

SERFF Tracking Number: IHLI-125902009 State: Arkansas
Filing Company: Investors Heritage Life Insurance Company State Tracking Number: 41000
Company Tracking Number: 28200AR
TOI: L071 Individual Life - Whole Sub-TOI: L071.101 Fixed/Indeterminate Premium - Single Life
Product Name: Heritage Final Expense II
Project Name/Number: HFE2/HFE2

Filing at a Glance

Company: Investors Heritage Life Insurance Company

Product Name: Heritage Final Expense II SERFF Tr Num: IHLI-125902009 State: ArkansasLH
TOI: L071 Individual Life - Whole SERFF Status: Closed State Tr Num: 41000
Sub-TOI: L071.101 Fixed/Indeterminate Co Tr Num: 28200AR State Status: Approved-Closed
Premium - Single Life
Filing Type: Form Co Status: Reviewer(s): Linda Bird
Authors: Julie Hunsinger, Karen Disposition Date: 12/19/2008
Jones, Brad Shepherd
Date Submitted: 12/03/2008 Disposition Status: Approved
Implementation Date Requested: On Approval Implementation Date:

State Filing Description:

General Information

Project Name: HFE2 Status of Filing in Domicile: Authorized
Project Number: HFE2 Date Approved in Domicile: 11/14/2008
Requested Filing Mode: Review & Approval Domicile Status Comments: Approved for use in Kentucky
Explanation for Combination/Other: Market Type: Individual
Submission Type: New Submission Group Market Size:
Overall Rate Impact: Group Market Type:
Filing Status Changed: 12/19/2008
State Status Changed: 12/19/2008 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:

We are submitting the above numbered forms for your consideration for approval. These forms have not previously been filed in the state of Arkansas and do not replace any current forms.

Form 28200 AR (5-2008) is a whole life insurance policy. Level premiums may be paid for 5 years, 10 years, 20 years,

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or for whole life. Once issued premiums and benefits are fully guaranteed, so this form will not be marketed with an illustration. It will be issued using simplified underwriting methods with a maximum face amount of \$25,000 and issue ages of 0-80.

Form 28201 AR (5-2008) is a reduced benefit whole life insurance policy. Level premiums may be paid for 5 years, 10 years, 20 years, or for whole life. Once issued premiums and benefits are fully guaranteed, so this form will not be marketed with an illustration. It will be guaranteed issue (no underwriting) with a maximum face amount of \$15,000 and issue ages of 0-80. During the first three years the reduced death benefit changes each policy month, but will never be less than the return of premiums with interest at 5.00%. The reduced death benefit is equal to the annual premium multiplied by the death benefit factor. During the first three years, the accidental death benefit is equal to the face amount less the reduced death benefit. After the first three years, the accidental death benefit is equal to zero.

Application Form 28901 (10-2008) is the application to be used with the above forms. Depending on the answers to the health questions, one of two actions will result:

1. A Full Benefit policy, Form 28200 AR (5-2008), will be offered; or
2. A Reduced Benefit policy, Form 28201 AR (5-2008), will be offered.

All forms listed above will be marketed by Investors Heritage Life Insurance Company agents using traditional marketing methods. These forms will not be illustrated.

Company and Contact

Filing Contact Information

Karen Jones, Filing Administrator
P.O. Box 717
Frankfort, KY 40602-0717
kjones@ihlic.com
(800) 422-2011 [Phone]
(502) 875-7084[FAX]

Filing Company Information

Investors Heritage Life Insurance Company
P.O. Box 717
200 Capital Avenue
CoCode: 64904
Group Code:
State of Domicile: Kentucky
Company Type: LAH

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Product Name: Heritage Final Expense II
Project Name/Number: HFE2/HFE2
Frankfort, KY 40602-0717 Group Name: State ID Number:
(502) 209-1007 ext. [Phone] FEIN Number: 61-0574893

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Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: Policy forms & Application
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Investors Heritage Life Insurance Company	\$50.00	12/03/2008	24297787

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 Product Name: Heritage Final Expense II
 Project Name/Number: HFE2/HFE2

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Linda Bird	12/19/2008	12/19/2008

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	12/09/2008	12/09/2008	Julie Hunsinger	12/18/2008	12/18/2008
Pending Industry Response	Linda Bird	12/08/2008	12/08/2008	Julie Hunsinger	12/09/2008	12/09/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Application for Life Insurance	Form	Julie Hunsinger	12/09/2008	12/09/2008

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Application 28901 (10-2008)	Note To Reviewer	Julie Hunsinger	12/09/2008	12/09/2008

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Project Name/Number: HFE2/HFE2

Disposition

Disposition Date: 12/19/2008

Implementation Date:

Status: Approved

Comment:

Rate data does NOT apply to filing.

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 Product Name: Heritage Final Expense II
 Project Name/Number: HFE2/HFE2

Item Type	Item Name	Item Status	Public Access
Supporting Document	Certification/Notice		Yes
Supporting Document	Application		Yes
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	Cover Letter		Yes
Form	Whole Life Insurance Policy		Yes
Form (revised)	Whole Life Insurance Policy	Withdrawn	Yes
Form	Whole Life Insurance Policy	Replaced	Yes
Form	Whole Life Insurance Policy	Replaced	Yes
Form (revised)	Application for Life Insurance		Yes
Form	Application for Life Insurance	Replaced	Yes
Form	Application for Life Insurance	Replaced	Yes

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Product Name: Heritage Final Expense II
Project Name/Number: HFE2/HFE2

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 12/09/2008
Submitted Date 12/09/2008

Respond By Date

Dear Karen Jones,

This will acknowledge receipt of the captioned filing.

Objection 1

- Whole Life Insurance Policy (Form)

Comment: Thank you for your response to our 12/8/2008 objection letter.

The death benefit will need to be a set dollar amount or % of face amount for first year, second year, third year and thereafter. The contract will need to be amended in order to comply with Bulletin 8-85 Guideline One.

The Actuarial Memorandum will need to be revised and all reference to an accidental death benefit during the reduced benefit period should be removed.

Please feel free to contact me if you have questions.

Sincerely,

Linda Bird

Response Letter

Response Letter Status Submitted to State
Response Letter Date 12/18/2008
Submitted Date 12/18/2008

Dear Linda Bird,

Comments:

Thank you for reviewing this filing, once again.

Response 1

SERFF Tracking Number: IHLI-125902009 State: Arkansas
 Filing Company: Investors Heritage Life Insurance Company State Tracking Number: 41000
 Company Tracking Number: 28200AR
 TOI: L071 Individual Life - Whole Sub-TOI: L071.101 Fixed/Indeterminate Premium - Single Life
 Product Name: Heritage Final Expense II
 Project Name/Number: HFE2/HFE2

Comments: We have decided to withdraw form 28201 AR (5-2008) from consideration for approval at this time.

In addition application form 28901 AR (10-2008) has been modified to remove all reference to a guaranteed issue policy. Only form 28200 AR (5-2008) will be available for issue in Arkansas.

Related Objection 1

Applies To:

- Whole Life Insurance Policy (Form)

Comment:

Thank you for your response to our 12/8/2008 objection letter.

The death benefit will need to be a set dollar amount or % of face amount for first year, second year, third year and thereafter. The contract will need to be amended in order to comply with Bulletin 8-85 Guideline One.

The Actuarial Memorandum will need to be revised and all reference to an accidental death benefit during the reduced benefit period should be removed.

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Whole Life Insurance Policy	28201 AR (5-2008)		Policy/Contract/Fraternal Certificate	Initial		54	
Previous Version							
Whole Life Insurance Policy	28201 AR (5-2008)		Policy/Contract/Fraternal Certificate	Initial		54	28201 AR (5-2008).PDF
Whole Life Insurance Policy	28201 AR (5-2008)		Policy/Contract/Fraternal Certificate	Initial		54	28201 AR (5-2008).PDF

<i>SERFF Tracking Number:</i>	<i>IHLI-125902009</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Investors Heritage Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>41000</i>
<i>Company Tracking Number:</i>	<i>28200AR</i>		
<i>TOI:</i>	<i>L071 Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L071.101 Fixed/Indeterminate Premium - Single Life</i>
<i>Product Name:</i>	<i>Heritage Final Expense II</i>		
<i>Project Name/Number:</i>	<i>HFE2/HFE2</i>		
Application for Life Insurance	28901 AR (10-2008)	Application/Enrollment Form	Initial 50 28901 AR (10-2008).pdf
<i>Previous Version</i>			
<i>Application for Life Insurance</i>	<i>28901 AR (10-2008)</i>	<i>Application/Enrollment Form</i>	<i>Initial 50 28901 AR (10-2008).pdf</i>
<i>Application for Life Insurance</i>	<i>28901 (10-2008)</i>	<i>Application/Enrollment Form</i>	<i>Initial 50 28901 (10-2008) letter size.pdf</i>

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TOI: L071 Individual Life - Whole *Sub-TOI:* L071.101 Fixed/Indeterminate Premium - Single Life
Product Name: Heritage Final Expense II
Project Name/Number: HFE2/HFE2

No Rate/Rule Schedule items changed.

If you have any other questions or concerns, please do not hesitate to contact us.

Sincerely,
Brad Shepherd, Julie Hunsinger, Karen Jones

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TOI: L071 Individual Life - Whole Sub-TOI: L071.101 Fixed/Indeterminate Premium - Single Life
Product Name: Heritage Final Expense II
Project Name/Number: HFE2/HFE2

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 12/08/2008
Submitted Date 12/08/2008

Respond By Date

Dear Karen Jones,

This will acknowledge receipt of the captioned filing.

Objection 1

- Whole Life Insurance Policy (Form)

Comment: Life Policies with reduced death benefits in early years are subject to Bulletin 8-85. The contract is in violation of both Guideline One and Two of this bulletin.

Please feel free to contact me if you have questions.

Sincerely,

Linda Bird

Response Letter

Response Letter Status Submitted to State
Response Letter Date 12/09/2008
Submitted Date 12/09/2008

Dear Linda Bird,

Comments:

Thank you for reviewing this filing.

Response 1

Comments: Form 28201 AR (5-2008) has been revised to remove all reference to an accidental death benefit during the reduced benefit period. Thus, it is now in compliance with Guideline Two of Bulletin 8-85.

Form 28201 AR (5-2008) is also in compliance with Guideline One of Bulletin 8-85. The form does not purport to return premiums, with or without interest. A table of death benefits shows the death benefit for each month of the reduced benefit period. The statement in both the filing description and the cover letter states that "During the first three years

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the reduced death benefit changes each policy month, but will never be less than the return of premiums with interest at 5.00%." This was to give the analyst a general idea of the pattern of death benefits, in that the reduced death benefit is never less than that amount. In addition, neither agent guides or promotional materials refer to a return of premium.

The death benefit for each policy month is the annual premium times a factor, and these factors may be found in Exhibit D of the actuarial memorandum.

Related Objection 1

Applies To:

- Whole Life Insurance Policy (Form)

Comment:

Life Policies with reduced death benefits in early years are subject to Bulletin 8-85. The contract is in violation of both Guideline One and Two of this bulletin.

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
<i>Whole Life Insurance Policy</i>	<i>28201 AR</i>	<i>(5-2008)</i>	<i>Policy/Contract/Fraternal Certificate</i>	<i>Initial</i>		<i>54</i>	<i>28201 AR (5-2008).PDF</i>
Previous Version							
<i>Whole Life Insurance Policy</i>	<i>28201 AR</i>	<i>(5-2008)</i>	<i>Policy/Contract/Fraternal Certificate</i>	<i>Initial</i>		<i>54</i>	<i>28201 AR (5-2008).PDF</i>

No Rate/Rule Schedule items changed.

If you have any additional questions or comments, please don't hesitate to contact us.

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Company Tracking Number: 28200AR
TOI: L071 Individual Life - Whole *Sub-TOI:* L071.101 Fixed/Indeterminate Premium - Single Life

Product Name: Heritage Final Expense II
Project Name/Number: HFE2/HFE2

Sincerely,
Brad Shepherd, Julie Hunsinger, Karen Jones

SERFF Tracking Number: IHLI-125902009 State: Arkansas
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 TOI: L071 Individual Life - Whole Sub-TOI: L071.101 Fixed/Indeterminate Premium - Single Life
 Product Name: Heritage Final Expense II
 Project Name/Number: HFE2/HFE2

Amendment Letter

Amendment Date:
 Submitted Date: 12/09/2008

Comments:

Attached is the life insurance application, 28901 AR (10-2008) to be used with the filed policies. It will replace the previously filed 28901 (10-2008). The previously filed 28901 (10-2008) WILL NOT be used in the state of Arkansas.

Changed Items:

Form Schedule Item Changes:

Form Schedule Item Changes:

Form Number	Form Type	Form Name	Action	Form Action Other	Previous Filing #	Replaced Form #	Readability Score	Attachments
28901 AR (10-2008)	Application/Enrollment Form	Application for Life Insurance	Initial				50	28901 AR (10-2008).pdf

SERFF Tracking Number: IHLI-125902009 *State:* Arkansas
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Company Tracking Number: 28200AR
TOI: L071 Individual Life - Whole *Sub-TOI:* L071.101 Fixed/Indeterminate Premium - Single Life

Product Name: Heritage Final Expense II
Project Name/Number: HFE2/HFE2

Note To Reviewer

Created By:

Julie Hunsinger on 12/09/2008 11:47 AM

Subject:

Application 28901 (10-2008)

Comments:

I just realized that the application makes a reference to return of premiums. If you will kindly hold off on the review, I will submit a modified application.

Thank you.

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 TOI: L071 Individual Life - Whole Sub-TOI: L071.101 Fixed/Indeterminate Premium - Single Life
 Product Name: Heritage Final Expense II
 Project Name/Number: HFE2/HFE2

Form Schedule

Lead Form Number: 28200 AR

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	28200 AR (5-2008)	Policy/Cont	Whole Life Insurance Initial ract/Fratern Policy al Certificate			54	28200 AR (5-2008).PDF
Withdrawn	28201 AR (5-2008)	Policy/Cont	Whole Life Insurance Initial ract/Fratern Policy al Certificate			54	
	28901 AR (10-2008)	Application/	Application for Life Enrollment Insurance Form	Initial		50	28901 AR (10-2008).pdf

INVESTORS HERITAGE

Life Insurance Company

200 CAPITAL AVENUE
PO BOX 717
FRANKFORT, KY 40602-0717
PHONE 1.800.422.2011

We will pay the proceeds of this policy to the beneficiary upon receipt of due proof of death of the insured while this policy is in force.

We will pay the cash surrender value of this policy to you upon its surrender.

We will pay the cash surrender value to you if the insured is living and this policy is in force on the maturity date.

This policy is a legal contract between you and us. It is issued in consideration of the application and the payment of the initial premium on or before the date of policy delivery. Subsequent premiums are payable as provided in the policy.

PLEASE READ YOUR POLICY CAREFULLY!

Signed at our home office at 200 Capital Avenue, Frankfort, Kentucky.



Jane S. Jackson
Secretary



Harry Lee Waterfield II
President

30 DAY EXAMINATION PERIOD

You may return this policy within 30 days after receiving it by mailing it to us, taking it to the agent through whom it was purchased, or by taking it to any other agent of Investors Heritage Life Insurance Company. It will then be void as of the date of issue. Any premium paid will be returned.

WHOLE LIFE INSURANCE POLICY

Proceeds payable at death of insured and prior to the maturity date;
Cash surrender value payable on maturity date;
Premiums payable for amount and period stated in policy schedule;
Non-participating - no dividends.

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**POLICY SCHEDULE
WHOLE LIFE INSURANCE**

POLICY NUMBER: 990020

INSURED: John Doe

OWNER: John Doe

FACE AMOUNT: \$ 10,000

POLICY DATE: October 1, 2008

DATE OF ISSUE: October 1, 2008

ISSUE AGE: 35

SEX: Male

RISK CLASSIFICATION: Non-Tobacco

ANNUAL PREMIUM: \$ 238.90

INITIAL PREMIUM: \$ 238.90

PREMIUM PAYMENT PERIOD: Whole Life

MATURITY DATE: October 1, 2093

BENEFICIARY: As stated in the application unless changed by you.

The owner and beneficiary are subject to change as described in this policy.

Guaranteed cash values and paid-up values are based on the 2001 CSO Table, Male or Female, Smoker or Nonsmoker, Age Last Birthday, and 5.00% interest per year, compounded annually.

The maximum policy loan interest rate is 8.0% per year, payable in arrears, compounded annually.

BENEFIT SCHEDULE

INSURED	BENEFIT	ISSUE AGE	FACE AMOUNT	PREMIUM PERIOD	BENEFIT PERIOD	ANNUAL PREMIUM
JOHN DOE	Whole Life Insurance	35	\$ 10,000	Whole Life	Whole Life	\$ 238.90
				Total Annual Premium		\$ 238.90

The initial premium mode for this policy is annually.

PREMIUM MODE	MODAL PREMIUM FACTOR	MODAL PREMIUM
Monthly preauthorized transfer	0.088	\$ 21.02
Monthly direct	0.095	\$ 22.70
Quarterly preauthorized transfer	0.270	\$ 64.50
Semi-annually (direct and preauthorized transfer)	0.520	\$ 124.23
Annually (direct and preauthorized transfer)	1.000	\$ 238.90

The policy fee included in the above premium is \$ 50.00 per year.

**TABLE OF GUARANTEED POLICY VALUES
AT END OF POLICY YEAR
ISSUE AGE 35**

Policy Year	Cash Value	Reduced Paid-Up Amount	Policy Year	Cash Value	Reduced Paid-Up Amount	Policy Year	Cash Value	Reduced Paid-Up Amount
1	\$ 0.00	\$ 0	30	\$ 3,630.60	\$ 7,793	59	\$ 8,265.10	\$ 10,000
2	0.00	0	31	3,808.00	7,921	60	8,351.20	10,000
3	34.10	208	32	3,987.80	8,043	61	8,436.20	10,000
4	119.00	694	33	4,170.40	8,159	62	8,524.80	10,000
5	207.50	1,160	34	4,356.10	8,270	63	8,620.90	10,000
6	299.40	1,605	35	4,544.60	8,377	64	8,731.40	10,000
7	394.80	2,029	36	4,735.10	8,479	65	8,869.70	10,000
8	493.70	2,434	37	4,926.20	8,575	66	8,912.00	10,000
9	595.90	2,818	38	5,116.60	8,665	67	8,953.50	10,000
10	701.40	3,184	39	5,306.70	8,751	68	8,994.00	10,000
11	810.40	3,532	40	5,496.70	8,833	69	9,033.50	10,000
12	923.00	3,864	41	5,686.50	8,910	70	9,071.90	10,000
13	1,039.90	4,182	42	5,875.50	8,983	71	9,109.30	10,000
14	1,161.60	4,487	43	6,062.50	9,052	72	9,145.80	10,000
15	1,288.10	4,780	44	6,245.80	9,117	73	9,181.30	10,000
16	1,419.20	5,060	45	6,424.60	9,177	74	9,215.80	10,000
17	1,554.70	5,327	46	6,598.20	9,233	75	9,249.20	10,000
18	1,694.20	5,582	47	6,766.30	9,285	76	9,281.60	10,000
19	1,837.60	5,823	48	6,929.40	9,334	77	9,312.90	10,000
20	1,984.20	6,052	49	7,087.30	9,380	78	9,343.10	10,000
21	2,134.00	6,269	50	7,239.20	9,422	79	9,372.30	10,000
22	2,287.00	6,474	51	7,384.00	9,462	80	9,400.40	10,000
23	2,443.90	6,670	52	7,520.80	9,498	81	9,427.40	10,000
24	2,605.00	6,857	53	7,649.10	9,531	82	9,453.30	10,000
25	2,770.10	7,035	54	7,768.50	9,562	83	9,482.10	10,000
26	2,938.40	7,205	55	7,879.00	10,000	84	9,565.20	10,000
27	3,109.00	7,365	56	7,982.40	10,000	85	10,000.00	10,000
28	3,281.40	7,516	57	8,081.00	10,000			
29	3,455.20	7,658	58	8,175.10	10,000			

DEFINITIONS

ATTAINED AGE

The issue age of the insured plus the number of completed policy years.

DATE OF ISSUE

The effective date of coverage under this policy.

EVIDENCE OF INSURABILITY

Proof of the good health of the insured that is satisfactory to us.

INDEBTEDNESS

Unpaid policy loans and unpaid policy loan interest, if any.

INSURED

The individual named as the insured in the policy schedule. The insured may or may not be the owner.

ISSUE AGE

Age on the insured's last birthday on or preceding the policy date.

MATURITY DATE

The final date on which any proceeds are payable under this policy if the insured is still alive.

POLICY ANNIVERSARY

The same day and month as the policy date for each succeeding year this policy remains in force.

POLICY DATE

The date from which policy anniversaries, policy years and policy months are determined.

PREMIUM PERIOD

The number of years for which premiums are payable.

PROCEEDS

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

WE, OUR, US

Investors Heritage Life Insurance Company.

YOU, YOURS

The owner of this policy. The owner is designated in the application unless later changed by written notice to us.

GENERAL PROVISIONS

CONTRACT

The entire contract between you and us consists of this policy, any riders or endorsements, and the written application, a copy of which is attached at issue or delivery. All statements between you and us in the application are representations and not warranties. No statement shall be used in defense of a claim under this policy unless it is contained in a written application that is attached to the policy when issued or delivered.

AUTHORITY TO CHANGE

Only our officers may change the terms of this policy. Any change must be made in writing.

INCONTESTABILITY

We will not contest the validity of this policy after it has been in force during the insured's lifetime for a period of two (2) years from the date of issue as shown in the policy schedule except for non-payment of premium.

A reinstatement of this policy will be incontestable after it has been in force during the insured's lifetime for two (2) years from the effective date of reinstatement. Contest of a reinstatement may be made only with respect to material misrepresentations made in the application for reinstatement.

No statement made by the owner or by the insured related to the insured's insurability may be used in a contest or to reduce benefits unless (a) it is contained in a written instrument signed by the owner or the insured, and (b) a copy of such instrument has been given to the owner, the insured, or the beneficiary.

SUICIDE

If the insured commits suicide, while sane or insane, within two (2) years from the date of issue, the proceeds under the policy will be an amount equal to the premiums paid.

MISSTATEMENT OF AGE OR SEX

If the age or sex of the insured is misstated, any amount of proceeds payable will be adjusted to that amount which the premiums paid would have purchased at the insured's true age and sex, minus any indebtedness.

Any underpayments already made by us together with interest at the rate of 6% per annum, compounded annually, from the date of each underpayment will be paid immediately. Any overpayments made by us together with interest at the rate of 6% per annum, compounded annually, shall be charged against benefits falling due after the date of adjustment.

NON-PARTICIPATING

This policy will not share in our surplus earnings. No dividends will be paid.

TERMINATION

This policy will terminate and all coverage will cease on the earliest of the following dates:

1. The date we receive your written request to surrender the policy;
2. The date on which the grace period ends if a premium is then in default and this policy has no cash value;
3. The date of death of the insured;
4. The maturity date shown on the policy schedule;
5. If indebtedness equals or exceeds the cash value, the date that falls thirty-one (31) days after notice of termination has been mailed to your last known address and to any assignee of record.

OWNERSHIP AND BENEFICIARY PROVISIONS

OWNER

The owner of this policy is as shown in the application. The owner has all rights stated in this policy. The owner may amend this policy, with our consent, while the insured is alive. The rights of the owner are subject to the rights of an irrevocable beneficiary. If there is more than one owner at a given time, all must exercise the rights of ownership by joint action.

If the owner has not named a successor owner, at the death of the owner, the insured becomes the owner of this policy unless the insured is a minor or otherwise legally incompetent, in which case the owner will be the legally appointed guardian of the insured.

BENEFICIARY

The beneficiary is as shown in the application. The beneficiary will receive the amount of proceeds payable at the death of the insured subject to any assignment made by you. The interest of a beneficiary terminates if the beneficiary dies before the insured. If no beneficiary survives at the insured's death, payment may be made to you or to your estate or successors.

If more than one beneficiary survives at the death of the insured, proceeds will be allocated according to written instructions received by us from the owner of this policy prior to the death of the insured. If no allocation of proceeds between beneficiaries is specified, proceeds will be divided equally among all surviving beneficiaries.

If the beneficiary of this policy does not make claim within sixty (60) days after the death of the insured, or if the beneficiary is the estate of the insured, or is a minor, or is not legally competent to give a valid release, we may, in good faith, make a payment to any of the insured's relatives by blood or marriage appearing to us to be entitled thereto.

CHANGE OF OWNER OR BENEFICIARY

You may change the designations of owner and beneficiary while the insured is alive. Any change is subject to the consent of an irrevocable beneficiary. Written notice of change must be filed at our home office in a form acceptable to us. The new designation will then take effect as of the date you signed the notice. Such a change does not affect any payment made or other action taken by us before we received the notice.

ASSIGNMENT

You may assign this policy by written request. We are not responsible for the validity or effect of any assignment of this policy. No assignment will bind us until it is received at our home office.

INSURANCE PROVISIONS

DEATH BENEFIT

The death benefit payable under this policy is equal to the face amount shown in the policy schedule.

PROCEEDS AT DEATH

The amount of proceeds payable at death of the insured while this policy is in force will be (a) the death benefit described above adjusted for any misstatement of age or sex, plus (b) any premiums paid for coverage beyond the end of the policy month in which the insured dies, less (c) any indebtedness.

INTEREST ON PROCEEDS

If the amount of proceeds is paid in one sum, it will include any interest as required by law, from the date ten (10) days after we receive satisfactory proof of an insured's death to the date of payment. Interest will be paid at a rate which is the greater of (a) the rate declared by us, or (b) the rate required by law.

PAYMENT OF PROCEEDS

To claim the proceeds (a) a claim form must be filed with us, and (b) satisfactory proof of death must be furnished.

PREMIUM PROVISIONS

PREMIUM PAYMENTS

The initial premium shown in the policy schedule is due on the policy date. There is no insurance coverage in effect until the initial premium is paid while the insured is alive.

Additional premiums are payable in advance at our home office. Each premium, including the initial premium, may be paid to our authorized agent who will provide a receipt. The receipt must be signed by the agent who receives the payment on our behalf.

PREMIUM DUE DATE

Each premium, after the initial premium, is due on or before the end of the period covered by the preceding premium. Any premium not paid on or before its premium due date is in default.

GRACE PERIOD

A grace period of thirty-one (31) days is allowed for payment without interest of any premium falling due after the policy date. During the grace period this policy will stay in force. If a premium in default has not been paid by the end of the grace period, this policy will terminate as of the premium due date of the unpaid premium. If the insured dies during the grace period, the premium required to keep this policy in force to the end of the policy month in which death occurs will be deducted from the proceeds. This thirty-one (31) day grace period does not apply to the initial premium payment.

MODES OF PREMIUM PAYMENT

Premiums may be paid monthly, quarterly, semi-annually, or annually. Payment of premiums is subject to our current minimum premium requirements and permitted methods of payment. You may change your method of premium payment with our consent.

AMOUNTS OF PREMIUM

The amount of premium due on any premium due date is equal to the total annual premium in effect on that date multiplied by the modal premium factor. The total annual premium is the sum of the annual premiums for this policy and for any benefits attached by rider. The total annual premium and the modal premium factors for each allowable premium mode are shown in the policy schedule.

REFUND OF UNEARNED PREMIUMS

Any premiums paid for coverage beyond the end of the premium month in which you surrender or terminate this policy will be returned to you.

REINSTATEMENT PROVISIONS

REINSTATEMENT

This policy may be reinstated within three (3) years after the due date of an unpaid premium, subject to the following conditions:

1. This policy was not surrendered for its cash surrender value; and
2. You submit a written request and application during the insured's lifetime; and
3. You provide evidence of insurability satisfactory to us; and
4. You pay all premiums in default together with interest at the rate of 6% per year, compounded annually, from the premium due date of each premium in default to the date of reinstatement; and
5. You pay or reinstate any indebtedness which existed at the premium due date of the first premium in default with interest to the date of reinstatement at the policy loan interest rate stated in the policy schedule.

The date of reinstatement will be the later of (a) the date we approve your application for reinstatement, or (b) the date we receive all past premiums due, with interest.

LOAN PROVISIONS

POLICY LOAN

We will make a loan to you upon the sole security and assignment of this policy. You may obtain a loan at any time while this policy is in force. The amount of the loan may not exceed the loan value, as defined in the following paragraph. We may defer making a policy loan up to six months after written request is received at our home office unless the loan is used to pay a premium to us.

LOAN VALUE

The loan value is equal to the cash value on the date of the loan. The amount advanced as a policy loan may not exceed (a) the loan value, less (b) the amount of any existing loan, less (c) loan interest to the end of the current policy year. Unless it is paid in cash at the date of the loan, any existing policy loan, along with interest to the date of the loan, will be added to and become a part of the new policy loan.

LOAN INTEREST

Policy loan interest accrues from the date of the loan. It is payable in arrears on each policy anniversary and on the date the loan is settled. If interest is not paid when due, it will be added to the loan and will bear interest at the policy loan interest rate.

The maximum annual interest rate for loans is stated in the policy schedule. Interest is compounded annually.

INDEBTEDNESS

Indebtedness means all outstanding policy loans on this policy including interest accrued and accruing from day to day. Indebtedness may be repaid in full or in part while the insured is alive. If not repaid, it will be deducted in one sum from the proceeds of this policy.

If the indebtedness equals or exceeds the cash value, this policy will terminate thirty-one (31) days after notice of termination has been mailed to your last known address and to any assignee of record.

POLICY VALUE PROVISIONS

GUARANTEED POLICY VALUES

Guaranteed cash values and reduced paid-up values are shown for each policy year in the benefit schedule.

CASH SURRENDER VALUE

The cash surrender value for this policy on any day is equal to the cash value on that day less any indebtedness. Cash values between policy anniversaries will be calculated with due allowance for time elapsed and premiums paid.

POLICY VALUE OPTIONS

If you discontinue premium payments after this policy has a cash value, you may select one of the following policy values options subject to any conditions and limitations that apply.

1. **Cash Surrender.** You may surrender this policy for its cash surrender value. If you surrender this policy it is no longer eligible for reinstatement.
2. **Paid-up insurance.** You may apply the cash surrender value to purchase a fully paid-up life policy for a reduced amount of insurance. The amount of paid-up insurance will be that amount which the cash surrender value will purchase when applied as a net single premium at the attained age of the insured on the due date of the first unpaid premium. Reduced paid-up insurance has a cash value. The cash value of reduced paid-up insurance is equal to the net single premium at the attained age of the insured for the amount of reduced paid up insurance in effect at the date of determination.

AUTOMATIC OPTION

You may elect a policy value option within sixty (60) days of the due date of the first unpaid premium by sending us a written request at our home office. If no election has been made by the end of the sixty (60) day period, the paid-up insurance option will apply automatically. The effective date of this automatic option is the due date of the first unpaid premium.

EXERCISING THE CASH SURRENDER POLICY OPTION

You may surrender this policy by returning it to our home office and filing a written request in a form acceptable to us. The date of surrender will be the date you signed the request, provided the insured was then living. The amount that will be paid is the cash surrender value. With written permission from the Commissioner of the state in which this policy was delivered, the payment of the cash surrender value may be deferred for a period up to six (6) months after the request is received at our home office.

If surrender is requested within thirty (30) days after a policy anniversary, the cash surrender value will not be less than (a) the cash surrender value on the policy anniversary, less (b) the amount of any policy loan made since the policy anniversary. This policy will terminate as of the date of surrender.

BASIS OF POLICY VALUES

The actuarial calculations are based on the Commissioners 2001 Standard Ordinary Mortality Table, Male or Female, Nonsmoker or Smoker, Age Last Birthday, with interest as shown in the policy schedule. Policy benefits and actuarial reserves are not less than the minimum values required on the policy date by the state in which this policy was issued. A detailed statement of the method of computing policy values has been filed with the department of insurance in the state in which this policy was issued.

SETTLEMENT PROVISIONS

POLICY PROCEEDS

Proceeds payable under this policy may be paid in a single sum or left with us for payment under one or more of the following settlement options. The amount applied under an option must be at least \$2,000. The amount of each payment under an option must be at least \$50.

ELECTION OF OPTIONS

With the consent of any irrevocable beneficiary, you may elect or revoke a settlement option at any time before the proceeds are payable. If no settlement option election is in effect at the time the proceeds become payable, the payee may make an election. Written notice of election or revocation must be filed at our home office in a form acceptable to us. The notice will then take effect as of the date you or the payee signed the notice. An election does not affect any payment made or other action taken by us before the notice is received. A payee who is not a natural person may elect a settlement option only with our consent. An assignee cannot elect a settlement option. Change of owner or beneficiary automatically revokes any election in effect.

EFFECTIVE DATE

The first payment under options 1, 2, and 4 is payable on the effective date of the option. The effective date is (a) the date of the death of the insured, or (2) any later date agreeable with us.

DEATH OF PAYEE

Unless otherwise specified, at the death of the last payee a final payment will be made to the estate of the payee. For options 1 and 2 the final payment will be the commuted value of the remaining unpaid installments certain. Such value will be computed based on the rate of interest used in the calculation of payments. For options 3 and 4 the final payment will be the unpaid proceeds with any unpaid interest to the date of death of the payee.

SETTLEMENT OPTION INTEREST RATE

The guaranteed interest rate for options 1, 2, 3, and 4 is 3% per year, compounded annually. Additional interest may be declared by us from time to time.

OPTION 1

Proceeds will be paid for a fixed period. The amount of each payment is determined from the option 1 table below.

OPTION 2

Proceeds will be paid in equal installments throughout the certain period. After the certain period, payments will continue to be made throughout the lifetime of the payee. The amount and certain period of the payments are determined from the option 2 table on the following page. Satisfactory proof of the age and sex of the payee is required. We may require evidence that the payee is living on the due date of any payment.

OPTION 3

Interest on the proceeds will be paid in the manner agreed upon when the option is elected.

OPTION 4

Proceeds will be paid in fixed installments at regular intervals until the proceeds, together with interest on the unpaid balance, are exhausted.

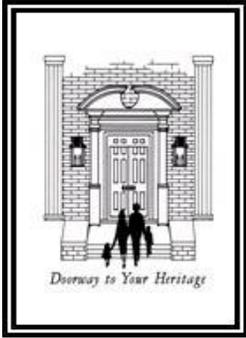
OPTION 5

Proceeds will be used to purchase any single premium annuity we offer at the time proceeds are applied. The annuity payments will be 102% of the payments otherwise purchased by the single premium.

OPTION 1 TABLE							
Monthly payments for a fixed number of years for each \$1,000 of proceeds							
Number of years	Monthly payment	Number of years	Monthly payment	Number of years	Monthly payment	Number of years	Monthly payment
1	84.48	6	15.16	11	8.88	16	6.55
2	42.87	7	13.18	12	8.26	17	6.25
3	29.01	8	11.70	13	7.73	18	5.98
4	22.08	9	10.55	14	7.28	19	5.75
5	17.92	10	9.63	15	6.89	20	5.53
The amount of monthly payment for other periods will be furnished on request.							

OPTION 2 TABLE											
Monthly payments are shown for each \$1,000 of proceeds. Age is the age last birthday of the payee when the first installment is payable.											
Period Certain											
None						10 years					
Age	Male	Female	Age	Male	Female	Age	Male	Female	Age	Male	Female
46	3.83	3.61	66	5.85	5.31	46	3.81	3.61	66	5.64	5.20
47	3.88	3.66	67	6.03	5.47	47	3.86	3.65	67	5.79	5.34
48	3.94	3.71	68	6.23	5.63	48	3.92	3.70	68	5.94	5.48
49	4.01	3.76	69	6.44	5.81	49	3.98	3.75	69	6.10	5.63
50	4.07	3.82	70	6.66	6.00	50	4.04	3.81	70	6.26	5.79
51	4.14	3.88	71	6.90	6.20	51	4.11	3.86	71	6.43	5.96
52	4.21	3.94	72	7.15	6.43	52	4.18	3.92	72	6.60	6.13
53	4.29	4.01	73	7.42	6.67	53	4.25	3.99	73	6.78	6.32
54	4.37	4.08	74	7.70	6.93	54	4.33	4.05	74	6.96	6.51
55	4.46	4.15	75	8.01	7.21	55	4.41	4.12	75	7.15	6.71
56	4.55	4.22	76	8.34	7.51	56	4.49	4.20	76	7.33	6.91
57	4.64	4.31	77	8.69	7.84	57	4.58	4.27	77	7.52	7.12
58	4.75	4.39	78	9.07	8.20	58	4.68	4.36	78	7.71	7.33
59	4.85	4.48	79	9.47	8.58	59	4.78	4.44	79	7.89	7.54
60	4.97	4.58	80	9.90	9.00	60	4.88	4.53	80	8.07	7.76
61	5.09	4.68	81	10.36	9.45	61	4.99	4.63	81	8.25	7.97
62	5.23	4.79	82	10.85	9.94	62	5.11	4.73	82	8.42	8.17
63	5.37	4.91	83	11.37	10.47	63	5.23	4.84	83	8.59	8.37
64	5.52	5.04	84	11.92	11.04	64	5.36	4.96	84	8.74	8.56
65	5.68	5.17	85	12.52	11.66	65	5.50	5.08	85	8.89	8.73

Values were calculated using the Annuity 2000 Mortality Table, Male or Female, and 3.0% interest per year. Satisfactory proof of the age and sex of the payee is required. The amount of monthly payments for other ages and certain periods will be furnished on request.



INVESTORS HERITAGE

Life Insurance Company

TO OBTAIN INFORMATION, MAKE A CLAIM, OR MAKE A COMPLAINT

Call us toll-free:

1.800.422.2011

Or write to us:

**INVESTORS HERITAGE LIFE INSURANCE COMPANY
PO BOX 717
FRANKFORT KY 40602-0717**

Or email us:

ihlic@investorsheritage.com

WHOLE LIFE INSURANCE POLICY

Proceeds payable at death of insured and prior to the maturity date;
Cash surrender value payable on maturity date;
Premiums payable for amount and period stated in policy schedule;
Non-participating - no dividends.

**LIMITATIONS AND EXCLUSIONS UNDER THE
ARKANSAS LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION ACT**

Residents of this state who purchase life insurance, annuities or health and accident insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Health Insurance Guaranty Association. ("Guaranty Association"). The purpose of the Guaranty Association is to assure that policy and contract owners will be protected, within certain limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of policy owners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by the member insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting insurance companies that are well-managed and financially stable.

DISCLAIMER

The Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association") may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in the state. You should not rely on coverage by the Guaranty Association in purchasing an insurance policy or contract.

Coverage is NOT provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life and variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

The Arkansas Life and Health Insurance Guaranty Association
c/o The Liquidation Division
1023 West Capitol
Little Rock, Arkansas 72201

Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

The state law that provides for this safety-net coverage is called the Arkansas Life and Health Insurance Guaranty Association Act ("Act"). Below is a brief summary of the Act's coverages, exclusions and limits. This summary does not cover all provisions of the Act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

COVERAGE

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life, annuity or health insurance contract or policy, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons owning such policies are NOT protected by the Guaranty Association, if:

- They are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose Guaranty Association protects insureds who live outside that state);
- The insurer was not authorized to do business in this state;
- Their policy or contract was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does NOT provide coverage for:

- Any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.
- Any policy of reinsurance (unless an assumption certificate was issued);
- Interest rate yields that exceed an average rate;
- Dividends and voting rights and experience rating credits;
- Credits given in connection with the administration of a policy by a group contract holder;
- Employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- Unallocated annuity contracts (which give rights to group contract holders, not individuals).
- Unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC") (whether the FPBC is yet liable or not);
- Portions of an unallocated annuity contract not owned by a benefit plan or government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- Portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- Obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- Contractual agreements establishing the member's insurer's obligation to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover: The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 no matter how many policies and contracts there were with the same company, even if they provided different types of coverage. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or net cash surrender values -- again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a \$1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer.

IMPORTANT NOTICE

TO OBTAIN INFORMATION OR MAKE A COMPLAINT:

You may call or write your agent or Investors Heritage's home office for information or to make a complaint about your policy.

HOME OFFICE
FRANKFORT KY 40602

Investors Heritage Life Insurance Company
PO Box 717
Frankfort, KY 40602-0717
800-422-2011

Should you have a dispute concerning your premium or about a claim you should contact the company first. If the dispute is not resolved, you may contact the Arkansas Insurance Department.

Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201-1904
501-371-2600
800-282-9124

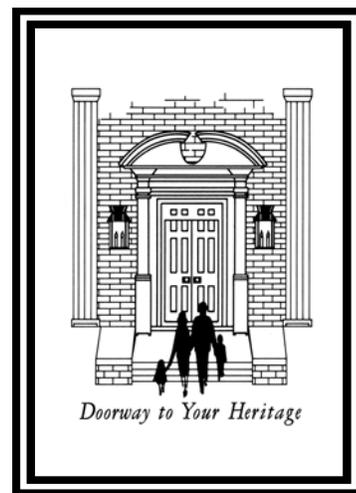
ATTACH THIS NOTICE TO YOUR POLICY.

This notice is for information only and does not become a part or condition of the attached document.

INVESTORS HERITAGE

Life Insurance Company

HERITAGE FINAL EXPENSE



ARKANSAS

GUARANTEED POLICY VALUES
GUARANTEED PREMIUMS
CASH VALUE WHOLE LIFE INSURANCE

PLAN 1 - FULL BENEFIT

Level death benefit to age 100, endowing for face amount at age 120.

Issue Ages 0 to 80

Minimum Face Amount: \$2,000

Maximum Face Amount: \$25,000 for ages 0-65; \$15,000 for ages 66-80

Premium Payment Options: 5 pay, 10 Pay, 20 Pay, Pay to Age 100

INVESTORS HERITAGE *Life Insurance Company*

Post Office Box 717 Frankfort, Kentucky 40602-0717

Phone: 800-422-2011 Fax: 502-875-7084 E-Mail: ihlic@ihlic.com

Web Site: www.investorsheritage.com

HERITAGE FINAL EXPENSE

NOTICE OF INFORMATION PRACTICES

This Notice must be given to applicant at time of application. This Notice is not part of the application.

INSURANCE INFORMATION PRACTICES. We will rely primarily on the information you give to us. We may also get information from other sources, such as doctors or other medical professionals who have treated you. In some cases, we may ask a consumer reporting agency to gather information and send us an investigative consumer report as explained in the Fair Credit Reporting Act below. You may ask to be interviewed as part of the preparation of any such report.

MIB PRE-NOTICE. Information regarding your insurability will be treated as confidential. Investors Heritage Life Insurance Company or its reinsurers may, however, make a brief report thereon to the MIB, Inc., formerly known as the Medical Information Bureau, a not-for-profit membership organization of insurance companies, which operates an information exchange on behalf of its members. If you apply to another MIB member company for life or health insurance coverage, or a claim for benefits is submitted to such a company, MIB, upon request, will supply such company with the information about you in its file.

Upon receipt of a request from you, MIB will arrange disclosure of any information in your file. Please contact MIB at 866-692-6901 (TTY 866-346-3642). If you question the accuracy of the information in MIB's file, you may contact MIB and seek a correction in accordance with the procedures set forth in the federal Fair Credit Reporting Act. The address of MIB's information office is 50 Braintree Hill Park, Suite 400, Braintree, Massachusetts 02184-8734.

Investors Heritage Life Insurance Company, or its reinsurers, may also release information from its file to other insurance companies to whom you may apply for life or health insurance, or to whom a claim for benefits may be submitted. Information for consumers about MIB may be obtained on its website at www.mib.com.

PERSONAL HISTORY INTERVIEW. We may conduct a personal history interview. This is a phone call placed from our underwriting office. Its purpose is to make sure that the information on the application is correct. Our interviewers are trained to conduct their calls in a friendly, professional manner. The nature of the information discussed is always treated as personal and confidential and will only be used to help determine your eligibility for insurance.

CONTESTABILITY. You are strongly urged to review the completed application for accuracy. A claim may be denied if the application contains false statements or misrepresentations or fails to disclose material facts. In such a case, the policy could be void and coverage could be lost or denied.

YOUR RIGHTS TO ACCESS AND CORRECTION. You can obtain access to personal information about you contained in our policy files by sending us a written request. You may also request any necessary corrections, amendments or deletion of any information in our files which you believe to be inaccurate or irrelevant.

FRAUD NOTICES:

Kentucky and Pennsylvania: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Ohio: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Oklahoma: Warning: Any person who knowingly and with intent to injure, defraud or deceive any insurer, makes a claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Virginia: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

All other states: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines, confinement in prison and denial of insurance benefits.

PREMIUM RECEIPT

Make check or money orders payable to Investors Heritage.
Do not make checks or money orders payable to the agent or leave the payee blank.

Amount Received: \$ _____ From: _____ Date: _____
month day year

This premium was paid in connection with an application for life insurance. The insurance applied for shall not take effect until payment of the first full premium, approval by Investors Heritage Life Insurance Company, delivery of the policy while the health condition of the Proposed Insured and other factors affecting insurability are as stated in the application, all of which must occur during the lifetime of the insured. In the event the application is declined, any payment made by the applicant will be returned.

Agent's Signature

Agent's Phone Number

Agent's Address

**APPLICATION
FOR LIFE INSURANCE**



P O Box 717 Frankfort, KY 40602-0717
Ph: 800.422.2011 Fax: 502.875.7084
E-mail: ihlic@ihlic.com www.investorsheritage.com

Section 1	PRINT USING BLACK INK ----- PROPOSED INSURED -----									
	Name (First, Middle, Last)				Date of Birth	Month	Day	Year	Age	Sex <input type="checkbox"/> Male <input type="checkbox"/> Female
	Street Address				City, State, Zip					
	Height ft. in.	Weight lbs.	Home Phone ()		Other Phone ()		Best Time to Call <input type="checkbox"/> AM <input type="checkbox"/> PM			
	Social Security Number		Driver's License Number / State of Issue			Has the proposed insured used tobacco in the past 12 months?			<input type="checkbox"/> Yes <input type="checkbox"/> No	
Section 2	----- OWNER ----- (if different from Proposed Insured)									
	Name (First, Middle, Last)				Relationship to Proposed Insured					
	Street Address				City, State, Zip					
	Social Security Number		Home Phone ()		Other Phone ()		Best Time to Call <input type="checkbox"/> AM <input type="checkbox"/> PM			
Section 3	----- BENEFICIARY INFORMATION -----									
	Primary Beneficiary Name (First, Middle, Last)			Social Security or Tax ID Number		Relationship to Proposed Insured				
	Contingent Beneficiary Name (First, Middle, Last)			Social Security or Tax ID Number		Relationship to Proposed Insured				
If there is to be more than one Primary and / or Contingent Beneficiary, please list on a separate sheet the names, social security numbers and relationships to the Proposed Insured.										
Section 4	----- POLICY INFORMATION -----									
	Premium Payment Period		Premium Payment Frequency				Face Amount of Insurance			
	<input type="checkbox"/> 5 Yrs <input type="checkbox"/> 10 Yrs <input type="checkbox"/> 20 Yrs <input type="checkbox"/> To Age 100	<input type="checkbox"/> Annually <input type="checkbox"/> Monthly		<input type="checkbox"/> Semi-Annually <input type="checkbox"/> Monthly PAT		<input type="checkbox"/> Quarterly <input type="checkbox"/> Payroll Deduction		\$ _____		
Does the Proposed Insured have any existing life insurance policies or annuity contracts? If "Yes", complete replacement form. <input type="checkbox"/> Yes <input type="checkbox"/> No							Premium Paid to Agent \$ _____			
Section 5	----- HEALTH QUESTIONS -----									
	1. Within the past 90 days, have you been bedridden at home, confined in a hospital, nursing home, or long-term care facility, used oxygen equipment to assist in breathing, or received hospice care?								<input type="checkbox"/> Yes <input type="checkbox"/> No	
	2. To the best of your knowledge, have you ever been diagnosed by a member of the medical profession as having, or have you been tested positive for, or been treated by a member of the medical profession, for any of the following: Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or Human Immunodeficiency Virus (HIV)?								<input type="checkbox"/> Yes <input type="checkbox"/> No	
	3. Within the past 5 years, have you been diagnosed or treated by a member of the medical profession for, or are you taking medication for, any of the following:									
	a. Heart disease or disorder, heart attack, stroke, chest pain, heart surgery, angioplasty, congestive heart failure, or high blood pressure (except high blood pressure controlled with medication)?								<input type="checkbox"/> Yes <input type="checkbox"/> No	
	b. Diabetes and high blood pressure together, diabetes that required insulin injections prior to age 50, or any complication of diabetes, including amputation, numbness, eye or kidney disorder, coma or insulin shock?								<input type="checkbox"/> Yes <input type="checkbox"/> No	
	c. Cancer of any organ, melanoma, leukemia, kidney failure or dialysis, liver disease or cirrhosis, chronic lung disease, or tuberculosis?								<input type="checkbox"/> Yes <input type="checkbox"/> No	
d. Alzheimer's Disease, Down's Syndrome, Lou Gehrig's Disease (ALS), Multiple Sclerosis (MS), Parkinson's Disease, Systemic Lupus Erythematosus (SLE), or seizure disorder?								<input type="checkbox"/> Yes <input type="checkbox"/> No		
4. Within the past 5 years, have you been arrested, received two or more citations for moving traffic violations, or been convicted of driving under the influence of alcohol or drugs?								<input type="checkbox"/> Yes <input type="checkbox"/> No		
5. Within the past 10 years, have you received treatment or counseling for the use of alcohol, or the use or possession of any narcotic, stimulant, sedative, or hallucinogenic drug?								<input type="checkbox"/> Yes <input type="checkbox"/> No		
Primary Care Physician's Name, Address and Phone Number										

AGREEMENT & MEDICAL AUTHORIZATION

I have read, or had read to me, the above questions and my answers to them. To the best of my knowledge and belief, my answers are complete, true, and accurate. All questions were asked of me.

I understand that Investors Heritage Life Insurance Company, hereafter called "Company", does not give any agent or person other than an officer of the Company authority to waive any answer or otherwise modify this application.

Medical Authorization: I hereby authorize any licensed physician, medical practitioner, hospital, clinic, or other medical or medically related facility, insurance company, the Medical Information Bureau (MIB, Inc.) or other organization, institution, or person, that has any record or knowledge of any proposed insured's health, to give to Company or its representative or its reinsurers any such information. I understand that the information will be used to determine a Proposed Insured's eligibility for insurance. A copy of this authorization shall be as valid as the original. This authorization is valid for 24 months from the date signed. My authorized representative or I may request a copy of this authorization, and I can revoke this authorization by written notice to the Company.

FRAUD NOTICES

Kentucky and Pennsylvania: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Ohio: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Oklahoma: Warning: Any person who knowingly and with intent to injure, defraud or deceive any insurer, makes a claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Virginia: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

All other states: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines, confinement in prison and denial of insurance benefits.

INSURED'S / OWNER'S STATEMENT

This application has been completed in my presence and all questions have been asked by the agent and answered to the best of my knowledge and belief. I understand that a specially trained interviewer from the Investors Heritage home office may call to verify information given on the application.

Signature of proposed insured

City and state where application signed

Signature of owner if different than proposed insured

Date

AGENT'S STATEMENT

I, the undersigned agent, certify:

- (1) I have seen the proposed insured have witnessed the signature of the applicant and the proposed insured, if different.
- (2) I have asked all questions and truly and accurately recorded the answers contained herein.
- (3) The applicant / proposed insured is either personally known to me or I have seen their government issued identification.

Does the proposed insured have any existing life insurance or annuities? If "Yes", complete replacement form. Yes No

Signature of licensed agent 1

Agent Code #

Printed name of licensed agent 1

Signature of licensed agent 2

Agent Code #

Printed name of licensed agent 2

REQUEST FOR PREAUTHORIZED TRANSFER PLAN (PAT)

I hereby request and authorize Investors Heritage Life Insurance Company, Frankfort, Kentucky ("Investors Heritage") to make preauthorized transfers from my bank account by way of draft, check, or electronic transfer for the payment of premiums for this policy. This authorization shall be subject to the following conditions:

- (1) The preauthorized transfer shall occur on or after the premium due dates unless otherwise specified;
- (2) Investors Heritage shall not incur any liability on any transfer returned by the bank;
- (3) Amounts not honored by the bank after initial deposit shall constitute non-payment of premium and coverage shall lapse subject to all provisions of each policy;
- (4) This authorization may be revoked by either party upon 30 days advance written notice, and Investors Heritage may immediately revoke this request if any preauthorized transfer is dishonored by the bank when presented.

Frequency of Transfer Renewal premiums will be debited on MONTHLY mode unless a different mode is marked.

ANNUALLY SEMI-ANNUALLY QUARTERLY MONTHLY

Date

Depositor's Printed Name as it appears on bank records

Depositor's Signature

Name of Bank

Bank or branch address

Complete the following OR submit a voided check.

Account Type: Account Number

Checking Routing Number

Savings

SERFF Tracking Number: IHLI-125902009 *State:* Arkansas
Filing Company: Investors Heritage Life Insurance Company *State Tracking Number:* 41000
Company Tracking Number: 28200AR
TOI: L071 Individual Life - Whole *Sub-TOI:* L071.101 Fixed/Indeterminate Premium - Single Life

Product Name: Heritage Final Expense II
Project Name/Number: HFE2/HFE2

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: IHLI-125902009 State: Arkansas
Filing Company: Investors Heritage Life Insurance Company State Tracking Number: 41000
Company Tracking Number: 28200AR
TOI: L071 Individual Life - Whole Sub-TOI: L071.101 Fixed/Indeterminate Premium - Single Life
Product Name: Heritage Final Expense II
Project Name/Number: HFE2/HFE2

Supporting Document Schedules

Review Status:

Satisfied -Name: Certification/Notice 11/13/2008

Comments:

Compliance Certifications and Flesch Certification attached.

Attachments:

AR Certif of Compliance with Rule 19.pdf

AR Compliance Certifications.pdf

Readability Certification.pdf

Review Status:

Satisfied -Name: Application 11/13/2008

Comments:

The application that will be used for these two policy forms is included in this filing as a new form.

Review Status:

Satisfied -Name: Cover Letter 12/03/2008

Comments:

Cover Letter attached.

Attachment:

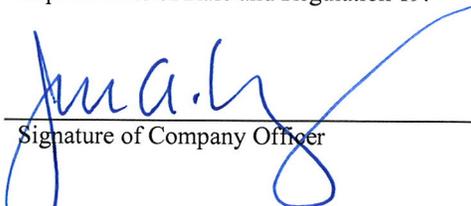
AR Cover Letter.pdf

**Certificate of Compliance with
Arkansas Rule and Regulation 19**

Insurer: Investors Heritage Life Insurance Company

Form Number(s): Form 28901 (10-2008) Application Form
Form 28200 AR (5-2008) Whole Life Policy
Form 28201 AR (5-2008) Reduced Benefit Whole Life Policy

I hereby certify that the filing above meets all applicable Arkansas requirements including the requirements of Rule and Regulation 19.



Signature of Company Officer

Julie A. Hunsinger, FSA, MAAA

Name

Vice President & Chief Actuary

Title

December 3, 2008

Date



INVESTORS HERITAGE *Life Insurance Company*

PO Box 717 Frankfort KY 40602-0717

1-800-422-2011

investorsheritage@ihlic.com

Certificates of Compliance

Re: Form 28200 AR (5-2008) – Whole Life Insurance Policy
Form 28201 AR (5-2008) – Whole Life Insurance Policy
Form 28901 (10-2008) – Application for Life Insurance

I hereby certify that the submitted forms listed above meet all applicable Arkansas requirements including the requirements of Rule and Regulation 19 and the requirements of Rule and Regulation 49.

I also hereby certify that the submitted forms listed above meet with the applicable readability requirements of the Arkansas Code.

I also certify that the Consumer Information Notice as required by ACA 23-79-138 is attached to every policy at policy issue.

Julie A. Hunsinger, FSA, MAAA
Vice President & Chief Actuary
November 26, 2008

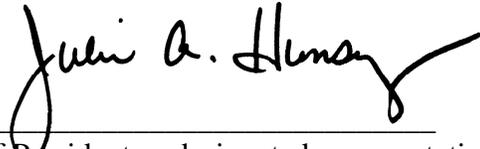
**POLICY FORMS FILING
READABILITY CERTIFICATION**

**INVESTORS HERITAGE LIFE INSURANCE COMPANY
NAIC No. 64904**

I have reviewed or supervised the preparation of the forms listed below and certify that the forms comply with the applicable readability requirements of the Arkansas Code.

Form Number	Description	Flesch Score
28200 AR (5-2008)	Whole Life Insurance Policy	54.0
28201 AR (5-2008)	Whole Life Insurance Policy	53.7
28901 (10-2008)	Application for Life Insurance	50.5

December 3, 2008
Date



Signature of President or designated representative

Julie Hunsinger, FSA, MAAA
Name of Person signing above

Vice President & Chief Actuary
Title of person signing above



INVESTORS HERITAGE *Life Insurance Company*

PO Box 717 Frankfort KY 40602-0717

1-800-422-2011

investorsheritage@ihlic.com

November 24, 2008

Arkansas Insurance Department
1200 West 3rd Street
Little Rock, AR 72201-1904

Re: Policy Form 28200 AR (5-2008)
Policy Form 28201 AR (8-2008)
Application Form 28901 (10-2008)

NAIC #64904
Federal Employer ID 61-0574893

Dear Sir or Madam:

We are submitting the above numbered forms for your consideration for approval. These forms have not previously been filed in the state of Arkansas and do not replace any current forms. They are submitted in final print format.

Form 28200 AR (5-2008) is a whole life insurance policy. Level premiums may be paid for 5 years, 10 years, 20 years, or for whole life. Once issued premiums and benefits are fully guaranteed, so this form will not be marketed with an illustration. It will be issued using simplified underwriting methods with a maximum face amount of \$25,000 and issue ages of 0-80.

Form 28201 AR (5-2008) is a reduced benefit whole life insurance policy. Level premiums may be paid for 5 years, 10 years, 20 years, or for whole life. Once issued premiums and benefits are fully guaranteed, so this form will not be marketed with an illustration. It will be guaranteed issue (no underwriting) with a maximum face amount of \$15,000 and issue ages of 0-80. During the first three years the reduced death benefit changes each policy month, but will never be less than the return of premiums with interest at 5.00%. The reduced death benefit is equal to the annual premium multiplied by the death benefit factor. During the first three years, the accidental death benefit is equal to the face amount less the reduced death benefit. After the first three years, the accidental death benefit is equal to zero.

Application Form 28901 (10-2008) is the application to be used with the above forms. Depending on the answers to the health questions, one of two actions will result:

1. A Full Benefit policy, Form 28200 AR (5-2008), will be offered; or
2. A Reduced Benefit policy, Form 28201 AR (5-2008), will be offered.

All forms listed above will be marketed by Investors Heritage Life Insurance Company agents using traditional marketing methods.

These forms will not be marketed with illustrations.

The SERFF tracking number is IHLI-125902009.

The following have been submitted via SERFF:

1. This letter;
2. Forms 28200 AR (5-2008), 28201 AR (5-2008) and 28901 (10-2008);
3. Actuarial memorandum for forms 28200 AR (5-2008) and 28201 AR (5-2008);
and
4. Certifications of Rule 19, Rule 49 and Readability.

If you have any questions or need additional information, please feel free to call me at (502) 209-1007.

Sincerely,

A handwritten signature in black ink that reads "Karen S. Jones". The signature is written in a cursive, flowing style.

Karen S. Jones
Filing Administrator
800-422-2011, ext 1007
Fax: 502-875-7084
Email: kjones@ihlic.com

SERFF Tracking Number: IHLI-125902009 State: Arkansas
 Filing Company: Investors Heritage Life Insurance Company State Tracking Number: 41000
 Company Tracking Number: 28200AR
 TOI: L071 Individual Life - Whole Sub-TOI: L071.101 Fixed/Indeterminate Premium - Single Life
 Product Name: Heritage Final Expense II
 Project Name/Number: HFE2/HFE2

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	Whole Life Insurance Policy	11/13/2008	28201 AR (5-2008).PDF
No original date	Form	Application for Life Insurance	12/09/2008	28901 AR (10-2008).pdf
No original date	Form	Application for Life Insurance	11/13/2008	28901 (10-2008) letter size.pdf
No original date	Form	Whole Life Insurance Policy	12/09/2008	28201 AR (5-2008).PDF

INVESTORS HERITAGE

Life Insurance Company

200 CAPITAL AVENUE
PO BOX 717
FRANKFORT, KY 40602-0717
PHONE 1.800.422.2011

We will pay the proceeds of this policy to the beneficiary upon receipt of due proof of death of the insured while this policy is in force.

We will pay the cash surrender value of this policy to you upon its surrender.

We will pay the cash surrender value to you if the insured is living and this policy is in force on the maturity date.

This policy is a legal contract between you and us. It is issued in consideration of the application and the payment of the initial premium on or before the date of policy delivery. Subsequent premiums are payable as provided in the policy.

PLEASE READ YOUR POLICY CAREFULLY!

Signed at our home office at 200 Capital Avenue, Frankfort, Kentucky.



Jane S. Jackson
Secretary



Harry Lee Waterfield II
President

30 DAY EXAMINATION PERIOD

You may return this policy within 30 days after receiving it by mailing it to us, taking it to the agent through whom it was purchased, or by taking it to any other agent of Investors Heritage Life Insurance Company. It will then be void as of the date of issue. Any premium paid will be returned.

**REDUCED DEATH BENEFIT FOR FIRST THREE POLICY YEARS.
NOT IN FULL BENEFIT UNTIL FOURTH POLICY YEAR.**

WHOLE LIFE INSURANCE POLICY

During first three policy years death benefit equals the
(1) accidental death benefit plus the (2) reduced death benefit;
After first three policy years death benefit equals the face amount;
Cash surrender value payable on maturity date;
Premiums payable for amount and period stated in policy schedule;
Non-participating - no dividends.

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**POLICY SCHEDULE
WHOLE LIFE INSURANCE**

POLICY NUMBER: 990021

INSURED: John Doe

OWNER: John Doe

FACE AMOUNT: \$ 10,000

POLICY DATE: October 1, 2008

DATE OF ISSUE: October 1, 2008

ISSUE AGE: 35

SEX: Male

RISK CLASSIFICATION: Reduced Death Benefit

ANNUAL PREMIUM: \$ 490.00

INITIAL PREMIUM: \$ 490.00

PREMIUM PAYMENT PERIOD: Whole Life

MATURITY DATE: October 1, 2093

BENEFICIARY: As stated in the application unless changed by you.

The owner and beneficiary are subject to change as described in this policy.

Guaranteed cash values and paid-up values are based on the 2001 CSO Table, Male or Female, Age Last Birthday, and 5.00% interest per year, compounded annually.

The maximum policy loan interest rate is 8.0% per year, payable in arrears, compounded annually.

BENEFIT SCHEDULE

INSURED	BENEFIT	ISSUE AGE	FACE AMOUNT	PREMIUM PERIOD	BENEFIT PERIOD	ANNUAL PREMIUM
JOHN DOE	Whole Life Insurance	35	\$ 10,000	Whole Life	Whole Life	\$ 490.00
				Total Annual Premium		\$ 490.00

The initial premium mode for this policy is annually.

PREMIUM MODE	MODAL PREMIUM FACTOR	MODAL PREMIUM
Monthly preauthorized transfer	0.088	\$ 43.12
Monthly direct	0.095	\$ 46.55
Quarterly preauthorized transfer	0.270	\$ 132.30
Semi-annually (direct and preauthorized transfer)	0.520	\$ 254.80
Annually (direct and preauthorized transfer)	1.000	\$ 490.00

The policy fee included in the above premium is \$ 50.00 per year.

TABLE OF REDUCED DEATH BENEFITS AND ACCIDENTAL DEATH BENEFIT								
Policy Month of Death	Death Benefit	Accidental Death Benefit	Policy Month of Death	Death Benefit	Accidental Death Benefit	Policy Month of Death	Death Benefit	Accidental Death Benefit
1	46.74	9,953.26	13	622.69	9,377.31	25	1,227.45	8,772.55
2	93.67	9,906.33	14	671.97	9,328.03	26	1,279.18	8,720.82
3	140.79	9,859.21	15	721.45	9,278.55	27	1,331.13	8,668.87
4	188.11	9,811.89	16	771.13	9,228.87	28	1,383.30	8,616.70
5	235.61	9,764.39	17	821.00	9,179.00	29	1,435.68	8,564.32
6	283.31	9,716.69	18	879.09	9,128.91	30	1,488.26	8,511.74
7	331.21	9,668.79	19	921.38	9,078.62	31	1,541.06	8,458.94
8	379.29	9,620.71	20	971.87	9,028.13	32	1,594.08	8,405.92
9	427.58	9,572.42	21	1,022.57	8,977.43	33	1,647.32	8,352.68
10	476.06	9,523.94	22	1,073.48	8,926.52	34	1,700.77	8,299.23
11	524.74	9,475.26	23	1,124.59	8,875.41	35	1,754.44	8,245.56
12	573.61	9,426.39	24	1,175.91	8,824.09	36	1,808.33	8,191.67
						37 and later	10,000.00	.00

**TABLE OF GUARANTEED POLICY VALUES
AT END OF POLICY YEAR
ISSUE AGE 35**

Policy Year	Cash Value	Reduced Paid-Up Amount	Policy Year	Cash Value	Reduced Paid-Up Amount	Policy Year	Cash Value	Reduced Paid-Up Amount
1	\$ 0.00	\$ 0	30	\$ 3,713.20	\$ 7,846	59	\$ 8,271.30	\$ 9,690
2	4.00	25	31	3,887.90	7,969	60	8,356.30	9,716
3	99.10	581	32	4,064.80	8,086	61	8,340.30	9,745
4	186.30	1,047	33	4,244.20	8,197	62	8,527.90	9,780
5	277.00	1,493	34	4,426.60	8,305	63	8,623.20	9,828
6	371.20	1,920	35	4,611.70	8,408	64	8,733.30	9,896
7	468.80	2,326	36	4,799.10	8,506	65	8,871.50	10,000
8	569.80	2,713	37	4,987.00	8,599	66	8,913.20	10,000
9	674.00	3,081	38	5,174.20	8,687	67	8,954.20	10,000
10	781.30	3,431	39	5,361.30	8,770	68	8,994.30	10,000
11	892.00	3,764	40	5,548.40	8,850	69	9,033.60	10,000
12	1,006.20	4,081	41	5,735.20	8,925	70	9,072.00	10,000
13	1,124.60	4,385	42	5,921.30	8,996	71	9,109.40	10,000
14	1,247.70	4,676	43	6,105.20	9,064	72	9,145.90	10,000
15	1,375.60	4,957	44	6,285.50	9,127	73	9,181.40	10,000
16	1,508.00	5,225	45	6,461.40	9,186	74	9,215.80	10,000
17	1,644.70	5,481	46	6,632.00	9,241	75	9,249.20	10,000
18	1,785.20	5,725	47	6,797.30	9,292	76	9,281.60	10,000
19	1,929.30	5,957	48	6,957.70	9,340	77	9,312.90	10,000
20	2,076.40	6,176	49	7,113.10	9,385	78	9,343.10	10,000
21	2,226.40	6,383	50	7,262.60	9,427	79	9,372.30	10,000
22	2,379.30	6,580	51	7,405.10	9,465	80	9,400.40	10,000
23	2,535.80	6,768	52	7,539.70	9,501	81	9,427.40	10,000
24	2,696.40	6,947	53	7,665.80	9,534	82	9,452.60	10,000
25	2,860.90	7,118	54	7,783.10	9,564	83	9,469.00	10,000
26	3,028.30	7,280	55	7,891.70	9,591	84	9,512.20	10,000
27	3,197.70	7,434	56	7,993.30	9,617	85	10,000.00	10,000
28	3,368.40	7,579	57	8,090.10	9,642			
29	3,540.20	7,716	58	8,182.70	9,666			

DEFINITIONS

ATTAINED AGE

The issue age of the insured plus the number of completed policy years.

DATE OF ISSUE

The effective date of coverage under this policy.

INDEBTEDNESS

Unpaid policy loans and unpaid policy loan interest, if any.

INSURED

The individual named as the insured in the policy schedule. The insured may or may not be the owner.

ISSUE AGE

Age on the insured's last birthday on or preceding the policy date.

MATURITY DATE

The final date on which any proceeds are payable under this policy if the insured is still alive.

POLICY ANNIVERSARY

The same day and month as the policy date for each succeeding year this policy remains in force.

POLICY DATE

The date from which policy anniversaries, policy years and policy months are determined.

PREMIUM PERIOD

The number of years for which premiums are payable.

PROCEEDS

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

WE, OUR, US

Investors Heritage Life Insurance Company.

YOU, YOURS

The owner of this policy. The owner is designated in the application unless later changed by written notice to us.

GENERAL PROVISIONS

CONTRACT

The entire contract between you and us consists of this policy, any riders or endorsements, and the written application, a copy of which is attached at issue or delivery. All statements between you and us in the application are representations and not warranties. No statement shall be used in defense of a claim under this policy unless it is contained in a written application that is attached to the policy when issued or delivered.

AUTHORITY TO CHANGE

Only our officers may change the terms of this policy. Any change must be made in writing.

INCONTESTABILITY

We will not contest the validity of this policy except for non-payment of premium.

SUICIDE

If the insured commits suicide, while sane or insane, within two (2) years from the date of issue, the proceeds under the policy will be an amount equal to the premiums paid.

MISSTATEMENT OF AGE OR SEX

If the age or sex of the insured is misstated, any amount of proceeds payable will be adjusted to that amount which the premiums paid would have purchased at the insured's true age and sex, minus any indebtedness.

Any underpayments already made by us together with interest at the rate of 6% per annum, compounded annually, from the date of each underpayment will be paid immediately. Any overpayments made by us together with interest at the rate of 6% per annum, compounded annually, shall be charged against benefits falling due after the date of adjustment.

NON-PARTICIPATING

This policy will not share in our surplus earnings. No dividends will be paid.

TERMINATION

This policy will terminate and all coverage will cease on the earliest of the following dates:

1. The date we receive your written request to surrender the policy;
2. The date on which the grace period ends if a premium is then in default and this policy has no cash value;
3. The date of death of the insured;
4. The maturity date shown on the policy schedule;
5. If indebtedness equals or exceeds the cash value, the date that falls thirty-one (31) days after notice of termination has been mailed to your last known address and to any assignee of record.

OWNERSHIP AND BENEFICIARY PROVISIONS

OWNER

The owner of this policy is as shown in the application. The owner has all rights stated in this policy. The owner may amend this policy, with our consent, while the insured is alive. The rights of the owner are subject to the rights of an irrevocable beneficiary. If there is more than one owner at a given time, all must exercise the rights of ownership by joint action.

If the owner has not named a successor owner, at the death of the owner, the insured becomes the owner of this policy unless the insured is a minor or otherwise legally incompetent, in which case the owner will be the legally appointed guardian of the insured.

BENEFICIARY

The beneficiary is as shown in the application. The beneficiary will receive the amount of proceeds payable at the death of the insured subject to any assignment made by you. The interest of a beneficiary terminates if the beneficiary dies before the insured. If no beneficiary survives at the insured's death, payment may be made to you or to your estate or successors.

If more than one beneficiary survives at the death of the insured, proceeds will be allocated according to written instructions received by us from the owner of this policy prior to the death of the insured. If no allocation of proceeds between beneficiaries is specified, proceeds will be divided equally among all surviving beneficiaries.

If the beneficiary of this policy does not make claim within sixty (60) days after the death of the insured, or if the beneficiary is the estate of the insured, or is a minor, or is not legally competent to give a valid release, we may, in good faith, make a payment to any of the insured's relatives by blood or marriage appearing to us to be entitled thereto.

CHANGE OF OWNER OR BENEFICIARY

You may change the designations of owner and beneficiary while the insured is alive. Any change is subject to the consent of an irrevocable beneficiary. Written notice of change must be filed at our home office in a form acceptable to us. The new designation will then take effect as of the date you signed the notice. Such a change does not affect any payment made or other action taken by us before we received the notice.

ASSIGNMENT

You may assign this policy by written request. We are not responsible for the validity or effect of any assignment of this policy. No assignment will bind us until it is received at our home office.

INSURANCE PROVISIONS

REDUCED DEATH BENEFIT

The reduced death benefit during each of the first thirty-six (36) policy months is shown in the benefit schedule on page 4.

ACCIDENTAL DEATH BENEFIT

The accidental death benefit during each of the first thirty-six (36) policy months is shown in the benefit schedule on page 4. An accidental death benefit will be paid if the death of the insured is the result of accidental death and death occurs while the accidental death benefit is greater than zero.

Accidental death is defined such that:

1. The death of the insured resulted from accidental bodily injury that was the direct cause of death, independent of disease, bodily infirmity, or any other cause; and
2. The death of the insured occurred within ninety (90) days of the date of injury.

Accidental death includes, but is not limited to, death that occurs as a result of:

1. The involuntary or unintentional ingestion, absorption or inhalation of a poison, narcotic, sedative, medicine, infectious organism, gas or fume; and
2. Accidental ptomaine (food) poisoning and bacterial infection resulting from accidental injury; and
3. An adverse reaction to a legally obtained medicine or drug, if taken as directed, whether or not prescribed by a physician.

Accidental death does not include death that occurs as a result of:

1. Intentional self-inflicted injury, whether sane or insane; or
2. Alcohol intoxication above the legal limit; or
3. Any poison, illegal or illegally obtained drug or narcotic, gas or fumes, when voluntarily taken administered, absorbed or inhaled; or
4. Medical or surgical treatment, except when required as the result of an accident.

DEATH BENEFIT

During each of the first thirty-six (36) policy months, the death benefit payable under this policy is equal to the reduced benefit plus the accidental death benefit, if any. Thereafter, the death benefit payable under this policy is equal to the face amount shown in the policy schedule.

PROCEEDS AT DEATH

The amount of proceeds payable at death of the insured while this policy is in force will be (a) the death benefit described above adjusted for any misstatement of age or sex, plus (b) any premiums paid for coverage beyond the end of the policy month in which the insured dies, less (c) any indebtedness.

INTEREST ON PROCEEDS

If the amount of proceeds is paid in one sum, it will include any interest as required by law, from the date ten (10) days after we receive satisfactory proof of an insured's death to the date of payment. Interest will be paid at a rate which is the greater of (a) the rate declared by us, or (b) the rate required by law.

PAYMENT OF PROCEEDS

To claim the proceeds (a) a claim form must be filed with us, and (b) satisfactory proof of death must be furnished.

PREMIUM PROVISIONS

PREMIUM PAYMENTS

The initial premium shown in the policy schedule is due on the policy date. There is no insurance coverage in effect until the initial premium is paid while the insured is alive.

Additional premiums are payable in advance at our home office. Each premium, including the initial premium, may be paid to our authorized agent who will provide a receipt. The receipt must be signed by the agent who receives the payment on our behalf.

PREMIUM DUE DATE

Each premium, after the initial premium, is due on or before the end of the period covered by the preceding premium. Any premium not paid on or before its premium due date is in default.

GRACE PERIOD

A grace period of thirty-one (31) days is allowed for payment without interest of any premium falling due after the policy date. During the grace period this policy will stay in force. If a premium in default has not been paid by the end of the grace period, this policy will terminate as of the premium due date of the unpaid premium. If the insured dies during the grace period, the premium required to keep this policy in force to the end of the policy month in which death occurs will be deducted from the proceeds. This thirty-one (31) day grace period does not apply to the initial premium payment.

MODES OF PREMIUM PAYMENT

Premiums may be paid monthly, quarterly, semi-annually, or annually. Payment of premiums is subject to our current minimum premium requirements and permitted methods of payment. You may change your method of premium payment with our consent.

AMOUNTS OF PREMIUM

The amount of premium due on any premium due date is equal to the total annual premium in effect on that date multiplied by the modal premium factor. The total annual premium is the sum of the annual premiums for this policy and for any benefits attached by rider. The total annual premium and the modal premium factors for each allowable premium mode are shown in the policy schedule.

REFUND OF UNEARNED PREMIUMS

Any premiums paid for coverage beyond the end of the premium month in which you surrender or terminate this policy will be returned to you.

REINSTATEMENT PROVISIONS

REINSTATEMENT

This policy may be reinstated within three (3) years after the due date of an unpaid premium, subject to the following conditions:

1. This policy was not surrendered for its cash surrender value; and
2. You submit a written request and application during the insured's lifetime; and
3. You pay all premiums in default together with interest at the rate of 6% per year, compounded annually, from the premium due date of each premium in default to the date of reinstatement; and
4. You pay or reinstate any indebtedness which existed at the premium due date of the first premium in default with interest to the date of reinstatement at the policy loan interest rate stated in the policy schedule.

The date of reinstatement will be the later of (a) the date we approve your application for reinstatement, or (b) the date we receive all past premiums due, with interest.

LOAN PROVISIONS

POLICY LOAN

We will make a loan to you upon the sole security and assignment of this policy. You may obtain a loan at any time while this policy is in force. The amount of the loan may not exceed the loan value, as defined in the following paragraph. We may defer making a policy loan up to six months after written request is received at our home office unless the loan is used to pay a premium to us.

LOAN VALUE

The loan value is equal to the cash value on the date of the loan. The amount advanced as a policy loan may not exceed (a) the loan value, less (b) the amount of any existing loan, less (c) loan interest to the end of the current policy year. Unless it is paid in cash at the date of the loan, any existing policy loan, along with interest to the date of the loan, will be added to and become a part of the new policy loan.

LOAN INTEREST

Policy loan interest accrues from the date of the loan. It is payable in arrears on each policy anniversary and on the date the loan is settled. If interest is not paid when due, it will be added to the loan and will bear interest at the policy loan interest rate.

The maximum annual interest rate for loans is stated in the policy schedule. Interest is compounded annually.

INDEBTEDNESS

Indebtedness means all outstanding policy loans on this policy including interest accrued and accruing from day to day. Indebtedness may be repaid in full or in part while the insured is alive. If not repaid, it will be deducted in one sum from the proceeds of this policy.

If the indebtedness equals or exceeds the cash value, this policy will terminate thirty-one (31) days after notice of termination has been mailed to your last known address and to any assignee of record.

POLICY VALUE PROVISIONS

GUARANTEED POLICY VALUES

Guaranteed cash values and reduced paid-up values are shown for each policy year in the benefit schedule.

CASH SURRENDER VALUE

The cash surrender value for this policy on any day is equal to the cash value on that day less any indebtedness. Cash values between policy anniversaries will be calculated with due allowance for time elapsed and premiums paid.

POLICY VALUE OPTIONS

If you discontinue premium payments after this policy has a cash value, you may select one of the following policy values options subject to any conditions and limitations that apply.

1. **Cash Surrender.** You may surrender this policy for its cash surrender value. If you surrender this policy it is no longer eligible for reinstatement.
2. **Paid-up insurance.** You may apply the cash surrender value to purchase a fully paid-up life policy for a reduced amount of insurance. The amount of paid-up insurance will be that amount which the cash surrender value will purchase when applied as a net single premium at the attained age of the insured on the due date of the first unpaid premium. Reduced paid-up insurance has a cash value. The cash value of reduced paid-up insurance is equal to the net single premium at the attained age of the insured for the amount of reduced paid up insurance in effect at the date of determination.

AUTOMATIC OPTION

You may elect a policy value option within sixty (60) days of the due date of the first unpaid premium by sending us a written request at our home office. If no election has been made by the end of the sixty (60) day period, the paid-up insurance option will apply automatically. The effective date of this automatic option is the due date of the first unpaid premium.

EXERCISING THE CASH SURRENDER POLICY OPTION

You may surrender this policy by returning it to our home office and filing a written request in a form acceptable to us. The date of surrender will be the date you signed the request, provided the insured was then living. The amount that will be paid is the cash surrender value. With written permission from the Commissioner of the state in which this policy was delivered, the payment of the cash surrender value may be deferred for a period up to six (6) months after the request is received at our home office.

If surrender is requested within thirty (30) days after a policy anniversary, the cash surrender value will not be less than (a) the cash surrender value on the policy anniversary, less (b) the amount of any policy loan made since the policy anniversary. This policy will terminate as of the date of surrender.

BASIS OF POLICY VALUES

The actuarial calculations are based on the Commissioners 2001 Standard Ordinary Mortality Table, Male or Female, Age Last Birthday, with interest as shown in the policy schedule. Policy benefits and actuarial reserves are not less than the minimum values required on the policy date by the state in which this policy was issued. A detailed statement of the method of computing policy values has been filed with the department of insurance in the state in which this policy was issued.

SETTLEMENT PROVISIONS

POLICY PROCEEDS

Proceeds payable under this policy may be paid in a single sum or left with us for payment under one or more of the following settlement options. The amount applied under an option must be at least \$2,000. The amount of each payment under an option must be at least \$50.

ELECTION OF OPTIONS

With the consent of any irrevocable beneficiary, you may elect or revoke a settlement option at any time before the proceeds are payable. If no settlement option election is in effect at the time the proceeds become payable, the payee may make an election. Written notice of election or revocation must be filed at our home office in a form acceptable to us. The notice will then take effect as of the date you or the payee signed the notice. An election does not affect any payment made or other action taken by us before the notice is received. A payee who is not a natural person may elect a settlement option only with our consent. An assignee cannot elect a settlement option. Change of owner or beneficiary automatically revokes any election in effect.

EFFECTIVE DATE

The first payment under options 1, 2, and 4 is payable on the effective date of the option. The effective date is (a) the date of the death of the insured, or (2) any later date agreeable with us.

DEATH OF PAYEE

Unless otherwise specified, at the death of the last payee a final payment will be made to the estate of the payee. For options 1 and 2 the final payment will be the commuted value of the remaining unpaid installments certain. Such value will be computed based on the rate of interest used in the calculation of payments. For options 3 and 4 the final payment will be the unpaid proceeds with any unpaid interest to the date of death of the payee.

SETTLEMENT OPTION INTEREST RATE

The guaranteed interest rate for options 1, 2, 3, and 4 is 3% per year, compounded annually. Additional interest may be declared by us from time to time.

OPTION 1

Proceeds will be paid for a fixed period. The amount of each payment is determined from the option 1 table below.

OPTION 2

Proceeds will be paid in equal installments throughout the certain period. After the certain period, payments will continue to be made throughout the lifetime of the payee. The amount and certain period of the payments are determined from the option 2 table on the following page. Satisfactory proof of the age and sex of the payee is required. We may require evidence that the payee is living on the due date of any payment.

OPTION 3

Interest on the proceeds will be paid in the manner agreed upon when the option is elected.

OPTION 4

Proceeds will be paid in fixed installments at regular intervals until the proceeds, together with interest on the unpaid balance, are exhausted.

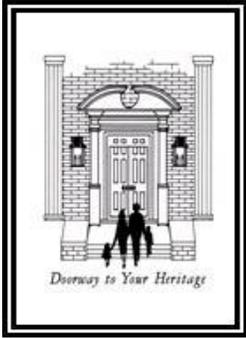
OPTION 5

Proceeds will be used to purchase any single premium annuity we offer at the time proceeds are applied. The annuity payments will be 102% of the payments otherwise purchased by the single premium.

OPTION 1 TABLE							
Monthly payments for a fixed number of years for each \$1,000 of proceeds							
Number of years	Monthly payment	Number of years	Monthly payment	Number of years	Monthly payment	Number of years	Monthly payment
1	84.48	6	15.16	11	8.88	16	6.55
2	42.87	7	13.18	12	8.26	17	6.25
3	29.01	8	11.70	13	7.73	18	5.98
4	22.08	9	10.55	14	7.28	19	5.75
5	17.92	10	9.63	15	6.89	20	5.53
The amount of monthly payment for other periods will be furnished on request.							

OPTION 2 TABLE											
Monthly payments are shown for each \$1,000 of proceeds. Age is the age last birthday of the payee when the first installment is payable.											
Period Certain											
None						10 years					
Age	Male	Female	Age	Male	Female	Age	Male	Female	Age	Male	Female
46	3.83	3.61	66	5.85	5.31	46	3.81	3.61	66	5.64	5.20
47	3.88	3.66	67	6.03	5.47	47	3.86	3.65	67	5.79	5.34
48	3.94	3.71	68	6.23	5.63	48	3.92	3.70	68	5.94	5.48
49	4.01	3.76	69	6.44	5.81	49	3.98	3.75	69	6.10	5.63
50	4.07	3.82	70	6.66	6.00	50	4.04	3.81	70	6.26	5.79
51	4.14	3.88	71	6.90	6.20	51	4.11	3.86	71	6.43	5.96
52	4.21	3.94	72	7.15	6.43	52	4.18	3.92	72	6.60	6.13
53	4.29	4.01	73	7.42	6.67	53	4.25	3.99	73	6.78	6.32
54	4.37	4.08	74	7.70	6.93	54	4.33	4.05	74	6.96	6.51
55	4.46	4.15	75	8.01	7.21	55	4.41	4.12	75	7.15	6.71
56	4.55	4.22	76	8.34	7.51	56	4.49	4.20	76	7.33	6.91
57	4.64	4.31	77	8.69	7.84	57	4.58	4.27	77	7.52	7.12
58	4.75	4.39	78	9.07	8.20	58	4.68	4.36	78	7.71	7.33
59	4.85	4.48	79	9.47	8.58	59	4.78	4.44	79	7.89	7.54
60	4.97	4.58	80	9.90	9.00	60	4.88	4.53	80	8.07	7.76
61	5.09	4.68	81	10.36	9.45	61	4.99	4.63	81	8.25	7.97
62	5.23	4.79	82	10.85	9.94	62	5.11	4.73	82	8.42	8.17
63	5.37	4.91	83	11.37	10.47	63	5.23	4.84	83	8.59	8.37
64	5.52	5.04	84	11.92	11.04	64	5.36	4.96	84	8.74	8.56
65	5.68	5.17	85	12.52	11.66	65	5.50	5.08	85	8.89	8.73

Values were calculated using the Annuity 2000 Mortality Table, Male or Female, and 3.0% interest per year. Satisfactory proof of the age and sex of the payee is required. The amount of monthly payments for other ages and certain periods will be furnished on request.



INVESTORS HERITAGE

Life Insurance Company

TO OBTAIN INFORMATION, MAKE A CLAIM, OR MAKE A COMPLAINT

Call us toll-free:

1.800.422.2011

Or write to us:

**INVESTORS HERITAGE LIFE INSURANCE COMPANY
PO BOX 717
FRANKFORT KY 40602-0717**

Or email us:

ihlic@investorsheritage.com

WHOLE LIFE INSURANCE POLICY

During first three policy years death benefit equals the
(1) accidental death benefit plus the (2) reduced death benefit;
After first three policy years death benefit equals the face amount;
Cash surrender value payable on maturity date;
Premiums payable for amount and period stated in policy schedule;
Non-participating - no dividends.

**LIMITATIONS AND EXCLUSIONS UNDER THE
ARKANSAS LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION ACT**

Residents of this state who purchase life insurance, annuities or health and accident insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Health Insurance Guaranty Association. ("Guaranty Association"). The purpose of the Guaranty Association is to assure that policy and contract owners will be protected, within certain limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of policy owners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by the member insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting insurance companies that are well-managed and financially stable.

DISCLAIMER

The Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association") may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in the state. You should not rely on coverage by the Guaranty Association in purchasing an insurance policy or contract.

Coverage is NOT provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life and variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

The Arkansas Life and Health Insurance Guaranty Association
c/o The Liquidation Division
1023 West Capitol
Little Rock, Arkansas 72201

Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

The state law that provides for this safety-net coverage is called the Arkansas Life and Health Insurance Guaranty Association Act ("Act"). Below is a brief summary of the Act's coverages, exclusions and limits. This summary does not cover all provisions of the Act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

COVERAGE

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life, annuity or health insurance contract or policy, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons owning such policies are NOT protected by the Guaranty Association, if:

- They are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose Guaranty Association protects insureds who live outside that state);
- The insurer was not authorized to do business in this state;
- Their policy or contract was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does NOT provide coverage for:

- Any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.
- Any policy of reinsurance (unless an assumption certificate was issued);
- Interest rate yields that exceed an average rate;
- Dividends and voting rights and experience rating credits;
- Credits given in connection with the administration of a policy by a group contract holder;
- Employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- Unallocated annuity contracts (which give rights to group contract holders, not individuals).
- Unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC") (whether the FPBC is yet liable or not);
- Portions of an unallocated annuity contract not owned by a benefit plan or government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- Portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- Obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- Contractual agreements establishing the member's insurer's obligation to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover: The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 no matter how many policies and contracts there were with the same company, even if they provided different types of coverage. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or net cash surrender values -- again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a \$1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer.

IMPORTANT NOTICE

TO OBTAIN INFORMATION OR MAKE A COMPLAINT:

You may call or write your agent or Investors Heritage's home office for information or to make a complaint about your policy.

HOME OFFICE
FRANKFORT KY 40602

Investors Heritage Life Insurance Company
PO Box 717
Frankfort, KY 40602-0717
800-422-2011

Should you have a dispute concerning your premium or about a claim you should contact the company first. If the dispute is not resolved, you may contact the Arkansas Insurance Department.

Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201-1904
501-371-2600
800-282-9124

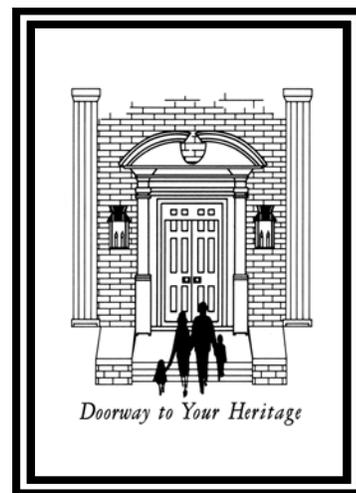
ATTACH THIS NOTICE TO YOUR POLICY.

This notice is for information only and does not become a part or condition of the attached document.

INVESTORS HERITAGE

Life Insurance Company

HERITAGE FINAL EXPENSE



ARKANSAS

GUARANTEED POLICY VALUES
GUARANTEED PREMIUMS
CASH VALUE WHOLE LIFE INSURANCE

PLAN 1 - FULL BENEFIT

Level death benefit to age 100, endowing for face amount at age 120.
Issue Ages 0 to 80
Minimum Face Amount: \$2,000
Maximum Face Amount: \$25,000 for ages 0-65; \$15,000 for ages 66-80
Premium Payment Options: 5 pay, 10 Pay, 20 Pay, Pay to Age 100

PLAN 2 - REDUCED BENEFIT - IN THE FIRST THREE POLICY YEARS

Guaranteed Issue
Issue Ages 0 to 80
Face Amounts \$2,000 - \$15,000
First three policy years, Death Benefit is reduced.
Premium Payment Options: 5 Pay, 10 Pay, 20 Pay, Pay to Age 100

INVESTORS HERITAGE *Life Insurance Company*

Post Office Box 717 Frankfort, Kentucky 40602-0717

Phone: 800-422-2011 Fax: 502-875-7084 E-Mail: ihlic@ihlic.com

Web Site: www.investorsheritage.com

HERITAGE FINAL EXPENSE

NOTICE OF INFORMATION PRACTICES

This Notice must be given to applicant at time of application. This Notice is not part of the application.

INSURANCE INFORMATION PRACTICES. We will rely primarily on the information you give to us. We may also get information from other sources, such as doctors or other medical professionals who have treated you. In some cases, we may ask a consumer reporting agency to gather information and send us an investigative consumer report as explained in the Fair Credit Reporting Act below. You may ask to be interviewed as part of the preparation of any such report.

MIB PRE-NOTICE. Information regarding your insurability will be treated as confidential. Investors Heritage Life Insurance Company or its reinsurers may, however, make a brief report thereon to the MIB, Inc., formerly known as the Medical Information Bureau, a not-for-profit membership organization of insurance companies, which operates an information exchange on behalf of its members. If you apply to another MIB member company for life or health insurance coverage, or a claim for benefits is submitted to such a company, MIB, upon request, will supply such company with the information about you in its file.

Upon receipt of a request from you, MIB will arrange disclosure of any information in your file. Please contact MIB at 866-692-6901 (TTY 866-346-3642). If you question the accuracy of the information in MIB's file, you may contact MIB and seek a correction in accordance with the procedures set forth in the federal Fair Credit Reporting Act. The address of MIB's information office is 50 Braintree Hill Park, Suite 400, Braintree, Massachusetts 02184-8734.

Investors Heritage Life Insurance Company, or its reinsurers, may also release information from its file to other insurance companies to whom you may apply for life or health insurance, or to whom a claim for benefits may be submitted. Information for consumers about MIB may be obtained on its website at www.mib.com.

PERSONAL HISTORY INTERVIEW. We may conduct a personal history interview. This is a phone call placed from our underwriting office. Its purpose is to make sure that the information on the application is correct. Our interviewers are trained to conduct their calls in a friendly, professional manner. The nature of the information discussed is always treated as personal and confidential and will only be used to help determine your eligibility for insurance.

CONTESTABILITY. You are strongly urged to review the completed application for accuracy. A claim may be denied if the application contains false statements or misrepresentations or fails to disclose material facts. In such a case, the policy could be void and coverage could be lost or denied.

YOUR RIGHTS TO ACCESS AND CORRECTION. You can obtain access to personal information about you contained in our policy files by sending us a written request. You may also request any necessary corrections, amendments or deletion of any information in our files which you believe to be inaccurate or irrelevant.

FRAUD NOTICES:

Kentucky and Pennsylvania: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Ohio: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Oklahoma: Warning: Any person who knowingly and with intent to injure, defraud or deceive any insurer, makes a claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Virginia: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

All other states: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines, confinement in prison and denial of insurance benefits.

PREMIUM RECEIPT

Make check or money orders payable to Investors Heritage.
Do not make checks or money orders payable to the agent or leave the payee blank.

Amount Received: \$ _____ From: _____ Date: _____
month day year

This premium was paid in connection with an application for life insurance. The insurance applied for shall not take effect until payment of the first full premium, approval by Investors Heritage Life Insurance Company, delivery of the policy while the health condition of the Proposed Insured and other factors affecting insurability are as stated in the application, all of which must occur during the lifetime of the insured. In the event the application is declined, any payment made by the applicant will be returned.

Agent's Signature

Agent's Phone Number

Agent's Address

APPLICATION
FOR LIFE INSURANCE

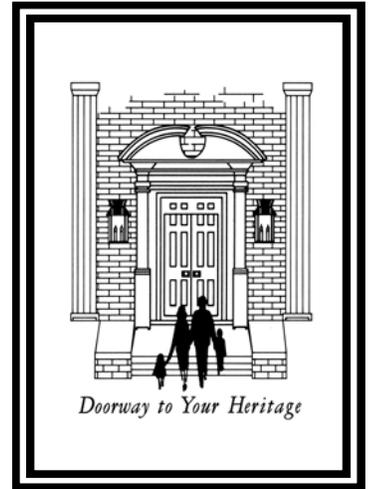
INVESTORS HERITAGE
Life Insurance Company

P O Box 717 Frankfort, KY 40602-0717
Ph: 800.422.2011 Fax: 502.875.7084
E-mail: ihlic@ihlic.com www.investorsheritage.com

Section 1	PRINT USING BLACK INK ----- PROPOSED INSURED -----										
	Name (First, Middle, Last)					Date of Birth	Month	Day	Year	Age	Sex <input type="checkbox"/> Male <input type="checkbox"/> Female
	Street Address					City, State, Zip					
	Height ft. in.		Weight lbs.		Home Phone ()		Other Phone ()		Best Time to Call <input type="checkbox"/> AM <input type="checkbox"/> PM		
	Social Security Number			Driver's License Number / State of Issue			Has the proposed insured used tobacco in the past 12 months? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Section 2	----- OWNER ----- (if different from Proposed Insured)										
	Name (First, Middle, Last)					Relationship to Proposed Insured					
	Street Address					City, State, Zip					
	Social Security Number			Home Phone ()		Other Phone ()		Best Time to Call <input type="checkbox"/> AM <input type="checkbox"/> PM			
Section 3	----- BENEFICIARY INFORMATION -----										
	Primary Beneficiary Name (First, Middle, Last)				Social Security or Tax ID Number			Relationship to Proposed Insured			
	Contingent Beneficiary Name (First, Middle, Last)				Social Security or Tax ID Number			Relationship to Proposed Insured			
	If there is to be more than one Primary and / or Contingent Beneficiary, please list on a separate sheet the names, social security numbers and relationships to the Proposed Insured.										
Section 4	----- POLICY INFORMATION -----										
	Premium Payment Period <input type="checkbox"/> 5 Yrs <input type="checkbox"/> 10 Yrs <input type="checkbox"/> 20 Yrs <input type="checkbox"/> To Age 100			Premium Payment Frequency <input type="checkbox"/> Annually <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly <input type="checkbox"/> Monthly PAT <input type="checkbox"/> Payroll Deduction				Face Amount of Insurance \$ _____			
	Does the Proposed Insured have any existing life insurance policies or annuity contracts? If "Yes", complete replacement form. <input type="checkbox"/> Yes <input type="checkbox"/> No							Premium Paid to Agent \$ _____			
	----- HEALTH QUESTIONS -----										
Section 5	To qualify for a Full Benefit Policy, all health questions must be answered "NO". A Reduced Benefit policy, which pays a limited benefit during the first three policy years, will be issued if any health question is answered "YES" or is not answered.										
	1. Within the past 90 days, have you been bedridden at home, confined in a hospital, nursing home, or long-term care facility, used oxygen equipment to assist in breathing, or received hospice care?									<input type="checkbox"/> Yes <input type="checkbox"/> No	
	2. To the best of your knowledge, have you ever been diagnosed by a member of the medical profession as having, or have you been tested positive for, or been treated by a member of the medical profession, for any of the following: Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or Human Immunodeficiency Virus (HIV)?									<input type="checkbox"/> Yes <input type="checkbox"/> No	
	3. Within the past 5 years, have you been diagnosed or treated by a member of the medical profession for, or are you taking medication for, any of the following:										
	a. Heart disease or disorder, heart attack, stroke, chest pain, heart surgery, angioplasty, congestive heart failure, or high blood pressure (except high blood pressure controlled with medication)?									<input type="checkbox"/> Yes <input type="checkbox"/> No	
	b. Diabetes and high blood pressure together, diabetes that required insulin injections prior to age 50, or any complication of diabetes, including amputation, numbness, eye or kidney disorder, coma or insulin shock?									<input type="checkbox"/> Yes <input type="checkbox"/> No	
	c. Cancer of any organ, melanoma, leukemia, kidney failure or dialysis, liver disease or cirrhosis, chronic lung disease, or tuberculosis?									<input type="checkbox"/> Yes <input type="checkbox"/> No	
d. Alzheimer's Disease, Down's Syndrome, Lou Gehrig's Disease (ALS), Multiple Sclerosis (MS), Parkinson's Disease, Systemic Lupus Erythematosus (SLE), or seizure disorder?									<input type="checkbox"/> Yes <input type="checkbox"/> No		
4. Within the past 5 years, have you been arrested, received two or more citations for moving traffic violations, or been convicted of driving under the influence of alcohol or drugs?									<input type="checkbox"/> Yes <input type="checkbox"/> No		
5. Within the past 10 years, have you received treatment or counseling for the use of alcohol, or the use or possession of any narcotic, stimulant, sedative, or hallucinogenic drug?									<input type="checkbox"/> Yes <input type="checkbox"/> No		
Primary Care Physician's Name, Address and Phone Number											

INVESTORS HERITAGE

Life Insurance Company



HERITAGE FINAL EXPENSE

GUARANTEED POLICY VALUES
GUARANTEED PREMIUMS
CASH VALUE WHOLE LIFE INSURANCE

PLAN 1 - FULL BENEFIT

Level death benefit to age 100, endowing for face amount at age 120.
Issue Ages 0 to 80
Minimum Face Amount: \$2,000
Maximum Face Amount: \$25,000 for ages 0-65; \$15,000 for ages 66-80
Premium Payment Options: 5 pay, 10 Pay, 20 Pay, Pay to Age 100

PLAN 2 - REDUCED BENEFIT

Guaranteed Issue
Issue Ages 0 to 80
Face Amounts \$2,000 - \$15,000
First three policy years, Death Benefit equals Return of Premium plus 5% interest.
Premium Payment Options: 5 Pay, 10 Pay, 20 Pay, Pay to Age 100

INVESTORS HERITAGE *Life Insurance Company*

Post Office Box 717 Frankfort, Kentucky 40602-0717

Phone: 800-422-2011 Fax: 502-875-7084 E-Mail: ihlic@ihlic.com

Web Site: www.investorsheritage.com

HERITAGE FINAL EXPENSE

NOTICE OF INFORMATION PRACTICES

This Notice must be given to applicant at time of application. This Notice is not part of the application.

INSURANCE INFORMATION PRACTICES. We will rely primarily on the information you give to us. We may also get information from other sources, such as doctors or other medical professionals who have treated you. In some cases, we may ask a consumer reporting agency to gather information and send us an investigative consumer report as explained in the Fair Credit Reporting Act below. You may ask to be interviewed as part of the preparation of any such report.

MIB PRE-NOTICE. Information regarding your insurability will be treated as confidential. Investors Heritage Life Insurance Company or its reinsurers may, however, make a brief report thereon to the MIB, Inc., formerly known as the Medical Information Bureau, a not-for-profit membership organization of insurance companies, which operates an information exchange on behalf of its members. If you apply to another MIB member company for life or health insurance coverage, or a claim for benefits is submitted to such a company, MIB, upon request, will supply such company with the information about you in its file.

Upon receipt of a request from you, MIB will arrange disclosure of any information in your file. Please contact MIB at 866-692-6901 (TTY 866-346-3642). If you question the accuracy of the information in MIB's file, you may contact MIB and seek a correction in accordance with the procedures set forth in the federal Fair Credit Reporting Act. The address of MIB's information office is 50 Braintree Hill Park, Suite 400, Braintree, Massachusetts 02184-8734.

Investors Heritage Life Insurance Company, or its reinsurers, may also release information from its file to other insurance companies to whom you may apply for life or health insurance, or to whom a claim for benefits may be submitted. Information for consumers about MIB may be obtained on its website at www.mib.com.

PERSONAL HISTORY INTERVIEW. We may conduct a personal history interview. This is a phone call placed from our underwriting office. Its purpose is to make sure that the information on the application is correct. Our interviewers are trained to conduct their calls in a friendly, professional manner. The nature of the information discussed is always treated as personal and confidential and will only be used to help determine your eligibility for insurance.

CONTESTABILITY. You are strongly urged to review the completed application for accuracy. A claim may be denied if the application contains false statements or misrepresentations or fails to disclose material facts. In such a case, the policy could be void and coverage could be lost or denied.

YOUR RIGHTS TO ACCESS AND CORRECTION. You can obtain access to personal information about you contained in our policy files by sending us a written request. You may also request any necessary corrections, amendments or deletion of any information in our files which you believe to be inaccurate or irrelevant.

FRAUD NOTICES:

Kentucky and Pennsylvania: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Ohio: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Oklahoma: Warning: Any person who knowingly and with intent to injure, defraud or deceive any insurer, makes a claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Virginia: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

All other states: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines, confinement in prison and denial of insurance benefits.

PREMIUM RECEIPT

Make check or money orders payable to Investors Heritage.

Do not make checks or money orders payable to the agent or leave the payee blank.

Amount Received: \$ _____ From: _____ Date: _____
month day year

This premium was paid in connection with an application for life insurance. The insurance applied for shall not take effect until payment of the first full premium, approval by Investors Heritage Life Insurance Company, delivery of the policy while the health condition of the Proposed Insured and other factors affecting insurability are as stated in the application, all of which must occur during the lifetime of the insured. In the event the application is declined, any payment made by the applicant will be returned.

Agent's Signature

Agent's Phone Number

Agent's Address

APPLICATION
FOR LIFE INSURANCE



P O Box 717 Frankfort, KY 40602-0717
Ph: 800.422.2011 Fax: 502.875.7084
E-mail: ihlic@ihlic.com www.investorsheritage.com

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	b. Diabetes and high blood pressure together, diabetes that required insulin injections prior to age 50, or any complication of diabetes, including amputation, numbness, eye or kidney disorder, coma or insulin shock?									<input type="checkbox"/> Yes <input type="checkbox"/> No	
	c. Cancer of any organ, melanoma, leukemia, kidney failure or dialysis, liver disease or cirrhosis, chronic lung disease, or tuberculosis?									<input type="checkbox"/> Yes <input type="checkbox"/> No	
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Primary Care Physician's Name, Address and Phone Number											

INVESTORS HERITAGE

Life Insurance Company

200 CAPITAL AVENUE
PO BOX 717
FRANKFORT, KY 40602-0717
PHONE 1.800.422.2011

We will pay the proceeds of this policy to the beneficiary upon receipt of due proof of death of the insured while this policy is in force.

We will pay the cash surrender value of this policy to you upon its surrender.

We will pay the cash surrender value to you if the insured is living and this policy is in force on the maturity date.

This policy is a legal contract between you and us. It is issued in consideration of the application and the payment of the initial premium on or before the date of policy delivery. Subsequent premiums are payable as provided in the policy.

PLEASE READ YOUR POLICY CAREFULLY!

Signed at our home office at 200 Capital Avenue, Frankfort, Kentucky.



Jane S. Jackson
Secretary



Harry Lee Waterfield II
President

30 DAY EXAMINATION PERIOD

You may return this policy within 30 days after receiving it by mailing it to us, taking it to the agent through whom it was purchased, or by taking it to any other agent of Investors Heritage Life Insurance Company. It will then be void as of the date of issue. Any premium paid will be returned.

**REDUCED DEATH BENEFIT FOR FIRST THREE POLICY YEARS.
NOT IN FULL BENEFIT UNTIL FOURTH POLICY YEAR.**

WHOLE LIFE INSURANCE POLICY

During first three policy years death benefit equals the reduced death benefit;
After first three policy years death benefit equals the face amount;
Cash surrender value payable on maturity date;
Premiums payable for amount and period stated in policy schedule;
Non-participating - no dividends.

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**POLICY SCHEDULE
WHOLE LIFE INSURANCE**

POLICY NUMBER: 990021

INSURED: John Doe

OWNER: John Doe

FACE AMOUNT: \$ 10,000

POLICY DATE: October 1, 2008

DATE OF ISSUE: October 1, 2008

ISSUE AGE: 35

SEX: Male

RISK CLASSIFICATION: Reduced Death Benefit

ANNUAL PREMIUM: \$ 490.00

INITIAL PREMIUM: \$ 490.00

PREMIUM PAYMENT PERIOD: Whole Life

MATURITY DATE: October 1, 2093

BENEFICIARY: As stated in the application unless changed by you.

The owner and beneficiary are subject to change as described in this policy.

Guaranteed cash values and paid-up values are based on the 2001 CSO Table, Male or Female, Age Last Birthday, and 5.00% interest per year, compounded annually.

The maximum policy loan interest rate is 8.0% per year, payable in arrears, compounded annually.

BENEFIT SCHEDULE

INSURED	BENEFIT	ISSUE AGE	FACE AMOUNT	PREMIUM PERIOD	BENEFIT PERIOD	ANNUAL PREMIUM
JOHN DOE	Whole Life Insurance	35	\$ 10,000	Whole Life	Whole Life	\$ 490.00
				Total Annual Premium		\$ 490.00

The initial premium mode for this policy is annually.

PREMIUM MODE	MODAL PREMIUM FACTOR	MODAL PREMIUM
Monthly preauthorized transfer	0.088	\$ 43.12
Monthly direct	0.095	\$ 46.55
Quarterly preauthorized transfer	0.270	\$ 132.30
Semi-annually (direct and preauthorized transfer)	0.520	\$ 254.80
Annually (direct and preauthorized transfer)	1.000	\$ 490.00

The policy fee included in the above premium is \$ 50.00 per year.

TABLE OF REDUCED DEATH BENEFITS					
Policy Month of Death	Death Benefit	Policy Month of Death	Death Benefit	Policy Month of Death	Death Benefit
1	46.74	13	622.69	25	1,227.45
2	93.67	14	671.97	26	1,279.18
3	140.79	15	721.45	27	1,331.13
4	188.11	16	771.13	28	1,383.30
5	235.61	17	821.00	29	1,435.68
6	283.31	18	871.09	30	1,488.26
7	331.21	19	921.38	31	1,541.06
8	379.29	20	971.87	32	1,594.08
9	427.58	21	1,022.57	33	1,647.32
10	476.06	22	1,073.48	34	1,700.77
11	524.74	23	1,124.59	35	1,754.44
12	573.61	24	1,175.91	36	1,808.33
				37 and later	10,000.00

**TABLE OF GUARANTEED POLICY VALUES
AT END OF POLICY YEAR
ISSUE AGE 35**

Policy Year	Cash Value	Reduced Paid-Up Amount	Policy Year	Cash Value	Reduced Paid-Up Amount	Policy Year	Cash Value	Reduced Paid-Up Amount
1	\$ 0.00	\$ 0	30	\$ 3,713.90	\$ 7,847	59	\$ 8,271.50	\$ 10,000
2	4.70	29	31	3,888.60	7,970	60	8,356.40	10,000
3	100.20	588	32	4,065.40	8,086	61	8,440.40	10,000
4	187.40	1,054	33	4,244.90	8,198	62	8,528.10	10,000
5	278.10	1,500	34	4,427.20	8,305	63	8,623.30	10,000
6	372.30	1,926	35	4,612.40	8,408	64	8,733.40	10,000
7	469.90	2,332	36	4,799.70	8,506	65	8,871.50	10,000
8	570.80	2,718	37	4,987.50	8,599	66	8,913.20	10,000
9	675.00	3,086	38	5,174.80	8,687	67	8,954.20	10,000
10	782.30	3,436	39	5,361.90	8,771	68	8,994.30	10,000
11	893.00	3,768	40	5,548.90	8,850	69	9,033.60	10,000
12	1,007.20	4,085	41	5,735.70	8,925	70	9,072.00	10,000
13	1,125.60	4,389	42	5,921.80	8,997	71	9,109.40	10,000
14	1,248.70	4,681	43	6,105.60	9,064	72	9,145.90	10,000
15	1,376.60	4,961	44	6,285.90	9,127	73	9,181.40	10,000
16	1,509.00	5,229	45	6,461.80	9,186	74	9,215.80	10,000
17	1,645.60	5,485	46	6,632.40	9,241	75	9,249.20	10,000
18	1,786.10	5,728	47	6,797.60	9,292	76	9,281.60	10,000
19	1,930.20	5,960	48	6,958.00	9,340	77	9,312.90	10,000
20	2,077.30	6,179	49	7,113.40	9,385	78	9,343.10	10,000
21	2,227.30	6,386	50	7,262.90	9,426	79	9,372.30	10,000
22	2,380.10	6,583	51	7,405.40	9,465	80	9,400.40	10,000
23	2,536.60	6,770	52	7,540.00	9,501	81	9,427.40	10,000
24	2,697.20	6,949	53	7,666.00	9,533	82	9,452.60	10,000
25	2,861.70	7,120	54	7,783.40	9,563	83	9,469.00	10,000
26	3,029.00	7,283	55	7,891.90	10,000	84	9,512.20	10,000
27	3,198.50	7,436	56	7,993.50	10,000	85	10,000.00	10,000
28	3,369.10	7,581	57	8,090.30	10,000			
29	3,540.90	7,718	58	8,182.90	10,000			

DEFINITIONS

ATTAINED AGE

The issue age of the insured plus the number of completed policy years.

DATE OF ISSUE

The effective date of coverage under this policy.

INDEBTEDNESS

Unpaid policy loans and unpaid policy loan interest, if any.

INSURED

The individual named as the insured in the policy schedule. The insured may or may not be the owner.

ISSUE AGE

Age on the insured's last birthday on or preceding the policy date.

MATURITY DATE

The final date on which any proceeds are payable under this policy if the insured is still alive.

POLICY ANNIVERSARY

The same day and month as the policy date for each succeeding year this policy remains in force.

POLICY DATE

The date from which policy anniversaries, policy years and policy months are determined.

PREMIUM PERIOD

The number of years for which premiums are payable.

PROCEEDS

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

WE, OUR, US

Investors Heritage Life Insurance Company.

YOU, YOURS

The owner of this policy. The owner is designated in the application unless later changed by written notice to us.

GENERAL PROVISIONS

CONTRACT

The entire contract between you and us consists of this policy, any riders or endorsements, and the written application, a copy of which is attached at issue or delivery. All statements between you and us in the application are representations and not warranties. No statement shall be used in defense of a claim under this policy unless it is contained in a written application that is attached to the policy when issued or delivered.

AUTHORITY TO CHANGE

Only our officers may change the terms of this policy. Any change must be made in writing.

INCONTESTABILITY

We will not contest the validity of this policy except for non-payment of premium.

SUICIDE

If the insured commits suicide, while sane or insane, within two (2) years from the date of issue, the proceeds under the policy will be an amount equal to the premiums paid.

MISSTATEMENT OF AGE OR SEX

If the age or sex of the insured is misstated, any amount of proceeds payable will be adjusted to that amount which the premiums paid would have purchased at the insured's true age and sex, minus any indebtedness.

Any underpayments already made by us together with interest at the rate of 6% per annum, compounded annually, from the date of each underpayment will be paid immediately. Any overpayments made by us together with interest at the rate of 6% per annum, compounded annually, shall be charged against benefits falling due after the date of adjustment.

NON-PARTICIPATING

This policy will not share in our surplus earnings. No dividends will be paid.

TERMINATION

This policy will terminate and all coverage will cease on the earliest of the following dates:

1. The date we receive your written request to surrender the policy;
2. The date on which the grace period ends if a premium is then in default and this policy has no cash value;
3. The date of death of the insured;
4. The maturity date shown on the policy schedule;
5. If indebtedness equals or exceeds the cash value, the date that falls thirty-one (31) days after notice of termination has been mailed to your last known address and to any assignee of record.

OWNERSHIP AND BENEFICIARY PROVISIONS

OWNER

The owner of this policy is as shown in the application. The owner has all rights stated in this policy. The owner may amend this policy, with our consent, while the insured is alive. The rights of the owner are subject to the rights of an irrevocable beneficiary. If there is more than one owner at a given time, all must exercise the rights of ownership by joint action.

If the owner has not named a successor owner, at the death of the owner, the insured becomes the owner of this policy unless the insured is a minor or otherwise legally incompetent, in which case the owner will be the legally appointed guardian of the insured.

BENEFICIARY

The beneficiary is as shown in the application. The beneficiary will receive the amount of proceeds payable at the death of the insured subject to any assignment made by you. The interest of a beneficiary terminates if the beneficiary dies before the insured. If no beneficiary survives at the insured's death, payment may be made to you or to your estate or successors.

If more than one beneficiary survives at the death of the insured, proceeds will be allocated according to written instructions received by us from the owner of this policy prior to the death of the insured. If no allocation of proceeds between beneficiaries is specified, proceeds will be divided equally among all surviving beneficiaries.

If the beneficiary of this policy does not make claim within sixty (60) days after the death of the insured, or if the beneficiary is the estate of the insured, or is a minor, or is not legally competent to give a valid release, we may, in good faith, make a payment to any of the insured's relatives by blood or marriage appearing to us to be entitled thereto.

CHANGE OF OWNER OR BENEFICIARY

You may change the designations of owner and beneficiary while the insured is alive. Any change is subject to the consent of an irrevocable beneficiary. Written notice of change must be filed at our home office in a form acceptable to us. The new designation will then take effect as of the date you signed the notice. Such a change does not affect any payment made or other action taken by us before we received the notice.

ASSIGNMENT

You may assign this policy by written request. We are not responsible for the validity or effect of any assignment of this policy. No assignment will bind us until it is received at our home office.

INSURANCE PROVISIONS

REDUCED DEATH BENEFIT

The reduced death benefit during each of the first thirty-six (36) policy months is shown in the benefit schedule on page 4.

DEATH BENEFIT

During each of the first thirty-six (36) policy months, the death benefit payable under this policy is equal to the reduced benefit. Thereafter, the death benefit payable under this policy is equal to the face amount shown in the policy schedule.

PROCEEDS AT DEATH

The amount of proceeds payable at death of the insured while this policy is in force will be (a) the death benefit described above adjusted for any misstatement of age or sex, plus (b) any premiums paid for coverage beyond the end of the policy month in which the insured dies, less (c) any indebtedness.

INTEREST ON PROCEEDS

If the amount of proceeds is paid in one sum, it will include any interest as required by law, from the date ten (10) days after we receive satisfactory proof of an insured's death to the date of payment. Interest will be paid at a rate which is the greater of (a) the rate declared by us, or (b) the rate required by law.

PAYMENT OF PROCEEDS

To claim the proceeds (a) a claim form must be filed with us, and (b) satisfactory proof of death must be furnished.

PREMIUM PROVISIONS

PREMIUM PAYMENTS

The initial premium shown in the policy schedule is due on the policy date. There is no insurance coverage in effect until the initial premium is paid while the insured is alive.

Additional premiums are payable in advance at our home office. Each premium, including the initial premium, may be paid to our authorized agent who will provide a receipt. The receipt must be signed by the agent who receives the payment on our behalf.

PREMIUM DUE DATE

Each premium, after the initial premium, is due on or before the end of the period covered by the preceding premium. Any premium not paid on or before its premium due date is in default.

GRACE PERIOD

A grace period of thirty-one (31) days is allowed for payment without interest of any premium falling due after the policy date. During the grace period this policy will stay in force. If a premium in default has not been paid by the end of the grace period, this policy will terminate as of the premium due date of the unpaid premium. If the insured dies during the grace period, the premium required to keep this policy in force to the end of the policy month in which death occurs will be deducted from the proceeds. This thirty-one (31) day grace period does not apply to the initial premium payment.

MODES OF PREMIUM PAYMENT

Premiums may be paid monthly, quarterly, semi-annually, or annually. Payment of premiums is subject to our current minimum premium requirements and permitted methods of payment. You may change your method of premium payment with our consent.

AMOUNTS OF PREMIUM

The amount of premium due on any premium due date is equal to the total annual premium in effect on that date multiplied by the modal premium factor. The total annual premium is the sum of the annual premiums for this policy and for any benefits attached by rider. The total annual premium and the modal premium factors for each allowable premium mode are shown in the policy schedule.

REFUND OF UNEARNED PREMIUMS

Any premiums paid for coverage beyond the end of the premium month in which you surrender or terminate this policy will be returned to you.

REINSTATEMENT PROVISIONS

REINSTATEMENT

This policy may be reinstated within three (3) years after the due date of an unpaid premium, subject to the following conditions:

1. This policy was not surrendered for its cash surrender value; and
2. You submit a written request and application during the insured's lifetime; and
3. You pay all premiums in default together with interest at the rate of 6% per year, compounded annually, from the premium due date of each premium in default to the date of reinstatement; and
4. You pay or reinstate any indebtedness which existed at the premium due date of the first premium in default with interest to the date of reinstatement at the policy loan interest rate stated in the policy schedule.

The date of reinstatement will be the later of (a) the date we approve your application for reinstatement, or (b) the date we receive all past premiums due, with interest.

LOAN PROVISIONS

POLICY LOAN

We will make a loan to you upon the sole security and assignment of this policy. You may obtain a loan at any time while this policy is in force. The amount of the loan may not exceed the loan value, as defined in the following paragraph. We may defer making a policy loan up to six months after written request is received at our home office unless the loan is used to pay a premium to us.

LOAN VALUE

The loan value is equal to the cash value on the date of the loan. The amount advanced as a policy loan may not exceed (a) the loan value, less (b) the amount of any existing loan, less (c) loan interest to the end of the current policy year. Unless it is paid in cash at the date of the loan, any existing policy loan, along with interest to the date of the loan, will be added to and become a part of the new policy loan.

LOAN INTEREST

Policy loan interest accrues from the date of the loan. It is payable in arrears on each policy anniversary and on the date the loan is settled. If interest is not paid when due, it will be added to the loan and will bear interest at the policy loan interest rate.

The maximum annual interest rate for loans is stated in the policy schedule. Interest is compounded annually.

INDEBTEDNESS

Indebtedness means all outstanding policy loans on this policy including interest accrued and accruing from day to day. Indebtedness may be repaid in full or in part while the insured is alive. If not repaid, it will be deducted in one sum from the proceeds of this policy.

If the indebtedness equals or exceeds the cash value, this policy will terminate thirty-one (31) days after notice of termination has been mailed to your last known address and to any assignee of record.

POLICY VALUE PROVISIONS

GUARANTEED POLICY VALUES

Guaranteed cash values and reduced paid-up values are shown for each policy year in the benefit schedule.

CASH SURRENDER VALUE

The cash surrender value for this policy on any day is equal to the cash value on that day less any indebtedness. Cash values between policy anniversaries will be calculated with due allowance for time elapsed and premiums paid.

POLICY VALUE OPTIONS

If you discontinue premium payments after this policy has a cash value, you may select one of the following policy values options subject to any conditions and limitations that apply.

1. **Cash Surrender.** You may surrender this policy for its cash surrender value. If you surrender this policy it is no longer eligible for reinstatement.
2. **Paid-up insurance.** You may apply the cash surrender value to purchase a fully paid-up life policy for a reduced amount of insurance. The amount of paid-up insurance will be that amount which the cash surrender value will purchase when applied as a net single premium at the attained age of the insured on the due date of the first unpaid premium. Reduced paid-up insurance has a cash value. The cash value of reduced paid-up insurance is equal to the net single premium at the attained age of the insured for the amount of reduced paid up insurance in effect at the date of determination.

AUTOMATIC OPTION

You may elect a policy value option within sixty (60) days of the due date of the first unpaid premium by sending us a written request at our home office. If no election has been made by the end of the sixty (60) day period, the paid-up insurance option will apply automatically. The effective date of this automatic option is the due date of the first unpaid premium.

EXERCISING THE CASH SURRENDER POLICY OPTION

You may surrender this policy by returning it to our home office and filing a written request in a form acceptable to us. The date of surrender will be the date you signed the request, provided the insured was then living. The amount that will be paid is the cash surrender value. With written permission from the Commissioner of the state in which this policy was delivered, the payment of the cash surrender value may be deferred for a period up to six (6) months after the request is received at our home office.

If surrender is requested within thirty (30) days after a policy anniversary, the cash surrender value will not be less than (a) the cash surrender value on the policy anniversary, less (b) the amount of any policy loan made since the policy anniversary. This policy will terminate as of the date of surrender.

BASIS OF POLICY VALUES

The actuarial calculations are based on the Commissioners 2001 Standard Ordinary Mortality Table, Male or Female, Age Last Birthday, with interest as shown in the policy schedule. Policy benefits and actuarial reserves are not less than the minimum values required on the policy date by the state in which this policy was issued. A detailed statement of the method of computing policy values has been filed with the department of insurance in the state in which this policy was issued.

SETTLEMENT PROVISIONS

POLICY PROCEEDS

Proceeds payable under this policy may be paid in a single sum or left with us for payment under one or more of the following settlement options. The amount applied under an option must be at least \$2,000. The amount of each payment under an option must be at least \$50.

ELECTION OF OPTIONS

With the consent of any irrevocable beneficiary, you may elect or revoke a settlement option at any time before the proceeds are payable. If no settlement option election is in effect at the time the proceeds become payable, the payee may make an election. Written notice of election or revocation must be filed at our home office in a form acceptable to us. The notice will then take effect as of the date you or the payee signed the notice. An election does not affect any payment made or other action taken by us before the notice is received. A payee who is not a natural person may elect a settlement option only with our consent. An assignee cannot elect a settlement option. Change of owner or beneficiary automatically revokes any election in effect.

EFFECTIVE DATE

The first payment under options 1, 2, and 4 is payable on the effective date of the option. The effective date is (a) the date of the death of the insured, or (2) any later date agreeable with us.

DEATH OF PAYEE

Unless otherwise specified, at the death of the last payee a final payment will be made to the estate of the payee. For options 1 and 2 the final payment will be the commuted value of the remaining unpaid installments certain. Such value will be computed based on the rate of interest used in the calculation of payments. For options 3 and 4 the final payment will be the unpaid proceeds with any unpaid interest to the date of death of the payee.

SETTLEMENT OPTION INTEREST RATE

The guaranteed interest rate for options 1, 2, 3, and 4 is 3% per year, compounded annually. Additional interest may be declared by us from time to time.

OPTION 1

Proceeds will be paid for a fixed period. The amount of each payment is determined from the option 1 table below.

OPTION 2

Proceeds will be paid in equal installments throughout the certain period. After the certain period, payments will continue to be made throughout the lifetime of the payee. The amount and certain period of the payments are determined from the option 2 table on the following page. Satisfactory proof of the age and sex of the payee is required. We may require evidence that the payee is living on the due date of any payment.

OPTION 3

Interest on the proceeds will be paid in the manner agreed upon when the option is elected.

OPTION 4

Proceeds will be paid in fixed installments at regular intervals until the proceeds, together with interest on the unpaid balance, are exhausted.

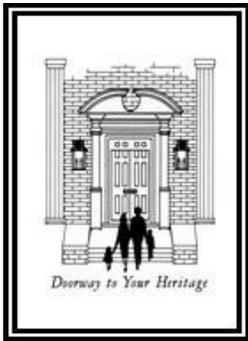
OPTION 5

Proceeds will be used to purchase any single premium annuity we offer at the time proceeds are applied. The annuity payments will be 102% of the payments otherwise purchased by the single premium.

OPTION 1 TABLE							
Monthly payments for a fixed number of years for each \$1,000 of proceeds							
Number of years	Monthly payment	Number of years	Monthly payment	Number of years	Monthly payment	Number of years	Monthly payment
1	84.48	6	15.16	11	8.88	16	6.55
2	42.87	7	13.18	12	8.26	17	6.25
3	29.01	8	11.70	13	7.73	18	5.98
4	22.08	9	10.55	14	7.28	19	5.75
5	17.92	10	9.63	15	6.89	20	5.53
The amount of monthly payment for other periods will be furnished on request.							

OPTION 2 TABLE											
Monthly payments are shown for each \$1,000 of proceeds. Age is the age last birthday of the payee when the first installment is payable.											
Period Certain											
None						10 years					
Age	Male	Female	Age	Male	Female	Age	Male	Female	Age	Male	Female
46	3.83	3.61	66	5.85	5.31	46	3.81	3.61	66	5.64	5.20
47	3.88	3.66	67	6.03	5.47	47	3.86	3.65	67	5.79	5.34
48	3.94	3.71	68	6.23	5.63	48	3.92	3.70	68	5.94	5.48
49	4.01	3.76	69	6.44	5.81	49	3.98	3.75	69	6.10	5.63
50	4.07	3.82	70	6.66	6.00	50	4.04	3.81	70	6.26	5.79
51	4.14	3.88	71	6.90	6.20	51	4.11	3.86	71	6.43	5.96
52	4.21	3.94	72	7.15	6.43	52	4.18	3.92	72	6.60	6.13
53	4.29	4.01	73	7.42	6.67	53	4.25	3.99	73	6.78	6.32
54	4.37	4.08	74	7.70	6.93	54	4.33	4.05	74	6.96	6.51
55	4.46	4.15	75	8.01	7.21	55	4.41	4.12	75	7.15	6.71
56	4.55	4.22	76	8.34	7.51	56	4.49	4.20	76	7.33	6.91
57	4.64	4.31	77	8.69	7.84	57	4.58	4.27	77	7.52	7.12
58	4.75	4.39	78	9.07	8.20	58	4.68	4.36	78	7.71	7.33
59	4.85	4.48	79	9.47	8.58	59	4.78	4.44	79	7.89	7.54
60	4.97	4.58	80	9.90	9.00	60	4.88	4.53	80	8.07	7.76
61	5.09	4.68	81	10.36	9.45	61	4.99	4.63	81	8.25	7.97
62	5.23	4.79	82	10.85	9.94	62	5.11	4.73	82	8.42	8.17
63	5.37	4.91	83	11.37	10.47	63	5.23	4.84	83	8.59	8.37
64	5.52	5.04	84	11.92	11.04	64	5.36	4.96	84	8.74	8.56
65	5.68	5.17	85	12.52	11.66	65	5.50	5.08	85	8.89	8.73

Values were calculated using the Annuity 2000 Mortality Table, Male or Female, and 3.0% interest per year. Satisfactory proof of the age and sex of the payee is required. The amount of monthly payments for other ages and certain periods will be furnished on request.



INVESTORS HERITAGE

Life Insurance Company

TO OBTAIN INFORMATION, MAKE A CLAIM, OR MAKE A COMPLAINT

Call us toll-free:

1.800.422.2011

Or write to us:

**INVESTORS HERITAGE LIFE INSURANCE COMPANY
PO BOX 717
FRANKFORT KY 40602-0717**

Or email us:

ihlic@investorsheritage.com

WHOLE LIFE INSURANCE POLICY

During first three policy years death benefit equals the reduced death benefit;

After first three policy years death benefit equals the face amount;

Cash surrender value payable on maturity date;

Premiums payable for amount and period stated in policy schedule;

Non-participating - no dividends.

**LIMITATIONS AND EXCLUSIONS UNDER THE
ARKANSAS LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION ACT**

Residents of this state who purchase life insurance, annuities or health and accident insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Health Insurance Guaranty Association. ("Guaranty Association"). The purpose of the Guaranty Association is to assure that policy and contract owners will be protected, within certain limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of policy owners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by the member insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting insurance companies that are well-managed and financially stable.

DISCLAIMER

The Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association") may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in the state. You should not rely on coverage by the Guaranty Association in purchasing an insurance policy or contract.

Coverage is NOT provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life and variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

The Arkansas Life and Health Insurance Guaranty Association
c/o The Liquidation Division
1023 West Capitol
Little Rock, Arkansas 72201

Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

The state law that provides for this safety-net coverage is called the Arkansas Life and Health Insurance Guaranty Association Act ("Act"). Below is a brief summary of the Act's coverages, exclusions and limits. This summary does not cover all provisions of the Act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

COVERAGE

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life, annuity or health insurance contract or policy, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons owning such policies are NOT protected by the Guaranty Association, if:

- They are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose Guaranty Association protects insureds who live outside that state);
- The insurer was not authorized to do business in this state;
- Their policy or contract was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does NOT provide coverage for:

- Any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.
- Any policy of reinsurance (unless an assumption certificate was issued);
- Interest rate yields that exceed an average rate;
- Dividends and voting rights and experience rating credits;
- Credits given in connection with the administration of a policy by a group contract holder;
- Employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- Unallocated annuity contracts (which give rights to group contract holders, not individuals).
- Unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC") (whether the FPBC is yet liable or not);
- Portions of an unallocated annuity contract not owned by a benefit plan or government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- Portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- Obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- Contractual agreements establishing the member's insurer's obligation to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover: The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 no matter how many policies and contracts there were with the same company, even if they provided different types of coverage. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or net cash surrender values -- again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a \$1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer.

IMPORTANT NOTICE

TO OBTAIN INFORMATION OR MAKE A COMPLAINT:

You may call or write your agent or Investors Heritage's home office for information or to make a complaint about your policy.

HOME OFFICE
FRANKFORT KY 40602

Investors Heritage Life Insurance Company
PO Box 717
Frankfort, KY 40602-0717
800-422-2011

Should you have a dispute concerning your premium or about a claim you should contact the company first. If the dispute is not resolved, you may contact the Arkansas Insurance Department.

Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201-1904
501-371-2600
800-282-9124

ATTACH THIS NOTICE TO YOUR POLICY.

This notice is for information only and does not become a part or condition of the attached document.