

SERFF Tracking Number: KCLF-126937096 State: Arkansas  
Filing Company: Kansas City Life Insurance Company State Tracking Number: 47475  
Company Tracking Number: J185  
TOI: A03I Individual Annuities - Deferred Variable Sub-TOI: A03I.002 Flexible Premium  
Product Name: J185  
Project Name/Number: J185/J185

## Filing at a Glance

Company: Kansas City Life Insurance Company

Product Name: J185 SERFF Tr Num: KCLF-126937096 State: Arkansas  
TOI: A03I Individual Annuities - Deferred SERFF Status: Closed-Approved- State Tr Num: 47475  
Variable Closed  
Sub-TOI: A03I.002 Flexible Premium Co Tr Num: J185 State Status: Approved-Closed  
Filing Type: Form Reviewer(s): Linda Bird  
Authors: Jason Ankenman, Brooke Hood Disposition Date: 01/11/2011  
Date Submitted: 12/08/2010 Disposition Status: Approved-Closed  
Implementation Date Requested: On Approval Implementation Date:

State Filing Description:

## General Information

Project Name: J185 Status of Filing in Domicile: Pending  
Project Number: J185 Date Approved in Domicile:  
Requested Filing Mode: Review & Approval Domicile Status Comments: NA  
Explanation for Combination/Other: Market Type: Individual  
Submission Type: New Submission Individual Market Type:  
Overall Rate Impact: Filing Status Changed: 01/11/2011  
State Status Changed: 01/11/2011  
Deemer Date: Created By: Jason Ankenman  
Submitted By: Jason Ankenman Corresponding Filing Tracking Number:  
Filing Description:  
RE: Kansas City Life Insurance Company  
NAIC: 65129-588  
FEIN: 44-0308260  
Form Number: J185 (Flexible Premium Variable Annuity Contract)  
Form Number: J186 (Flexible Premium Variable Annuity Contract)  
Form Number: J187 (Flexible Premium Variable Annuity Contract)

Dear Sir or Madam:

SERFF Tracking Number: KCLF-126937096 State: Arkansas  
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Company Tracking Number: J185  
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Product Name: J185  
Project Name/Number: J185/J185

Enclosed for your review and approval are copies of the above-referenced forms. These forms are new and will not replace or supersede any previously approved forms.

Form Number J185 is a flexible premium variable annuity contract. The contract can be used to fund both qualified and non-qualified plans and will be marketed to the general population through registered representatives. It is designed to accumulate tax-deferred savings for an individual's retirement. The issue ages are 0 – 80 for the owner and 0 – 80 for the annuitant.

Form Number J186 is a flexible premium variable annuity contract. The contract can be used to fund both qualified and non-qualified plans and will be marketed to the general population through registered representatives. It is designed to accumulate tax-deferred savings for an individual's retirement. The issue ages are 0 – 90 for the owner and 0 – 80 for the annuitant.

Form Number J187 is a flexible premium variable annuity contract. The contract can be used to fund both qualified and non-qualified plans and will be marketed to the general population through registered representatives. It is designed to accumulate tax-deferred savings for an individual's retirement. The issue ages are 0 – 85 for the owner and 0 – 85 for the annuitant.

No assumptions or provisions unfairly discriminate in availability, rates, benefits, or any other way for prospective insureds of the same class, equal expectation of life, and degree of risk or hazard.

Please note the contract is subject to federal regulation and must comply with the requirements of the Securities and Exchange Commission. Therefore, the forms are exempt from readability requirements as intended for use with forms subject to the Federal Jurisdiction of the Securities and Exchange Commission.

If you have questions or require additional information, please contact me at 800-821-6164 ext. 8706 or jankenman@kclife.com.

Sincerely,

Jason Ankenman  
Compliance Analyst IV

## Company and Contact

### Filing Contact Information

Jason Ankenman, Compliance Analyst IV jankenman@kclife.com  
3520 Broadway 816-753-7299 [Phone] 8706 [Ext]

SERFF Tracking Number: KCLF-126937096 State: Arkansas  
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 Product Name: J185  
 Project Name/Number: J185/J185

Kansas City, MO 64111 816-753-3018 [FAX]

**Filing Company Information**

Kansas City Life Insurance Company CoCode: 65129 State of Domicile: Missouri  
 P O Box 219139 Group Code: 588 Company Type: Life  
 Kansas City, MO 64121-9139 Group Name: State ID Number:  
 (800) 821-5529 ext. [Phone] FEIN Number: 44-0308260

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**Filing Fees**

Fee Required? Yes  
 Fee Amount: \$150.00  
 Retaliatory? Yes  
 Fee Explanation: 50x3  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Kansas City Life Insurance Company	\$150.00	12/08/2010	42742397

SERFF Tracking Number: KCLF-126937096 State: Arkansas  
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	01/11/2011	01/11/2011

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Linda Bird	12/09/2010	12/09/2010	Brooke Hood	01/10/2011	01/10/2011

*SERFF Tracking Number:* KCLF-126937096      *State:* Arkansas  
*Filing Company:* Kansas City Life Insurance Company      *State Tracking Number:* 47475  
*Company Tracking Number:* J185  
*TOI:* A031 Individual Annuities - Deferred Variable      *Sub-TOI:* A031.002 Flexible Premium  
*Product Name:* J185  
*Project Name/Number:* J185/J185

## **Disposition**

Disposition Date: 01/11/2011

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: KCLF-126937096 State: Arkansas  
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 Product Name: J185  
 Project Name/Number: J185/J185

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	No	No
Supporting Document	Application	Yes	Yes
Supporting Document	Life & Annuity - Actuarial Memo	No	No
Supporting Document	Actuarial Memorandum - J185	No	No
Supporting Document	Actuarial Memorandum - J186	No	No
Supporting Document	Actuarial Memorandum - J187	No	No
Supporting Document	Statement of Variability	Yes	Yes
Supporting Document	Certification of Compliance - Variable Annuity filing	Yes	Yes
Form	Flexible Premium Variable Annuity Contract	Yes	Yes
Form	Flexible Premium Variable Annuity Contract	Yes	Yes
Form	Flexible Premium Variable Annuity Contract	Yes	Yes

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Company Tracking Number: J185  
TOI: A031 Individual Annuities - Deferred Variable Sub-TOI: A031.002 Flexible Premium  
Product Name: J185  
Project Name/Number: J185/J185

## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	12/09/2010
Submitted Date	12/09/2010
Respond By Date	01/10/2011

Dear Jason Ankenman,

This will acknowledge receipt of the captioned filing.

### Objection 1

Comment: Ark. Code Ann. 23-79-138 requires that certain information accompany every policy. Bulletin 15-2009 further address this issue. Please assure us that you are in compliance.

Regulation 49 requires that a Life and Health guaranty notice be given to each policy owner. Please review your issue procedures and assure us that you are in compliance with Regulation 49.

Regulation 19s10B requires that all new or revised filings submitted must contain a certification that the submission meets the provisions of this rule as well as all applicable requirements of this Department.

Filings of variable annuity contracts should be accompanied by an assurance that Regulation 6 has been reviewed and that the company is in compliance.

Please feel free to contact me if you have questions.

Sincerely,

Linda Bird

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Product Name: J185  
Project Name/Number: J185/J185

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 01/10/2011  
Submitted Date 01/10/2011

Dear Linda Bird,

### Comments:

Thank you for your correspondence regarding the above captioned filing. Please be advised that your objection item has been addressed as follows.

### Response 1

Comments: The compliance certification document has been added to the Supporting Documentation tab.

#### Related Objection 1

Comment:

Ark. Code Ann. 23-79-138 requires that certain information accompany every policy. Bulletin 15-2009 further address this issue. Please assure us that you are in compliance.

Regulation 49 requires that a Life and Health guaranty notice be given to each policy owner. Please review your issue procedures and assure us that you are in compliance with Regulation 49.

Regulation 19s10B requires that all new or revised filings submitted must contain a certification that the submission meets the provisions of this rule as well as all applicable requirements of this Department.

Filings of variable annuity contracts should be accompanied by an assurance that Regulation 6 has been reviewed and that the company is in compliance.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Certification of Compliance - Variable Annuity filing

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

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*Product Name:* J185  
*Project Name/Number:* J185/J185

I apologize for the omission of the certification the original filing submission. I hope that this modification will allow for continued and favorable review of this filing.

Best Regards,  
Brooke M. Hood  
on behalf of Jason Ankenman

Sincerely,  
Brooke Hood, Jason Ankenman

SERFF Tracking Number: KCLF-126937096 State: Arkansas  
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 Product Name: J185  
 Project Name/Number: J185/J185

## Form Schedule

### Lead Form Number: J185

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	J185	Policy/Cont Flexible Premium ract/Fratern Variable Annuity al Contract Certificate	Initial		0.000	J185.pdf
	J186	Policy/Cont Flexible Premium ract/Fratern Variable Annuity al Contract Certificate	Initial		0.000	J186.pdf
	J187	Policy/Cont Flexible Premium ract/Fratern Variable Annuity al Contract Certificate	Initial		0.000	J187.pdf



**KANSAS CITY LIFE  
INSURANCE COMPANY**

***Flexible Premium Variable Annuity  
Contract - Nonparticipating***

***Insured***

John Doe

***Contract Number***

9999999

***Agency***

0123

Annuity proceeds payable at maturity date. Death proceeds payable in event of death of Annuitant prior to maturity date. Flexible premiums payable until maturity date or prior death of Annuitant.

**The contract value of this contract may increase or decrease daily depending on the investment experience of the subaccounts. There is no guaranteed minimum contract value.**

Kansas City Life Insurance Company will pay the proceeds of this contract according to the provisions on this and the following pages, all of which are part of this contract. This contract is a legal contract between you and Kansas City Life Insurance Company. **READ YOUR CONTRACT CAREFULLY.**

Signed for Kansas City Life Insurance Company, a stock company, at its Home Office, 3520 Broadway, PO Box 219139, Kansas City, MO 64121-9139.

Secretary

President

***10-Day Right To Examine Contract***

Please examine this contract carefully. If you are not satisfied, you may return the contract to us or to your agent within 10 days of its receipt. If returned, the contract will be void from the beginning and we will refund the contract value, plus the \$30.00 annual administration fee, if charged, as of the earlier of the date the returned contract is received by us at our Home Office or the date the returned contract is received by the Kansas City Life representative who sold you the contract.

**GUIDE TO CONTRACT PROVISIONS**

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A copy of the original application and any additional benefits provided by rider or endorsement follow page 18.

SECTION 1. CONTRACT DATA

CONTRACT NUMBER  
9999999

BENEFICIARY

As stated in the application or in any subsequent agreements, amendments, or endorsements.

ANNUITANT  
John Doe

OWNER

The Annuitant

CONTRACT DATE  
May 01, 2011

ISSUE AGE  
[35]

MATURITY DATE  
May 01, 2061

SEX  
[Male]

MONTHLY LIFE  
INCOME FACTOR  
[\$7.46 per \$1,000 of  
maturity proceeds]

REDETERMINATION DATES

[May 01, 2018] and subsequent Contract  
Anniversaries

GUARANTEED PAYMENT  
PERIOD  
[120 Months]

GUARANTEED INTEREST RATE FOR THE FIXED  
ACCOUNT  
[1%]

AGENCY  
0001

The guaranteed interest rate for the fixed account will be redetermined as described in Section 7.3, Guaranteed Interest Rate for the Fixed Account. The guaranteed interest rate for the fixed account will always be at least 1% and no more than 3%.

SECTION 1. CONTRACT DATA (CONTINUED)

DATE PREPARED: 05/01/2011

ANNUITANT  
John Doe

CONTRACT NUMBER  
9999999

FORM NO.	BENEFIT DESCRIPTION	ANNUAL AMOUNT	PREMIUMS PAYABLE
J185	Flexible Premium Variable Annuity Contract Nonparticipating	\$1,000	To age [85]*
TOTAL ANNUAL PREMIUM		\$1,000	

\* Premiums are payable according to the flexible premium provision of this contract.

ANNUITANT  
John Doe

CONTRACT NUMBER  
9999999

EXPENSE CHARGES

MORTALITY AND EXPENSE RISK CHARGE

1.25% (on an annual basis) of the average daily net assets of the variable account.

ASSET-BASED ADMINISTRATION CHARGE

0.15% (on an annual basis) of the average daily net assets of the variable account.

ANNUAL ADMINISTRATION FEE

\$30.00 at the beginning of each contract year. This fee will be waived if the contract value is \$50,000 or more at the beginning of the contract year.

TABLE OF SURRENDER CHARGES

CONTRACT YEAR *	SURRENDER CHARGE
-----	-----
0-3	7%
4	6
5	5
6	4
7	2
8+	0

\* Contract year means completed contract years during which the contract is in force.

The Surrender Charge Percentage is a percentage of the amount surrendered. The percentage will be 7% for surrenders occurring during the first three contract years and will decrease as shown in the table above.

The Surrender Charge Cap is 8.5% of the total premiums paid, less partial surrenders.

The surrender charge is the lesser of:

- (a) the Surrender Charge Percentage shown in the table of surrender charges; or
- (b) the Surrender Charge Cap.

We will not assess a surrender charge beginning in the eighth contract year. We will not deduct a surrender charge from the contract value for any amount of a cash surrender which is exempt from the surrender charge as described in Section 7.

ANNUITANT  
John Doe

CONTRACT NUMBER  
9999999

Investment Options

[KCL Fixed Account

Sub-accounts that invest in the Kansas City Life Variable Annuity Separate Account:

Invesco V.I. Capital Appreciation Fund – Series I Shares  
 Invesco V.I. Core Equity Fund – Series I Shares  
 Invesco V.I. Technology Fund – Series I Shares  
 American Century VP Capital Appreciation Fund – Class I  
 American Century VP Income & Growth Fund – Class I  
 American Century VP International Fund – Class I  
 American Century VP Mid Cap Value Fund – Class I  
 American Century VP Ultra® Fund – Class I  
 American Century VP Value Fund – Class I  
 American Century VP Inflation Protection Fund – Class II  
 Calamos Growth and Income Portfolio  
 Dreyfus Appreciation Portfolio – Initial Shares  
 Dreyfus Opportunistic Small Cap Portfolio – Initial Shares  
 Dreyfus Stock Index Fund, Inc. – Initial Shares  
 The Dreyfus Socially Responsible Growth Fund, Inc. – Initial Shares  
 Federated Capital Appreciation Fund II  
 Federated High Income Bond Fund II  
 \*Federated Prime Money Fund II  
 Fidelity VIP Contrafund® Portfolio – Service Class 2  
 Fidelity VIP Freedom Income Portfolio – Service Class 2  
 Fidelity VIP Freedom 2010 Portfolio – Service Class 2  
 Fidelity VIP Freedom 2015 Portfolio – Service Class 2  
 Fidelity VIP Freedom 2020 Portfolio – Service Class 2  
 Fidelity VIP Freedom 2025 Portfolio – Service Class 2  
 Fidelity VIP Freedom 2030 Portfolio – Service Class 2  
 Fidelity VIP Freedom 2035 Portfolio – Service Class 2  
 Fidelity VIP Freedom 2040 Portfolio – Service Class 2  
 Fidelity VIP Freedom 2045 Portfolio – Service Class 2  
 Fidelity VIP Freedom 2050 Portfolio – Service Class 2  
 Franklin Global Real Estate Securities Fund – Class 2  
 Franklin Small-Mid Cap Growth Securities Fund – Class 2  
 Templeton Developing Markets Securities Fund – Class 2  
 Templeton Foreign Securities Fund – Class 2  
 JPMorgan Insurance Trust Mid Cap Value Portfolio – Class 1 Shares  
 JPMorgan Insurance Trust Small Cap Core Portfolio – Class 1 Shares  
 JPMorgan Insurance Trust U.S. Equity Portfolio – Class 1 Shares  
 MFS Growth Series – Initial Class Shares  
 MFS Research Series – Initial Class Shares  
 MFS Research Bond Series – Initial Class Shares  
 MFS Strategic Income Series – Initial Class Shares  
 MFS Total Return Series – Initial Class Shares  
 MFS Utilities Series – Initial Class Shares  
 Seligman Capital Portfolio – Class 2  
 Seligman Communications and Information Portfolio – Class 2  
 Seligman Smaller-Cap Value Portfolio – Class 2

\* The Federated Prime Money Fund II subaccount is referred to in this contract as the money market subaccount.]

## ***Section 2: Definitions***

The following are key words used in this contract and are important in describing both your rights and ours. As you read this contract, refer back to these definitions.

### ***2.1 Accumulation Unit***

An accounting unit used to calculate the variable account value. It is a measure of the net investment results of each of the variable sub-accounts.

### ***2.2 Age***

Age means the age on the Annuitant's last birthday as of each contract anniversary. This contract is issued at the age last birthday shown in Section 1, Contract Data which is the Annuitant's age on the contract date. If the contract date falls on the birthday of the Annuitant, the age will be the age attained by the Annuitant on the contract date.

### ***2.3 Annual Administration Fee***

This is a level charge we deduct from the contract value at the beginning of each contract year to compensate us for the costs associated with administration of the contract.

### ***2.4 Annuitant***

The person on whose life the annuity benefit for this contract is based.

### ***2.5 Asset-Based Administration Charge***

This is a percentage charge we deduct on a daily basis from the assets of the sub-accounts to compensate us for the costs associated with administration of the contract.

### ***2.6 Beneficiary***

The beneficiary is the person you have designated in the application or in the last beneficiary designation filed with us to receive any proceeds payable under this contract at the death of the Annuitant.

### ***2.7 Cash Surrender Value***

The contract value at the time of surrender less applicable surrender charges, contract indebtedness and any premium taxes payable.

### ***2.8 Contract Anniversary***

The same day and month as the contract date each year that the contract remains in force.

### ***2.9 Contract Date***

The date from which contract months, years and anniversaries are computed.

### ***2.10 Contract Value***

The sum of the fixed account value and the variable account value. These values are described in more detail in the Contract Values Section of this contract.

### ***2.11 Contract Year***

Any period of twelve months starting with the contract date and each contract anniversary thereafter.

### ***2.12 Fixed Account***

An account that is part of our general account, and is not part of or dependent on the investment performance of the variable account.

### ***2.13 Fixed Account Value***

The contract value in the fixed account.

### ***2.14 Maturity Date***

The date when the contract value will be applied under a life payment option, unless you have elected to receive the cash surrender value as a lump sum payment or under a non-life payment option. For qualified and non-qualified contracts, the latest maturity date is the later of the contract anniversary following the Annuitant's 85th birthday or the tenth anniversary of the contract. However, qualified contracts may be required to begin distributions at age 70 1/2.

### ***2.15 Mortality and Expense Risk Charge***

This is a charge we deduct from the assets of the sub-accounts to compensate us for our guarantee to pay a death benefit (as provided in Section 3.3, Proceeds Payable at Death) if the Annuitant dies before the maturity date, and for the risk that the Annuitant may live for a longer period of time than estimated when the guarantees in the contract were established. In addition, the mortality and expense risk charge compensates us for the risk that the annual administration fee, asset-based administration charge and transfer processing fee may be insufficient to cover actual expenses.

### ***2.16 Net Investment Factor***

The ratio of the sub-account performance of the current valuation day to the immediately prior valuation day. The sub-account performance includes gains or losses in the sub-accounts, dividends paid, any capital gains or losses, any taxes, mortality and expense risk charges, and asset-based administration charges.

### ***2.17 Owner***

The person entitled to exercise all rights and privileges provided in the contract.

### ***2.18 Proceeds***

The total amount we are obligated to pay under the terms of this contract.

## **Section 2: Definitions (continued)**

### **2.19 Redetermination Dates**

The dates, shown in Section 1, Contract Data, upon which the guaranteed interest rate for the fixed account will be redetermined.

### **2.20 Sub-Accounts**

The division of accounts making up the variable account. The assets of each sub-account are invested in a corresponding portfolio of a designated mutual fund. The sub-accounts are shown in Section 1, Contract Data.

### **2.21 Valuation Day**

Each day on which both the New York Stock Exchange and Kansas City Life are open for business.

### **2.22 Valuation Period**

The interval of time commencing at the close of business on one valuation day and ending at the close of business on the next succeeding valuation day.

### **2.23 Variable Account**

The Kansas City Life Variable Annuity Separate Account. This is not part of our general account. The variable account has sub-accounts each of which is invested in a corresponding portfolio of a designated mutual fund.

### **2.24 Variable Account Value**

The total value of a contract allocated to sub-accounts of the variable account.

### **2.25 We, Our, Us**

Kansas City Life Insurance Company.

### **2.26 Written Notice**

A written notice or notice in a form satisfactory to us, which is signed by the owner and received at the Home Office.

### **2.27 You, Your**

The owner of this contract. The owner may be someone other than the Annuitant.

## **Section 3: Contract Proceeds**

### **3.1 Payment of Proceeds**

We will pay the proceeds as a monthly life income to the Annuitant if living on the maturity date, or you may elect to receive the proceeds as a lump sum payment. You may also elect to apply proceeds at maturity as described in Section 3.4.

If the Annuitant dies prior to the maturity date, we will pay the proceeds to the beneficiary upon receiving proof of the

Annuitant's death while this contract is in force. The proceeds will be paid to the beneficiary in a lump sum unless you or the beneficiary elect a settlement option.

At any time prior to the maturity date, subject to your written notice, you may receive the cash surrender value in a single sum, or you may have the proceeds applied as described in Section 3.4.

Once a monthly life income becomes payable you may not make any election regarding payment of the proceeds other than the right to change the beneficiary or contingent payee.

If you elect to receive proceeds under a payout option, we may require proof that the Annuitant is living.

We reserve the right to require that this contract be returned to us when the surrender or death proceeds are paid.

To the extent permitted by law, proceeds will not be subject to any claims of your creditors or the beneficiary's creditors.

### **3.2 Proceeds Payable at Maturity**

The monthly life income payable on the maturity date will be purchased using the monthly life income factor shown in Section 1, Contract Data.

If the payout rates in use by us at the time proceeds become payable are more favorable than the monthly life income factor shown in Section 1, Contract Data, we will provide a life income using the more favorable rates.

The monthly life income purchased by the contract value will continue for a minimum of 120 months and as long thereafter as the Annuitant lives. If the Annuitant dies before receiving a total of 120 monthly payments, we will continue to make monthly payments to the beneficiary until a total of 120 payments have been made. The beneficiary may elect in writing to receive the present value of any remaining guaranteed payments in a single sum.

You may also elect to apply proceeds at maturity as described in Section 3.4.

### **3.3 Proceeds Payable at Death**

The proceeds payable if the Annuitant dies prior to the maturity date will be the greater of:

- (1) the guaranteed death benefit less any indebtedness; or
- (2) the contract value, less any indebtedness, on the date we receive due proof of the Annuitant's death.

On the contract date, the guaranteed death benefit is equal to the initial premium payment. Any subsequent premium payment will immediately increase the guaranteed death

benefit by the amount of the premium payment. Any partial surrender will decrease the guaranteed death benefit by the same percentage that the surrender decreases the contract value.

### **3.4 Proceeds Applied Under Settlement Options**

Prior to the Annuitant's death, you may elect to apply maturity or surrender proceeds under any settlement option described in Section 10. The amount of proceeds will be equal to:

- (1) the cash surrender value if you choose Option 1, 2 or 3; or
- (2) the contract value, less any indebtedness, if you choose any other option.

### **3.5 Proceeds Payable Upon Surrender**

The proceeds payable upon surrender will be the cash surrender value as defined in Section 7.5.

The amount of proceeds payable under the Partial Surrender provision is defined in Section 7.6.

## **Section 4: General Provisions**

### **4.1 Contract**

This contract and application are the entire contract. This contract is issued in consideration of the application and payment of the premiums. A copy of the application is attached when the contract is issued. In the absence of fraud, all statements made in the application either by you or by the Annuitant will be considered representations and not warranties. Statements may be used to contest a claim or the validity of this contract only if they are contained in the application.

### **4.2 Authority to Change Contract**

No change or waiver of any provisions of this contract will be valid unless made in writing by us and signed by our President, Vice President, Secretary or Assistant Secretary. No agent or other person has authority to change or waive any provision of your contract.

### **4.3 Modifications**

Upon notice to you, we may modify the contract, but only if such modification is necessary to:

- (1) make the contract or the variable account comply with any law or regulation issued by a

governmental agency to which we are subject; or

- (2) assure continued qualification of the contract under the Internal Revenue Code or other federal or state laws relating to retirement annuities or variable annuity contracts; or
- (3) reflect a change in the operation of the variable account; or
- (4) provide additional variable account and/or fixed accumulation options.

We reserve the right to modify the contract as necessary to attempt to prevent the contract owner from being considered the owner of the assets of the variable account.

In the event of any such modification, we will issue an appropriate endorsement to the contract, if required.

### **4.4 Incontestability**

After this contract has been in force during the Annuitant's lifetime for two years from the contract date, we cannot contest this contract except for the nonpayment of premiums.

### **4.5 Age and Sex**

This contract is issued at the age shown in Section 1, Contract Data which is the Annuitant's age last birthday on the contract date. If the contract date falls on the birthday of the Annuitant, the age will be the age attained by the Annuitant on the contract date.

If the Annuitant's age or sex has been incorrectly stated, the benefits under this contract will be those the proceeds applied would have purchased for the correct age and sex.

If the incorrect statement is not discovered until after payments have begun:

- (1) any overpayment by us will be deducted from the next succeeding payment or payments as they fall due; or
- (2) any underpayment by us will be paid in one sum to the Annuitant.

In either case, interest will be payable at the rate of 3% per year compounded annually.

## **Section 4: General Provisions (continued)**

### **4.6 Option to Change Maturity Date**

You may elect a new maturity date at any time by making a written notice to us at our Home Office subject to the following limitations:

- (1) your written notice must be received by us at least 30 days before the current maturity date;
- (2) the requested maturity date must be a date that is at least 30 days after receipt of your written notice;
- (3) the requested maturity date cannot exceed the later of the contract anniversary following the Annuitant's 85th birthday, or the tenth anniversary of the contract; and
- (4) the requested maturity date must be no later than any earlier maturity date required by law.

We may require that the contract be submitted for endorsement to show the change.

If you elect a new maturity date, the monthly life income factor will be as shown in Table B of Section 10, Settlement Options.

### **4.7 Contract Termination**

We reserve the right to terminate this contract and pay the cash surrender value if all of the following occur simultaneously:

- (1) no premiums have been paid for at least two years;
- (2) the contract value is less than \$2,000; and
- (3) the total premiums paid, less any partial surrenders, is less than \$2,000.

We will mail notice to you of our intention to terminate the contract at least six months in advance. We reserve the right to terminate on the date specified in the notice, unless we receive an additional premium payment before the termination date specified in the notice or the contract value has increased to the amount specified above. This additional premium payment must be for at least the minimum premium amount we will accept.

### **4.8 Contract Loans**

If your contract has been purchased as a tax sheltered annuity as described in Section 403(b) of the Internal Revenue Code, as amended, that is not part of a plan that is subject to the Employee Retirement Income Security Act of 1974, you will have the option of taking a contract loan at

any time after the first contract year. The loan requirements will be contained in an endorsement attached to this contract if your contract has been purchased in this tax sheltered market.

### **4.9 Nonparticipating**

This contract will not participate in any of our profits, losses or surplus earnings.

### **4.10 Annual Report**

At least annually we will send you a report showing the following:

- (1) the contract value;
- (2) the cash surrender value; and
- (3) any other information required by law or regulation.

Upon receiving your written notice, we will send you a report at any other time during the year for a reasonable charge as determined by us.

### **4.11 Basis of Computation**

Our calculation of guaranteed fixed account values is based on the guaranteed interest rate for the fixed account described in Section 7.3, Guaranteed Interest Rate for the Fixed Account. The reserves and guaranteed fixed account values will never be less than the minimum required by law of the state in which this contract is delivered.

## **Section 5: Premium Provisions**

### **5.1 Flexible Premium Provision**

Your first premium must be paid when the contract is delivered. Premiums after the first may be paid at any time while the contract is in force prior to the maturity date. These premiums may vary in amount at your option except that we reserve the right to require that the premium payment be at least \$50 monthly or \$600 annually.

All premiums after the first are payable at the Home Office or to a representative authorized to receive premiums. A receipt signed by us will be furnished on request.

Additional premiums may be paid at any time. We reserve the right to limit the number and amount of additional premium payments.

## **Section 5: Premium Provisions (continued)**

### **5.2 Nonpayment of Premiums**

If premiums for this contract cease, we will continue the contract subject to Section 4.7, Contract Termination. The monthly income payable on the maturity date will be as described in Section 3.2, Proceeds Payable at Maturity.

## **Section 6: Ownership, Assignment and Beneficiary Provisions**

### **6.1 Ownership**

The Annuitant is the owner unless otherwise provided in the application. As owner, you may exercise every right provided by your contract. These rights and privileges end at the Annuitant's death.

The consent of the beneficiary is required to exercise these rights if you have not reserved the right to change the beneficiary.

### **6.2 Change of Ownership**

You may change the ownership of this contract by giving written notice to us at our Home Office. The change will be effective on the date your written notice was signed but will have no effect on any payment made or other action taken by us before we receive it. We may require that the contract be submitted for endorsement to show the change.

Certain federal income tax consequences may apply to a change of ownership on non-qualified contracts. Therefore, you should consult with your tax advisor before requesting any change of ownership on a non-qualified contract.

### **6.3 Assignment**

An assignment is a transfer of some or all of your rights under this contract. No assignment will be binding on us unless made in writing and filed at our Home Office. We assume no responsibility for the validity or effect of any assignment.

Certain federal income tax consequences may apply to an assignment. Therefore, you should consult with your tax advisor before requesting any assignment.

### **6.4 Beneficiary**

The beneficiary is shown on the application or in the last beneficiary designation filed with us. Death proceeds will be paid to the beneficiary except as provided in this Section.

If any beneficiary dies before the Annuitant, that beneficiary's interest will pass to any other beneficiaries according to their respective interest.

If all beneficiaries die before the Annuitant, we will pay the death proceeds to you, if living, otherwise to your estate or legal successors.

Unless you have waived the right to do so, you may change the beneficiary by filing a written notice in a form satisfactory to us. In order to be effective, the written notice for change of beneficiary must be signed while your contract is in force and the Annuitant is living. The change will be effective on the date your written notice was signed but will have no effect on any payment made or other action taken by us before we receive it.

The interest of any beneficiary will be subject to:

- (1) any assignment of this contract which is binding on us; and
- (2) any optional settlement agreement in effect at the Annuitant's death.

### **6.5 Simultaneous Death of Beneficiary and Annuitant**

Death proceeds will be paid as though the beneficiary died before the Annuitant if:

- (1) the beneficiary dies at the same time as or within 15 days of the Annuitant's death; and
- (2) we have not paid the proceeds to the beneficiary within this 15-day period.

## **Section 7: Contract Values**

### **7.1 Contract Value**

On the contract date the contract value equals:

- (1) the initial premium paid; less
- (2) the annual administration fee shown in Section 1, Contract Data.

On any day after the contract date the contract value is equal to the fixed account value plus the variable account value. The annual administration fee shown in Section 1, Contract Data, if applicable, will be deducted from the contract value at the beginning of each contract year.

**Section 7: Contract Values (continued)**

**7.2 Fixed Account Value**

On the contract date the fixed account value equals:

- (1) the portion of the premium allocated to the fixed account; less
- (2) the portion of the annual administration fee allocated to the fixed account.

On each valuation day the fixed account value will be equal to:

$$A + B + C - D - E - F$$

"A" is the fixed account value on the preceding valuation date plus interest from the preceding valuation date to the date of calculation.

"B" is the portion of the premiums allocated to the fixed account and received since the preceding valuation date, plus interest from the date such premiums were received to the date of calculation.

"C" is the amount of any transfers from the sub-accounts to the fixed account, plus interest on such transferred amounts from the effective dates of such transfers to the date of calculation.

"D" is the amount of any transfers from the fixed account, to the sub-accounts since the preceding valuation date, plus interest on such transferred amount from the effective dates of such transfers to the date of calculation.

"E" is the amount of any partial surrenders and any applicable surrender charge from the fixed account since the preceding valuation period, plus interest on these surrendered amounts from the effective date of the partial surrenders to the date of calculation.

"F" is the annual administration fee shown in Section 1, Contract Data.

**7.3 Guaranteed Interest Rate for the Fixed Account**

The guaranteed interest rate for the fixed account, shown in Section 1, Contract Data, is in effect from the contract date to the first redetermination date, shown in Section 1, Contract Data. On each redetermination date, a redetermined guaranteed interest rate for the fixed account will take effect. The redetermined guaranteed interest rate for the fixed account is based on the 5-year Constant Treasury Maturity monthly average rate for November of the previous calendar year published by the Federal Reserve, known hereafter in this provision as the Treasury Rate. The redetermined guaranteed interest rate for the fixed account will be calculated as the Treasury Rate rounded to the nearest five-hundredths of one percent

(0.05%) reduced by 1.25%, and will be at least 1% and not more than 3%.

We will notify you when your guaranteed interest rate for the fixed account is redetermined.

**7.4 Interest Rate for Fixed Account Value**

The value in the fixed account is guaranteed to accumulate at a minimum effective annual interest rate no less than the guaranteed interest rate for the fixed account. We may credit a rate in excess of the guaranteed interest rate for the fixed account while the contract is in force and before the maturity proceeds have been paid.

We may change the interest rate credited to new deposits at any time. We will not change the interest rate credited to funds in the fixed account more often than once each year.

**7.5 Variable Account Value**

The variable account value is the sum of the values of the sub-accounts under this contract as shown in Section 1, Contract Data.

On the contract date the value of each sub-account equals:

- (1) the portion of the initial premium allocated to the sub-account; less
- (2) the portion of the annual administration fee, mortality and expense risk charge and asset-based administration charge allocated to the sub-accounts.

**7.5 Cash Surrender**

At any time before the earlier of your death, the Annuitant's death or the maturity date, you may request a surrender of this contract for its full cash surrender value by submitting your written notice to us. When you request a full surrender of the contract you will receive 10% of the contract value without a surrender charge, provided you have not exercised the partial surrender provision or have not participated in the systematic partial surrender plan during the current contract year.

The cash surrender value of this contract is:

- (1) the contract value of this contract at the time of surrender; less
- (2) any applicable surrender charge (shown in Section 1, Contract Data); less
- (3) any contract indebtedness; less
- (4) any premium taxes payable.

## **Section 7: Contract Values (continued)**

The cash surrender value will be determined on the date written notice of surrender and the contract are received at our Home Office. The cash surrender value will be paid in a lump sum unless you request payment under a payment option.

Certain federal income tax consequences may apply to a cash surrender of the contract. Therefore, you should consult with your tax advisor before requesting a surrender.

### **7.6 Partial Surrender**

At any time before the earlier of the death of the Annuitant or the maturity date, you may surrender up to 10% of the contract value each contract year and have the proceeds paid to you in a lump sum without incurring a surrender charge. However, any surrender in excess of 10% during a contract year will be subject to the surrender charge. The minimum distribution requested must be for at least \$100. We will surrender the amount requested from the contract value on the day written notice for the surrender is received at our Home Office. Any applicable surrender charge will be deducted from the remaining contract value. If the remaining contract value is less than the surrender charge, the amount surrendered will be reduced. You may specify the specific amount to be surrendered from certain sub-accounts or the fixed account.

After the surrender charge described in Section 1, Contract Data reaches zero, we will not make an adjustment on partial surrenders regardless of the amount of contract value surrendered.

We will pay you the amount requested and cancel units equal to the amount surrendered from the sub-accounts and/or the fixed account according to your instructions. In the event that the amount to be surrendered exceeds the sub-account(s) value and/or the fixed account value, we will process the surrender for the amount available and contact you for further instructions.

The option to elect a 10% free partial surrender is limited to one per contract year, even if the amount surrendered during that year is less than 10% of the contract value. If you are participating in the systematic partial surrender plan, that is considered the one free partial surrender for the contract year.

Certain federal income tax consequences may apply to partial surrenders from the contract. Therefore, you should consult with your tax advisor before requesting any partial surrenders.

### **7.7 Systematic Partial Surrender**

The systematic partial surrender plan enables you to pre-authorize a periodic exercise of the partial surrender right. If you enter into this plan, you can instruct us to surrender a requested dollar amount from the contract on a monthly,

quarterly, semi-annual or annual basis once each contract year. The minimum distribution requested must be for at least \$100. The maximum amount which can be surrendered under the plan without a surrender charge is 10% of the contract value as of the time the systematic plan is elected. In subsequent years the amount which can be surrendered under the plan without a surrender charge is 10% of the contract value at the beginning of each contract year.

We will notify you if the total amount to be surrendered in a subsequent contract year will exceed 10% of the contract value as of the beginning of such contract year. Unless you instruct us to reduce the surrender amount for that year so that it does not exceed the 10% limit, we will continue to process surrenders for the designated amount. Once the amount of the surrender exceeds the 10% limit, we will deduct the applicable surrender charge from the remaining payments made during that contract year.

Any other surrender in a year when the systematic partial surrender plan has been utilized will be subject to the surrender charge.

We will pay you the amount requested and cancel units equal to the amount surrendered from the sub-accounts and/or the fixed account according to your instructions. In the event that the amount to be surrendered exceeds the sub-account(s) value and/or the fixed account value, we will process the surrender for the amount available and contact you for further instructions.

The option to elect the 10% free systematic partial surrender plan is limited to one per contract year, even if the amount surrendered during that year is less than 10% of the contract value.

After the surrender charge described in Section 1, Contract Data reaches zero, we will not make an adjustment on partial surrenders regardless of the amount of contract value surrendered.

Systematic partial surrenders may be discontinued by you at any time upon written request to us at our Home Office.

Certain federal income tax consequences may apply to systematic partial surrenders from the contract. Therefore, you should consult with your tax advisor before requesting any systematic partial surrenders.

### **7.8 Nursing Home Waiver**

If we receive satisfactory proof that the Owner is admitted to a licensed nursing home, up to the full contract value, less any indebtedness, may be paid out equally over at least a three year period with no surrender charges. The Owner must be confined for at least 90 days before the surrender charges will be waived.

## **Section 7: Contract Values (continued)**

### **7.9 Time Period for Payment**

Any partial surrender, cash surrender value or death benefit will usually be paid within seven days of receiving your written request in our Home Office, or receipt and filing of due proof of death. However, we have the right to suspend or delay the date of any surrender, partial surrender or death benefit payment from the sub-accounts for any period during which:

- (1) the New York Stock Exchange is closed, other than customary weekend and holiday closings, or trading on the New York Stock Exchange is restricted as determined by the Securities and Exchange Commission; or
- (2) the Securities and Exchange Commission permits by an order the postponement for the protection of contract owners; or
- (3) The Securities and Exchange Commission determines that an emergency exists that would make the disposal of securities held in the variable account or the determination of the value of the variable account's net assets not reasonably practicable.

For any surrender, partial surrender or transfer from the fixed account, we have the right to postpone making a payment to you for not more than six months from the date of written notice. If payment is not made within 30 days after receipt of documentation necessary to complete the transaction, or such shorter period required by a particular jurisdiction, interest will be added to the amount paid from the date of receipt of documentation at 3% or such higher rate required for a particular state.

## **Section 8: The Variable Account**

### **8.1 General Description**

The name of the variable account is the Kansas City Life Variable Annuity Separate Account. The income, gains and losses, whether or not realized, from assets allocated to the variable account are credited or charged against the variable account without regard to our other income, gains or losses. The portion of the assets of the variable account equal to the reserves and other contract liabilities with respect to the variable account will not be chargeable with liabilities arising out of any other business we may contract.

The assets of the variable account are segregated by investment options, thus establishing a series of sub-accounts within the variable account.

When permitted by law, we reserve the right to:

- (1) create new variable accounts;
- (2) combine variable accounts;
- (3) remove, combine or add sub-accounts and make the new sub-accounts available to you at our discretion;
- (4) substitute shares of another portfolio of the funds or shares of another investment company for those of the funds;
- (5) add new portfolios to the funds;
- (6) deregister the variable account under the Investment Company Act of 1940 if registration is no longer required;
- (7) make any changes required by the Investment Company Act of 1940; and
- (8) operate the variable account as a managed investment company under the Investment Company Act of 1940 or any other form permitted by law.

If a change is made, we will send you a revised prospectus and any notice required by law. If required, we would first seek the approval of the Securities and Exchange Commission, and when required, the appropriate state regulatory authorities before making a change in the investment options.

### **8.2 Sub-Accounts**

The sub-accounts are separate investment accounts. They are named in Section 1, Contract Data.

The sub-account values will fluctuate in accordance with the investment experience of the applicable portfolio of the fund held within the sub-account.

The sub-account value is determined by multiplying the number of accumulation units credited to the sub-account by the appropriate accumulation unit value.

The number of accumulation units to be purchased or redeemed in a transaction is found by dividing:

- (1) the dollar amount of the transaction; by
- (2) the sub-account's unit value for the valuation period for that transaction.

### **Section 8: The Variable Account (continued)**

The number of units in any sub-account will be increased at the end of the valuation period by any premiums allocated to the sub-account during the current valuation period and by any transfers to the sub-account from another sub-account or from the fixed account during the current valuation period. The number of units in any sub-account will be decreased at the end of the valuation period by any amounts transferred from the sub-account to another sub-account or the fixed account or surrendered during the current valuation period. The number of units in any sub-account will also be reduced at the beginning of each contract year by a pro-rata share of the \$30 annual administration fee. The annual administration fee will reduce the sub-account units in proportion to each sub-account's value to the entire contract value.

The value of an accumulation unit for each of the sub-accounts has been arbitrarily set at \$10 when the first investments were bought. The value for any later valuation period is equal to:

$$A \times B$$

"A" is equal to the sub-account's accumulation unit value for the end of the immediately preceding valuation day.

"B" is equal to the net investment factor for the most current valuation day.

The net investment factor equals:

$$\frac{X}{Y} - Z$$

"X" equals the sum of:

- (1) the net asset value per accumulation unit held in the sub-account at the end of the current valuation day; plus
- (2) the per accumulation unit amount of any dividend, or capital gain distribution on shares held in the sub-account during the current valuation day; less
- (3) the per accumulation unit amount of any capital loss distribution on shares held in the sub-account during the current valuation day; less
- (4) the per accumulation unit amount of any taxes or any amount set aside during the valuation day as a reserve for taxes.

"Y" equals the net asset value per accumulation unit held in the sub-account as of the end of the immediately preceding valuation day.

"Z" equals the charges deducted from the sub-account on each valuation period for the asset-based administration charge and the mortality and expense risk charge.

The net investment factor may be greater, less than or equal to one. Therefore, the value of the sub-account may increase, decrease or remain the same.

### **8.3 Allocations**

This contract provides investment options for the amount in the contract value. Amounts placed in the contract value are allocated to the sub-accounts of the variable account and to the fixed account at your direction. The initial premium allocation percentages are indicated in the application for this contract, a copy of which is attached.

These percentages will also apply to subsequent premium allocations until you change them. Such allocation percentages may be changed by written notice to us.

Allocation percentages must be zero or a whole number not greater than 100. The sum of the premium allocation percentages must equal 100.

We reserve the right to limit the number of sub-account allocations in effect at any one time.

### **8.4 Deductions Made From Sub-Accounts**

The mortality and expense risk charge and the asset-based administration charge are deducted from each of the sub-accounts on each valuation day and compensates us for assuming the mortality and expense risks under this contract. These charges are shown in Section 1, Contract Data.

## **Section 9: Transfer Privilege**

### **9.1 Transfer Fees**

Six transfers per year may be made from sub-accounts and the fixed account free of charge. However, you may make only one transfer from the fixed account each contract year. Any unused free transfers do not carry over to the next contract year. Any unused free transfers do not carry over to the next contract year. Any additional transfers during a contract year will be charged a \$25 transfer fee. For the purpose of assessing a fee, each written request or telephone request is considered to be one transfer. The processing fee will be deducted from the amount being transferred, or from the remaining contract value, according to your instructions.

## **Section 9: Transfer Privilege (continued)**

### **9.2 Transfers From Sub-Accounts**

After the 10-day right to examine period and prior to the maturity date, you may transfer all or a part of an amount from the value in any sub-account of the variable account to one or more of the sub-accounts of the variable account or to the fixed account. The minimum amount that you may transfer is the lesser of:

- (1) \$250; or
- (2) the total value in that sub-account on that date.

Any transfer that would reduce the amount in a sub-account below \$250 will be treated as a transfer request for the entire amount in that sub-account.

A transfer fee may apply as described in Section 9.1, Transfer Fees.

We may suspend or modify this transfer privilege at any time.

### **9.3 Transfers From The Fixed Account**

At your request, you may transfer an amount from the unloaned value in the fixed account to one or more sub-accounts of the variable account. We must receive the request in writing or other form acceptable to us. You may make only one transfer from the fixed account each contract year.

The maximum amount you may transfer from the fixed account each contract year will be the greatest of:

- (1) 25% of the unloaned fixed account value in the fixed account on the date of transfer (unless the balance after the transfer is less than \$250, in which case we will transfer the entire amount); or
- (2) the amount transferred out of the fixed account in the prior contract year; or
- (3) \$2,000 (or the unloaned fixed account value, if less).

A transfer fee may apply as described in Section 9.1, Transfer Fees.

Beginning in the 8<sup>th</sup> contract year, there is no limitation on the amount transferred from the fixed account.

We may suspend or modify this transfer privilege at any time.

## **Section 10: Settlement Options**

### **10.1 Payment Options**

You may apply proceeds of \$2,000 or more which are payable under this contract to any of the following options:

#### **Option 1. Interest Payments**

We will make interest payments to the payee annually or monthly as elected. Interest on the proceeds will be paid at the guaranteed rate of 1.5% per year and may be increased by additional interest paid annually. The proceeds and any unpaid interest may be withdrawn in full at any time.

#### **Option 2. Installments of a Specified Amount**

We will make annual or monthly payments until the proceeds plus interest are fully paid. Interest on the proceeds will be paid at the guaranteed rate of 1.5% per year and may be increased by additional interest. The present value of any unpaid installments may be withdrawn at any time.

#### **Option 3. Installments For a Specified Period**

Payment of the proceeds may be made in equal annual or monthly payments for a specified number of years. Interest on the proceeds will be paid at the guaranteed rate of 1.5% per year and may be increased by additional interest. The present value of any unpaid installments may be withdrawn at any time. The amount of each payment is shown in Table A.

#### **Option 4. Life Income**

We will pay an income during the payee's lifetime. A minimum guaranteed payment period may be chosen. Payments received under the Installment Refund Option will continue until the total income payments received equal the proceeds applied. The amount of each payment is shown in Table B.

#### **Option 5. Joint and Survivor Income**

We will pay an income during the lifetime of two persons and will continue to pay the same income as long as either person is living. The minimum guaranteed payment period will be ten years. The amount of each payment is shown in Table C.

If the payout rates in use by us at the time proceeds become payable are more favorable than those shown in Options 4 and 5, we will provide a life income using the more favorable rates.

**Section 10: Settlement Options (continued)**

**10.2 Payee**

The payee is the person receiving proceeds under a settlement option. The payee can be you, the Annuitant or a beneficiary. We will require satisfactory proof of the payee's age under Options 4 and 5.

The contingent payee is the person named to receive proceeds if the payee is not alive.

**10.3 Minimum Payments**

The payment under any settlement option must be at least \$50. We may make payments less frequently so that each payment is at least \$50.

**10.4 Choice of Options**

You may choose an option by written notice during the Annuitant's lifetime. If a settlement option is not in effect at the Annuitant's death, a choice may be made by the beneficiary.

**10.5 Availability of Options**

We reserve the right to restrict these options if you designate an executor, administrator, trustee, corporation, partnership or association as the payee.

**10.6 Operative Date**

The first payment will be payable on the payment mode following the date proceeds become payable.

**10.7 Death of Payee**

At the death of the payee, any payments remaining will be paid according to the terms of the settlement option chosen, unless the contingent payee elects in writing to receive the present value of any remaining guaranteed payments in a single sum.

If a contingent payee has not been named or does not survive the payee, the following amounts will be paid in one sum to the estate of the payee:

- (1) any amount left on deposit under Option 1; and
- (2) the present value of any remaining guaranteed payments under Options 2 through 5.

If you have not named a contingent payee, or if every contingent payee named by you dies before the payee, you may, by written notice to us, name a new contingent payee. The new contingent payee will receive any amount that would otherwise have been payable to the payee's estate.

**10.8 Claims of Creditors**

To the extent permitted by law, proceeds will not be subject to any claims of a payee's creditors.

**TABLE A - INSTALLMENT OPTION\***  
for each \$1,000 of Proceeds Applied

Term of Years	Annual	Monthly	Term of Years	Annual	Monthly	Term of Years	Annual	Monthly
1	\$1000.00	\$83.90	11	\$97.83	\$8.21	21	\$55.04	\$4.62
2	503.72	42.26	12	90.33	7.58	22	52.91	4.44
3	338.31	28.39	13	83.98	7.05	23	50.97	4.28
4	255.61	21.45	14	78.55	6.59	24	49.19	4.13
5	206.00	17.28	15	73.84	6.20	25	47.55	3.99
6	172.93	14.51	16	69.72	5.85	26	46.04	3.86
7	149.32	12.53	17	66.09	5.55	27	44.65	3.75
8	131.61	11.04	18	62.86	5.27	28	43.35	3.64
9	117.84	9.89	19	59.98	5.03	29	42.15	3.54
10	106.83	8.96	20	57.38	4.81	30	41.02	3.44

**TABLE B - LIFE INCOME OPTIONS\***  
Monthly Income for each \$1,000 of Proceeds Applied

Age	MALE				FEMALE			
	Minimum Guaranteed Payment Period				Minimum Guaranteed Payment Period			
	None	120 Months	240 Months	Installment Refund	None	120 Months	240 Months	Installment Refund
50	\$3.01	\$2.99	\$2.92	\$2.75	\$2.77	\$2.76	\$2.73	\$2.62
51	3.07	3.05	2.97	2.80	2.83	2.82	2.78	2.66
52	3.14	3.12	3.03	2.85	2.89	2.87	2.83	2.70
53	3.21	3.19	3.08	2.90	2.95	2.93	2.88	2.75
54	3.29	3.26	3.14	2.95	3.01	3.00	2.94	2.80
55	3.37	3.34	3.20	3.00	3.08	3.06	3.00	2.85
56	3.45	3.42	3.27	3.06	3.15	3.13	3.05	2.90
57	3.54	3.50	3.33	3.11	3.23	3.21	3.12	2.95
58	3.64	3.59	3.39	3.17	3.31	3.28	3.18	3.01
59	3.74	3.68	3.46	3.23	3.39	3.36	3.24	3.06
60	3.85	3.78	3.52	3.30	3.48	3.45	3.31	3.12
61	3.96	3.88	3.59	3.36	3.58	3.54	3.38	3.19
62	4.08	3.99	3.65	3.43	3.68	3.63	3.45	3.25
63	4.21	4.11	3.72	3.51	3.79	3.73	3.52	3.32
64	4.35	4.23	3.79	3.58	3.90	3.84	3.59	3.39
65	4.50	4.35	3.85	3.66	4.02	3.95	3.66	3.47
66	4.66	4.48	3.91	3.74	4.15	4.07	3.74	3.54
67	4.83	4.62	3.97	3.83	4.29	4.19	3.81	3.63
68	5.01	4.76	4.03	3.91	4.44	4.33	3.88	3.71
69	5.20	4.91	4.08	4.00	4.60	4.46	3.94	3.80
70	5.41	5.06	4.13	4.10	4.78	4.61	4.01	3.89
71	5.62	5.22	4.18	4.20	4.96	4.76	4.07	3.99
72	5.85	5.38	4.23	4.30	5.17	4.93	4.13	4.09
73	6.10	5.54	4.26	4.41	5.39	5.09	4.18	4.19
74	6.36	5.71	4.30	4.52	5.62	5.27	4.23	4.30
75	6.65	5.88	4.33	4.63	5.88	5.45	4.27	4.42

**TABLE C - JOINT AND SURVIVOR OPTION\***  
Monthly Income - Ten Year Guaranteed Payment Period  
for each \$1,000 of Proceeds Applied

Male Age	Female Age					
	50	55	60	65	70	75
50	\$2.52	\$2.64	\$2.75	\$2.83	\$2.89	\$2.94
55		2.76	2.92	3.05	3.16	3.24
60			3.07	3.28	3.45	3.59
65				3.49	3.76	3.99
70					4.04	4.41
75						4.78

\*Amounts not shown for available options will be furnished on request.

***Flexible Premium Variable  
Annuity Contract -  
Nonparticipating***

Annuity proceeds payable at maturity date. Death proceeds payable in event of death of Annuitant prior to maturity date. Flexible premiums payable until maturity date or prior death of Annuitant.

If you have any questions concerning this contract or if anyone suggests that you change or replace this contract, please contact your Kansas City Life agent or the Home Office of the Company.



**KANSAS CITY LIFE  
INSURANCE COMPANY**

***Flexible Premium Variable Annuity  
Contract - Nonparticipating***

***Insured***

John A. Doe

***Contract Number***

9999999

***Agency***

0001

Annuity proceeds payable at maturity date. Death proceeds payable in event of death of Annuitant prior to maturity date. Flexible premiums payable until maturity date or prior death of Annuitant.

**The contract value of this contract may increase or decrease daily depending on the investment experience of the subaccounts. There is no guaranteed minimum contract value.**

Kansas City Life Insurance Company will pay the proceeds of this contract according to the provisions on this and the following pages, all of which are part of this contract. This contract is a legal contract between you and Kansas City Life Insurance Company. **READ YOUR CONTRACT CAREFULLY.**

Signed for Kansas City Life Insurance Company, a stock company, at its Home Office, 3520 Broadway, PO Box 219139, Kansas City, MO 64121-9139.

Secretary

President

***10-Day Right To Examine Contract***

Please examine this contract carefully. If you are not satisfied, you may return the contract to us or to your agent within 10 days of its receipt. If returned, the contract will be void from the beginning and we will refund the contract value, plus the \$30.00 annual administration fee, if charged, as of the earlier of the date the returned contract is received by us at our Home Office or the date the returned contract is received by the Kansas City Life representative who sold you the contract.

**GUIDE TO CONTRACT PROVISIONS**

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A copy of the original application and any additional benefits provided by rider or endorsement follow page 18.

**SECTION 1. CONTRACT DATA**

**CONTRACT NUMBER**

9999999

**BENEFICIARY**

As stated in the application or in the last beneficiary designation filed with us

**ANNUITANT**

John A. Doe

**OWNER**

As stated in the application or in the last ownership designation filed with us

**CONTRACT DATE**

May 01, 2011

**ISSUE AGE**

[35]

**MATURITY DATE**

May 01, 2061

**SEX**

[Male]

**MONTHLY LIFE**

**INCOME FACTOR**

[\$7.46 per \$1,000 of Maturity Proceeds]

**REDETERMINATION DATES**

[May 01, 2019] and subsequent Contract Anniversaries

**GUARANTEED PAYMENT**

**PERIOD**

[120 Months]

**GUARANTEED INTEREST RATE FOR THE FIXED ACCOUNT**

[1%]

The guaranteed interest rate for the fixed account will be redetermined as described in Section 5.3, Guaranteed Interest Rate for the Fixed Account. The guaranteed interest rate for the fixed account will always be at least 1% and no more than 3%.

**SECTION 1.CONTRACT DATA (CONTINUED)**

**DATE PREPARED: 05/01/2011**

**ANNUITANT**  
JOHN A. DOE

**CONTRACT NUMBER**  
9999999

<u>FORM NO</u>	<u>BENEFIT DESCRIPTION</u>	<u>ANNUAL AMOUNT</u>	<u>PREMIUM PAYABLE</u>
J186	Flexible Premium Variable Annuity Contract -Nonparticipating –	\$10,000	To age [85]*
TOTAL ANNUAL PREMIUM		\$10,000	

\* Premiums are payable according to the flexible premium provision of this contract.

**SECTION 1. CONTRACT DATA (CONTINUED)**

**DATE PREPARED: 05/01/2011**

**ANNUITANT**  
JOHN A. DOE

**CONTRACT NUMBER**  
9999999

**EXPENSE CHARGES**

**MORTALITY AND EXPENSE RISK CHARGE**

1.25% (on an annual basis) of the average daily net assets of the variable account.

**GUARANTEED MINIMUM DEATH BENEFIT MONTHLY EXPENSE CHARGE**

Base Guaranteed Minimum Death Benefit – No charge for this benefit.

Annual Ratchet Guaranteed Minimum Death Benefit Option – 0.20% of the variable account value on an annual basis.

Enhanced Combination Guaranteed Minimum Death Benefit Option - 0.35% of the variable account value on an annual basis.

**ASSET-BASED ADMINISTRATION CHARGE**

0.15% (on an annual basis) of the average daily net assets of the variable account.

**ANNUAL ADMINISTRATION FEE**

\$30.00 at the beginning of each contract year. This fee will be waived if the contract value is \$50,000 or more at the beginning of the contract year.

**SURRENDER CHARGE PERCENTAGES**

<u><b>PREMIUM YEARS</b></u> <u><b>SINCE DEPOSIT</b></u>	<u><b>PERCENTAGE</b></u>
1	8%
2	8%
3	7%
4	6%
5	5%
6	4%
7	3%
8	2%
9+	0%

\*Premium year refers to the calendar year following the date we credit a particular premium to your contract. After eight years following the date we credit a particular premium, there will be no surrender charge applicable to that premium payment.

The total surrender charge applicable will be the sum of the surrender charges applicable to each premium withdrawn or annuitized under a non-life payment option. To determine the surrender charge, we first assume that your surrender or non-life payment option election is from amounts (other than earnings) that can be withdrawn without a surrender charge, then from other amounts (other than earnings) and then from earnings, each on a "first-in-first-out" (oldest money first) basis. Once we have calculated the total surrender charge amount we actually withdraw it from the fixed account and subaccount in the same proportion that the withdrawal is being made. In calculating the surrender charge, we do not include earnings, although the actual withdrawal to pay the surrender charge may come from earnings.

If you surrender the contract, we will deduct the surrender charge from the contract value in determining the cash surrender value. For a partial surrender, we will deduct the surrender charge from the amount surrendered or from contract value remaining after the amount requested is surrendered, according to your instructions.

**SECTION 1. CONTRACT DATA (CONTINUED)**

**DATE PREPARED: 05/01/2011**

**ANNUITANT**  
JOHN A. DOE

**CONTRACT NUMBER**  
9999999

**Investment Options**

[KCL Fixed Account

Subaccounts that invest in the Kansas City Life Variable Annuity Separate Account:

Invesco V.I. Capital Appreciation Fund – Series I Shares  
Invesco V.I. Core Equity Fund – Series I Shares  
Invesco V.I. Technology Fund – Series I Shares  
American Century VP Capital Appreciation Fund – Class I  
American Century VP Income & Growth Fund – Class I  
American Century VP International Fund – Class I  
American Century VP Mid Cap Value Fund – Class I  
American Century VP Ultra<sup>®</sup> Fund – Class I  
American Century VP Value Fund – Class I  
American Century VP Inflation Protection Fund – Class II  
Calamos Growth and Income Portfolio  
Dreyfus Appreciation Portfolio – Initial Shares  
Dreyfus Opportunistic Small Cap Portfolio – Initial Shares  
Dreyfus Stock Index Fund, Inc. – Initial Shares  
The Dreyfus Socially Responsible Growth Fund, Inc. – Initial Shares  
Federated Capital Appreciation Fund II  
Federated High Income Bond Fund II  
\*Federated Prime Money Fund II  
Fidelity VIP Contrafund<sup>®</sup> Portfolio – Service Class 2  
Fidelity VIP Freedom Income Portfolio – Service Class 2  
Fidelity VIP Freedom 2010 Portfolio – Service Class 2  
Fidelity VIP Freedom 2015 Portfolio – Service Class 2  
Fidelity VIP Freedom 2020 Portfolio – Service Class 2  
Fidelity VIP Freedom 2025 Portfolio – Service Class 2  
Fidelity VIP Freedom 2030 Portfolio – Service Class 2  
Fidelity VIP Freedom 2035 Portfolio – Service Class 2  
Fidelity VIP Freedom 2040 Portfolio – Service Class 2  
Fidelity VIP Freedom 2045 Portfolio – Service Class 2  
Fidelity VIP Freedom 2050 Portfolio – Service Class 2  
Franklin Global Real Estate Securities Fund – Class 2  
Franklin Small-Mid Cap Growth Securities Fund – Class 2  
Templeton Developing Markets Securities Fund – Class 2  
Templeton Foreign Securities Fund – Class 2  
JPMorgan Insurance Trust Mid Cap Value Portfolio – Class 1 Shares  
JPMorgan Insurance Trust Small Cap Core Portfolio – Class 1 Shares  
JPMorgan Insurance Trust U.S. Equity Portfolio – Class 1 Shares  
MFS Growth Series – Initial Class Shares  
MFS Research Series – Initial Class Shares  
MFS Research Bond Series – Initial Class Shares  
MFS Strategic Income Series – Initial Class Shares  
MFS Total Return Series – Initial Class Shares  
MFS Utilities Series – Initial Class Shares  
Seligman Capital Portfolio – Class 2  
Seligman Communications and Information Portfolio – Class 2  
Seligman Smaller-Cap Value Portfolio – Class 2

\* The Federated Prime Money Fund II subaccount is referred to in this contract as the money market subaccount.]

## ***Section 2: Definitions***

The following key words are used in this contract and are important in describing it. Please refer back to these definitions as you read this contract.

### ***2.1 Accumulation Unit***

An accounting unit used to calculate the variable account value. It is a measure of the net investment results of each of the sub-accounts.

### ***2.2 Age***

The age on the Annuitant's last birthday as of each contract anniversary. This contract is issued at the age last birthday shown in Section 1, Contract Data. If the contract date falls on the birthday of the Annuitant, the age will be the age the Annuitant reaches on the contract date.

### ***2.3 Allocation Date***

The date on which the initial net premium is allocated to the money market sub-account(s). This date is the later of the date when all requirements are met and your application is approved, or the date we receive the initial premium at the Home Office.

### ***2.4 Annual Administration Fee***

A level charge we deduct from the contract value at the beginning of each contract year to compensate us for the costs associated with administration of the contract.

### ***2.5 Annuitant***

The person on whose life the annuity benefit for this contract is based.

### ***2.6 Asset-Based Administration Charge***

A percentage charge we deduct on a daily basis from the assets of the sub-accounts to compensate us for the costs associated with administration of the contract.

### ***2.7 Beneficiary***

The person you have designated in the application (or in the last beneficiary designation filed with us) to receive any proceeds payable under this contract at the death of the Annuitant or owner.

### ***2.8 Cash Surrender Value***

Equals the contract value at the time of surrender less applicable surrender charges, loan balance and any premium taxes payable.

### ***2.9 Contract Anniversary***

The same day and month as the contract date each year that the contract remains in force.

### ***2.10 Contract Date***

The date from which we compute contract months, years and anniversaries.

### ***2.11 Contract Value***

The sum of the variable account value and the fixed account value. These values are described in more detail in Section 5, Contract Values.

### ***2.12 Contract Year***

Any period of twelve months starting with the contract date and each contract anniversary thereafter.

### ***2.13 Fixed Account***

An account that is part of our general account. The investment performance of the variable account has no impact on the fixed account.

### ***2.14 Fixed Account Value***

The contract value in the fixed account.

### ***2.15 Guaranteed Minimum Death Benefit***

There is a base Guaranteed Minimum Death Benefit provision. In addition, you may choose one of two Guaranteed Minimum Death Benefit options which provide different levels of death benefit guarantees. The two options have different issue requirements and guaranteed minimum death benefit monthly expense charges associated with them.

### ***2.16 Maturity Date***

The date shown in Section 1, Contract Data, when we will apply the contract value under a life payment option, (unless you have elected to receive the cash surrender value as a lump sum payment or under a non-life payment option.) For qualified and non-qualified contracts, the latest maturity date is the later of the contract anniversary following the Annuitant's 85th birthday or the tenth anniversary of the contract. However, qualified contracts may be required to begin distributions at age 70 1/2.

### ***2.17 Mortality and Expense Risk Charge***

A charge we deduct from the assets of the sub-accounts to compensate us for the mortality and expense risks for the contract. We show this charge in Section 1, Contract Data.

### ***2.18 Net Investment Factor***

The ratio of the sub-account performance of the current valuation day to the immediately prior valuation day. The sub-account performance includes gains or losses in the sub-accounts, dividends paid, any capital gains or losses, any taxes, mortality and expense risk charges, and asset-based administration charges.

### ***2.19 Owner***

The person entitled to exercise all rights and privileges provided in the contract.

### ***2.20 Premium Year***

The 12 month period following the date we credit a particular premium to your contract.

### **2.21 Proceeds**

The total amount we are obligated to pay under the terms of this contract.

### **2.22 Redetermination Dates**

The dates, shown in Section 1, Contract Data, upon which the guaranteed interest rate for the fixed account will be redetermined.

### **2.23 Subaccounts**

The division of accounts making up the variable account. The assets of each sub-account are invested in a corresponding portfolio of a designated mutual fund. The sub-accounts are shown in Section 1, Contract Data.

### **2.24 Valuation Day**

Each day on which the New York Stock Exchange is open for business.

### **2.25 Valuation Period**

The interval of time commencing at the close of business on one valuation day and ending at the close of business on the next valuation day.

### **2.26 Variable Account**

The Kansas City Life Variable Annuity Separate Account. This is not part of our general account. The variable account has sub-accounts each of which is invested in a corresponding portfolio of a designated mutual fund.

### **2.27 Variable Account Value**

The total value of a contract allocated to sub-accounts of the variable account.

### **2.28 We, Our, Us**

Kansas City Life Insurance Company.

### **2.29 Written Notice**

A written notice or written request in a form satisfactory to us, which is signed by the owner and received at the Home Office.

### **2.30 You, Your**

The owner of this contract. The owner may be someone other than the Annuitant.

## **Section 3: Proceeds**

### **3.1 Types of Proceeds and Method of Payment**

There are various types of proceeds available under this contract. These include:

- Maturity proceeds
- Death proceeds
- Surrender proceeds
- Partial surrender proceeds
- Nursing Home Benefit proceeds

We will pay maturity, death or surrender proceeds either under a payment option (as describe in

Section 10, Payment of Proceeds) or in a lump sum. The amount of proceeds payable will vary by the type of proceeds and the form of payment selected. We will only pay partial surrender proceeds as a lump sum or under the Systematic Partial Surrender Plan described in Section 5.7.

We have the right to require that this contract be returned to us when maturity, surrender or death proceeds are paid.

To the extent permitted by law, proceeds will not be subject to any claims of your creditors or the beneficiary's creditors.

### **3.2 Maturity Proceeds**

On the maturity date we will pay the maturity proceeds to the Annuitant, if living.

The maturity proceeds will be equal to:

- (1) the cash surrender value as described in Section 5.5 if you choose a lump sum or payment options 1, 2, or 3: or
- (2) the contract value as described in Section 5.1 if you choose payment options 4 or 5.

If you fail to make another selection of a payment option or lump sum payment, we will apply the contract value under payment option 4 with an installment refund option of 120 months. This means that the monthly payments will continue for a minimum of 120 months and as long thereafter as the Annuitant lives. If the Annuitant dies before receiving a total of 120 monthly payments, we will continue to make monthly payments to the beneficiary until a total of 120 payments have been made. The beneficiary may elect in writing to receive the present value of any remaining guaranteed payments in a single sum.

### **3.3 Death Proceeds**

If the Annuitant dies before the maturity date, the beneficiary will receive a death benefit. The death benefit will be calculated depending upon which guaranteed death benefit option is in effect on the contract at the date of death. There is a Base Guaranteed Minimum Death Benefit, or at issue two enhanced options may be chosen at an additional charge. The two Guaranteed Minimum Death Benefit Options are:

- The Annual Ratchet Guaranteed Minimum Death Benefit Option; and
- The Enhanced Combination Guaranteed Minimum Death Benefit Option.

The issue requirements and Guaranteed Minimum Death Benefit Monthly Expense Charge vary for

each Guaranteed Minimum Death Benefit Option. The monthly expense charge for each option is shown in Section 1, Contract Data.

Under the Base Guaranteed Minimum Death Benefit, we guarantee that the death benefit will be the greater of:

- (1) premiums paid, proportionately adjusted for partial surrenders, less any loan balance; or
- (2) the contract value less any loan balance on the date we receive proof of the Annuitant's death.

This option is available at issue and at any time thereafter.

Under the Annual Ratchet Guaranteed Minimum Death Benefit Option we guarantee that the death benefit for the Annuitant's attained age 80 and below will be the greater of:

- (1) the death benefit calculated under the Base Guaranteed Minimum Death Benefit; or
- (2) the highest contract value as of a contract anniversary during any point the contract has been in effect on or before the Annuitant's death. Any loan balance will be deducted from such contract value and the contract value will also be proportionately adjusted for partial surrenders.

For the Annuitant's attained age 80 and above we guarantee that the death benefit will equal the greater of:

- (a) the contract value at the time of death; or
- (b) the value of the Guaranteed Minimum Death Benefit on the contract anniversary following the Annuitant's 80<sup>th</sup> birthday, calculated as described above, proportionately adjusted for partial surrenders, less any loan balance and plus any premiums paid since the contract anniversary following the Annuitant's 80<sup>th</sup> birthday.

This option is only available at issue of the contract and is only available to Annuitants with issue ages of 75 or below.

Under the Enhanced Combination Guaranteed Minimum Death Benefit Option we guarantee that the death benefit for the Annuitant's attained age 80 and below will be the greater of:

- (1) the death benefit calculated under the Base Guaranteed Minimum Death Benefit; or
- (2) premiums paid, accumulated annually at 5% interest until the date of the Annuitant's death, proportionately adjusted for partial surrenders and deducting any loan balance. We place a maximum on the amount accumulated at 5% interest of two times the total premiums paid, less surrenders and any loan balance; or
- (3) the highest contract value as of a contract anniversary during any point the contract has been in effect on or before the Annuitant's death. Any loan balance will be deducted from such contract value and the contract value was also be proportionately adjusted for partial surrenders.

For the Annuitant's attained age 80 and above we guarantee that the death benefit will equal the greater of:

- (1) the contract value at the time of death; or
- (2) the value of the Guaranteed Minimum Death Benefit on the contract anniversary following the Annuitant's 80<sup>th</sup> birthday, calculated as described above, proportionately adjusted for partial surrenders, less any indebtedness and plus any premiums paid since the contract anniversary following the Annuitant's 80<sup>th</sup> birthday.

This option is only available at issue of the contract and is only available to Annuitants with issue ages of 70 or below.

The proportionate adjustment to the Guaranteed Minimum Death Benefit for partial surrender is equal to a reduction in the Guaranteed Minimum Death Benefit by an amount equal to the percentage of the partial surrender, including surrender charges, as compared to the contract value immediately prior to the partial surrender.

If you have elected the Annual Ratchet or Enhanced Combination Guaranteed Minimum Death Benefit Options, you may change the option at any time to the Base Guaranteed Minimum Death Benefit. The effective date of change will be the monthly anniversary day on or following the date we receive written notice of the change.

We will pay interest on single sum death proceeds from the date of the Annuitant's death until the date of payment. Interest will be at an annual rate determined by us, but never less than the rate required by the state in which this contract is delivered.

### **3.4 Surrender Proceeds**

We will pay proceeds of a full surrender as either a lump sum or under a payment option as described in Section 10, Payment of Proceeds. Unless you specify otherwise, we will pay full surrender proceeds as a lump sum. Surrender proceeds will be equal to:

- (1) the cash surrender value as described in Section 5.5 if you choose a lump sum or payment options 1, 2 or 3: or
- (2) the contract value as described in Section 5.1 if you choose payment options 4 or 5.

The amount of proceeds payable under the Partial Surrender Provision is defined in Section 5.6. We will only pay out partial surrender proceeds as a lump sum or under the Systematic Partial Surrender Plan described in Section 5.7.

### **3.5 Nursing Home Benefit Proceeds**

If we receive satisfactory proof that the Owner is admitted to a licensed nursing home, up to the full contract value may be paid out equally over at least a three year period with no surrender charges. The Owner must be confined to a licensed nursing home for a least 90 days before the surrender charges will be waived.

### **3.6 Proceeds Applied Under Payment Options**

If you elect to receive proceeds under a payment option as described in Section 10, we may require proof that the Annuitant is living.

If you choose to receive a life income (payment options 4 or 5), this life income will be purchased using the applicable monthly life income factor shown in Section 10. If the pay out rates in use by us at the time proceeds become payable are more favorable than those shown in Section 10, we will provide a life income using the more favorable rates.

Once a monthly life income (payment options 4 or 5 as described in Section 10) becomes payable, you may not make any election regarding payment of the proceeds other than the right to change the beneficiary or contingent payee.

## **Section 4: Premiums**

### **4.1 Flexible Premium Provision**

You must pay your first premium when the contract is delivered. Subsequent premiums may be paid at any time while the contract is in force prior to the maturity date. These premiums may vary in amount at your option except that we have the right to require that the premium payment be at least \$50.

All premiums after the first are payable at the Home Office or to a representative authorized to receive premiums. We will furnish a receipt upon request.

We require that the initial premium under this contract be at least \$10,000. Additional premiums may be paid. We have the right to limit the number and amount of additional premium payments.

### **4.2 Nonpayment of Premiums**

If premiums for this contract cease, we will continue the contract subject to Section 6.7, Contract Termination. The monthly income payable on the maturity date will be as described in Section 3.2, Maturity Proceeds.

## **Section 5: Contract Values**

### **5.1 Contract Value**

On the contract date the contract value equals:

- (1) the initial premium paid; less
- (2) the annual administration fee shown in Section 1, Contract Data.

On any day after the contract date the contract value is equal to the fixed account value plus the variable account value. We will deduct the annual administration fee shown in Section 1, Contract Data, (if applicable), from the contract value at the beginning of each contract year.

### **5.2 Fixed Account Value**

On the contract date the fixed account value equals:

- (1) the portion of the premium allocated to the fixed account; less
- (2) the portion of the annual administration fee allocated to the fixed account.

On each valuation day the fixed account value will be equal to:

$$A + B + C - D - E - F$$

"A" is the fixed account value on the preceding valuation date plus interest from the preceding valuation day to the date of calculation.

"B" is the portion of the premiums allocated to the fixed account and received since the preceding valuation day, plus interest from the date we receive such premiums to the date of calculation.

"C" is the amount of any transfers from the sub-accounts to the fixed account, plus interest on such transferred amounts from the effective dates of such transfers to the date of calculation.

"D" is the amount of any transfers from the fixed account, to the sub-accounts since the preceding valuation day, plus interest on such transferred amount from the effective dates of such transfers to the date of calculation.

"E" is the amount of any partial surrenders and any applicable surrender charge from the fixed account since the preceding valuation period, plus interest on these surrendered amounts from the effective date of the partial surrenders to the date of calculation.

"F" is the portion of the annual administration fee shown in Section 1, Contract Data.

### **5.3 Guaranteed Interest Rate for the Fixed Account**

The guaranteed interest rate for the fixed account, shown in Section 1, Contract Data, is in effect from the contract date to the first redetermination date, shown in Section 1, Contract Data. On each redetermination date, a redetermined guaranteed interest rate for the fixed account will take effect. The redetermined guaranteed interest rate for the fixed account is based on the 5-year Constant Treasury Maturity monthly average rate for November of the previous calendar year published by the Federal Reserve, known hereafter in this provision as the Treasury Rate. The redetermined guaranteed interest rate for the fixed account will be calculated as the Treasury Rate rounded to the nearest five-hundredths of one percent (0.05%) reduced by 1.25%, and will be at least 1% and not more than 3%.

We will notify you when your guaranteed interest rate for the fixed account is redetermined.

### **5.4 Interest Rate for Fixed Account Value**

The value in the fixed account is guaranteed to accumulate at a minimum effective annual interest rate no less than the guaranteed interest rate for the fixed account. We may credit a rate in excess of the guaranteed interest rate for the fixed account while the contract is in force and before the maturity proceeds have been paid.

We may change the interest rate credited to new deposits at any time. We will not change the interest rate credited to funds in the fixed account more often than once each year.

### **5.5 Variable Account Value**

The variable account value is the sum of the values of the sub-accounts under this contract.

On the contract date the value of each sub-account equals:

- (1) the portion of the initial premium allocated to the sub-account; less
- (2) the portion of the annual administration fee, mortality and expense risk charges and asset-based administration charge allocated to the sub-accounts.

### **5.6 Cash Surrender**

You may surrender this contract for its cash surrender value at any time before the earlier of:

- (1) your death;
- (2) the Annuitant's death; or
- (3) the maturity date.

When you surrender the contract you will receive 10% of the contract value without a surrender charge, provided you have not exercised the partial surrender provision or have not participated in the systematic partial surrender plan during the current contract year.

The cash surrender value of this contract is:

- (1) the contract value of this contract at the time of surrender; less
- (2) any applicable surrender charge (shown in Section 1, Contract Data); less
- (3) any loan balance; less
- (4) any premium taxes payable.

To surrender the contract you must submit a written request to us. We have the right to require that the contract be returned to us as well. We will determine the cash surrender value on the date we receive these requirements.

We will pay the cash surrender value in a lump sum unless you request payment under a payment option.

Certain federal income tax consequences may apply to a cash surrender of the contract. You should consult your tax advisor before requesting a surrender.

### **5.7 Partial Surrender**

You may make a partial surrender at any time before the earlier of:

- (1) the death of the Annuitant;
- (2) the death of the Owner; or
- (3) the maturity date.

You may make a partial surrender of up to 10% of the contract value each contract year without incurring a surrender charge. Any surrender in excess of 10% during a contract year will be subject to the surrender charge.

We will surrender the amount requested from the contract value on the day we receive written notice for the surrender. We will deduct any applicable surrender charge from the remaining contract value. If the remaining contract value is less than the surrender charge, we will reduce the amount surrendered. You may specify the specific amount to be surrendered from certain sub-accounts or the fixed account.

The minimum distribution requested must be for at least \$100. We will pay partial surrender proceeds in a lump sum.

We will pay you the amount requested and cancel units equal to the amount surrendered from the sub-accounts and/or the fixed account according to your instructions. In the event that the amount to be surrendered exceeds the sub-account(s) value and/or the fixed account value, we will process the surrender for the amount available and contact you for further instructions.

We limit the option to elect a 10% free partial surrender to one per contract year, even if the amount surrendered during that year is less than 10% of the contract value. If you are participating in the systematic partial surrender plan, that is considered the one free partial surrender for the contract year.

Certain federal income tax consequences may apply to partial surrenders from the contract. You should consult your tax advisor before requesting any partial surrenders.

#### ***5.8 Systematic Partial Surrender***

The systematic partial surrender plan enables you to pre-authorize a periodic exercise of the partial surrender right. If you enter into this plan, you may instruct us to surrender a requested dollar amount from the contract on a monthly, quarterly, semi-annual or annual basis.

The minimum distribution requested must be for at least \$100. The maximum amount which can be surrendered under the plan without a surrender charge is 10% of the contract value as of the time the systematic plan is elected. In subsequent years the amount which can be surrendered under the plan without a surrender charge is 10% of the contract value at the beginning of each contract year.

We will notify you if the total amount to be surrendered in a subsequent contract year will exceed 10% of the contract value as of the beginning of such contract year. Unless you instruct us to reduce the surrender amount for that year so that it does not exceed the 10% limit, we will continue to process surrenders for the designated amount. Once the amount of the surrender exceeds the 10% limit, we will deduct the applicable surrender charge from the remaining payments made during that contract year.

Any other surrender in a year when the systematic partial surrender plan has been utilized will be subject to the surrender charge.

We will pay you the amount requested and cancel units equal to the amount surrendered from the sub-

accounts and/or the fixed account according to your instructions. In the event that the amount to be surrendered exceeds the sub-account(s) value and/or the fixed account value, we will process the surrender for the amount available and contact you for further instructions.

The option to elect the 10% free systematic partial surrender plan is limited to one per contract year, even if the amount surrendered during that year is less than 10% of the contract value.

Systematic partial surrenders may be discontinued by you at any time upon written request to us at our Home Office.

Certain federal income tax consequences may apply to systematic partial surrenders from the contract. Therefore, you should consult with your tax advisor before requesting any systematic partial surrenders.

#### ***5.9 Time Period for Payment***

We will normally pay out any partial surrender, cash surrender value or death benefit within seven days of receiving your written request or receipt and filing of due proof of death. However, we have the right to suspend or delay the date of any surrender, partial surrender or death benefit payment from the sub-accounts for any period during which:

- (1) the New York Stock Exchange is closed, other than customary weekend and holiday closings, or trading on the New York Stock Exchange is restricted as determined by the Securities and Exchange Commission; or
- (2) the Securities and Exchange Commission permits by an order the postponement for the protection of contract owners; or
- (3) The Securities and Exchange Commission determines that an emergency exists that would make the disposal of securities held in the variable account or the determination of the value of the variable account's net assets not reasonably practicable.

For any surrender, partial surrender or transfer from the fixed account, we have the right to postpone making a payment to you up to six months from the date of written notice. If payment is not made within 30 days after receipt of documentation necessary to complete the transaction, (or such shorter period required by a particular jurisdiction), we will add interest to the amount paid from the date we receive documentation at 3% (or such higher rate required for a particular state).

## ***Section 6: Other Contract Provisions***

### ***6.1 Contract***

This contract and application are the entire contract. This contract is issued in consideration of the application and payment of the premiums. We will attach a copy of the application when we issue the contract. In the absence of fraud, all statements made in the application either by you or by the Annuitant will be considered representations and not warranties. We may use statements to contest a claim or the validity of this contract only if they are contained in the application.

### ***6.2 Authority to Change Contract***

No change or waiver of any provisions of this contract will be valid unless made in writing by us and signed by our President, Vice President, Secretary or Assistant Secretary. No agent or other person has authority to change or waive any provision of your contract.

### ***6.3 Modifications***

Upon notice to you, we may modify the contract, but only if such modification is necessary to:

- (1) make the contract or the variable account comply with any law or regulation issued by a governmental agency to which we are subject; or
- (2) assure continued qualification of the contract under the Internal Revenue Code or other federal or state laws relating to retirement annuities or variable annuity contracts; or
- (3) reflect a change in the operation of the variable account; or
- (4) provide additional variable account and/or fixed accumulation options.

We have the right to modify the contract as necessary to attempt to prevent the contract owner from being considered the owner of the assets of the variable account.

In the event of any such modification, we will issue an appropriate endorsement to the contract, if required.

### ***6.4 Incontestability***

After this contract has been in force during the Annuitant's lifetime for two years from the contract date, we cannot contest this contract except for the nonpayment of premiums.

### ***6.5 Age and Sex***

This contract is issued at the Annuitant's age shown in Section 1, Contract Data. If the contract date falls on the birthday of the Annuitant, the age will be the age the Annuitant reaches on the contract date.

If the Annuitant's age or sex has been incorrectly stated, the benefits under this contract will be those the proceeds applied would have purchased for the correct age and sex.

If the incorrect statement is not discovered until after payments have begun:

- (1) any overpayment by us will be deducted from the next succeeding payment or payments as they fall due; or
- (2) any underpayment by us will be paid in one sum to the Annuitant.

In either case, interest will be payable at the rate of 3% per year compounded annually.

### ***6.6 Option to Change Maturity Date***

You may elect a new maturity date at any time by making a written notice to us subject to the following limitations:

- (1) we must receive your written notice at least 30 days before the current maturity date;
- (2) the requested maturity date must be a date that is at least 30 days after we receive your written notice;
- (3) the requested maturity date cannot exceed the later of the contract anniversary following the Annuitant's 85th birthday, or the tenth anniversary of the contract; and
- (4) the requested maturity date must be no later than any earlier maturity date required by law.

We may require that the contract be submitted for endorsement to show the change.

If you elect a new maturity date, the monthly life income factor will be as shown in Table B of Section 10, Payment of Proceeds.

### ***6.7 Contract Termination***

We have the right to terminate this contract and pay the cash surrender value if all of the following occur simultaneously:

- (1) no premiums have been paid for at least two years;
- (2) the contract value is less than \$2,000; and
- (3) the total premiums paid, less any partial surrenders, is less than \$2,000.

We will mail notice to you of our intention to terminate the contract at least six months in advance. We have the right to terminate on the date specified in the notice, unless:

- (1) we receive an additional premium payment before the termination date specified in the notice; or
- (2) the contract value has increased to the amount specified above.

This additional premium payment must be for at least the minimum premium amount we will accept.

### **6.8 Contract Loans**

If your contract has been purchased as a tax sheltered annuity as described in Section 403(b) of the Internal Revenue Code, as amended, that is not part of a plan that is subject to the Employee Retirement Income Security Act of 1974, you will have the option of taking a contract loan at any time after the first contract year. If your contract has been purchased in this tax sheltered market, an endorsement attached to this contract will detail the loan requirements.

### **6.9 Nonparticipating**

This contract will not participate in any of our profits, losses or surplus earnings.

### **6.10 Annual Report**

At least annually we will send you a report showing the following:

- (1) the contract value;
- (2) the cash surrender value; and
- (3) any other information required by law or regulation.

Upon receiving your written notice, we will send you a report at any other time during the year for a reasonable charge as determined by us.

### **6.11 Basis of Computation**

Our calculation of guaranteed fixed account values is based on the guaranteed interest rate for the fixed account described in Section 5.3, Guaranteed Interest Rate for the Fixed Account. The reserves and guaranteed fixed account values will never be less than the minimum required by law of the state in which this contract is delivered.

## **Section 7: Control of Contract**

### **7.1 Ownership**

The Annuitant is the owner unless otherwise provided in the application. As owner, you may exercise every right provided by your contract. These rights and privileges end at the Annuitant's death.

The consent of the beneficiary is required to exercise these rights if you have not reserved the right to change the beneficiary.

### **7.2 Change of Ownership**

You may change the ownership of this contract by giving written notice to us. The change will be effective on the date your written notice was signed but will have no effect on any payment made or other action taken by us before we receive it. We may require that the contract be submitted for endorsement to show the change.

Certain federal income tax consequences may apply to a change of ownership on non-qualified contracts. You should consult with your tax advisor before requesting any change of ownership on a non-qualified contract.

### **7.3 Assignment**

An assignment is a transfer of some or all of your rights under this contract. No assignment will be binding on us unless made in writing and filed at our Home Office. We assume no responsibility for the validity or effect of any assignment.

Certain federal income tax consequences may apply to an assignment. You should consult with your tax advisor before requesting any assignment.

### **7.4 Beneficiary**

The beneficiary is shown on the application or in the last beneficiary designation filed with us. Death proceeds will be paid to the beneficiary except as provided in this Section.

If any beneficiary dies before the Annuitant, that beneficiary's interest will pass to any other beneficiaries according to their respective interest.

If all beneficiaries die before the Annuitant, we will pay the death proceeds to you, if living, otherwise to your estate or legal successors.

Unless you have waived the right to do so, you may change the beneficiary by filing a written notice in a form satisfactory to us. In order to be effective, the written notice for change of beneficiary must be signed while your contract is in force and the Annuitant is living. The change will be effective on the date your written notice was signed but will have no effect on any payment made or other action taken by us before we receive it.

The interest of any beneficiary will be subject to:

- (1) any assignment of this contract which is binding on us; and
- (2) any optional settlement agreement in effect at the Annuitant's death.

### **7.5 Simultaneous Death of Beneficiary and Annuitant**

We will pay death proceeds as though the beneficiary died before the Annuitant if:

- (1) the beneficiary dies at the same time as or within 15 days of the Annuitant's death; and

- (2) we have not paid the proceeds to the beneficiary within this 15-day period.

## **Section 8: Variable Account**

### **8.1 General Description**

The name of the variable account is the Kansas City Life Variable Annuity Separate Account. The income, gains and losses, (whether or not realized), from assets allocated to the variable account are credited or charged against the variable account without regard to our other income, gains or losses. The portion of the assets of the variable account equal to the reserves and other contract liabilities with respect to the variable account will not be chargeable with liabilities arising out of any other business we may contract.

The assets of the variable account are segregated by investment options, thus establishing a series of sub-accounts within the variable account.

When permitted by law, we have the right to:

- (1) create new variable accounts;
- (2) combine variable accounts;
- (3) remove, combine or add sub-accounts and make the new sub-accounts available to you at our discretion;
- (4) substitute shares of another portfolio of the funds or shares of another investment company for those of the funds;
- (5) add new portfolios to the funds;
- (6) de-register the variable account under the Investment Company Act of 1940 if registration is no longer required;
- (7) make any changes required by the Investment Company Act of 1940; and
- (8) operate the variable account as a managed investment company under the Investment Company Act of 1940 or any other form permitted by law.

If a change is made, we will send you a revised prospectus and any notice required by law. If required, we would first seek the approval of the Securities and Exchange Commission, and when required, the appropriate state regulatory authorities before making a change in the investment options.

### **8.2 Sub-Accounts**

The sub-accounts are separate investment accounts. They are named in Section 1, Contract Data. The assets of each subaccount are invested in a corresponding portfolio of a designated mutual fund.

Sub-account values will fluctuate in accordance with the investment experience of the applicable portfolio of the fund held within the sub-account.

The sub-account value is equal to the number of accumulation units credited to the sub-account times the appropriate accumulation unit value.

The number of accumulation units to be purchased or redeemed in a transaction is found by dividing:

- (1) the dollar amount of the transaction; by
- (2) the sub-account's unit value for the valuation period for that transaction. The number of units in any sub-account will be increased at the end of the valuation period by:
  - (a) any premiums allocated to the sub-account during the current valuation period;
  - (b) any transfers to the sub-account from another sub-account or from the fixed account during the current valuation period; and
  - (c) the amount of any variable account bonus that may be credited on a monthly anniversary.

The number of units in any sub-account will be decreased at the end of the valuation period by:

- (1) any amounts transferred from the sub-account to another sub-account or the fixed account;
- (2) amounts surrendered during the current valuation period; or
- (3) the cost of the monthly guaranteed minimum death benefit expense charge, if any, that is deducted on the monthly anniversary day.

The number of units in any sub-account will also be reduced at the beginning of each contract year by a pro-rata share of the \$30 annual administration fee. The annual administration fee will reduce the sub-account units in proportion to each sub-account's value to the entire contract value.

The value of an accumulation unit for each of the sub-accounts was arbitrarily set at \$10 when the first investments were bought. The value for any later valuation period is equal to:

$$A \times B$$

"A" is equal to the sub-account's accumulation unit value for the end of the immediately preceding valuation day.

"B" is equal to the net investment factor for the most current valuation day.

The net investment factor equals:

$$\frac{X - Z}{Y}$$

“X” equals the sum of:

- (1) the net asset value per accumulation unit held in the sub-account at the end of the current valuation day; plus
- (2) the per accumulation unit amount of any dividend, or capital gain distribution on shares held in the sub-account during the current valuation day; less
- (3) the per accumulation unit amount of any capital loss distribution on shares held in the sub-account during the current valuation day; less
- (4) the per accumulation unit amount of any taxes or any amount set aside during the valuation day as a reserve for taxes.

“Y” equals the net asset value per accumulation unit held in the sub-account as of the end of the immediately preceding valuation day.

“Z” equals the charges deducted from the sub-account on each valuation period for the asset-based administration charge and the mortality and expense risk charge.

The value of the sub-account may increase, decrease or remain the same.

### **8.3 Allocations**

This contract provides investment options for the amount in the contract value. We allocate amounts placed in the contract value to the sub-accounts of the variable account and to the fixed account at your direction. The initial premium allocation percentages are indicated in the application for this contract.

These percentages will also apply to subsequent premium allocations until you change them. Such allocation percentages may be changed by written notice.

Allocation percentages must be zero or a whole number not greater than 100. The sum of the premium allocation percentages must equal 100.

We have the right to limit the number of sub-account allocations in effect at any one time.

### **8.4 Deductions Made From Sub-Accounts**

We deduct the mortality and expense risk charge and the asset-based administration charge from each of the sub-accounts on each valuation day. These charges are shown in Section 1, Contract Data.

## **Section 9: Transfers**

### **9.1 Transfer Fees**

Six transfers per year may be made from sub-accounts and the fixed account free of charge. However, you may make only one transfer from the fixed account each contract year. Any unused free transfers do not carry over to the next contract year. Any unused free transfers do not carry over to the next contract year. We will charge a \$25 transfer fee on any additional transfers during a contract year. For the purpose of assessing a fee, we consider each written request or telephone request to be one transfer. We will deduct the processing fee from the amount being transferred, or from the remaining contract value, according to your instructions.

### **9.2 Transfers From Sub-Accounts**

After the 10-day right to examine period and prior to the maturity date, you may transfer all or a part of an amount from the value in any sub-account of the variable account to one or more of the sub-accounts of the variable account or to the fixed account. The minimum amount that you may transfer is the lesser of:

- (1) \$250; or
- (2) the total value in that sub-account on that date.

We will treat any transfer that would reduce the amount in a sub-account below \$250 as a transfer request for the entire amount in that sub-account.

A transfer fee may apply as described in Section 9.1, Transfer Fees.

An excessive number of transfers, including short-term “market timing” transfers, may adversely affect the performance of the underlying fund in which a sub-account invests. If, in our sole opinion, a pattern of excessive transfers develops, we have the right not to process a transfer request. We also have the right not to process a transfer request when the sale or purchase of shares of a fund is not reasonably practicable due to actions taken or limitations imposed by the fund.

We may suspend or modify this transfer privilege at any time.

### **9.3 Transfers From The Fixed Account**

At your request, you may transfer an amount from the unloaned value in the fixed account to one or more subaccounts of the variable account. We must receive the request in writing or other form acceptable to us. You may make only one transfer from the fixed account each contract year.

The maximum amount you may transfer from the fixed account each contract year will be the greatest of:

- (1) 25% of the unloaned fixed account value in the fixed account on the date of transfer (unless the balance after the transfer is less than \$250, in which case we will transfer the entire amount); or
- (2) the amount transferred out of the fixed account in the prior contract year; or
- (3) \$2,000 (or the unloaned fixed account value, if less).

A transfer fee may apply as described in Section 9.1, Transfer Fees.

Beginning in the 9th contract year, there is no limitation on the amount transferred from the fixed account.

We may suspend or modify this transfer privilege at any time.

## ***Section 10: Payment of Proceeds***

### ***10.1 Payment Options***

You may apply death benefit, maturity or full surrender proceeds of \$2,000 or more to any of the following options:

#### ***Option 1. Interest Payments***

We will make guaranteed interest payments to the payee annually or monthly as elected. We will pay interest on the proceeds at the guaranteed rate of 1.5% per year and this may be increased by additional interest paid annually. The proceeds and any unpaid interest may be withdrawn in full at any time.

#### ***Option 2. Installments of a Specified Amount***

We will make annual or monthly payments until the proceeds plus interest are fully paid. We will pay interest on the proceeds at the guaranteed rate of 1.5% per year and this may be increased by additional interest. The present value of any unpaid installments may be withdrawn at any time.

#### ***Option 3. Installments For a Specified Period***

Payment of the proceeds may be made in equal annual or monthly payments for a specified number of years. We will pay interest on the proceeds at the guaranteed rate of 1.5% per year and this may be increased by additional interest. The present value of any unpaid installments may be withdrawn at any time. The amount of each payment is shown in Table A.

#### ***Option 4. Life Income***

We will pay an income during the payee's lifetime. A minimum guaranteed payment period may be chosen. We will continue payments under the Installment Refund option until the total income payments paid equal the proceeds applied. The amount of each payment is shown in Table B.

#### ***Option 5. Joint and Survivor Income***

We will pay an income during the lifetime of two persons and will continue to pay the same income as long as either person is living. The minimum guaranteed payment period will be ten years. The amount of each payment is shown in Table C.

If the payout rates in use by us at the time proceeds become payable are more favorable than those shown in options 4 and 5, we will provide a life income using the more favorable rates.

### ***10.2 Payee***

The payee is the person receiving proceeds under a payment option. The payee can be you, the Annuitant or a beneficiary. We will require satisfactory proof of the payee's age under options 4 and 5.

The contingent payee is the person named to receive proceeds if the payee is not alive.

### ***10.3 Minimum Payments***

The payment under any payment option must be at least \$50. We may make payments less frequently so that each payment is at least \$50.

### ***10.4 Choice of Options***

You may choose an option by written notice during the Annuitant's lifetime. If an option for payment of proceeds is not in effect at the Annuitant's death, the beneficiary may make a choice.

### ***10.5 Availability of Options***

We have the right to restrict these options if you designate an executor, administrator, trustee, corporation, partnership or association as the payee.

### ***10.6 Operative Date***

The first payment will be payable on the payment mode following the date proceeds become payable.

### ***10.7 Death of Payee***

At the death of the payee, any payments remaining will be paid according to the terms of the option chosen for payment of proceeds, unless the contingent payee elects in writing to receive the present value of any remaining guaranteed payments in a single sum.

If a contingent payee has not been named or does not survive the payee, the following amounts will be paid in one sum to the estate of the payee:

- (1) any amount left on deposit under option 1;  
and
- (2) the present value of any remaining guaranteed payments under options 2 through 5.

If you have not named a contingent payee, or if every contingent payee named by you dies before the payee, you may, by written notice, name a new contingent payee. The new contingent payee will receive any amount that would otherwise have been payable to the payee's estate.

***10.8 Claims of Creditors***

To the extent permitted by law, proceeds will not be subject to any claims of a payee's creditors.

**TABLE A - INSTALLMENT OPTION\***

for each \$1,000 of Proceeds Applied

Term of Years	Annual	Monthly	Term of Years	Annual	Monthly	Term of Years	Annual	Monthly
1	\$1000.00	\$83.90	11	\$97.83	\$8.21	21	\$55.04	\$4.62
2	503.72	42.26	12	90.33	7.58	22	52.91	4.44
3	338.31	28.39	13	83.98	7.05	23	50.97	4.28
4	255.61	21.45	14	78.55	6.59	24	49.19	4.13
5	206.00	17.28	15	73.84	6.20	25	47.55	3.99
6	172.93	14.51	16	69.72	5.85	26	46.04	3.86
7	149.32	12.53	17	66.09	5.55	27	44.65	3.75
8	131.61	11.04	18	62.86	5.27	28	43.35	3.64
9	117.84	9.89	19	59.98	5.03	29	42.15	3.54
10	106.83	8.96	20	57.38	4.81	30	41.02	3.44

**TABLE B - LIFE INCOME OPTIONS\***

Monthly Income for each \$1,000 of Proceeds Applied

Age	MALE				FEMALE			
	Minimum Guaranteed Payment Period				Minimum Guaranteed Payment Period			
	None	120 Months	240 Months	Installment Refund	None	120 Months	240 Months	Installment Refund
50	\$3.01	\$2.99	\$2.92	\$2.75	\$2.77	\$2.76	\$2.73	\$2.62
51	3.07	3.05	2.97	2.80	2.83	2.82	2.78	2.66
52	3.14	3.12	3.03	2.85	2.89	2.87	2.83	2.70
53	3.21	3.19	3.08	2.90	2.95	2.93	2.88	2.75
54	3.29	3.26	3.14	2.95	3.01	3.00	2.94	2.80
55	3.37	3.34	3.20	3.00	3.08	3.06	3.00	2.85
56	3.45	3.42	3.27	3.06	3.15	3.13	3.05	2.90
57	3.54	3.50	3.33	3.11	3.23	3.21	3.12	2.95
58	3.64	3.59	3.39	3.17	3.31	3.28	3.18	3.01
59	3.74	3.68	3.46	3.23	3.39	3.36	3.24	3.06
60	3.85	3.78	3.52	3.30	3.48	3.45	3.31	3.12
61	3.96	3.88	3.59	3.36	3.58	3.54	3.38	3.19
62	4.08	3.99	3.65	3.43	3.68	3.63	3.45	3.25
63	4.21	4.11	3.72	3.51	3.79	3.73	3.52	3.32
64	4.35	4.23	3.79	3.58	3.90	3.84	3.59	3.39
65	4.50	4.35	3.85	3.66	4.02	3.95	3.66	3.47
66	4.66	4.48	3.91	3.74	4.15	4.07	3.74	3.54
67	4.83	4.62	3.97	3.83	4.29	4.19	3.81	3.63
68	5.01	4.76	4.03	3.91	4.44	4.33	3.88	3.71
69	5.20	4.91	4.08	4.00	4.60	4.46	3.94	3.80
70	5.41	5.06	4.13	4.10	4.78	4.61	4.01	3.89
71	5.62	5.22	4.18	4.20	4.96	4.76	4.07	3.99
72	5.85	5.38	4.23	4.30	5.17	4.93	4.13	4.09
73	6.10	5.54	4.26	4.41	5.39	5.09	4.18	4.19
74	6.36	5.71	4.30	4.52	5.62	5.27	4.23	4.30
75	6.65	5.88	4.33	4.63	5.88	5.45	4.27	4.42

**TABLE C - JOINT AND SURVIVOR OPTION\***

Monthly Income - Ten Year Guaranteed Payment Period

for each \$1,000 of Proceeds Applied

Male Age	Female Age					
	50	55	60	65	70	75
50	\$2.52	\$2.64	\$2.75	\$2.83	\$2.89	\$2.94
55		2.76	2.92	3.05	3.16	3.24
60			3.07	3.28	3.45	3.59
65				3.49	3.76	3.99
70					4.04	4.41
75						4.78

\*Amounts not shown for available options will be furnished on request.

***Flexible Premium Variable  
Annuity Contract  
Nonparticipating***

Annuity proceeds payable at maturity date. Death proceeds payable in event of death of Annuitant prior to maturity date. Flexible premiums payable until maturity date or prior death of Annuitant.

If you have any questions concerning this contract or if anyone suggests that you change or replace this contract, please contact your Kansas City Life agent or the Home Office of the Company.



**KANSAS CITY LIFE  
INSURANCE COMPANY**

***Flexible Premium Variable Annuity  
Contract - Nonparticipating***

***Insured***

John Doe

***Contract Number***

9999999

***Agency***

0123

Annuity proceeds payable at maturity date. Death proceeds payable in event of death of Annuitant prior to maturity date. Flexible premiums payable until maturity date or prior death of Annuitant.

**The contract value of this contract may increase or decrease daily depending on the investment experience of the subaccounts. There is no guaranteed minimum contract value.**

Kansas City Life Insurance Company will pay the proceeds of this contract according to the provisions on this and the following pages, all of which are part of this contract. This contract is a legal contract between you and Kansas City Life Insurance Company. **READ YOUR CONTRACT CAREFULLY.**

Signed for Kansas City Life Insurance Company, a stock company, at its Home Office, 3520 Broadway, PO Box 219139, Kansas City, MO 64121-9139.

Secretary

President

***10-Day Right To Examine Contract***

Please examine this contract carefully. If you are not satisfied, you may return the contract to us or to your agent within 10 days of its receipt. If returned, the contract will be void from the beginning and we will refund the contract value as of the earlier of the date the returned contract is received by us at our Home Office or the date the returned contract is received by the Kansas City Life representative who sold you the contract.

## *Guide to Contract Provisions*

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A copy of the original application and any additional benefits provided by rider or endorsement follow the last page of this contract.

**Section 1. Contract Data**

**CONTRACT NUMBER**

9999999

**BENEFICIARY**

As stated in the application or in any subsequent agreements, amendments, or endorsements.

**ANNUITANT**

John Doe

**OWNER**

The Annuitant

**CONTRACT DATE**

May 01, 2011

**ISSUE AGE**

[35]

**MATURITY DATE**

May 01, 2061

**SEX**

[Male]

**MONTHLY LIFE INCOME FACTOR**

[\$7.46 per \$1,000 of maturity proceeds]

**REDETERMINATION DATES**

[May 01, 2012] and subsequent Contract Anniversaries

**GUARANTEED PAYMENT PERIOD**

[120 Months]

**GUARANTEED INTEREST RATE FOR THE FIXED ACCOUNT**

[1%]

The guaranteed interest rate for the fixed account will be redetermined as described in Section 5.3, Guaranteed Interest Rate for the Fixed Account. The guaranteed interest rate for the fixed account will always be at least 1% and no more than 3%.

**Section 1. Contract Data (Continued)**

**DATE PREPARED:** 05/01/2011

**ANNUITANT**  
John Doe

**CONTRACT NUMBER**  
9999999

<b>FORM NO.</b>	<b>BENEFIT DESCRIPTION</b>	<b>ANNUAL AMOUNT</b>	<b>PREMIUMS PAYABLE</b>
J187	Flexible Premium Variable Annuity Contract Nonparticipating	\$25,000	To age [85]*
<b>TOTAL ANNUAL PREMIUM</b>		\$25,000	

\* Premiums are payable according to the flexible premium provision of this contract.

***Section 1. Contract Data (Continued)***

***DATE PREPARED: 05/01/2011***

***ANNUITANT***  
John Doe

***CONTRACT NUMBER***  
9999999

***EXPENSE CHARGES***

***MORTALITY AND EXPENSE RISK CHARGE***

1.40% (on an annual basis) of the average daily net assets of the variable account.

***ASSET-BASED ADMINISTRATION CHARGE***

0.25% (on an annual basis) of the average daily net assets of the variable account.

**Section 1. Contract Data (Continued)**

**DATE PREPARED: 05/01/2011**

**ANNUITANT**  
John Doe

**CONTRACT NUMBER**  
9999999

Investment Options

[KCL Fixed Account

Subaccounts that invest in the Kansas City Life Variable Annuity Separate Account:

Invesco V.I. Capital Appreciation Fund – Series I Shares  
Invesco V.I. Core Equity Fund – Series I Shares  
Invesco V.I. Technology Fund – Series I Shares  
American Century VP Capital Appreciation Fund – Class I  
American Century VP Income & Growth Fund – Class I  
American Century VP International Fund – Class I  
American Century VP Mid Cap Value Fund – Class I  
American Century VP Ultra<sup>®</sup> Fund – Class I  
American Century VP Value Fund – Class I  
American Century VP Inflation Protection Fund – Class II  
Calamos Growth and Income Portfolio  
Dreyfus Appreciation Portfolio – Initial Shares  
Dreyfus Opportunistic Small Cap Portfolio – Initial Shares  
Dreyfus Stock Index Fund, Inc. – Initial Shares  
The Dreyfus Socially Responsible Growth Fund, Inc. – Initial Shares  
Federated Capital Appreciation Fund II  
Federated High Income Bond Fund II  
\*Federated Prime Money Fund II  
Fidelity VIP Contrafund<sup>®</sup> Portfolio – Service Class 2  
Fidelity VIP Freedom Income Portfolio – Service Class 2  
Fidelity VIP Freedom 2010 Portfolio – Service Class 2  
Fidelity VIP Freedom 2015 Portfolio – Service Class 2  
Fidelity VIP Freedom 2020 Portfolio – Service Class 2  
Fidelity VIP Freedom 2025 Portfolio – Service Class 2  
Fidelity VIP Freedom 2030 Portfolio – Service Class 2  
Fidelity VIP Freedom 2035 Portfolio – Service Class 2  
Fidelity VIP Freedom 2040 Portfolio – Service Class 2  
Fidelity VIP Freedom 2045 Portfolio – Service Class 2  
Fidelity VIP Freedom 2050 Portfolio – Service Class 2  
Franklin Global Real Estate Securities Fund – Class 2  
Franklin Small-Mid Cap Growth Securities Fund – Class 2  
Templeton Developing Markets Securities Fund – Class 2  
Templeton Foreign Securities Fund – Class 2  
JPMorgan Insurance Trust Mid Cap Value Portfolio – Class 1 Shares  
JPMorgan Insurance Trust Small Cap Core Portfolio – Class 1 Shares  
JPMorgan Insurance Trust U.S. Equity Portfolio – Class 1 Shares  
MFS Growth Series – Initial Class Shares  
MFS Research Series – Initial Class Shares  
MFS Research Bond Series – Initial Class Shares  
MFS Strategic Income Series – Initial Class Shares  
MFS Total Return Series – Initial Class Shares  
MFS Utilities Series – Initial Class Shares  
Seligman Capital Portfolio – Class 2  
Seligman Communications and Information Portfolio – Class 2  
Seligman Smaller-Cap Value Portfolio – Class 2

\* The Federated Prime Money Fund II subaccount is referred to in this contract as the money market subaccount.]

## ***Section 2: Definitions***

The following key words are used in this contract and are important in describing it. Please refer back to these definitions as you read this contract.

### ***2.1 Accumulation Unit***

An accounting unit used to calculate the variable account value. It is a measure of the net investment results of each of the subaccounts.

### ***2.2 Age***

The age on the Annuitant's last birthday as of each contract anniversary. This contract is issued at the age last birthday shown in Section 1, Contract Data. If the contract date falls on the birthday of the Annuitant, the age will be the age the Annuitant reaches on the contract date.

### ***2.3 Allocation Date***

The date on which the initial net premium is allocated to the money market subaccount(s). This date is the later of the date when all requirements are met and your application is approved, or the date we receive the initial premium at the Home Office.

### ***2.4 Annuitant***

The person on whose life the annuity benefit for this contract is based.

### ***2.5 Asset-Based Administration Charge***

A percentage charge we deduct on a daily basis from the assets of the subaccounts to compensate us for the costs associated with administration of the contract.

### ***2.6 Beneficiary***

The person you have designated in the application (or in the last beneficiary designation filed with us) to receive any proceeds payable under this contract at the death of the Annuitant or owner.

### ***2.7 Cash Surrender Value***

Equals the contract value at the time of surrender less any loan balance and any premium taxes payable.

### ***2.8 Contract Anniversary***

The same day and month as the contract date each year that the contract remains in force.

### ***2.9 Contract Date***

The date from which we compute contract months, years and anniversaries.

### ***2.10 Contract Value***

The sum of the variable account value and the fixed account value. These values are described in more detail in Section 5, Contract Values.

### ***2.11 Contract Year***

Any period of twelve months starting with the contract date and each contract anniversary thereafter.

### ***2.12 Fixed Account***

An account that is part of our general account. The investment performance of the variable account has no impact on the fixed account.

### ***2.13 Fixed Account Value***

The contract value in the fixed account.

### ***2.14 Maturity Date***

The date shown in Section 1, Contract Data, when we will apply the contract value under a life payment option (unless you have elected to receive the cash surrender value as a lump sum payment or under a non-life payment option). For qualified and non-qualified contracts, the latest maturity date is the later of the contract anniversary following the Annuitant's 85th birthday or the tenth anniversary of the contract. However, qualified contracts may be required to begin distributions at age 70 1/2.

### ***2.15 Mortality and Expense Risk Charge***

A charge we deduct from the assets of the subaccounts to compensate us for the mortality and expense risks for the contract. We show this charge in Section 1, Contract Data.

### ***2.16 Net Investment Factor***

The ratio of the subaccount performance of the current valuation day to the immediately prior valuation day. The subaccount performance includes gains or losses in the subaccounts, dividends paid, any capital gains or losses, any taxes attributable to gains or losses in funds underlying the subaccount, mortality and expense risk charges, and asset-based administration charges.

### ***2.17 Owner***

The person entitled to exercise all rights and privileges provided in the contract.

### ***2.18 Premium Year***

The 12 month period following the date we credit a particular premium to your contract.

### ***2.19 Proceeds***

The total amount we are obligated to pay under the terms of this contract.

### ***2.20 Redetermination Dates***

The dates, shown in Section 1, Contract Data, upon which the guaranteed interest rate for the fixed account will be redetermined.

### ***2.21 Subaccounts***

The division of accounts making up the variable account. The assets of each subaccount are invested in a corresponding portfolio of a designated mutual fund. The subaccounts are shown in Section 1, Contract Data.

### ***2.22 Valuation Day***

Each day on which the New York Stock Exchange is open for business.

### **2.23 Valuation Period**

The interval of time commencing at the close of business on one valuation day and ending at the close of business on the next valuation day.

### **2.24 Variable Account**

The Kansas City Life Variable Annuity Separate Account. This is not part of our general account. The variable account has subaccounts each of which is invested in a corresponding portfolio of a designated mutual fund.

### **2.25 Variable Account Value**

The total value of a contract allocated to subaccounts of the variable account.

### **2.26 We, Our, Us**

Kansas City Life Insurance Company.

### **2.27 Written Notice**

A written notice or written request in a form satisfactory to us, which is signed by the owner and received at the Home Office.

### **2.28 You, Your**

The owner of this contract. The owner may be someone other than the Annuitant.

## **Section 3: Proceeds**

### **3.1 Types of Proceeds and Method of Payment**

There are various types of proceeds available under this contract. These include:

- (1) Maturity proceeds
- (2) Death proceeds
- (3) Surrender proceeds
- (4) Partial surrender proceeds

We will pay maturity, death or surrender proceeds either under a payment option (as described in Section 10, Payment of Proceeds) or in a lump sum. The amount of proceeds payable will vary by the type of proceeds and the form of payment selected. We will only pay partial surrender proceeds as a lump sum or under the Systematic Partial Surrender Plan described in Section 5.7.

We have the right to require that this contract be returned to us when maturity, surrender or death proceeds are paid.

To the extent permitted by law, proceeds will not be subject to any claims of your creditors or the beneficiary's creditors.

### **3.2 Maturity Proceeds**

On the maturity date we will pay the maturity proceeds to the Annuitant, if living.

The maturity proceeds will be equal to the cash surrender value as described in Section 5.5.

If you fail to make another selection of a payment option or lump sum payment, we will apply the

contract value under payment option 4 with an installment refund option of 120 months. This means that the monthly payments will continue for a minimum of 120 months and as long thereafter as the Annuitant lives. If the Annuitant dies before receiving a total of 120 monthly payments, we will continue to make monthly payments to the beneficiary until a total of 120 payments have been made. The beneficiary may elect in writing to receive the present value of any remaining guaranteed payments in a single sum.

### **3.3 Death Proceeds**

If the Annuitant dies before the maturity date, the beneficiary will receive a death benefit. The proceeds payable will be the guaranteed minimum death benefit. The guaranteed minimum death benefit will be the greater of:

- (1) the premiums paid less a proportional adjustment of partial surrenders and less any loan balance; or
- (2) contract value at the time of death less any loan balance; or
- (3) the highest contract value as of each fifth year contract anniversary during any point the contract has been effect on or before the Annuitant's death. Any loan balance will be deducted from such contract value and the contract value will also be proportionately adjusted for partial surrenders plus any additional premiums paid.

The guaranteed minimum death benefit at ages above 80 will equal the greater of the contract value at the time of death or the guaranteed minimum death benefit as of the contract anniversary on which the Annuitant attains age 80 proportionately adjusted for partial surrenders less any loan balance plus any additional premiums paid.

We will pay interest on single sum death proceeds from the date of the Annuitant's death until the date of payment. Interest will be at an annual rate determined by us, but never less than the rate required by the state in which this contract is delivered.

### **3.4 Surrender Proceeds**

We will pay proceeds of a full surrender as either a lump sum or under a payment option as described in Section 10, Payment of Proceeds. Unless you specify otherwise, we will pay full surrender proceeds as a lump sum. Surrender proceeds will be equal to the cash surrender value as described in Section 5.5.

The amount of proceeds payable under the Partial Surrender Provision is defined in Section 5.6. We will only pay out partial surrender proceeds as a lump sum or under the Systematic Partial Surrender Plan described in Section 5.7.

### **3.5 Proceeds Applied under Payment Options**

If you elect to receive proceeds under a payment option as described in Section 10, we may require proof that the Annuitant is living.

If you choose to receive a life income (payment options 4 or 5), this life income will be purchased using the applicable monthly life income factor shown in Section 10. If the pay out rates in use by us at the time proceeds become payable are more favorable than those shown in Section 10, we will provide a life income using the more favorable rates.

Once a monthly life income (payment options 4 or 5 as described in Section 10) becomes payable, you may not make any election regarding payment of the proceeds other than the right to change the beneficiary or contingent payee.

## **Section 4: Premiums**

### **4.1 Flexible Premium Provision**

You must pay your first premium when the contract is delivered. Subsequent premiums may be paid at any time while the contract is in force prior to the maturity date. These premiums may vary in amount at your option except that we have the right to require that the premium payment be at least \$50.

All premiums after the first are payable at the Home Office or to a representative authorized to receive premiums. We will furnish a receipt upon request.

We require that the initial premium under this contract be at least \$25,000. Additional premiums may be paid. We have the right to limit the number and amount of additional premium payments.

### **4.2 Nonpayment of Premiums**

If premiums for this contract cease, we will continue the contract subject to Section 6.7, Contract Termination. The monthly income payable on the maturity date will be as described in Section 3.2, Maturity Proceeds.

## **Section 5: Contract Values**

### **5.1 Contract Value**

On the contract date the contract value equals the initial premium paid.

On any day after the contract date the contract value is equal to the fixed account value plus the variable account value.

### **5.2 Fixed Account Value**

On the contract date the fixed account value is equal to the portion of the premium allocated to the fixed account.

On each valuation day the fixed account value will be equal to:

$$A + B + C - D - E$$

"A" is the fixed account value on the preceding valuation date plus interest from the preceding valuation day to the date of calculation.

"B" is the portion of the premiums allocated to the fixed account and received since the preceding valuation day, plus interest from the date we receive such premiums to the date of calculation.

"C" is the amount of any transfers from the subaccounts to the fixed account, plus interest on such transferred amounts from the effective dates of such transfers to the date of calculation.

"D" is the amount of any transfers from the fixed account to the subaccounts since the preceding valuation day, plus interest on such transferred amount from the effective dates of such transfers to the date of calculation.

"E" is the amount of any partial surrenders from the fixed account since the preceding valuation period, plus interest on these surrendered amounts from the effective date of the partial surrenders to the date of calculation.

### **5.3 Guaranteed Interest Rate for the Fixed Account**

The guaranteed interest rate for the fixed account, shown in Section 1, Contract Data, is in effect from the contract date to the first redetermination date, shown in Section 1, Contract Data. On each redetermination date, a redetermined guaranteed interest rate for the fixed account will take effect. The redetermined guaranteed interest rate for the fixed account is based on the 5-year Constant Treasury Maturity monthly average rate for November of the previous calendar year published by the Federal Reserve, known hereafter in this provision as the Treasury Rate. The redetermined guaranteed interest rate for the fixed account will be calculated as the Treasury Rate rounded to the nearest five-hundredths of one percent (0.05%) reduced by 1.25%, and will be at least 1% and not more than 3%.

We will notify you when your guaranteed interest rate for the fixed account is redetermined.

### **5.4 Interest Rate for Fixed Account Value**

The value in the fixed account is guaranteed to accumulate at a minimum effective annual interest rate no less than the guaranteed interest rate for the fixed account. We may credit a rate in excess of the guaranteed interest rate for the fixed account while the contract is in force and before the maturity proceeds have been paid.

We may change the interest rate credited to new deposits at any time. We will not change the interest rate credited to funds in the fixed account more often than once each year.

### **5.5 Variable Account Value**

The variable account value is the sum of the values of the subaccounts under this contract.

On the contract date the value of each subaccount equals:

- (1) the portion of the initial premium allocated to the subaccount; less
- (2) the portion of the mortality and expense risk charges and asset-based administration charge allocated to the subaccounts.

#### **5.6 Cash Surrender**

You may surrender this contract for its cash surrender value at any time before the earlier of:

- (1) your death;
- (2) the Annuitant's death; or
- (3) the maturity date.

The cash surrender value of this contract is:

- (1) the contract value of this contract at the time of surrender; less
- (2) any loan balance; less
- (3) any premium taxes payable.

To surrender the contract you must submit a written request to us. We have the right to require that the contract be returned to us as well. We will determine the cash surrender value on the date we receive these requirements.

We will pay the cash surrender value in a lump sum unless you request payment under a payment option.

Certain federal income tax consequences may apply to a cash surrender of the contract. You should consult your tax advisor before requesting a surrender.

#### **5.7 Partial Surrender**

You may make a partial surrender at any time before the earlier of:

- (1) the death of the Annuitant;
- (2) the death of the Owner; or
- (3) the maturity date.

We will surrender the amount requested from the contract value on the day we receive written notice for the surrender. You may specify the specific amount to be surrendered from certain subaccounts or the fixed account.

The minimum distribution requested must be for at least \$100. We will pay partial surrender proceeds in a lump sum.

We will pay you the amount requested and cancel units equal to the amount surrendered from the subaccounts and/or the fixed account according to your instructions. In the event that the amount to be surrendered exceeds the subaccount(s) value and/or the fixed account value, we will process the

surrender for the amount available and contact you for further instructions.

We may also permit partial surrenders by telephonic or other forms of request, subject to the administrative procedures, limitations, and conditions applicable at the time of the request.

Certain federal income tax consequences may apply to partial surrenders from the contract. You should consult your tax advisor before requesting any partial surrenders.

#### **5.8 Systematic Partial Surrender**

The systematic partial surrender plan enables you to pre-authorize a periodic exercise of the partial surrender right. If you enter into this plan, you may instruct us to surrender a requested dollar amount from the contract on a monthly, quarterly, semi-annual or annual basis.

The minimum distribution requested must be at least \$100.

We will pay you the amount requested and cancel units equal to the amount surrendered from the subaccounts and/or the fixed account according to your instructions. In the event that the amount to be surrendered exceeds the subaccount(s) value and/or the fixed account value, we will process the surrender for the amount available and contact you for further instructions.

Systematic partial surrenders may be discontinued by you at any time upon written request to us at our Home Office.

Certain federal income tax consequences may apply to systematic partial surrenders from the contract. Therefore, you should consult with your tax advisor before requesting any systematic partial surrenders.

#### **5.9 Time Period for Payment**

We will normally pay out any partial surrender, cash surrender value or death benefit within seven days of receiving your written request or receipt and filing of due proof of death (including any documents we require to process and make the payment). However, we have the right to suspend or delay the date of any surrender, partial surrender or death benefit payment from the subaccounts for any period during which:

- (1) the New York Stock Exchange is closed, other than customary weekend and holiday closings, or trading on the New York Stock Exchange is restricted as determined by the Securities and Exchange Commission; or
- (2) the Securities and Exchange Commission permits by an order the postponement for the protection of contract owners; or
- (3) The Securities and Exchange Commission determines that an emergency exists that would make the disposal of securities held in the

variable account or the determination of the value of the variable account's net assets not reasonably practicable.

For any surrender, partial surrender or transfer from the fixed account, we have the right to postpone making a payment to you up to six months from the date of written notice. If payment is not made within 30 days after receipt of documentation necessary to complete the transaction (or such shorter period required by a particular jurisdiction), we will add interest to the amount paid from the date we receive documentation at 3% (or such higher rate required for a particular state).

## ***Section 6: Other Contract Provisions***

### ***6.1 Contract***

This contract and application are the entire contract. This contract is issued in consideration of the application and payment of the premiums. We will attach a copy of the application when we issue the contract. In the absence of fraud, all statements made in the application either by you or by the Annuitant will be considered representations and not warranties. We may use statements to contest a claim or the validity of this contract only if they are contained in the application.

### ***6.2 Authority to Change Contract***

No change or waiver of any provisions of this contract will be valid unless made in writing by us and signed by our President, Vice President, Secretary or Assistant Secretary. No agent or other person has authority to change or waive any provision of your contract.

### ***6.3 Modifications***

Upon notice to you, we may modify the contract, but only if such modification is necessary to:

- (1) make the contract or the variable account comply with any law or regulation issued by a governmental agency to which we are subject; or
- (2) assure continued qualification of the contract under the Internal Revenue Code or other federal or state laws relating to retirement annuities or variable annuity contracts; or
- (3) reflect a change in the operation of the variable account; or
- (4) provide additional variable account and/or fixed accumulation options.

We have the right to modify the contract as necessary to attempt to prevent the contract owner from being considered the owner of the assets of the variable account.

In the event of any such modification, we will issue an appropriate endorsement to the contract, if required.

### ***6.4 Incontestability***

After this contract has been in force during the Annuitant's lifetime for two years from the contract date, we cannot contest this contract except for the nonpayment of premiums.

### ***6.5 Age and Sex***

This contract is issued at the Annuitant's age shown in Section 1, Contract Data. If the contract date falls on the birthday of the Annuitant, the age will be the age the Annuitant reaches on the contract date.

If the Annuitant's age or sex has been incorrectly stated, the benefits under this contract will be those the proceeds applied would have purchased for the correct age and sex.

If the incorrect statement is not discovered until after payments have begun:

- (1) any overpayment by us will be deducted from the next succeeding payment or payments as they fall due; or
- (2) any underpayment by us will be paid in one sum to the Annuitant.

In either case, interest will be payable at the rate of 3% per year compounded annually.

### ***6.6 Option to Change Maturity Date***

You may elect a new maturity date at any time by making a written notice to us subject to the following limitations:

- (1) we must receive your written notice at least 30 days before the current maturity date;
- (2) the requested maturity date must be a date that is at least 30 days after we receive your written notice;
- (3) the requested maturity date cannot exceed the later of the contract anniversary following the Annuitant's 85th birthday, or the tenth anniversary of the contract; and
- (4) the requested maturity date must be no later than any earlier maturity date required by law.

We may require that the contract be submitted for endorsement to show the change.

If you elect a new maturity date, the monthly life income factor will be as shown in Table B of Section 10, Payment of Proceeds.

### ***6.7 Contract Termination***

We have the right to terminate this contract and pay the cash surrender value if all of the following occur simultaneously:

- (1) no premiums have been paid for at least two years;
- (2) the contract value is less than \$2,000; and
- (3) the total premiums paid, less any partial surrenders, is less than \$2,000.

We will mail notice to you of our intention to terminate the contract at least six months in advance. We have the right to terminate on the date specified in the notice, unless:

- (1) we receive an additional premium payment before the termination date specified in the notice; or
- (2) the contract value has increased to the amount specified above.

This additional premium payment must be for at least the minimum premium amount we will accept.

#### **6.8 Contract Loans**

If your contract has been purchased as a tax sheltered annuity as described in Section 403(b) of the Internal Revenue Code, as amended, that is not part of a plan that is subject to the Employee Retirement Income Security Act of 1974, you will have the option of taking a contract loan at any time after the first contract year. If your contract has been purchased in this tax sheltered market, an endorsement attached to this contract will detail the loan requirements.

#### **6.9 Nonparticipating**

This contract will not participate in any of our profits, losses or surplus earnings.

#### **6.10 Annual Report**

At least annually we will send you a report showing the following:

- (1) the contract value;
- (2) the cash surrender value; and
- (3) any other information required by law or regulation.

Upon receiving your written notice, we will send you a report at any other time during the year for a reasonable charge as determined by us.

#### **6.11 Basis of Computation**

Our calculation of guaranteed fixed account values is based on the guaranteed interest rate for the fixed account described in Section 5.3, Guaranteed Interest Rate for the Fixed Account. The reserves and guaranteed fixed account values will never be less than the minimum required by law of the state in which this contract is delivered.

## **Section 7: Control of Contract**

### **7.1 Ownership**

The Annuitant is the owner unless otherwise provided in the application. As owner, you may exercise every right provided by your contract. These rights and privileges end at the Annuitant's death.

The consent of the beneficiary is required to exercise these rights if you have not reserved the right to change the beneficiary.

### **7.2 Change of Ownership**

You may change the ownership of this contract by giving written notice to us. The change will be effective on the date your written notice was signed but will have no effect on any payment made or other action taken by us before we receive it. We may require that the contract be submitted for endorsement to show the change.

Certain federal income tax consequences may apply to a change of ownership on non-qualified contracts. You should consult with your tax advisor before requesting any change of ownership on a non-qualified contract.

### **7.3 Assignment**

An assignment is a transfer of some or all of your rights under this contract. No assignment will be binding on us unless made in writing and filed at our Home Office. We assume no responsibility for the validity or effect of any assignment.

Certain federal income tax consequences may apply to an assignment. You should consult with your tax advisor before requesting any assignment.

### **7.4 Beneficiary**

The beneficiary is shown on the application or in the last beneficiary designation filed with us. Death proceeds will be paid to the beneficiary except as provided in this Section.

If any beneficiary dies before the Annuitant, that beneficiary's interest will pass to any other beneficiaries according to their respective interest.

If all beneficiaries die before the Annuitant, we will pay the death proceeds to you, if living, otherwise to your estate or legal successors.

Unless you have waived the right to do so, you may change the beneficiary by filing a written notice in a form satisfactory to us. In order to be effective, the written notice for change of beneficiary must be signed while your contract is in force and the Annuitant is living. The change will be effective on the date your written notice was signed but will have no effect on any payment made or other action taken by us before we receive it.

The interest of any beneficiary will be subject to:

- (1) any assignment of this contract which is binding on us; and
- (2) any optional settlement agreement in effect at the Annuitant's death.

### **7.5 Simultaneous Death of Beneficiary and Annuitant**

We will pay death proceeds as though the beneficiary died before the Annuitant if:

- (1) the beneficiary dies at the same time as or within 15 days of the Annuitant's death; and
- (2) we have not paid the proceeds to the beneficiary within this 15-day period.

## **Section 8: Variable Account**

### **8.1 General Description**

The name of the variable account is the Kansas City Life Variable Annuity Separate Account. The income, gains and losses, (whether or not realized), from assets allocated to the variable account are credited or charged against the variable account without regard to our other income, gains or losses. The portion of the assets of the variable account equal to the reserves and other contract liabilities with respect to the variable account will not be chargeable with liabilities arising out of any other business we may contract.

The assets of the variable account are segregated by investment options, thus establishing a series of subaccounts within the variable account.

When permitted by law, we have the right to:

- (1) create new variable accounts;
- (2) combine variable accounts;
- (3) remove, close, combine or add subaccounts and make the new subaccounts available to you at our discretion;
- (4) substitute shares of another portfolio of the funds or shares of another investment company for those of the funds;
- (5) add new portfolios to the funds;
- (6) de-register the variable account under the Investment Company Act of 1940 if registration is no longer required;
- (7) make any changes required by the Investment Company Act of 1940; and
- (8) operate the variable account as a managed investment company under the Investment Company Act of 1940 or any other form permitted by law.

If a change is made, we will send you a revised prospectus and any notice required by law. If required, we would first seek the approval of the Securities and Exchange Commission, and when required, the appropriate state regulatory authorities before making a change in the investment options.

### **8.2 Subaccounts**

The subaccounts are separate investment accounts. They are named in Section 1, Contract Data. The assets of each subaccount are invested in a corresponding portfolio of a designated mutual fund.

Subaccount values will fluctuate in accordance with the investment experience of the applicable portfolio of the fund held within the subaccount.

The subaccount value is equal to the number of accumulation units credited to the subaccount times the appropriate accumulation unit value.

The number of accumulation units to be purchased or redeemed in a transaction is found by dividing:

- (1) the dollar amount of the transaction; by
- (2) the subaccount's unit value for the valuation period for that transaction.

The number of units in any subaccount will be increased at the end of the valuation period by:

- (1) any premiums allocated to the subaccount during the current valuation period; and
- (2) any transfers to the subaccount from another subaccount or from the fixed account during the current valuation period.

The number of units in any subaccount will be decreased at the end of the valuation period by:

- (1) any amounts transferred from the subaccount to another subaccount or the fixed account; and
- (2) amounts surrendered during the current valuation period.

The value of an accumulation unit for each of the subaccounts was arbitrarily set at \$10 when the first investments were bought. The value for any later valuation period is equal to:

$$A \times B$$

"A" is equal to the subaccount's accumulation unit value for the end of the immediately preceding valuation day.

"B" is equal to the net investment factor for the most current valuation day.

The net investment factor equals:

$$\frac{X}{Y} - Z$$

"X" equals the sum of:

- (1) the net asset value per accumulation unit held in the subaccount at the end of the current valuation day; plus
- (2) the per accumulation unit amount of any dividend, or capital gain distribution on shares held in the subaccount during the current valuation day; less
- (3) the per accumulation unit amount of any capital loss distribution on shares held in the subaccount during the current valuation day; less

(4) the per accumulation unit amount of any taxes or any amount set aside during the valuation day as a reserve for taxes attributable to gains or losses in funds underlying the subaccount.

“Y” equals the net asset value per accumulation unit held in the subaccount as of the end of the immediately preceding valuation day.

“Z” equals the charges deducted from the subaccount on each valuation period for the asset-based administration charge and the mortality and expense risk charge.

The value of the subaccount may increase, decrease or remain the same.

### **8.3 Allocations**

This contract provides investment options for the amount in the contract value. We allocate amounts placed in the contract value to the subaccounts of the variable account and to the fixed account at your direction. The initial premium allocation percentages are indicated in the application for this contract.

These percentages will also apply to subsequent premium allocations until you change them. Such allocation percentages may be changed by written notice.

Allocation percentages must be zero or a whole number not greater than 100. The sum of the premium allocation percentages must equal 100.

We have the right to limit the number of subaccount allocations in effect at any one time.

### **8.4 Deductions made from Subaccounts**

We deduct the mortality and expense risk charge and the asset-based administration charge from each of the subaccounts on each valuation day. These charges are shown in Section 1, Contract Data.

## **Section 9: Transfers**

### **9.1 Transfer Fees**

You may make a total of six transfers per year from the subaccounts and the fixed account free of charge. Any unused free transfers do not carry over to the next contract year. We will charge a \$25 transfer fee on any additional transfers during a contract year. For the purpose of assessing a fee, we consider each written request or telephone request to be one transfer. We will deduct the processing fee from the amount being transferred, or from the remaining contract value, according to your instructions.

### **9.2 Transfers from Subaccounts**

After the 10-day right to examine period and prior to the maturity date, you may transfer all or a part of an amount from the value in any subaccount of the variable account to one or more of the subaccounts of the variable account or to the fixed account. The

minimum amount that you may transfer is the lesser of:

- (1) \$250; or
- (2) the total value in that subaccount on that date.

We will treat any transfer that would reduce the amount in a subaccount below \$250 as a transfer request for the entire amount in that subaccount.

A transfer fee may apply as described in Section 9.1, Transfer Fees.

An excessive number or amount of transfers, including short-term “market timing” transfers, may adversely affect the performance of the underlying fund in which a subaccount invests and/or may not be in the best interests of other contract owners. If, in our sole opinion, a pattern of excessive transfers develops or a transfer is not in the best interests of one or more other contract owners, we have the right not to process a transfer request or apply limitations or modifications to transfers to or from one or more of the subaccounts. These limitations or modifications may include (but are not limited to) any of the following:

- (1) the requirement of a minimum time period between each transfer;
- (2) not accepting a transfer request from a third party acting under authorization on behalf of more than one owner;
- (3) limiting the dollar amount that may be transferred between the subaccounts by an owner at any one time; and
- (4) requiring that a written transfer request be provided to us at our Home Office, signed by an owner.

We also have the right not to process a transfer request when the sale or purchase of shares of a fund is not reasonably practicable due to actions taken or limitations imposed by the fund.

We may suspend or modify this transfer privilege at any time.

### **9.3 Transfers from the Fixed Account**

At your request, you may transfer an amount from the unloaned value in the fixed account to one or more subaccounts of the variable account. We must receive the request in writing or other form acceptable to us. Currently we do not impose a limit on the number of transfers from the fixed account or the dollar amount that can be transferred from the fixed account (unless the balance after the transfer is less than \$250, in which case we will transfer the entire amount.)

A transfer fee may apply as described in Section 9.1, Transfer Fees.

We may suspend or modify this transfer privilege at any time.

## ***Section 10: Payment of Proceeds***

### ***10.1 Payment Options***

You may apply death benefit, maturity or full surrender proceeds of \$2,000 or more to any of the following options:

#### ***Option 1. Interest Payments***

We will make guaranteed interest payments to the payee annually or monthly as elected. We will pay interest on the proceeds at the guaranteed rate of 1.5% per year and this may be increased by additional interest paid annually. The proceeds and any unpaid interest may be withdrawn in full at any time.

#### ***Option 2. Installments of a Specified Amount***

We will make annual or monthly payments until the proceeds plus interest are fully paid. We will pay interest on the proceeds at the guaranteed rate of 1.5% per year and this may be increased by additional interest.

#### ***Option 3. Installments for a Specified Period***

Payment of the proceeds may be made in equal annual or monthly payments for a specified number of years. We will pay interest on the proceeds at the guaranteed rate of 1.5% per year and this may be increased by additional interest. The amount of each payment is shown in Table A.

#### ***Option 4. Life Income***

We will pay an income during the payee's lifetime. A minimum guaranteed payment period may be chosen. We will continue payments under the Installment Refund option until the total income payments paid equal the proceeds applied. The amount of each payment is shown in Table B.

#### ***Option 5. Joint and Survivor Income***

We will pay an income during the lifetime of two persons and will continue to pay the same income as long as either person is living. The minimum guaranteed payment period will be ten years. The amount of each payment is shown in Table C.

If the payout rates in use by us at the time proceeds become payable are more favorable than those shown in options 4 and 5, we will provide a life income using the more favorable rates.

These options are supported by our general account. The payments will not reflect the investment experience of the variable account.

### ***10.2 Payee***

The payee is the person receiving proceeds under a payment option. The payee can be you, the Annuitant or a beneficiary. We will require satisfactory proof of the payee's age under options 4 and 5.

The contingent payee is the person named to receive proceeds if the payee is not alive.

### ***10.3 Minimum Payments***

The payment under any payment option must be at least \$50. We may make payments less frequently so that each payment is at least \$50.

### ***10.4 Choice of Options***

You may choose an option by written notice during the Annuitant's lifetime. If an option for payment of proceeds is not in effect at the Annuitant's death, the beneficiary may make a choice.

### ***10.5 Availability of Options***

We have the right to restrict these options if you designate an executor, administrator, trustee, corporation, partnership or association as the payee.

### ***10.6 Operative Date***

The first payment will be payable on the payment mode following the date proceeds become payable.

### ***10.7 Death of Payee***

At the death of the payee, any payments remaining will be paid according to the terms of the option chosen for payment of proceeds, unless the contingent payee elects in writing to receive the present value of any remaining guaranteed payments in a single sum.

If a contingent payee has not been named or does not survive the payee, the following amounts will be paid in one sum to the estate of the payee:

- (1) any amount left on deposit under option 1; and
- (2) the present value of any remaining guaranteed payments under options 2 through 5.

If you have not named a contingent payee, or if every contingent payee named by you dies before the payee, you may, by written notice, name a new contingent payee. The new contingent payee will receive any amount that would otherwise have been payable to the payee's estate.

### ***10.8 Claims of Creditors***

To the extent permitted by law, proceeds will not be subject to any claims of a payee's creditors.

**TABLE A - INSTALLMENT OPTION\***

for each \$1,000 of Proceeds Applied

Term of Years	Annual	Monthly	Term of Years	Annual	Monthly	Term of Years	Annual	Monthly
1	\$1000.00	\$83.90	11	\$97.83	\$8.21	21	\$55.04	\$4.62
2	503.72	42.26	12	90.33	7.58	22	52.91	4.44
3	338.31	28.39	13	83.98	7.05	23	50.97	4.28
4	255.61	21.45	14	78.55	6.59	24	49.19	4.13
5	206.00	17.28	15	73.84	6.20	25	47.55	3.99
6	172.93	14.51	16	69.72	5.85	26	46.04	3.86
7	149.32	12.53	17	66.09	5.55	27	44.65	3.75
8	131.61	11.04	18	62.86	5.27	28	43.35	3.64
9	117.84	9.89	19	59.98	5.03	29	42.15	3.54
10	106.83	8.96	20	57.38	4.81	30	41.02	3.44

**TABLE B - LIFE INCOME OPTIONS\***

Monthly Income for each \$1,000 of Proceeds Applied

Age	MALE				FEMALE			
	Minimum Guaranteed Payment Period				Minimum Guaranteed Payment Period			
	None	120 Months	240 Months	Installment Refund	None	120 Months	240 Months	Installment Refund
50	\$3.01	\$2.99	\$2.92	\$2.75	\$2.77	\$2.76	\$2.73	\$2.62
51	3.07	3.05	2.97	2.80	2.83	2.82	2.78	2.66
52	3.14	3.12	3.03	2.85	2.89	2.87	2.83	2.70
53	3.21	3.19	3.08	2.90	2.95	2.93	2.88	2.75
54	3.29	3.26	3.14	2.95	3.01	3.00	2.94	2.80
55	3.37	3.34	3.20	3.00	3.08	3.06	3.00	2.85
56	3.45	3.42	3.27	3.06	3.15	3.13	3.05	2.90
57	3.54	3.50	3.33	3.11	3.23	3.21	3.12	2.95
58	3.64	3.59	3.39	3.17	3.31	3.28	3.18	3.01
59	3.74	3.68	3.46	3.23	3.39	3.36	3.24	3.06
60	3.85	3.78	3.52	3.30	3.48	3.45	3.31	3.12
61	3.96	3.88	3.59	3.36	3.58	3.54	3.38	3.19
62	4.08	3.99	3.65	3.43	3.68	3.63	3.45	3.25
63	4.21	4.11	3.72	3.51	3.79	3.73	3.52	3.32
64	4.35	4.23	3.79	3.58	3.90	3.84	3.59	3.39
65	4.50	4.35	3.85	3.66	4.02	3.95	3.66	3.47
66	4.66	4.48	3.91	3.74	4.15	4.07	3.74	3.54
67	4.83	4.62	3.97	3.83	4.29	4.19	3.81	3.63
68	5.01	4.76	4.03	3.91	4.44	4.33	3.88	3.71
69	5.20	4.91	4.08	4.00	4.60	4.46	3.94	3.80
70	5.41	5.06	4.13	4.10	4.78	4.61	4.01	3.89
71	5.62	5.22	4.18	4.20	4.96	4.76	4.07	3.99
72	5.85	5.38	4.23	4.30	5.17	4.93	4.13	4.09
73	6.10	5.54	4.26	4.41	5.39	5.09	4.18	4.19
74	6.36	5.71	4.30	4.52	5.62	5.27	4.23	4.30
75	6.65	5.88	4.33	4.63	5.88	5.45	4.27	4.42

**TABLE C - JOINT AND SURVIVOR OPTION\***

Monthly Income - Ten Year Guaranteed Payment Period

for each \$1,000 of Proceeds Applied

Male Age	Female Age					
	50	55	60	65	70	75
50	\$2.52	\$2.64	\$2.75	\$2.83	\$2.89	\$2.94
55		2.76	2.92	3.05	3.16	3.24
60			3.07	3.28	3.45	3.59
65				3.49	3.76	3.99
70					4.04	4.41
75						4.78

\*Amounts not shown for available options will be furnished on request..



***Flexible Premium Variable  
Annuity Contract - Nonparticipating***

Annuity proceeds payable at maturity date. Death proceeds payable in event of death of Annuitant prior to maturity date. Flexible premiums payable until maturity date or prior death of Annuitant.

If you have any questions concerning this contract or if anyone suggests that you change or replace this contract please contact your Kansas City Life agent or the Home Office of the Company

SERFF Tracking Number: KCLF-126937096 State: Arkansas  
Filing Company: Kansas City Life Insurance Company State Tracking Number: 47475  
Company Tracking Number: J185  
TOI: A031 Individual Annuities - Deferred Variable Sub-TOI: A031.002 Flexible Premium  
Product Name: J185  
Project Name/Number: J185/J185

## Supporting Document Schedules

**Item Status:** **Status**  
**Date:**

**Satisfied - Item:** Application

**Comments:**

The application, A157, was approved on 5/15/2007

**Item Status:** **Status**  
**Date:**

**Satisfied - Item:** Actuarial Memorandum - J185

**Comments:**

**Attachments:**

J185 Century II Actuarial Memo.pdf

J185 Century II Attachment A.pdf

J185 Century II Attachment B.pdf

**Item Status:** **Status**  
**Date:**

**Satisfied - Item:** Statement of Variability

**Comments:**

**Attachment:**

Statement of Variability (J185, J186, J187).pdf

**Item Status:** **Status**  
**Date:**

**Satisfied - Item:** Certification of Compliance -  
Variable Annuity filing

**Comments:**

**Attachment:**

AR\_CertofCompliance(VA).pdf

# ACTUARIAL MEMORANDUM

## Flexible Premium Deferred Annuity Contract

### Form J185

#### I. DESCRIPTION OF CONTRACT CHARACTERISTICS

##### A. Premiums

This is a flexible premium deferred variable annuity contract. The contract can be used to fund both qualified and non-qualified plans. The minimum initial premium payment is either a single premium of \$5,000 or flexible premium of \$600 per year. Subsequent premium payments of at least \$50 may be made at any time.

##### B. The Base Death Benefit is the greater of:

1. the contract value of the contract; or
2. the guaranteed death benefit less any indebtedness.

On the contract date, the guaranteed death benefit is equal to the initial premium. Any subsequent premium will immediately increase the guaranteed death benefit by the amount of the premium payment. Any partial surrender will immediately decrease the guaranteed death benefit by the same percentage of the contract value.

##### C. Contract Value

The contract value equals the sum of the value of the fixed account plus the value in the variable sub-accounts.

A guaranteed value only applies to the fixed account of this annuity contract. The guaranteed fixed account value is determined as the greater of:

1. the fixed account value, calculated using the interest rate guaranteed in the contract; or
2. the minimum value calculated according to the Standard Nonforfeiture Law.

Variable account values are not guaranteed.

## DESCRIPTION OF POLICY CHARACTERISTICS (Continued)

### D. Cash Surrender Value

The cash surrender value equals the contract value less the surrender charge, less any indebtedness, less any premium taxes payable. The surrender charge is based upon a percentage of the contract value. There is a seven-year surrender charge period that starts at 7% and grades to 0%.

### E. Partial Surrenders

This contract provides for partial surrenders. Each policy year, partial surrenders of up to 10% of the contract value may be made without a surrender charge.

## II. BASIS OF VALUES

### A. Interest

Interest will be credited to the Fixed Account value at an annual effective rate not less than the interest rate guaranteed in the contract. The guaranteed interest rate will be greater than or equal to the minimum amount required by the state in which the policy is sold.

The guaranteed minimum rate will initially be set for the seven year duration of the surrender charge period. After the surrender charge period has elapsed, the minimum guaranteed rate will be determined each calendar year.

The minimum guaranteed rate will be greater than or equal to 1% and less than or equal to 3%. The rate will be determined as a function of the five-year Constant Maturity Treasury Rate, rounded to the nearest five-hundredths of one percent (.05%), reduced by 125 basis points.

For new contracts issued, the minimum interest rate will be determined on a monthly basis, using the prior month's 5-year Constant Maturity Treasury monthly average rate found on the Federal Reserve's website. For example, the minimum guaranteed rate used for policies issued in the month of April will be determined during the month of March using the average 5-year Constant Maturity Rate from February. This rate will be will not change during the surrender charge period.

## II. BASIS OF VALUES (Continued)

After the surrender charge period has elapsed, the guaranteed rate will be determined each calendar year. For each calendar year, the guaranteed rate for policies without a surrender charge will be based on the 5-year Constant Maturity Rate from November of the preceding calendar year. For example, for policies where the surrender charge expires in March of 2019, the guaranteed minimum rate for 2019 will be initial guarantee rate determined at issue through the policy anniversary when the surrender charge expires. For the remainder of 2019, the guaranteed minimum rate will be the 5-year Constant Maturity Rate for November 2018 less 1.25% rounded to the nearest .05%, subject to the 1% lower bound and 3% upper bound. In 2020 and each subsequent calendar year, a new minimum guaranteed rate would be calculated for policies outside the surrender charge period using the same method.

### B. Expense Load or Charge

1. Annual Administration Fee: This fee of \$30 is charged at the beginning of each contract year. This fee will be waived in years where the contract value exceeds \$50,000.
2. Asset-Based Administration Charge: This is a daily percentage assessed against the fund value of each Variable Sub-account. The Administrative Charge is equivalent to an annual charge of 0.15%.
3. Mortality and Expense Risk Charge: This is a daily percentage assessed against the fund value of each variable sub-account. This charge is equivalent to an annual charge of 1.25%.
4. Fund Advisory Fees: These fees are charged daily on the average net assets in each variable sub-account. The amount of the fee will vary depending on the variable sub-account selected.

### C. Surrender Charge

Surrender charges apply for full surrenders or partial surrenders. The surrender charge is a percentage of the contract value. Subject to certain restrictions, up to 10% of the contract value can be surrendered each year without a surrender charge.

Policy Year		Policy Year	
1	7.0%	5	5.0%
2	7.0	6	4.0
3	7.0	7	2.0
4	6.0	8+	0.0

### III. CALCULATION OF VALUES

#### A. General

The guaranteed cash surrender value is determined as the greater of:

1. the cash surrender value, calculated using the interest rate guaranteed in the contract; or
2. the minimum surrender value calculated according to the Standard Nonforfeiture Law.

There are no guaranteed values associated with premiums deposited into the variable sub-accounts.

#### B. Contract Value

The contract value is calculated by adding interest and any premium paid during the current contract year with interest to the contract value at the end of the preceding contract year. The contract value at issue is equal to the initial premium paid.

The formula to calculate the contract value (CV) is as follows:

End of contract year t:

$${}_t CV = ({}_{t-1} CV - {}_t PF) * (1 + i) + {}_t P * (1 + i)^{(365-k)/365}$$

j<sup>th</sup> day of contract year t:

$${}_{t-1+j/365} CV = ({}_{t-1} CV - {}_t PF) * (1 + i)^{j/365} + {}_t P * (1 + i)^{(j-k)/365}$$

Where:

i = Either the interest rate guaranteed in the contract for funds in the Fixed Account or the rate of return earned in the variable sub - accounts, net of the mortality and expense charge, the asset - based administration charge and any advisory fees.

o CV = initial premium paid

{}\_t P = the premium payment made on the k<sup>th</sup> of contract year t.

{}\_t PF = the \$30 policy fee, paid at the beginning of the contract year t.

### III. CALCULATION OF VALUES (Continued)

#### C. Cash Surrender Value

The formula to calculate the end of contract year  $t$  Cash Surrender Value ( $t$ CSV), is as follows:

$$tCSV = tCV - tSC$$

where,

$t$ CSV = the  $t$  year Cash Surrender Value

$t$ CV = the  $t$  year Contract Value

$t$ SC = the  $t$  year surrender charge, as defined in section II c.

#### D. Standard Nonforfeiture Law

Two tests are necessary to ensure compliance with the Standard Nonforfeiture Law (SNFL):

1. The cash surrender value of the contract at any duration must be at least equal to the accumulation of the premiums at certain factors prescribed by the law. Those factors are:
  - a. The percentage of the flexible consideration (premium) used should be 87 1/2% in year one and thereafter.
  - b. An annual contract charge of \$50 is allowed. This can be increased to reflect inflation, but was not for this calculation.
  - c. The minimum interest rate guaranteed in the contract, which will be greater than or equal to 1.0% and less than or equal to 3.0%.

D. Standard Nonforfeiture Value (continued)

The minimum guaranteed withdrawal value at duration  $t$  under this test is calculated as follows:

$${}_tGWV = \sum_{k=1}^t (((_k P^*_k PLP) * (1+i)^{t-k+1}) - CC)$$

where:

${}_tGWV$  = *The Guaranteed Withdrawal Value at duration  $t$*

${}_tP$  = *Premiums paid at the beginning of year  $t$*

${}_tPLP$  = *Premium load percentage, 87.5% in years one and thereafter*

$i$  = *the minimum interest rate*

$CC$  = *Annual contract charge, \$50*

2. The Cash Surrender Value method prescribes that the cash surrender value of the contract shall not be less than the present value of that portion of maturity value arising from premium considerations paid prior to the time the contract is surrendered. At any duration, the Cash Surrender Value must be at least equal to the present value of the cash surrender value at the maturity date using an interest rate not more than 1% higher than the interest rate paid under the contract.

The earliest maturity date for the policy will be 10 years after issue of the contract. The shortest period to maturity will produce the greatest nonforfeiture values. To produce the greatest nonforfeiture values, 10 years will be assumed as the period of time until maturity.

The interest rate used to calculate the present value may be up to 1% greater than the guaranteed interest rate under the contract.

The minimum guaranteed withdrawal value at duration  $t$  under this test is calculated as follows:

$${}_tCSV M = {}_tCV * \left( \frac{(1+i)}{(1+i+.01)} \right)^{(m-t)}$$

where:

${}_tCSV M$  = *The minimum nonforfeiture value at time  $t$  permitted by the cash surrender value method*

$m$  = *the duration reached at the maturity date, assumed to be 10 years*

$i$  = *the minimum interest rate*

## E. Sample Calculations

Sample calculations showing compliance are provided in Attachments A and B. Attachment A is based on a \$10,000 single deposit. Attachment B is based on \$1,000, payable annually.

There are two sets of calculations for each attachment.

1. Shows the guaranteed contract value if the entire premium is deposited into the Fixed Account.
2. Shows the contract value if the entire premium is deposited into the variable account. The investment return is assumed to be a gross rate of 7% and a net rate of 5%.

Other premium payment scenarios can be obtained upon request.

IV. RESERVES

The reserve at any duration is the greater of the cash surrender value or the sum of the Commissioner's Annuity Reserve Valuation Method (CARVM) reserve plus any additional reserve required by Actuarial Guideline XXXIV to reflect the Guaranteed Death Benefit.

The basis and formulas for the CARVM reserve are shown below.

Valuation Interest Basis: Maximum allowed, which is 4.75% currently.

Formulas:

$$\begin{aligned}
 {}_tCSV_n &= GCV_n * \left( \frac{1}{(1+i)} \right)^{n-t} && \text{for } t < n \\
 {}_tCSV_n &= 0 && \text{for } t > n \\
 {}_tTNP_n &= P * \frac{(1 - v^{n-t})}{(i * v)} && \text{for } t < n \\
 {}_tTNP_n &= 0 && \text{for } t > n \\
 {}_tE_n &= {}_tCV_n - {}_tTNP_n \\
 {}_tV &= \text{Maximum } [ {}_tE_i ] && \text{for } i = 1 \text{ to } n
 \end{aligned}$$

WHERE

- ${}_tCSV_n$  = The  $n^{\text{th}}$  contract year guaranteed cash surrender value discounted to the  $t^{\text{th}}$  year of valuation at the valuation interest rate.
- ${}_tTNP_n$  = The present value of future premiums at the  $t^{\text{th}}$  year of valuation, contract year  $n$ .
- $P$  = Expected level annual premium deposit.
- ${}_tE_n$  = The excess of the cash surrender value less the present value of total premium. Year of valuation  $t$ , contract year  $n$ .
- ${}_tV$  = The Commissioner's Annuity Reserve Valuation Method reserve at valuation year  $t$ .
- $i$  = Valuation interest rate
- $v$  =  $\frac{1}{(1+i)}$

The guaranteed sub-account bonuses are paid monthly, and the monthly bonus amount is added to the contract value with no additional charges or surrender restrictions added. The value of the bonuses is included in the values used to calculate the CARVM reserves. The bonus is fully recognized in the reserve calculation.

IV. RESERVES (continued)

This contract reserves for the risk of the Guaranteed Death Benefit by following Actuarial Guideline XXXIV. This guideline requires that Guaranteed Death Benefits be projected by assuming an immediate drop in the values of the assets supporting the variable annuity contract, followed by a subsequent recovery at a net assumed return until the maturity of the contract. The projection reflects the contractual definition of the Guaranteed Death Benefit, defined both in the policy contract and the prospectus. The assumed drop and subsequent recovery will be defined by Actuarial Guideline XXXIV and based upon the appropriate asset class of the specific contract.

The Nursing Home Rider Benefit is also included in the reserve calculation. The potential cost of this rider is included in the benefit streams as defined by Actuarial Guideline XXXIII. In the reserve calculation, Kansas City Life assumes that the entire fund value is paid as a lump sum benefit, instead as a payment over at least 36 months as defined in the contract. This assumption results in a conservative reserve calculation. The incidence assumption for this benefit follows the methodology prescribed by the American Academy of Actuaries in the December 1996 Report on Actuarial Guideline XXXIII.

This annuity contract provides options for the contract owner to annuitize the value of their contract from a deferred status to a payout status. The options in this contract provide for fixed payouts, determined at the time the contract is issued. This contract does not offer variable payouts. The reserves for contracts that are in the payout status use CARVM reserve calculations. The mortality table used for life contingent payouts is the *Annuity 2000 Mortality Table*. The valuation interest rate is currently 6%.

I certify to the best of my knowledge, this contract will comply with the laws and regulations of your state and comply with the values required by the Nonforfeiture Law and the Standard Valuation Law.



Matthew P. Dolliver, FSA, MAAA  
Associate Actuary  
Kansas City Life Insurance Company

# Attachment A

The total premium is deposited into the Fixed Account and accumulated at a guaranteed rate of 1%.

End of Contract Year	Annual Premium	Gross Consideration Accumulation	Surrender Charge	Guaranteed CSV	Guaranteed Effective Interest Rate %	SNFL Test 1 Contract Value	SNFL Test 2 Contract Value *
1	10,000	10,070	634	9,435	-5.65%	8,788	9,215
2	0	10,140	639	9,501	-2.53%	8,825	9,372
3	0	10,211	643	9,568	-1.46%	8,864	9,531
4	0	10,283	555	9,728	-0.69%	8,902	9,693
5	0	10,356	466	9,890	-0.22%	8,941	9,858
6	0	10,429	375	10,053	0.09%	8,981	10,026
7	0	10,503	189	10,314	0.44%	9,021	10,197
8	0	10,578	0	10,578	0.70%	9,061	10,371
9	0	10,653	0	10,653	0.71%	9,101	10,549
10	0	10,729	0	10,729	0.71%	9,142	10,729
11	0	10,806	0	10,806	0.71%	9,184	10,806
12	0	10,884	0	10,884	0.71%	9,226	10,884
13	0	10,963	0	10,963	0.71%	9,268	10,963
14	0	11,042	0	11,042	0.71%	9,311	11,042
15	0	11,122	0	11,122	0.71%	9,354	11,122
16	0	11,203	0	11,203	0.71%	9,397	11,203
17	0	11,285	0	11,285	0.71%	9,441	11,285
18	0	11,367	0	11,367	0.71%	9,486	11,367
19	0	11,451	0	11,451	0.72%	9,530	11,451
20	0	11,535	0	11,535	0.72%	9,576	11,535

The Surrender Charges reflect the 10% free withdrawal provision. SNFL Test 2 Accumulation Value Test assumed a 10 year maturity period from the payment of each premium. This results in the highest possible values.

## Attachment A

The total premium is deposited into the Variable Sub-accounts. It is assumed that the gross rate of return is 7% and the net rate of return is 5%.

End of Contract Year	Annual Premium	Gross Consideration Accumulation	Surrender Charge	CSV	SNFL Test 1 Contract Value	SNFL Test 2 Contract Value *
1	10,000	10,469	634	9,834	8,788	-
2	0	10,960	639	10,322	8,825	-
3	0	11,477	643	10,834	8,864	-
4	0	12,019	555	11,464	8,902	-
5	0	12,589	466	12,123	8,941	-
6	0	13,187	375	12,811	8,981	-
7	0	13,815	189	13,625	9,021	-
8	0	14,474	0	14,474	9,061	-
9	0	15,195	0	15,195	9,101	-
10	0	15,953	0	15,953	9,142	-
11	0	16,751	0	16,751	9,184	-
12	0	17,591	0	17,591	9,226	-
13	0	18,474	0	18,474	9,268	-
14	0	19,403	0	19,403	9,311	-
15	0	20,381	0	20,381	9,354	-
16	0	21,409	0	21,409	9,397	-
17	0	22,491	0	22,491	9,441	-
18	0	23,628	0	23,628	9,486	-
19	0	24,826	0	24,826	9,530	-
20	0	26,085	0	26,085	9,576	-

The Surrender Charges reflect the 10% free withdrawal provision. SNFL Test 2 does not apply in this case, as there is no guaranteed rate associated with deposits into the Variable Sub-accounts.

# Attachment B

The total premium is deposited into the Fixed Account and accumulated at the guaranteed rate of 1%.

<u>End of Contract Year</u>	<u>Annual Premium</u>	<u>Gross Consideration Accumulation</u>	<u>Surrender Charge</u>	<u>Guaranteed CSV</u>	<u>Guaranteed Effective Interest Rate %</u>	<u>SNFL Test 1 Contract Value</u>	<u>SNFL Test 2 Contract Value *</u>	<u>CARVM Terminal Reserve at 5%</u>
1	1,000	980	62	918	-9.23%	834	897	918
2	1,000	1,969	124	1,845	-5.94%	1,676	1,811	1,845
3	1,000	2,969	187	2,782	-4.08%	2,526	2,744	2,782
4	1,000	3,978	215	3,763	-2.91%	3,385	3,695	3,763
5	1,000	4,997	225	4,773	-2.12%	4,253	4,666	4,773
6	1,000	6,027	217	5,810	-1.54%	5,129	5,656	5,810
7	1,000	7,067	127	6,940	-1.10%	6,014	6,665	945
8	1,000	8,117	0	8,117	-0.76%	6,908	7,695	8,117
9	1,000	9,178	0	9,178	-0.47%	7,811	8,746	9,178
10	1,000	10,250	0	10,250	-0.25%	8,723	9,817	10,250
11	1,000	11,332	0	11,332	-0.08%	9,644	10,899	11,332
12	1,000	12,425	0	12,425	0.05%	10,574	11,992	12,425
13	1,000	13,529	0	13,529	0.16%	11,514	13,096	13,529
14	1,000	14,644	0	14,644	0.24%	12,462	14,211	14,644
15	1,000	15,770	0	15,770	0.31%	13,421	15,337	15,770
16	1,000	16,908	0	16,908	0.38%	14,389	16,475	16,908
17	1,000	18,056	0	18,056	0.43%	15,366	17,624	18,056
18	1,000	19,217	0	19,217	0.47%	16,354	18,784	19,217
19	1,000	20,388	0	20,388	0.51%	17,351	19,956	20,388
20	1,000	21,572	0	21,572	0.55%	18,358	21,139	21,572

The Surrender Charges reflect the 10% free withdrawal provision. SNFL Test 2 Accumulation Value Test assumed a 10 year maturity period from the payment of each premium. This results in the highest possible values.

# Attachment B

The total premium is deposited into the Variable Sub-accounts. It is assumed that the gross rate of return is 7% and the net rate of return is 5%.

<u>End of Contract Year</u>	<u>Annual Premium</u>	<u>Gross Consideration Accumulation</u>	<u>Surrender Charge</u>	<u>CSV</u>	<u>SNFL Test 1 Contract Value</u>	<u>SNFL Test 2 Contract Value *</u>	<u>CARVM Terminal Reserve at 5%</u>
1	1,000	1,019	62	957	834	-	957
2	1,000	2,088	124	1,964	1,676	-	1,964
3	1,000	3,211	187	3,024	2,526	-	3,024
4	1,000	4,390	215	4,175	3,385	-	4,175
5	1,000	5,628	225	5,403	4,253	-	5,403
6	1,000	6,928	217	6,711	5,129	-	6,711
7	1,000	8,293	127	8,165	6,014	-	8,165
8	1,000	9,726	0	9,726	6,908	-	9,726
9	1,000	11,231	0	11,231	7,811	-	11,231
10	1,000	12,811	0	12,811	8,723	-	12,811
11	1,000	14,470	0	14,470	9,644	-	14,470
12	1,000	16,212	0	16,212	10,574	-	16,212
13	1,000	18,041	0	18,041	11,514	-	18,041
14	1,000	19,961	0	19,961	12,462	-	19,961
15	1,000	21,978	0	21,978	13,421	-	21,978
16	1,000	24,095	0	24,095	14,389	-	24,095
17	1,000	26,318	0	26,318	15,366	-	26,318
18	1,000	28,653	0	28,653	16,354	-	28,653
19	1,000	31,104	0	31,104	17,351	-	31,104
20	1,000	33,678	0	33,678	18,358	-	33,678

The Surrender Charges reflect the 10% free withdrawal provision. SNFL Test 2 does not apply in this case, as there is no guaranteed rate associated with deposits into the Variable Sub-accounts.

## **Statement of Variability for J185, J186, J187**

Any use of variability shall be administered in a uniform and non-discriminatory manner and shall not result in unfair discrimination.

### Issue Age:

J185: 0 - 80 for the Annuitant, 0 - 80 for the Owner

J186: 0 - 80 for the Annuitant, 0 - 90 for the Owner

J187: 0 - 85 for the Annuitant, 0 - 85 for the Owner

### Sex:

Male

Female

### Redetermination Dates:

J185: 7<sup>th</sup> Contract Anniversary

J186: 8<sup>th</sup> Contract Anniversary

J187: 1<sup>st</sup> Contract Anniversary

### Guaranteed Interest Rate for the Fixed Account:

1 - 3%

### Monthly Life Income Factor:

Male: \$7.46 per \$1,000 of Maturity Proceeds

Female: \$7.28 per \$1,000 of Maturity Proceeds

### Guaranteed Payment Period:

0 - 360 Months

### Premiums Payable:

J185: 85-90

J186: 85-90

J187: 85-95

### Investment Options:

List of investment options including the fixed account and the subaccounts that invest in the Kansas City Life Variable Annuity Separate Account

**STATE OF ARKANSAS  
COMPLIANCE CERTIFICATION**

COMPANY NAME: Kansas City Life Insurance Company

FORM TITLE(S): Flexible Premium Variable Annuity Contract – Nonparticipating

FORM NUMBER(S): J185, J186, J187

I hereby certify that to the best of my knowledge and belief, the above forms are in compliance with:

ACA §23-79-138/Bulletin 15-2009

Rule & Regulation 49

Rule 19

Rule & Regulation 6

as well as the other laws, rules and regulations of the State of Arkansas.



Marc Bensing  
Assistant Vice President  
Kansas City Life Insurance Company

Date: January 10, 2011