first year target commissions over five years. This rider can be added only at policy issue. COI charges for this rider apply during the first 5 policy years.

### Overloan Protection Rider

This rider will prevent a policy from lapsing due to excessive loans, thus preventing a taxable event for the client. This rider is automatically included at issue for GPT policies. It is not available on CVAT policies. The rider benefit must be elected by the owner. Certain conditions must be met at the time of the election, and certain changes apply to the policy after election.

**Conditions for election**—The following conditions must be met to elect this benefit:

- The insured must be at least age 75;
- The policy must be in year 11 or later;
- The loan balance must be between 92.5% and 96% of the Account Value; and the loan balance must be greater than the Specified Amount.

**Changes after election**—The following changes will apply after election:

- The Death Benefit option will be option 1;
- No changes to the Specified Amount or Death Benefit option will be allowed;
- No additional premiums will be accepted, although loan repayments are allowed;
- No withdrawals or additional loans are allowed;
- No monthly charges will be deducted;
- All riders with a separate charge (except Supplemental Coverage Rider) will terminate;
- The policy loan rate will be equal to the loan crediting rate.

There is a one-time charge for this rider of 3.5% of the Account Value, assessed only at the time of election. If the benefit is not elected, there is no charge.

### Accelerated Death Benefit Rider

We offer three versions of Accelerated Death Benefits: the Accelerated Death Benefit Rider, the Accelerated Death Benefit *Plus* Rider, or the Life *Plus* Accelerated Death Benefit Rider.<sup>®</sup> In addition to our current underwriting practices, Chronic Illness underwriting guidelines will be used to determine eligibility for the Accelerated Death Benefit *Plus* Rider and the Life *Plus* Accelerated Death Benefit Rider (subject to state availability). **Insureds who do not meet the underwriting standards will receive the Accelerated Death Benefit Rider** (subject to state availability). Provisions, availability, and definitions may vary by state.

These riders give the policy owner access to a portion of the Death Benefit of the policy in the form of an advance if the requirements set forth in the riders are met.

The requirements to obtain an advance under each Rider are:

- **Accelerated Death Benefit Rider** – if the insured has experienced a Terminal Illness.
- **Accelerated Death Benefit *Plus* Rider** – if the insured has experienced a Terminal Illness, Specified Medical Condition, or has been confined to a nursing home.<sup>3</sup>
- **Life *Plus* Accelerated Death Benefit Rider** – if the insured has experienced a Terminal Illness, a medical condition specified in the rider (Critical Illness in CA; Specified Medical Condition not available in CA), or a Chronic Illness,<sup>4</sup> which is defined as being unable to perform two of six Activities of Daily Living, without assistance, for a period of at least 90 days due to a loss of functional capacity. In most states, there is a two-year waiting period for all Chronic Illness claims so that no benefit is paid prior to the second policy anniversary.

Rider	Issue Ages	Substandard Limits
Accelerated Death Benefit Rider	0 – 85	Maximum Table H
Accelerated Death Benefit <i>Plus</i> Rider	0 – 79	Maximum Table C
Life <i>Plus</i> Accelerated Death Benefit Rider	0 – 70 71 – 79	Maximum Table C No sub-standard ratings allowed

Specific rider terms, conditions and availability vary by state. This rider is added at no additional premium; however, we may charge a fee of up to \$250.00 (administrative fees may vary by state) for an advance payment. An advance is treated as a lien secured by the Death Benefit of the policy. The advance will accrue interest each year. The rate of interest will depend on the Cash Value of the policy and may vary as required by the laws of the state of issue. The lien may be increased if necessary to keep this policy in effect.

### Extended No-Lapse Guarantee (NLG) Rider (Extended Continued Coverage Benefit in IL)

This rider provides either an Intermediate or Lifetime No-Lapse Guarantee as long as the policy meets the premium test. This rider can be added at issue only and either the Intermediate or Lifetime option must be elected.

**Intermediate:** Ages 0–64. Provides NLG for lesser of 30 years or to age 75.

**Lifetime:** Ages 0–85. Provides lifetime NLG.

There is an additional risk charge of \$0.01 per \$1,000 of Specified Amount starting in year 11. The premium test allows catch-up and uses an interest rate of 5.50%. If the policy is reinstated, the No-Lapse Guarantee will also be reinstated. This rider is not available on cases with flat extra rating or if insured is rated higher than Table D. Not available with CVAT policies.

<sup>3</sup> Long-term confinement to a nursing home provision is not available in MA.

<sup>4</sup> Certain states do not have a provision for Chronic Illness. In these states, Permanent Confinement is a qualifying event. Please check state availability.

Continued on back >

### Income Rider

This rider is designed to enhance the policy's income payout feature by increasing the policy's Cash Values in later years. This rider can be added at issue only and cannot be changed or removed after issue. This rider is not available with the Capital Transfer Riders or Enhanced Cash Value Rider. Per \$1,000 charge applies.

### Supplemental Coverage Rider (SCR)

Available for all issue ages at issue only. This rider provides permanent coverage added to Insured base coverage. The Supplemental Coverage Rider (SCR) blends premiums and charges for competitive policy value growth. If elected, the minimum of SCR amount is \$5,000. The minimum base coverage on any policy is \$10,000. The Supplemental Coverage Rider can be paired with Enhanced and Extended No-Lapse Guarantee Riders (Enhanced and Extended Continued Coverage Benefits in IL). The Supplemental Coverage Rider requires higher minimum 10-Year Base No-Lapse Guarantee premiums than base coverage. COI charges and surrender charges apply.

### Change of Insured Rider

This rider allows the replacement of the insured under the policy with a different insured and can be added at issue for corporate-owned policies only. Full underwriting will be required on the new insured. Coverage for prior insured ends the day before date of change, and coverage for the new insured begins on the actual date of change. The policy will be adjusted to reflect the age, gender and risk class of the new insured. Target, minimum premium, and surrender charge premiums will not change, but Guideline and TAMRA values will be recalculated.

### Other Insured Term Rider

(Covered Person Term Rider in NJ)

Provides term insurance to age 95 for any designated insured. Available issue ages are 15–79. Minimum Death Benefits are \$10,000 for standard and \$100,000 preferred; maximum is 1 times Insured's specified amount (including SCR). COI charges apply.

**This is a life insurance benefit that also gives you the option to accelerate some or all of the death benefit in the event that you meet the criteria for a qualifying event described in the policy. This policy does not provide long-term care insurance subject to California long-term care insurance law. This policy is not a California Partnership for Long-Term Care program policy. This policy is not a Medicare Supplement policy.**

Life insurance proceeds paid in the form of an accelerated death benefit when the insured has become chronically or terminally ill, and is otherwise eligible for benefits, are intended to receive favorable tax treatment under Section 101(g) of the Internal Revenue Code (26 U.S.C. Sec. 101(g)). There may be tax consequences in some situations in accepting an accelerated benefit payment amount, such as where total payments exceed the per diem limitation under the Internal Revenue Code. Consult your tax advisor before taking an advance.

An accelerated death benefit is not to be sold as or to replace long-term care insurance, nursing home insurance, or home care insurance. An accelerated death benefit (such as the Chronic Illness Accelerated Benefit Rider) and long-term care insurance provide very different kinds of benefits.

Product features differ between long-term care insurance and life insurance accelerated death benefit riders. Accelerated death benefit riders pay an unrestricted advance of a portion of the life insurance death benefit when the insured experiences terminal or chronic illness as defined in the rider. You do not have to show incurred care expenses associated with an accelerated death benefit. The maximum benefit payable is based on the policy's cash value and face amount. Any advance paid will reduce the death benefit of the policy. Long-term care policies or riders, on the other hand, pay benefits based on expenses incurred by the policyholder for long-term care. The total benefits available for long-term care insurance are selected by the policyholder at issue. Long-term care insurance is a stand-alone insurance policy or a rider designed to pay for the cost of long-term care services. Long-term care insurance may include coverage for such qualifying events as institutional care, care in a nursing home or skilled nursing facility, home care coverage, hospice care, respite care, or community care.

Columbus Life Insurance Company is licensed in the District of Columbia and all states except New York. Explorer Plus Universal Life Policy and some riders may not be available in all states. Benefits vary by state. Check the approved state variation. Policy series CL 85 0707, and riders CLR-135 0101, CLR-136 0101, CLR-137 0101, CLR-137 1208, CLR-138 0101, CLR-143 0101, CLR-143 1208, CLR-160 0308, CLR-173 0707, CLR-174 0707, CLR-175 0707, CLR-176 0707, CLR-177 0707, CLR-178 0707, CLR-179 0707, CLR-179 0910 WA, CLR-179 1208, CLR-196 1107, CLR-197 1107, CLR-198 1107, CLR-199 1107 and CLR-202 1409.

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### Children's Term Rider

Covers eligible children ages 15 days to 18 years, until age 23. Minimum amount is \$5,000. Maximum amount is the lesser of \$15,000 or 20% of the insured's specified amount (including SCR). Convertible for up to five times coverage without evidence of insurability between each child's 18th birthday and the expiration of rider coverage for that child. The rider expires on the day prior to the policy anniversary following the insured's 65th birthday. COI charges apply.

### Disability Credit Rider

(Disability Benefit Rider in GA, MD and OK)

Provides benefits after 6 months' total disability. Other terms and conditions may apply. The benefit must be at least equal to the 10-Year No-Lapse Guarantee Premium and cannot exceed the Guideline Annual Premium. This rider can be rated up to 4 times the cost of benefit and be issued on a policy where the insured is rated for life insurance. Issue ages 0–59. COI charges apply. Not available with CVAT policies.

### Insured Insurability Rider

(Guaranteed Insurability Rider in MD and TX)

Available at issue ages 0–39. Provides guaranteed right to increase specified amount of insurance regardless of health. Option dates are the policy anniversary on which the insured's age at last birthday is 25, 28, 31, 34, 37 and 40. Alternate option dates are available for 90 days after marriage, birth or legal adoption of a child. Min: \$5,000, Max: \$50,000. COI charges apply. Not applicable if "base" policy is rated.

### Accidental Death Benefit Rider

Provides benefits for accidental bodily injury resulting in death. The minimum coverage is \$5,000, with a maximum of \$150,000 with Columbus Life coverage or \$250,000 maximum across all affiliated companies. Coverage expires at insured age 70. Pays double for public conveyance death. COI charges apply.



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