

SERFF Tracking Number: ACTR-125582223 State: Arkansas
Filing Company: Fidelity Life Association, A Legal Reserve Life Insurance Company State Tracking Number: 38610
Company Tracking Number: FLA2030GDB
TOI: L04I Individual Life - Term Sub-TOI: L04I.500 Other
Product Name: Fidelity Graded Death Benefit Term 20/30
Project Name/Number: Fidelity Graded Death Benefit Term 20/30/FLA2030GDB

Filing at a Glance

Company: Fidelity Life Association, A Legal Reserve Life Insurance Company

Product Name: Fidelity Graded Death Benefit Term 20/30 SERFF Tr Num: ACTR-125582223 State: ArkansasLH

TOI: L04I Individual Life - Term

SERFF Status: Closed

State Tr Num: 38610

Sub-TOI: L04I.500 Other

Co Tr Num: FLA2030GDB

State Status: Approved-Closed

Filing Type: Form

Co Status: Submitted to State

Reviewer(s): Linda Bird

Authors: Kathy Gray, Sherry
Wommack, Mindy Dodd

Disposition Date: 04/21/2008

Date Submitted: 04/04/2008

Disposition Status: Approved

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

General Information

Project Name: Fidelity Graded Death Benefit Term 20/30

Status of Filing in Domicile: Pending

Project Number: FLA2030GDB

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments: Filed by
Certification

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact:

Group Market Type:

Filing Status Changed: 04/21/2008

State Status Changed: 04/21/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Forms submitted for review and approval:

F3521 AR Graded Death Benefit 30 Year Term (Non-Par)

F3511 AR Graded Death Benefit 20 Year Term (Non-Par)

F1002 Application for Graded Death Benefit Life

SERFF Tracking Number: ACTR-125582223 *State:* Arkansas
Filing Company: Fidelity Life Association, A Legal Reserve Life *State Tracking Number:* 38610
Insurance Company
Company Tracking Number: FLA2030GDB
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Product Name: Fidelity Graded Death Benefit Term 20/30
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Previously approved Graded Death Benefit Term Life Policy, 10 year term
F3501 AR Graded Death Benefit 10 Year Term (Non-Par) 12/15/2005 SERT-6HZRPP787 Approved

Previously approved Riders available:
F3010 Accelerated Death Benefit Rider 12/02/2005 Approved
F3011 Accidental Death Benefit Rider 12/02/2005 Approved

Dear Analyst:

On behalf of Fidelity Life Association, the forms described above are enclosed for your review and approval. No part of this filing contains any unusual or possibly controversial items from normal industry standards. The form is new and will not replace any form previously approved by your Department. The product will not be illustrated.

The policy will be marketed individually through the Fidelity Life Association agent/agency structure in the individual life market. The policies are similar to the previously filed Graded Death Benefit Term Life policy described above.

The forms are individual non-participating Graded Death Benefit Term Life Insurance policies which provide modified guaranteed death benefits that expire at the greater of the policy anniversary following the insured's 80th birthday, or the 25th or 35th policy anniversary, respectively. The 20 year plan is intended to provide coverage during the first 20 policy years and the 30 year plan is intended to provide coverage during the first 30 policy years, at a cost lower than comparable simplified underwriting whole life coverage. To this end, the guaranteed death benefit is reduced in policy years 21 or 31, respectively, and beyond. Level guaranteed premiums are payable for the life of the contract. The plans have separate rates for males and females that include a \$50.00 policy fee.

Please find attached a letter from Fidelity Life Association authorizing Actuarial Risk Management to make this filing on its behalf. If you should have any questions or need further information, please contact me at (866) 480-7475, or by e-mail at mdodd@actrisk.com.

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Sincerely,
 Mindy Dodd
 Compliance Analyst

Company and Contact

Filing Contact Information

(This filing was made by a third party - ActRisk01)

Sherry Wommack, Compliance Analyst swommack@actrisk.com
 6500 River Place Blvd. (512) 345-5200 [Phone]
 Austin, TX 78730 (512) 346-1249[FAX]

Filing Company Information

Fidelity Life Association, A Legal Reserve Life Insurance Company CoCode: 63290 State of Domicile: Illinois
 1211 West 22nd Street Group Code: 3413 Company Type: Life
 Suite 209
 Oak Brook, IL 60523 Group Name:
 (512) 345-5200 ext. [Phone] FEIN Number: 36-1068685

Filing Fees

Fee Required? Yes
 Fee Amount: \$150.00
 Retaliatory? Yes
 Fee Explanation: Fidelity GDB 20/30 policies and Application
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Fidelity Life Association, A Legal Reserve Life Insurance Company	\$150.00	04/04/2008	19278339

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Linda Bird	04/21/2008	04/21/2008

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	04/15/2008	04/15/2008	Sherry Wommack	04/18/2008	04/18/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Disclosures	Supporting Document	Mindy Dodd	04/04/2008	04/04/2008

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Certification/Notice		Yes
Supporting Document	Application		No
Supporting Document	Life & Annuity - Actuarial Memo		No
Supporting Document	Authorization		Yes
Supporting Document	Statement of Variability		Yes
Supporting Document	Disclosures		Yes
Supporting Document	Redline copies and 10 year policy		Yes
Form (revised)	Graded Death Benefit Term Life Insurance Policy		Yes
Form	Graded Death Benefit Term Life Insurance Policy		Yes
Form (revised)	Graded Death Benefit Term Life Insurance Policy		Yes
Form	Graded Death Benefit Term Life Insurance Policy		Yes
Form	Application for Graded Death Benefit Life Insurance		Yes
Rate	Graded Death Benefit 20 year term rates		Yes
Rate	Graded Death Benefit 30 year term rates		Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 04/15/2008
Submitted Date 04/15/2008

Respond By Date

Dear Sherry Wommack,

This will acknowledge receipt of the captioned filing.

Objection 1

- Graded Death Benefit Term Life Insurance Policy (Form)
- Graded Death Benefit Term Life Insurance Policy (Form)

Comment: Life Policies with reduced death benefits in early policy years are subject to Bulletin 8-85. The Special Accidental Death Benefit is in violation of Guideline 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 04/18/2008
Submitted Date 04/18/2008

Dear Linda Bird,

Comments:

Response 1

Comments: Marked copies showing the changes are attached. I apologize that these revisions were not filed initially. We inadvertently submitted incorrect schedules. The 10 year term version of this policy was approved under SERT-6HZRPP787 on 12/15/2005 and is attached, however we submitted incorrect schedules with the 20 and 30 year. Thank you for your attention to our filing.

Sherry B. Wommack, FLMI

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Related Objection 1

Applies To:

- Graded Death Benefit Term Life Insurance Policy (Form)
- Graded Death Benefit Term Life Insurance Policy (Form)

Comment:

Life Policies with reduced death benefits in early policy years are subject to Bulletin 8-85. The Special Accidental Death Benefit is in violation of Guideline Two of this bulletin.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Redline copies and 10 year policy

Comment: GDB 10 year policy approved on 12/15/2005 SERT-6HZRPP787

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Graded Death Benefit Term Life Insurance Policy	F3511	AR	Policy/Contract/Fraternal Certificate	Initial		49	AR F3511 20year GDB Term Policy.pdf
Previous Version							
Graded Death Benefit Term Life Insurance Policy	F3511	AR	Policy/Contract/Fraternal Certificate	Initial		49	AR F3511 20year GDB Term Policy.pdf
Graded Death Benefit Term Life Insurance Policy	F3521	AR	Policy/Contract/Fraternal Certificate	Initial		49	AR F3521 30year GDB Term Policy.pdf
Previous Version							
Graded Death Benefit Term Life Insurance Policy	F3521	AR	Policy/Contract/Fraternal Certificate	Initial		49	AR F3521 30year GDB Term

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Amendment Letter

Amendment Date:

Submitted Date: 04/04/2008

Comments:

Amendment for submission of disclosure items attached

Changed Items:

Supporting Document Schedule Item Changes:

User Added -Name: Disclosures

Comment:

AR Complaint Notice.pdf

AR F2010_Guarantee_Association_Fidelity.pdf

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Form Schedule

Lead Form Number: F3511

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	F3511 AR	Policy/Cont ract/Fratern al	Graded Death Benefit Term Life Insurance Policy Certificate	Initial		49	AR F3511 20year GDB Term Policy.pdf
	F3521 AR	Policy/Cont ract/Fratern al	Graded Death Benefit Term Life Insurance Policy Certificate	Initial		49	AR F3521 30year GDB Term Policy.pdf
	F1002	Application/ Enrollment Form	Application for Graded Death Benefit Life Insurance	Initial		62	F1002 GDB Application_0208.pdf



Established 1896

GRADED DEATH BENEFIT TERM LIFE INSURANCE POLICY

This is a Non-Participating Policy

Fidelity Life Association will pay the Death Benefit of this policy if the Insured dies while the policy is in force. The Death Benefit will be paid to the Beneficiary when due proof of the Insured's death is received at Our Home Office. The Company will also require the completion of its claims forms. We have issued this policy in consideration of the application and the payment of premium. All benefits are subject to the terms and conditions of this policy.

For service or information on this policy, contact the agent who sold the policy or Our Home Office.

Right to Examine Policy: We want You to be satisfied with Your policy. The Policyowner may, within **30** days after it is delivered, return the policy to Our Home Office or to the agent who sold the policy and will receive a full refund of any premiums that have been paid. Once returned, the policy will be void from its beginning.

Read this policy carefully. This policy is a legal contract between the Policyowner and Us. The entire contract consists of this policy, and any attached riders or endorsements, schedules, the attached written application, and any attached supplemental written applications.

Issued and signed by Fidelity Life Association at its Home Office.

A handwritten signature in cursive script, appearing to read 'Mark A. Wray'.

Secretary

A handwritten signature in cursive script, appearing to read 'Pamela J. Smith'.

President

Graded Death Benefit Term Life Insurance.

The Policy provides:

- Increasing Death Benefit during the Initial Period.
- Level Death Benefit during Policy Years three through twenty, Guaranteed Death Benefit is reduced in Policy Years 21 and beyond.
- Level Guaranteed Premiums for the life of the policy.
- Benefits expire on the latter of the policy anniversary following the Insured's 80th birthday, or the 25th policy anniversary.
- This policy is not eligible for annual dividends.

Fidelity Life Association, A Legal Reserve Life Insurance Company
1211 West 22nd Street, Suite 209
Oak Brook, IL 60523
Tel 800.369.3990
Fax 866.375.8175

To file a claim or to ask a question You may contact the agent who sold You this policy or You may contact Our Policyowner Service department at the address or numbers given above or on the web at:

www.fidelitylife.com

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Any Riders and Endorsements and a Copy of the Application for the Policy, Follow Page 8

POLICY SCHEDULE

Policy Number:	123456789	Face Amount:	\$50,000
Insured:	John Franklin Butterfield	Gender and Age:	Male 45
Policyowner:	Mary Wanda Butterfield	Policy Date:	September 12, 2008
Issue Date:	September 10, 2008	Expiry Date:	September 12, 2043

Policy Description: Modified Death Benefit Term Life Insurance

Beneficiary: As stated in the application or as subsequently changed.

Total Annual Premium: \$1,559.00*

Premium Class: Standard

Annual Policy Premiums

* The Total Annual Premium shown above includes the [\$50.00] annual Policy Fee and the premium for any riders, which may be attached to this Policy. The Annual Premium is guaranteed not to increase for the policy duration.

Benefits And Premiums

	Annual Premium	Years Payable
Base Policy, including the Policy Fee	\$1,559.00	35
Accelerated Death Benefit	\$0.00	n/a
Total Initial Annual Premium	\$1,559.00	

<u>Policy Year</u>	<u>Death Benefit</u>
Policy Year 1	\$ 2,500.00
Policy Year 2	\$ 5,200.00
Policy Years 3 to 20	\$50,000.00
Policy Years 21 and higher	See Schedule of Guaranteed Death Benefit Amounts on page 3a.

Premium Payment Options

You have selected a payment mode of [semiannual]. [Semiannual] premiums equal your annual premium multiplied by a guaranteed modal factor of [0.52]. Changes to your current payment mode must be requested in writing to Us. Changes in mode, other than to annual mode, will be subject to modal factors and availability as determined by Company rules at the time of the request. Premiums are due and payable on each due date or You risk voluntary termination or reduced benefits.

SCHEDULE OF GUARANTEED VALUES

Policy Number: 123456789	Effective Date: September 12, 2008
Insured: John Franklin Butterfield	Expiry Date: September 12, 2043

Policy Year	Attained Age	Annual Premium (Includes Riders)	Surrender Value	Reduced Paid-Up Insurance	Death Benefit
1	45	\$1,559.00	\$ -	\$ -	\$ 2,500.00
2	46	\$1,559.00	\$ -	\$ -	\$ 5,200.00
3	47	\$1,559.00	\$ 300.00	\$ 1,650.00	\$50,000.00
4	48	\$1,559.00	\$ 650.00	\$ 3,400.00	\$50,000.00
5	49	\$1,559.00	\$ 950.00	\$ 4,750.00	\$50,000.00
6	50	\$1,559.00	\$1,300.00	\$ 6,300.00	\$50,000.00
7	51	\$1,559.00	\$1,650.00	\$ 7,750.00	\$50,000.00
8	52	\$1,559.00	\$1,950.00	\$ 8,850.00	\$50,000.00
9	53	\$1,559.00	\$2,300.00	\$10,100.00	\$50,000.00
10	54	\$1,559.00	\$2,600.00	\$11,100.00	\$50,000.00
11	55	\$1,559.00	\$2,900.00	\$12,050.00	\$50,000.00
12	56	\$1,559.00	\$3,200.00	\$12,950.00	\$50,000.00
13	57	\$1,559.00	\$3,450.00	\$13,600.00	\$50,000.00
14	58	\$1,559.00	\$3,700.00	\$14,250.00	\$50,000.00
15	59	\$1,559.00	\$3,900.00	\$14,700.00	\$50,000.00
16	60	\$1,559.00	\$4,100.00	\$15,150.00	\$50,000.00
17	61	\$1,559.00	\$4,250.00	\$15,400.00	\$50,000.00
18	62	\$1,559.00	\$4,350.00	\$15,550.00	\$50,000.00
19	63	\$1,559.00	\$4,350.00	\$15,350.00	\$50,000.00
20	64	\$1,559.00	\$4,300.00	\$15,050.00	\$50,000.00
21	Age 65	\$1,559.00	\$4,550.00	\$15,850.00	\$30,000.00
26	Age 70	\$1,559.00	\$5,200.00	\$19,050.00	\$30,000.00
31	Age 75\	\$1,559.00	\$4,150.00	\$21,900.00	\$30,000.00

This is a term policy providing a death benefit prior to the Expiry Date as long as this policy is in force. At the Expiry Date the Death Benefit, Surrender Value and Reduced Paid-Up Insurance will be reduced to zero.

The above values are determined according to the Policy Values Section. Cash and paid up values are based on the 2001 CSO ultimate, age last birthday, sex-distinct, smoker composite, mortality table. We will furnish any values not shown above upon request. The method of computation of policy values has been filed with the insurance supervisory official in the State where the policy is delivered. None of the above figures include policy loans.

Reserve Interest Rate: 4%
Surrender Value Interest Rate: 5%
Reinstatement Interest Rate: 6%
Loan Interest Rate: 7%

DEFINITIONS

We, Our , the Company or Us refer to Fidelity Life Association, A Legal Reserve Life Insurance Company.

You or Your refer to the Policyowner of this policy. The Policyowner may be someone other than the Insured.

Insured is the person whose life is insured under this policy. The Insured is shown in the Policy Schedule.

Beneficiary is the person, persons or entity designated to receive the Death Benefit of this policy.

Any Beneficiary may be named an Irrevocable Beneficiary. An Irrevocable Beneficiary is one whose consent is needed to change that Beneficiary. Also, an Irrevocable Beneficiary must consent to the exercise of certain rights under the policy. See Policyowner's Rights for exceptions.

Policy Date is the date which this policy begins. This is the date from which policy anniversaries, Policy Years, policy months and premium due dates are determined. The Policy Date is shown in the Policy Schedule.

Policy Year is the period from the Policy Date to the first policy anniversary, or from one policy anniversary to the next. A Policy Year does not include the policy anniversary at the end of the policy year.

Initial Policy Period means the first two years during which the Death Benefit is reduced.

Expiry Date unless terminated earlier (because a premium was not paid), this policy will terminate on the latter of the policy anniversary following the Insured's 80th birthday, or the 25th policy anniversary.

Death Benefit is the amount payable to the Beneficiary. The Death Benefit calculations are explained on page 6.

Face Amount is the amount of insurance on which premium calculations are made.

Policyowner is the person who owns this policy, as shown in Our records. The Policyowner may be someone other than the Insured.

Issue Date is used to determine the start of the suicide and contestability periods.

Lapse means the policy is not in force because a premium was not paid when due.

Net Surrender Value is the Surrender Value of this policy less any indebtedness.

POLICY PROVISIONS

Entire Contract

This policy is a legal contract between the Policyowner and Us. The entire contract consists of this policy, and any attached riders or endorsements, schedules, the attached application, applications for modifications in the policy and any attached supplemental applications. We have issued this policy in return for the application and the payment of premiums. All statements made by or for the Insured in the application are, in the absence of fraud, considered to be representations and not warranties. We can contest the validity of this policy for any material misrepresentation of a fact. To do so, however, the misrepresentation must have been made in the application and a copy of the application must have been attached to this policy when issued. Any change or waiver of its terms must be in writing and signed by Our President, Vice President, Secretary or an Assistant Secretary and endorsed on this policy to be effective.

Incontestability

Except for failure to pay premiums, We will not contest the validity of this policy after it has been in force for two years from its Issue Date, or after it has been in force for two years from the last reinstatement, if any.

Misstatement of Age or Gender

If the age or gender of the Insured has been misstated, the amount payable will be the amount that the premium paid would have purchased at the correct age and gender.

Suicide Exclusion

If the Insured commits suicide, while sane or insane, within two years from the Issue Date, and while this policy is in force, We will pay in one sum to the Beneficiary, the amount of premiums paid for this policy.

Policyowner's Rights

While the Insured is living, the Policyowner may exercise all rights given by this policy or allowed by Us. These rights include assigning this policy, changing Beneficiaries, changing ownership, enjoying all policy benefits and exercising all policy options.

The consent of any Irrevocable Beneficiary is needed to exercise any policy right except the right to:

- a. Change the frequency of premium payments, or;
- b. Reinstate this policy after Lapse.

Assignment

You may assign this policy. For any assignment to be binding on Us, We must receive the original Assignment, or a signed certified copy at Our Home Office and it must be recorded by Us. Once We receive the original Assignment, or a signed certified copy, the rights of the Policyowner and the interest of any Beneficiary or any other person will be subject to the assignment. We will not be responsible for the validity of any assignment. We are not liable for any payment made by Us before We record the assignment.

Change of Policyowner or Beneficiary

The Policyowner or any Beneficiary may be changed during the Insured's lifetime. We do not limit the number of changes that may be made. To make a change, a written request satisfactory to Us, must be received at Our Home Office. The change will take effect as of the date the request is signed, even if the Insured dies before We receive it. Each change will be subject to any payment We made or other action We took before receiving the request.

Death of Beneficiary in Common Disaster

If any Beneficiary dies with the Insured in a common disaster, Death Benefits will be paid as if the Beneficiary predeceased the Insured.

PREMIUM PAYMENTS

Payment of Premiums

Premiums are payable annually in advance to the greater of the policy anniversary following the Insured's 80th birthday or the 25th policy anniversary. Other modes of payment are available at the discretion of the Company. The first premium is due on the Policy Date. Each premium after the first one is payable at Our Home Office. Upon request, We will provide You with a written receipt. Each subsequent premium is due when the period covered by the preceding premium ends.

Grace Period

After the first premium has been paid, We allow a 31 day Grace Period to pay each subsequent premium. During this Grace Period the policy remains in full force. If the Insured dies during the Grace Period, We will deduct the unpaid premium from the benefits of this policy.

Lapse

If a premium is not paid by the end of the Grace Period, the policy will Lapse without value and no further premium payments may be made.

Reinstatement

This policy may be reinstated, while the Insured is alive, at any time within three years after the date of Lapse. However, the policy cannot be reinstated on or after the Expiry Date.

If the premium due is paid within 60 days of the due date (within 29 days after the end of the Grace Period) and during the lifetime of the Insured, the policy will be reinstated without evidence of insurability.

If the premium due is not paid within 60 days of the due date (within 29 days after the end of the Grace Period) Reinstatement will be subject to evidence of insurability satisfactory to Us. All overdue premiums must be paid with interest from their due dates to the date of reinstatement. Interest will be at the Policy Reinstatement Rate shown on page 3a, compounded annually to the date of reinstatement.

Non-Payment of Premium Options

If the premium due is not paid by the end of the Grace Period the policy will Lapse. If the policy has no Surrender Value it will terminate without value. If this policy has a Surrender Value on the date of Lapse the Policyowner may choose one of the following options:

1. Reduced Paid-Up insurance; or
2. Automatic Premium Loan; or
3. Single Cash Payment of the Net Surrender Value.

If the Automatic Premium Loan has not been previously elected and the Policyowner does not make a written selection within 60 days after the date of Lapse, We will apply the Reduced Paid-Up provision.

THE DEATH BENEFIT

Subject to a written claim form, as furnished by Us and surrender of the Policy We will pay the Death Benefit within 30 days of when We receive due proof at Our Home Office that the Insured died while the policy was in force. If payment is delayed for 30 days or more, we will pay you interest at a rate of at least 8% a year on the amount we owe you.

Death Benefit Calculations

In any Policy Year, the amount of the Death Benefit will be:

- (a) the Death Benefit in effect on the Insured's life; plus
- (b) the premium paid beyond the date of death; plus
- (c) interest, not less than required by law, from the Insured's date of death until the payment date;
minus
- (d) any indebtedness under the policy; minus
- (e) any unpaid premium due and unpaid at the date of death.

Payment of Proceeds – Settlement of the Death Benefit shall be made by payment in one sum.

The proceeds are subject to any adjustments provided in the Misstatement of Age or Gender, Incontestability and Suicide provisions.

Death of Beneficiary

If any Beneficiary predeceases the Insured the portion of the proceeds that would have gone to that Beneficiary shall be paid to the Estate of the Insured.

Multiple Beneficiaries

If there is more than one Beneficiary, proceeds shall be divided equally among the beneficiaries unless the Beneficiary designation specifies the amount to be paid to each Beneficiary.

POLICY LOANS

Policy Loans

The Policyowner may, by written request, borrow, **on the sole security of the policy**, the available Surrender Value of this policy. **The minimum cash loan is \$100.00. There is no minimum if the loan is to pay a premium due.** We have the right to postpone payment of the loan for up to 6 months unless the loan is to pay a premium due.

After 3 full years' premiums have been paid and after the policy has a Surrender Value and while no premium is in default beyond the Grace Period for payment We will advance, on proper assignment or pledge of the Policy and on the sole security thereof, at rate of interest shown in the Policy Schedule, an amount equal to or, at the option of the party entitled thereto, less than the Loan Value of the policy.

Loan Value

The Loan Value of the Policy shall be at least equal to the Surrender Value at the end of the then current Policy Year, provided that the insurer may deduct, either from such Loan Value or from the proceeds of the loan, any existing indebtedness not already deducted in determining such Surrender Value including any interest then accrued but not due, any unpaid balance of the premium for the current Policy Year, and interest on the loan to the end of the current Policy Year.

You may borrow up to Your policy's loan value. This value will be equal to:

- the policy's Surrender Value; less
- interest to the end of the Policy Year on the Surrender Value; less
- any Amount You already Owe Us with interest accrued to the end of the Policy Year; less
- any premium due and unpaid.

Rate of Interest

The interest rate for policy loans is shown in the Policy Schedule. Interest is payable in advance on each policy anniversary and annually in advance on each policy anniversary thereafter. If You do not pay the interest when it is due, the unpaid interest will be added to the policy loan.

Automatic Premium Loan

If any premium is unpaid at the end of the Grace Period an amount equal to the premium due will be automatically charged as a Policy Loan. If there is insufficient Surrender Value to pay the actual premium due an amount equal to the next lower modal premium due will be charged. If there is insufficient value to pay at least one monthly premium the policy will be continued for the number of days the actual Surrender Value will purchase. The automatic premium loan may be elected by the Policyowner. If premium is paid automatically by charging it against the policy's loan value which is derived from the Net Surrender Value of the policy, We will mail the notice of the amount of the loan and the loan interest rate to the Policyowner, and any assignee of record, to the last known address in Our file. The notice will be mailed no later than 30 days after the end of the Grace Period of the premium paid by loan.

Repayment

If this policy is in force the loan may be repaid in full or in part at any time while the Insured is alive. The loan may also be repaid within 60 days after the Insured's death, if We have not paid any of the benefits under this policy. Any loan repayment, other than the balance due, must meet Our minimum amount rules then in effect.

This policy will remain in force unless the indebtedness equals or exceeds the Surrender Value of this policy. If termination occurs due to excessive debt, We will provide the Policyowner and any assignee of record a notice of termination no later than 30 days prior to the date of termination. In such case, the policy will terminate 31 days after We mail the notice of termination to the Policyowner, and any assignee of record, to the last known address in Our file.

POLICY VALUES

Reduced Paid-Up Insurance

Provided there is sufficient Net Surrender Value to purchase at least \$1,000 of level Death Benefit based on the Insured's age at the time of Lapse, the policy will be continued as Reduced Paid-Up insurance. Otherwise the Automatic Premium Loan provision will apply.

Policy Surrender

The Policyowner may request that the policy be surrendered for value. This will terminate the policy and it may not be reinstated. The Policyowner must make such request in writing and must return the policy to Us. We have the right to postpone payment of the Surrender Value for up to 6 months. If payment is delayed for 30 days or more, We will pay You interest at a rate of at least 2.5% a year on the amount We owe You.

The Surrender Value of the policy, within 60 days after the due date of the unpaid premium, is the same as on the due date. If the request to surrender is made more than 60 days after the due date, and the policy had been continued as Reduced Paid-Up, the Surrender Value will be equal to the net single premium for that insurance. The Surrender Value of Reduced Paid-Up insurance which is surrendered within 30 days after a policy anniversary will be at least equal to that anniversary value.

When the policy is surrendered, the proceeds will be the Net Surrender Value. The Surrender Value within a Policy Year is adjusted for Lapse of time and premiums paid for any portion of the Policy Year.

Basis of Values

Surrender Values, net single premiums, and policy reserves are computed to be equal to or greater than the minimum required by the law of the State in which this policy is delivered. A detailed statement of the method of computing nonforfeiture values has been filed with that State.

All nonforfeiture values, present values, and net single premiums for this policy are based on the mortality table shown on page 3a. Calculations take into account the gender and age of the Insured and assume that premiums are paid annually and that Death Benefits are payable uniformly throughout the Policy Year. Any additional benefits provided by riders attached to this policy shall be excluded from these calculations.

The amount of Reduced Paid-Up insurance shall be such that the present value of the guaranteed benefits computed on the same basis as described above shall be equal to the cash Surrender Value.

Schedule of Guaranteed Values

The Schedule of Guaranteed Values shows the guaranteed values for this policy on the assumption that premiums have been fully paid in cash for the completed years stated.

If premiums on this policy are paid other than annually, adjustments will be made in calculating values for that portion of the Policy Year for which premiums were actually paid. These values will be decreased if there is any outstanding loan balance.

Guaranteed Surrender values for the end of any Policy Year not shown in the table will be furnished upon written request to the Home Office.

**GRADED DEATH BENEFIT TERM LIFE
INSURANCE POLICY**

This is a Non-Participating Policy

Fidelity Life Association, A Legal Reserve Life Insurance Company

1211 West 22nd Street, Suite 209

Oak Brook, IL 60523

Tel 800.369.3990

Fax 866.375.8175



Established 1896

GRADED DEATH BENEFIT TERM LIFE INSURANCE POLICY

This is a Non-Participating Policy

Fidelity Life Association will pay the Death Benefit of this policy if the Insured dies while the policy is in force. The Death Benefit will be paid to the Beneficiary when due proof of the Insured's death is received at Our Home Office. The Company will also require the completion of its claims forms. We have issued this policy in consideration of the application and the payment of premium. All benefits are subject to the terms and conditions of this policy.

For service or information on this policy, contact the agent who sold the policy or Our Home Office.

Right to Examine Policy: We want You to be satisfied with Your policy. The Policyowner may, within **30** days after it is delivered, return the policy to Our Home Office or to the agent who sold the policy and will receive a full refund of any premiums that have been paid. Once returned, the policy will be void from its beginning.

Read this policy carefully. This policy is a legal contract between the Policyowner and Us. The entire contract consists of this policy, and any attached riders or endorsements, schedules, the attached written application, and any attached supplemental written applications.

Issued and signed by Fidelity Life Association at its Home Office.

Handwritten signature of Mark A. Wray in black ink.

Secretary

Handwritten signature of Pamela D. Smith in black ink.

President

Graded Death Benefit Term Life Insurance.

The Policy provides:

- Increasing Death Benefit during the Initial Period.
- Level Death Benefit during Policy Years three through thirty, Guaranteed Death Benefit is reduced in Policy Years 31 and beyond.
- Level Guaranteed Premiums for the life of the policy.
- Benefits expire on the latter of the policy anniversary following the Insured's 80th birthday, or the 35th policy anniversary.
- This policy is not eligible for annual dividends.

Fidelity Life Association, A Legal Reserve Life Insurance Company
1211 West 22nd Street, Suite 209
Oak Brook, IL 60523
Tel 800.369.3990
Fax 866.375.8175

To file a claim or to ask a question You may contact the agent who sold You this policy or You may contact Our Policyowner Service department at the address or numbers given above or on the web at:

www.fidelitylife.com

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POLICY SCHEDULE

Policy Number:	123456789	Face Amount:	\$50,000
Insured:	John Franklin Butterfield	Gender and Age:	Male 45
Policyowner:	Mary Wanda Butterfield	Policy Date:	September 12, 2008
Issue Date:	September 10, 2008	Expiry Date:	September 12, 2043

Policy Description: Modified Death Benefit Term Life Insurance

Beneficiary: As stated in the application or as subsequently changed.

Total Annual Premium: \$1,819.00*

Premium Class: Standard

Annual Policy Premiums

* The Total Annual Premium shown above includes the [\$50.00] annual Policy Fee and the premium for any riders, which may be attached to this Policy. The Annual Premium is guaranteed not to increase for the policy duration.

Benefits And Premiums

	Annual Premium	Years Payable
Base Policy, including the Policy Fee	\$1,819.00	35
Accelerated Death Benefit	\$0.00	n/a
Total Initial Annual Premium	\$1,819.00	

<u>Policy Year</u>	<u>Death Benefit</u>
Policy Year 1	\$ 2,800.00
Policy Year 2	\$ 5,900.00
Policy Years 3 to 30	\$50,000.00
Policy Years 31 and higher	See Schedule of Guaranteed Death Benefit Amounts on page 3a.

Premium Payment Options

You have selected a payment mode of [semiannual]. [Semiannual] premiums equal your annual premium multiplied by a guaranteed modal factor of [0.52]. Changes to your current payment mode must be requested in writing to Us. Changes in mode, other than to annual mode, will be subject to modal factors and availability as determined by Company rules at the time of the request. Premiums are due and payable on each due date or You risk voluntary termination or reduced benefits.

SCHEDULE OF GUARANTEED VALUES

Policy Number: 123456789	Effective Date: September 12, 2008
Insured: John Franklin Butterfield	Expiry Date: September 12, 2043

Policy Year	Attained Age	Annual Premium (Includes Riders)	Surrender Value	Reduced Paid-Up Insurance	Death Benefit
1	45	\$1,819.00	\$ -	\$ -	\$ 2,800.00
2	46	\$1,819.00	\$ 50.00	\$ 300.00	\$ 5,900.00
3	47	\$1,819.00	\$ 450.00	\$ 2,450.00	\$50,000.00
4	48	\$1,819.00	\$ 900.00	\$ 4,650.00	\$50,000.00
5	49	\$1,819.00	\$1,300.00	\$ 6,500.00	\$50,000.00
6	50	\$1,819.00	\$1,750.00	\$ 8,450.00	\$50,000.00
7	51	\$1,819.00	\$2,200.00	\$10,300.00	\$50,000.00
8	52	\$1,819.00	\$2,650.00	\$12,000.00	\$50,000.00
9	53	\$1,819.00	\$3,100.00	\$13,650.00	\$50,000.00
10	54	\$1,819.00	\$3,550.00	\$15,150.00	\$50,000.00
11	55	\$1,819.00	\$4,000.00	\$16,600.00	\$50,000.00
12	56	\$1,819.00	\$4,450.00	\$18,000.00	\$50,000.00
13	57	\$1,819.00	\$4,850.00	\$19,100.00	\$50,000.00
14	58	\$1,819.00	\$5,300.00	\$20,400.00	\$50,000.00
15	59	\$1,819.00	\$5,700.00	\$21,450.00	\$50,000.00
16	60	\$1,819.00	\$6,050.00	\$22,300.00	\$50,000.00
17	61	\$1,819.00	\$6,450.00	\$23,350.00	\$50,000.00
18	62	\$1,819.00	\$6,750.00	\$24,100.00	\$50,000.00
19	63	\$1,819.00	\$7,000.00	\$24,700.00	\$50,000.00
20	64	\$1,819.00	\$7,250.00	\$25,350.00	\$50,000.00
21	Age 65	\$1,819.00	\$7,400.00	\$25,800.00	\$50,000.00
26	Age 70	\$1,819.00	\$7,050.00	\$25,800.00	\$50,000.00
31	Age 75\	\$1,819.00	\$3,850.00	\$20,300.00	\$30,000.00

This is a term policy providing a death benefit prior to the Expiry Date as long as this policy is in force. At the Expiry Date the Death Benefit, Surrender Value and Reduced Paid-Up Insurance will be reduced to zero.

The above values are determined according to the Policy Values Section. Cash and paid up values are based on the 2001 CSO ultimate, age last birthday, sex-distinct, smoker composite, mortality table. We will furnish any values not shown above upon request. The method of computation of policy values has been filed with the insurance supervisory official in the State where the policy is delivered. None of the above figures include policy loans.

Reserve Interest Rate: 4%
Surrender Value Interest Rate: 5%
Reinstatement Interest Rate: 6%
Loan Interest Rate: 7%

DEFINITIONS

We, Our , the Company or Us refer to Fidelity Life Association, A Legal Reserve Life Insurance Company.

You or Your refer to the Policyowner of this policy. The Policyowner may be someone other than the Insured.

Insured is the person whose life is insured under this policy. The Insured is shown in the Policy Schedule.

Beneficiary is the person, persons or entity designated to receive the Death Benefit of this policy.

Any Beneficiary may be named an Irrevocable Beneficiary. An Irrevocable Beneficiary is one whose consent is needed to change that Beneficiary. Also, an Irrevocable Beneficiary must consent to the exercise of certain rights under the policy. See Policyowner's Rights for exceptions.

Policy Date is the date which this policy begins. This is the date from which policy anniversaries, Policy Years, policy months and premium due dates are determined. The Policy Date is shown in the Policy Schedule.

Policy Year is the period from the Policy Date to the first policy anniversary, or from one policy anniversary to the next. A Policy Year does not include the policy anniversary at the end of the policy year.

Initial Policy Period means the first two years during which the Death Benefit is reduced.

Expiry Date unless terminated earlier (because a premium was not paid), this policy will terminate on the latter of the policy anniversary following the Insured's 80th birthday, or the 35th policy anniversary.

Death Benefit is the amount payable to the Beneficiary. The Death Benefit calculations are explained on page 6.

Face Amount is the amount of insurance on which premium calculations are made.

Policyowner is the person who owns this policy, as shown in Our records. The Policyowner may be someone other than the Insured.

Issue Date is used to determine the start of the suicide and contestability periods.

Lapse means the policy is not in force because a premium was not paid when due.

Net Surrender Value is the Surrender Value of this policy less any indebtedness.

POLICY PROVISIONS

Entire Contract

This policy is a legal contract between the Policyowner and Us. The entire contract consists of this policy, and any attached riders or endorsements, schedules, the attached application, applications for modifications in the policy and any attached supplemental applications. We have issued this policy in return for the application and the payment of premiums. All statements made by or for the Insured in the application are, in the absence of fraud, considered to be representations and not warranties. We can contest the validity of this policy for any material misrepresentation of a fact. To do so, however, the misrepresentation must have been made in the application and a copy of the application must have been attached to this policy when issued. Any change or waiver of its terms must be in writing and signed by Our President, Vice President, Secretary or an Assistant Secretary and endorsed on this policy to be effective.

Incontestability

Except for failure to pay premiums, We will not contest the validity of this policy after it has been in force for two years from its Issue Date, or after it has been in force for two years from the last reinstatement, if any.

Misstatement of Age or Gender

If the age or gender of the Insured has been misstated, the amount payable will be the amount that the premium paid would have purchased at the correct age and gender.

Suicide Exclusion

If the Insured commits suicide, while sane or insane, within two years from the Issue Date, and while this policy is in force, We will pay in one sum to the Beneficiary, the amount of premiums paid for this policy.

Policyowner's Rights

While the Insured is living, the Policyowner may exercise all rights given by this policy or allowed by Us. These rights include assigning this policy, changing Beneficiaries, changing ownership, enjoying all policy benefits and exercising all policy options.

The consent of any Irrevocable Beneficiary is needed to exercise any policy right except the right to:

- a. Change the frequency of premium payments, or;
- b. Reinstate this policy after Lapse.

Assignment

You may assign this policy. For any assignment to be binding on Us, We must receive the original Assignment, or a signed certified copy at Our Home Office and it must be recorded by Us. Once We receive the original Assignment, or a signed certified copy, the rights of the Policyowner and the interest of any Beneficiary or any other person will be subject to the assignment. We will not be responsible for the validity of any assignment. We are not liable for any payment made by Us before We record the assignment.

Change of Policyowner or Beneficiary

The Policyowner or any Beneficiary may be changed during the Insured's lifetime. We do not limit the number of changes that may be made. To make a change, a written request satisfactory to Us, must be received at Our Home Office. The change will take effect as of the date the request is signed, even if the Insured dies before We receive it. Each change will be subject to any payment We made or other action We took before receiving the request.

Death of Beneficiary in Common Disaster

If any Beneficiary dies with the Insured in a common disaster, Death Benefits will be paid as if the Beneficiary predeceased the Insured.

PREMIUM PAYMENTS

Payment of Premiums

Premiums are payable annually in advance to the greater of the policy anniversary following the Insured's 80th birthday or the 35th policy anniversary. Other modes of payment are available at the discretion of the Company. The first premium is due on the Policy Date. Each premium after the first one is payable at Our Home Office. Upon request, We will provide You with a written receipt. Each subsequent premium is due when the period covered by the preceding premium ends.

Grace Period

After the first premium has been paid, We allow a 31 day Grace Period to pay each subsequent premium. During this Grace Period the policy remains in full force. If the Insured dies during the Grace Period, We will deduct the unpaid premium from the benefits of this policy.

Lapse

If a premium is not paid by the end of the Grace Period, the policy will Lapse without value and no further premium payments may be made.

Reinstatement

This policy may be reinstated, while the Insured is alive, at any time within three years after the date of Lapse. However, the policy cannot be reinstated on or after the Expiry Date.

If the premium due is paid within 60 days of the due date (within 29 days after the end of the Grace Period) and during the lifetime of the Insured, the policy will be reinstated without evidence of insurability.

If the premium due is not paid within 60 days of the due date (within 29 days after the end of the Grace Period) Reinstatement will be subject to evidence of insurability satisfactory to Us. All overdue premiums must be paid with interest from their due dates to the date of reinstatement. Interest will be at the Policy Reinstatement Rate shown on page 3a, compounded annually to the date of reinstatement.

Non-Payment of Premium Options

If the premium due is not paid by the end of the Grace Period the policy will Lapse. If the policy has no Surrender Value it will terminate without value. If this policy has a Surrender Value on the date of Lapse the Policyowner may choose one of the following options:

1. Reduced Paid-Up insurance; or
2. Automatic Premium Loan; or
3. Single Cash Payment of the Net Surrender Value.

If the Automatic Premium Loan has not been previously elected and the Policyowner does not make a written selection within 60 days after the date of Lapse, We will apply the Reduced Paid-Up provision.

THE DEATH BENEFIT

Subject to a written claim form, as furnished by Us and surrender of the Policy We will pay the Death Benefit within 30 days of when We receive due proof at Our Home Office that the Insured died while the policy was in force. If payment is delayed for 30 days or more, we will pay you interest at a rate of at least 8% a year on the amount we owe you.

Death Benefit Calculations

In any Policy Year, the amount of the Death Benefit will be:

- (a) the Death Benefit in effect on the Insured's life; plus
- (b) the premium paid beyond the date of death; plus
- (c) interest, not less than required by law, from the Insured's date of death until the payment date;
minus
- (d) any indebtedness under the policy; minus
- (e) any unpaid premium due and unpaid at the date of death.

Payment of Proceeds – Settlement of the Death Benefit shall be made by payment in one sum.

The proceeds are subject to any adjustments provided in the Misstatement of Age or Gender, Incontestability and Suicide provisions.

Death of Beneficiary

If any Beneficiary predeceases the Insured the portion of the proceeds that would have gone to that Beneficiary shall be paid to the Estate of the Insured.

Multiple Beneficiaries

If there is more than one Beneficiary, proceeds shall be divided equally among the beneficiaries unless the Beneficiary designation specifies the amount to be paid to each Beneficiary.

POLICY LOANS

Policy Loans

The Policyowner may, by written request, borrow, **on the sole security of the policy**, the available Surrender Value of this policy. **The minimum cash loan is \$100.00. There is no minimum if the loan is to pay a premium due.** We have the right to postpone payment of the loan for up to 6 months unless the loan is to pay a premium due.

After 3 full years' premiums have been paid and after the policy has a Surrender Value and while no premium is in default beyond the Grace Period for payment We will advance, on proper assignment or pledge of the Policy and on the sole security thereof, at rate of interest shown in the Policy Schedule, an amount equal to or, at the option of the party entitled thereto, less than the Loan Value of the policy.

Loan Value

The Loan Value of the Policy shall be at least equal to the Surrender Value at the end of the then current Policy Year, provided that the insurer may deduct, either from such Loan Value or from the proceeds of the loan, any existing indebtedness not already deducted in determining such Surrender Value including any interest then accrued but not due, any unpaid balance of the premium for the current Policy Year, and interest on the loan to the end of the current Policy Year.

You may borrow up to Your policy's loan value. This value will be equal to:

- the policy's Surrender Value; less
- interest to the end of the Policy Year on the Surrender Value; less
- any Amount You already Owe Us with interest accrued to the end of the Policy Year; less
- any premium due and unpaid.

Rate of Interest

The interest rate for policy loans is shown in the Policy Schedule. Interest is payable in advance on each policy anniversary and annually in advance on each policy anniversary thereafter. If You do not pay the interest when it is due, the unpaid interest will be added to the policy loan.

Automatic Premium Loan

If any premium is unpaid at the end of the Grace Period an amount equal to the premium due will be automatically charged as a Policy Loan. If there is insufficient Surrender Value to pay the actual premium due an amount equal to the next lower modal premium due will be charged. If there is insufficient value to pay at least one monthly premium the policy will be continued for the number of days the actual Surrender Value will purchase. The automatic premium loan may be elected by the Policyowner. If premium is paid automatically by charging it against the policy's loan value which is derived from the Net Surrender Value of the policy, We will mail the notice of the amount of the loan and the loan interest rate to the Policyowner, and any assignee of record, to the last known address in Our file. The notice will be mailed no later than 30 days after the end of the Grace Period of the premium paid by loan.

Repayment

If this policy is in force the loan may be repaid in full or in part at any time while the Insured is alive. The loan may also be repaid within 60 days after the Insured's death, if We have not paid any of the benefits under this policy. Any loan repayment, other than the balance due, must meet Our minimum amount rules then in effect.

This policy will remain in force unless the indebtedness equals or exceeds the Surrender Value of this policy. If termination occurs due to excessive debt, We will provide the Policyowner and any assignee of record a notice of termination no later than 30 days prior to the date of termination. In such case, the policy will terminate 31 days after We mail the notice of termination to the Policyowner, and any assignee of record, to the last known address in Our file.

POLICY VALUES

Reduced Paid-Up Insurance

Provided there is sufficient Net Surrender Value to purchase at least \$1,000 of level Death Benefit based on the Insured's age at the time of Lapse, the policy will be continued as Reduced Paid-Up insurance. Otherwise the Automatic Premium Loan provision will apply.

Policy Surrender

The Policyowner may request that the policy be surrendered for value. This will terminate the policy and it may not be reinstated. The Policyowner must make such request in writing and must return the policy to Us. We have the right to postpone payment of the Surrender Value for up to 6 months. If payment is delayed for 30 days or more, We will pay You interest at a rate of at least 2.5% a year on the amount We owe You.

The Surrender Value of the policy, within 60 days after the due date of the unpaid premium, is the same as on the due date. If the request to surrender is made more than 60 days after the due date, and the policy had been continued as Reduced Paid-Up, the Surrender Value will be equal to the net single premium for that insurance. The Surrender Value of Reduced Paid-Up insurance which is surrendered within 30 days after a policy anniversary will be at least equal to that anniversary value.

When the policy is surrendered, the proceeds will be the Net Surrender Value. The Surrender Value within a Policy Year is adjusted for Lapse of time and premiums paid for any portion of the Policy Year.

Basis of Values

Surrender Values, net single premiums, and policy reserves are computed to be equal to or greater than the minimum required by the law of the State in which this policy is delivered. A detailed statement of the method of computing nonforfeiture values has been filed with that State.

All nonforfeiture values, present values, and net single premiums for this policy are based on the mortality table shown on page 3a. Calculations take into account the gender and age of the Insured and assume that premiums are paid annually and that Death Benefits are payable uniformly throughout the Policy Year. Any additional benefits provided by riders attached to this policy shall be excluded from these calculations.

The amount of Reduced Paid-Up insurance shall be such that the present value of the guaranteed benefits computed on the same basis as described above shall be equal to the cash Surrender Value.

Schedule of Guaranteed Values

The Schedule of Guaranteed Values shows the guaranteed values for this policy on the assumption that premiums have been fully paid in cash for the completed years stated.

If premiums on this policy are paid other than annually, adjustments will be made in calculating values for that portion of the Policy Year for which premiums were actually paid. These values will be decreased if there is any outstanding loan balance.

Guaranteed Surrender values for the end of any Policy Year not shown in the table will be furnished upon written request to the Home Office.

**GRADED DEATH BENEFIT TERM LIFE
INSURANCE POLICY**

This is a Non-Participating Policy

Fidelity Life Association, A Legal Reserve Life Insurance Company

1211 West 22nd Street, Suite 209

Oak Brook, IL 60523

Tel 800.369.3990

Fax 866.375.8175

PROPOSED INSURED	Full Legal Name of the Proposed Insured: _____ Gender: <input type="checkbox"/> Male <input type="checkbox"/> Female
	Date of Birth: _____ Age: _____ Place of Birth: _____ Social Security Number: _____
	Legal Residence Address: _____
	Telephone Number: _____ Best Time to Call (if needed): _____
	Are you a United States citizen or do you have Permanent Resident Status (a Green Card)? <input type="checkbox"/> Yes <input type="checkbox"/> No
	Driver's License Number: _____ State of Issue: _____ <input type="checkbox"/> I do not have a driver's license (explain below)
Occupation & Employer: _____ Annual Income: \$ _____	

COVERAGE	Plan: <input type="checkbox"/> Graded Death Benefit Whole Life Automatic Premium Loan Option on GDB Whole Life? <input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Graded Death Benefit 10 Year Term <input type="checkbox"/> Other: _____
	<input type="checkbox"/> Graded Death Benefit 20 Year Term
	<input type="checkbox"/> Graded Death Benefit 30 Year Term
Face Amount: \$ _____ Accidental Death Benefit Rider Amount: \$ _____	
Other: _____ Other: _____	

OWNER BENEFICIARY	Policyowner: (if not the Proposed Insured) _____ SSN or Tax ID of Policyowner: _____
	Billing Address: _____
	Secondary Addressee: (Optional. This person will receive copies of your overdue premium and lapse notices)
	Name: _____ Mailing Address: _____
Beneficiary: _____ Relationship to Insured: _____	

The Proposed Insured will qualify for a Graded Death Benefit plan, subject to age and underwriting guidelines, if the answers to questions 2 and 3 are No.	
QUESTIONS OF THE PROPOSED INSURED	1a. Your Height: _____ ft/in 1b. Your Weight: _____ lbs.
	2. Have you been diagnosed as having or been treated by a physician for:
	a. Human Immunodeficiency Virus (HIV), Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC)? <input type="checkbox"/> Yes <input type="checkbox"/> No
	b. Alzheimer's disease (dementia), Amyotrophic Lateral Sclerosis (ALS), mental retardation or Down's Syndrome or do you require the assistance of another person for dressing, bathing, toileting, or mobility or do you use an oxygen tank?? <input type="checkbox"/> Yes <input type="checkbox"/> No
	3. Have you, within the past 2 (two) years:
	a. had a heart attack (myocardial infarction) or stroke (cerebral vascular accident)? <input type="checkbox"/> Yes <input type="checkbox"/> No
	b. had or are now awaiting an organ or bone marrow transplant (except as a donor)? <input type="checkbox"/> Yes <input type="checkbox"/> No
	c. received or been prescribed radiation or chemo therapy or have you received or been prescribed dialysis? <input type="checkbox"/> Yes <input type="checkbox"/> No
	d. been confined to a nursing home, hospice, extended care or special treatment facility or are you now hospitalized?..... <input type="checkbox"/> Yes <input type="checkbox"/> No
	e. used controlled substances such as cocaine, heroin, amphetamines, barbiturates or hallucinogens except as prescribed by a physician or been treated for or been advised by a physician to seek treatment for drug or alcohol use? ... <input type="checkbox"/> Yes <input type="checkbox"/> No
f. been advised by a physician that your life expectancy is less than 24 months? <input type="checkbox"/> Yes <input type="checkbox"/> No	
g. had more than one DUI (DWI) violation, been convicted of a felony or are you now on probation? <input type="checkbox"/> Yes <input type="checkbox"/> No	
4. Do you have any existing life insurance or annuity now in force? (If Yes, describe in Details section) <input type="checkbox"/> Yes <input type="checkbox"/> No	
5. Will the issuance of this policy result in the replacement, lapse or termination of any existing life insurance or annuity? (If Yes, complete and submit the appropriate State Replacement forms.) <input type="checkbox"/> Yes <input type="checkbox"/> No	
Details of Yes answers	

SERFF Tracking Number: ACTR-125582223 State: Arkansas
 Filing Company: Fidelity Life Association, A Legal Reserve Life Insurance Company State Tracking Number: 38610
 Company Tracking Number: FLA2030GDB
 TOI: L04I Individual Life - Term Sub-TOI: L04I.500 Other
 Product Name: Fidelity Graded Death Benefit Term 20/30
 Project Name/Number: Fidelity Graded Death Benefit Term 20/30/FLA2030GDB

Rate/Rule Schedule

Review Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
	Graded Death Benefit 20 year term rates	F3511	New		GDB20Rates_For matted-2-10-2008.pdf
	Graded Death Benefit 30 year term rates	F3521	New		GDB30Rates_For matted-2-10-2008.pdf

Fidelity Life Association, A Legal Reserve Life Insurance Company
 Policy Form Series F3511
 Modified Death Benefit Term To Age 80 Or 25 Years
 Graded Death Benefit For Two Years, Level Death Benefit To Year 20
 Annual Premium Per Unit

Annual Policy Fee: \$50

Age	Male	Female
20	11.10	7.13
21	11.36	7.28
22	11.57	7.47
23	11.74	7.72
24	11.90	8.01
25	12.17	8.34
26	12.23	8.56
27	12.40	8.79
28	12.70	9.03
29	13.09	9.27
30	13.60	9.49
31	14.18	10.06
32	14.85	10.66
33	15.61	11.29
34	16.44	11.95
35	17.34	12.63
36	18.29	13.34
37	19.29	14.06
38	20.33	14.80
39	21.40	15.55
40	22.50	16.29
41	23.95	17.35
42	25.45	18.45
43	27.00	19.59
44	28.59	20.76

Age	Male	Female
45	30.18	21.99
46	32.10	22.98
47	34.06	23.98
48	36.06	24.99
49	38.09	26.00
50	40.14	27.02
51	42.56	28.22
52	45.03	29.44
53	47.53	30.69
54	50.06	31.97
55	52.60	33.28
56	55.58	34.83
57	58.62	36.45
58	61.69	38.13
59	64.77	39.85
60	67.83	41.61
61	72.95	45.10
62	78.34	48.91
63	84.00	53.05
64	89.93	57.54
65	96.15	62.37

		Semi-		
	Annual	Annual	Quarterly	Monthly
Modal Factors	1.000	0.520	0.280	0.087

Fidelity Life Association, A Legal Reserve Life Insurance Company
 Policy Form Series F3511
 Modified Death Benefit Term To Age 80 Or 25 Years
 Graded Death Benefit For Two Years, Level Death Benefit To Year 20
 Death Benefits Per Unit

Age	Male				Female			
	Yr 1	Yr 2	Yrs 3-20	Yrs 21+	Yr 1	Yr 2	Yrs 3-20	Yrs 21+
20	26	55	1000	800	22	45	1000	800
21	27	56	1000	800	22	45	1000	800
22	27	56	1000	800	22	46	1000	800
23	27	57	1000	800	22	46	1000	800
24	27	57	1000	800	23	47	1000	800
25	28	58	1000	800	23	48	1000	800
26	28	58	1000	800	23	49	1000	800
27	28	58	1000	800	24	49	1000	800
28	28	59	1000	800	24	50	1000	800
29	29	60	1000	800	24	50	1000	800
30	30	62	1000	700	25	51	1000	700
31	30	63	1000	700	25	52	1000	700
32	31	65	1000	700	26	54	1000	700
33	32	67	1000	700	27	56	1000	700
34	33	69	1000	700	28	57	1000	700
35	34	71	1000	700	28	59	1000	700
36	35	74	1000	700	29	61	1000	700
37	37	76	1000	700	30	63	1000	700
38	38	79	1000	700	31	65	1000	700
39	39	82	1000	700	32	67	1000	700
40	41	85	1000	600	33	69	1000	600
41	42	88	1000	600	34	71	1000	600
42	44	92	1000	600	36	74	1000	600
43	46	96	1000	600	37	77	1000	600
44	48	100	1000	600	38	80	1000	600
45	50	104	1000	600	40	83	1000	600
46	52	109	1000	600	41	86	1000	600
47	55	114	1000	600	42	88	1000	600
48	57	120	1000	600	44	91	1000	600
49	60	125	1000	600	45	94	1000	600
50	62	130	1000	500	46	96	1000	500
51	65	136	1000	500	48	99	1000	500
52	68	143	1000	500	49	103	1000	500
53	71	149	1000	500	51	106	1000	500
54	74	156	1000	500	52	109	1000	500
55	78	162	1000	500	54	112	1000	500
56	81	170	1000	500	56	116	1000	500
57	85	178	1000	500	58	121	1000	500
58	89	186	1000	500	60	125	1000	500
59	93	194	1000	500	62	129	1000	500
60	96	202	1000	500	64	134	1000	500
61	103	215	1000	500	68	143	1000	500
62	109	229	1000	500	73	153	1000	500
63	116	244	1000	500	78	164	1000	500
64	124	259	1000	500	84	175	1000	500
65	131	275	1000	500	90	188	1000	500

Fidelity Life Association, A Legal Reserve Life Insurance Company
 Policy Form Series F3521
 Modified Death Benefit Term To Age 80 Or 35 Years
 Graded Death Benefit For Two Years, Level Death Benefit To Year 30
 Annual Premium Per Unit

Annual Policy Fee: \$50

Age	Male	Female
20	11.24	7.48
21	11.46	7.72
22	11.67	7.98
23	11.96	8.26
24	12.33	8.56
25	12.77	8.88
26	13.01	9.14
27	13.31	9.41
28	13.66	9.68
29	14.05	9.94
30	14.48	10.18
31	15.24	10.81
32	16.07	11.46
33	16.96	12.16
34	17.91	12.88
35	18.90	13.62
36	20.05	14.47
37	21.26	15.36
38	22.51	16.28
39	23.80	17.24
40	25.13	18.23
41	26.99	19.41
42	28.95	20.64
43	31.00	21.95
44	33.15	23.34

Age	Male	Female
45	35.38	24.82
46	37.67	26.25
47	40.03	27.76
48	42.46	29.37
49	44.94	31.08
50	47.48	32.89
51	50.45	34.80
52	53.52	36.79
53	56.66	38.85
54	59.87	40.94
55	63.14	43.06
56	66.36	45.45
57	69.60	47.86
58	72.85	50.27
59	76.09	52.65
60	79.31	54.97

	Annual	Semi- Annual	Quarterly	Monthly
Modal Factors	1.000	0.520	0.280	0.087

Fidelity Life Association, A Legal Reserve Life Insurance Company
 Policy Form Series F3521
 Modified Death Benefit Term To Age 80 Or 35 Years
 Graded Death Benefit For Two Years, Level Death Benefit To Year 30
 Death Benefits Per Unit

Age	Male				Female			
	Yr 1	Yr 2	Yrs 3-30	Yrs 31+	Yr 1	Yr 2	Yrs 3-30	Yrs 31+
20	27	55	1000	800	22	46	1000	800
21	27	56	1000	800	22	46	1000	800
22	27	57	1000	800	23	47	1000	800
23	28	57	1000	800	23	48	1000	800
24	28	58	1000	800	23	49	1000	800
25	29	59	1000	800	24	49	1000	800
26	29	60	1000	800	24	50	1000	800
27	29	61	1000	800	24	51	1000	800
28	30	62	1000	800	25	51	1000	800
29	30	63	1000	800	25	52	1000	800
30	31	64	1000	700	25	53	1000	700
31	32	66	1000	700	26	54	1000	700
32	33	68	1000	700	27	56	1000	700
33	34	70	1000	700	28	58	1000	700
34	35	73	1000	700	29	60	1000	700
35	36	75	1000	700	30	62	1000	700
36	38	78	1000	700	31	64	1000	700
37	39	81	1000	700	32	66	1000	700
38	41	85	1000	700	33	68	1000	700
39	42	88	1000	700	34	71	1000	700
40	44	91	1000	600	35	74	1000	600
41	46	96	1000	600	37	77	1000	600
42	48	101	1000	600	38	80	1000	600
43	51	107	1000	600	40	83	1000	600
44	54	112	1000	600	42	87	1000	600
45	56	118	1000	600	43	91	1000	600
46	59	124	1000	600	45	94	1000	600
47	62	130	1000	600	47	98	1000	600
48	65	136	1000	600	49	102	1000	600
49	68	143	1000	600	51	107	1000	600
50	71	149	1000	500	53	111	1000	500
51	75	157	1000	500	56	116	1000	500
52	79	165	1000	500	58	122	1000	500
53	83	173	1000	500	61	127	1000	500
54	87	181	1000	500	63	132	1000	500
55	91	190	1000	500	66	138	1000	500
56	95	198	1000	500	69	144	1000	500
57	99	206	1000	500	72	150	1000	500
58	103	215	1000	500	75	156	1000	500
59	107	223	1000	500	78	163	1000	500
60	111	232	1000	500	81	169	1000	500

SERFF Tracking Number: ACTR-125582223 State: Arkansas
Filing Company: Fidelity Life Association, A Legal Reserve Life Insurance Company State Tracking Number: 38610
Company Tracking Number: FLA2030GDB
TOI: L04I Individual Life - Term Sub-TOI: L04I.500 Other
Product Name: Fidelity Graded Death Benefit Term 20/30
Project Name/Number: Fidelity Graded Death Benefit Term 20/30/FLA2030GDB

Supporting Document Schedules

Review Status:
Satisfied -Name: Certification/Notice 03/27/2008
Comments:
Attachment:
AR Certificate of Compliance.pdf

Review Status:
Bypassed -Name: Application 03/27/2008
Bypass Reason: New Application, please see Form Schedule tab
Comments:

Review Status:
Satisfied -Name: Life & Annuity - Actuarial Memo 03/27/2008
Comments:
Attachments:
ActuarialMemoGDB20_F3511_Std_2-10-2008.pdf
ActuarialMemoGDB30_F3521_Std_2-10-2008.pdf

Review Status:
Satisfied -Name: Authorization 04/04/2008
Comments:
Attachment:
FLA Letter of Authority_012008.pdf

Review Status:
Satisfied -Name: Statement of Variability 04/04/2008
Comments:
Attachment:
Statement of Variability.pdf

Review Status:

SERFF Tracking Number: ACTR-125582223 State: Arkansas
Filing Company: Fidelity Life Association, A Legal Reserve Life Insurance Company State Tracking Number: 38610
Company Tracking Number: FLA2030GDB
TOI: L04I Individual Life - Term Sub-TOI: L04I.500 Other
Product Name: Fidelity Graded Death Benefit Term 20/30
Project Name/Number: Fidelity Graded Death Benefit Term 20/30/FLA2030GDB

Review Status:

Satisfied -Name: Redline copies and 10 year policy

04/18/2008

Comments:

GDB 10 year policy approved on 12/15/2005 SERT-6HZRPP787

Attachments:

F3501 GDB Term Policy NP AR corrected.pdf
AR F3511 20year GDB Term Policy_redline.pdf
AR F3521 30year GDB Term Policy_redline.pdf

Certificate of Compliance State of Arkansas

Fidelity Life Association

Name of Individual responsible for the preparation of this filing and supporting documentation:

NAME Sherry Wommack
TITLE Assistant Director, Actuarial Risk Management

I hereby certify that to the best of my knowledge and belief as to the accuracy and completeness of this filing; further, I certify that this filing conforms to the Arkansas Insurance Code, the Arkansas Insurance Regulations, and and the Rule and Regulation 19 Unfair Sex Discrimination in the Sale of Insurance.

CERTIFIED BY Sherry Wommack 
TITLE Assistant Director
DATE 9/17/2007

Fidelity Life Association, A Legal Reserve Life Insurance Company

Actuarial Memorandum

Policy Form Series F3511

Modified Death Benefit Term to Age 80 or 25 Years

The purpose of this memorandum is to describe the contract for the purposes of demonstrating and certifying compliance with applicable laws and regulations in the state that this contract is being filed.

Plan Description

This plan provides modified guaranteed death benefits that expire at the greater of the policy anniversary following the insured's 80th birthday, or the 25th policy anniversary. Level guaranteed premiums are payable for the life of the contract. The plan has separate rates for males and females that include a \$50 policy fee. The plan is not offered with substandard premium ratings. This plan is non-participating.

The plan is offered on a simplified underwriting basis and has reduced non-accidental death benefits during the first two policy years to minimize anti-selection risk. The full death benefit is paid upon death due to accidents during the first two policy years. This reduced death benefit schedule during the first two years is calculated to provide not less than a 10% return on premiums paid. This plan is intended to provide coverage during the first 20 policy years at a cost lower than comparable simplified underwriting whole life coverage. To this end, the guaranteed death benefit is reduced in policy years 21 and beyond.

The plan is issued at the following face amounts and ages:

Ages	Face Amounts
20-45	\$25,000 - \$250,000
46-55	\$20,000 - \$200,000
56-65	\$15,000 - \$100,000

Death benefits per unit in years three through 20 are \$1,000. The death benefits in the first two policy years and policy years 21 and beyond are:

Age	Male			Female			Age	Male			Female		
	Yr 1	Yr 2	Yrs 21+	Yr 1	Yr 2	Yrs 21+		Yr 1	Yr 2	Yrs 21+	Yr 1	Yr 2	Yrs 21+
20	26	55	800	22	45	800	46	52	109	600	41	86	600
21	27	56	800	22	45	800	47	55	114	600	42	88	600
22	27	56	800	22	46	800	48	57	120	600	44	91	600
23	27	57	800	22	46	800	49	60	125	600	45	94	600
24	27	57	800	23	47	800	50	62	130	500	46	96	500
25	28	58	800	23	48	800	51	65	136	500	48	99	500
26	28	58	800	23	49	800	52	68	143	500	49	103	500
27	28	58	800	24	49	800	53	71	149	500	51	106	500
28	28	59	800	24	50	800	54	74	156	500	52	109	500
29	29	60	800	24	50	800	55	78	162	500	54	112	500
30	30	62	700	25	51	700	56	81	170	500	56	116	500
31	30	63	700	25	52	700	57	85	178	500	58	121	500
32	31	65	700	26	54	700	58	89	186	500	60	125	500
33	32	67	700	27	56	700	59	93	194	500	62	129	500
34	33	69	700	28	57	700	60	96	202	500	64	134	500
35	34	71	700	28	59	700	61	103	215	500	68	143	500
36	35	74	700	29	61	700	62	109	229	500	73	153	500
37	37	76	700	30	63	700	63	116	244	500	78	164	500
38	38	79	700	31	65	700	64	124	259	500	84	175	500
39	39	82	700	32	67	700	65	131	275	500	90	188	500
40	41	85	600	33	69	600							
41	42	88	600	34	71	600							
42	44	92	600	36	74	600							
43	46	96	600	37	77	600							
44	48	100	600	38	80	600							
45	50	104	600	40	83	600							

Nonforfeiture Values

This plan provides minimum cash values under the NAIC Model Standard Nonforfeiture Law for Life Insurance (SNFL). Cash values are calculated on a semi-continuous basis. The attached appendix includes a sample minimum cash value calculation for a male age 45. The following assumptions and formulae are used:

Mortality table: 2001 CSO ultimate, age last birthday, sex-distinct, smoker composite, mortality table

Interest rate: 5.00%

All variables are expressed per unit of coverage which is a \$1,000 death benefit in years 3 to 20.

GP_t = Gross premium per unit excluding policy fee at year t.

$PV\$1_t$ = Present value of future \$1 at the beginning of each year t.

$PVGP_t$ = Present value of future GP_t at the beginning of each year t.

PVB_t = Present value of future benefits at the beginning of each year t (benefits assumed payable in the middle of year).

$NFNLP$ = $PVB_1 / PV\$1_1$ = Nonforfeiture net level premium.

$AVGDB$ = Average guaranteed death benefit during 1st 10 years.

EXP = $(1.25 * NFNLP) + (.01 * AVGDB)$ but the total not to exceed $(.06 * AVGDB)$

UP = $(PVB_1 + EXP) / PVGP_1$ = Uniform Percentage of nonforfeiture premium over GP_t

NFP_t = $UP * GP_t$ = Nonforfeiture premium at beginning of each year t for $t > 1$

NFP_1 = $UP * GP_1 - EXP$ = Nonforfeiture premium at beginning of year 1

CSV_t = $PVB_{t+1} - UP * PVGP_{t+1}$ = Minimum required cash value

CSV_t is rounded to the high \$ per unit.

Reserves

Reserves are calculated based on the NAIC Model Valuation of Life Insurance Regulation 830 (XXX) and the Commissioner's Valuation Reserve Method (CRVM) as described in the NAIC Model Standard Valuation Law (SVL). Reserves are calculated on a semi-continuous basis. The attached appendix includes a sample reserve calculation for a male age 45. The following assumptions and formulae are used:

Mortality table: 2001 CSO ultimate, age last birthday, sex-distinct, smoker composite, mortality table

Interest Rate: 4.00%

All variables are expressed per unit of coverage which is a \$1,000 death benefit in years 3 to 20.

GP_t = Gross premium per unit excluding policy fee at year t.

DB_t = Death benefit per unit in year t.

$G_t = (GP_t / DB_t * 1000) / (GP_{t-1} / DB_{t-1} * 1000)$ (for purpose of determining reserve segments)

q_t = Mortality rate during year t from the assumed mortality table.

$R_t = q_t / q_{t-1} - .01$ but not less than 1 (for purpose of determining reserve segments)

Segments = New reserve segment starts in any year where $G_t > R_t$

Base unitary reserve calculations:

$BUPVGP_t$ = Base unitary present value of all future GP_t at the beginning of each year t

$BUPVB_t$ = Base unitary present value of all future benefits at the beginning of each year t (benefits assumed payable in the middle of year).

$BUP = BUPVB_2 / BUPVGP_2$ = Base unitary uniform percentage of unitary valuation premium over GP_t

$BUNP_t = BUP * GP_t$ = Base unitary net premium in year t, $t > 1$.

$BUNP_1$ = Present value of initial year unitary benefit = Base unitary net premium in year 1.

$BUV_t = BUPVB_{t+1} - BUP * BUPVGP_{t+1}$ = Base unitary reserve at end of year t.

$BUMV_t = .5 * (BUNP_t + BUV_{t-1} + BUV_t)$ = Base unitary mean reserve at end of year t

Base segmented reserve calculations:

Segmented reserves use same formulae as unitary, except that present values and uniform percentages are calculated separately for each segment, using the appropriate mortality rates for each segment. Substituting "S" for "U" in variable names:

$BSV_t = BSPVB_{t+1} - BSP * BSPGP_{t+1}$ = Base segmented reserve at end of year t.

$BSMV_t = .5 * (BSNP_t + BSV_{t-1} + BSV_t)$ = Base unitary mean reserve at end of year t

Reserves (continued)

Minimum tabular net premium calculation:

C_t = Present value of one year of benefits at beginning of year t.

Mean base reserve:

BV_t = Maximum of $BUMV_t$, $BSMV_t$, and $.5 * C_t$

Deficiency reserve calculations:

Minimum Standard Reserves are calculated using the same method as base reserves except that minimum standard mortality assumptions are adjusted by the minimum standard X-factor and gross premiums are substituted in calculating reserves for minimum standard premiums wherever net premiums exceed gross premiums.

Deficiency reserves equal the excess of minimum standard reserves over base reserves, if any. This plan generates no deficiency reserves using an X-factor equal to one.

Certifications

I certify that this plan is in compliance with the NAIC Model Standard Nonforfeiture Law for Life Insurance, the NAIC Model Standard Valuation Law, and the NAIC Model Valuation of Life Insurance Regulation 830.



Chuck Ritzke, F.S.A., M.A.A.A.
Consulting Actuary

February 10, 2008
Dated

Fidelity Life Association, A Legal Reserve Life Insurance Company
Policy Form Series F3511 - Modified Death Benefit Term to Age 80 or 25 years
Appendix to Actuarial Memorandum - Reserve Demonstration

Table: 2001 CSO Ultimate Age Last Birthday Male Composite Mortality Table
Plan: Mod Term to 80 **Issue Age:** 45
ROI: 4.00% **Gender:** Male
Method: Semi-continuous **Class:** Standard
X-Factor: 1.00

Age	Yr	Mortality		Segment Calculations				Unitary Base Reserves				
		Death Benefit	Select & Ultimate	Ultimate Only	Gross Prem (excl pol fee)	G	R	Seg	Uniform Percentage: 30.5%			
									PV Future Benefits	PV Future Gross Premiums	Net Prem	Term Res
0												
45	1	50	0.00277	0.00277	30.18	0.48	1.08	1	151.92	527.80	0.14	-
46	2	104	0.00303	0.00303	30.18	0.10	1.06	1	158.30	518.96	9.21	9.28
47	3	1000	0.00325	0.00325	30.18	1.00	1.04	1	164.81	509.88	9.21	15.96
48	4	1000	0.00342	0.00342	30.18	1.00	1.05	1	168.63	500.51	9.21	22.77
49	5	1000	0.00364	0.00364	30.18	1.00	1.06	1	172.48	490.83	9.21	29.65
50	6	1000	0.00391	0.00391	30.18	1.00	1.08	1	176.31	480.82	9.21	36.56
51	7	1000	0.00426	0.00426	30.18	1.00	1.09	1	180.08	470.51	9.21	43.44
52	8	1000	0.00470	0.00470	30.18	1.00	1.10	1	183.72	459.90	9.21	50.19
53	9	1000	0.00521	0.00521	30.18	1.00	1.11	1	187.16	449.02	9.21	56.76
54	10	1000	0.00583	0.00583	30.18	1.00	1.11	1	190.32	437.87	9.21	63.02
55	11	1000	0.00652	0.00652	30.18	1.00	1.10	1	193.11	426.49	9.21	68.92
56	12	1000	0.00726	0.00726	30.18	1.00	1.09	1	195.46	414.86	9.21	74.39
57	13	1000	0.00795	0.00795	30.18	1.00	1.08	1	197.31	403.00	9.21	79.46
58	14	1000	0.00863	0.00863	30.18	1.00	1.08	1	198.68	390.84	9.21	84.14
59	15	1000	0.00942	0.00942	30.18	1.00	1.09	1	199.54	378.35	9.21	88.30
60	16	1000	0.01040	0.01040	30.18	1.00	1.10	1	199.80	365.54	9.21	91.76
61	17	1000	0.01159	0.01159	30.18	1.00	1.11	1	199.26	352.44	9.21	94.27
62	18	1000	0.01298	0.01298	30.18	1.00	1.10	1	197.70	339.08	9.21	95.62
63	19	1000	0.01447	0.01447	30.18	1.00	1.10	1	194.90	325.48	9.21	95.65
64	20	1000	0.01604	0.01604	30.18	1.67	1.09	1	190.70	311.62	9.21	94.20
65	21	600	0.01765	0.01765	30.18	1.00	1.08	2	184.94	297.47	9.21	98.48
66	22	600	0.01927	0.01927	30.18	1.00	1.08	2	184.80	282.98	9.21	102.17
67	23	600	0.02096	0.02096	30.18	1.00	1.07	2	183.94	268.07	9.21	105.22
68	24	600	0.02274	0.02274	30.18	1.00	1.08	2	182.30	252.71	9.21	107.53
69	25	600	0.02469	0.02469	30.18	1.00	1.08	2	179.76	236.81	9.21	108.99
70	26	600	0.02694	0.02694	30.18	1.00	1.09	2	176.20	220.34	9.21	109.38
71	27	600	0.02971	0.02971	30.18	1.00	1.10	2	171.38	203.24	9.21	108.37
72	28	600	0.03294	0.03294	30.18	1.00	1.09	2	164.95	185.49	9.21	105.61
73	29	600	0.03632	0.03632	30.18	1.00	1.09	2	156.55	167.03	9.21	100.84
74	30	600	0.03996	0.03996	30.18	1.00	1.09	2	145.89	147.68	9.21	93.75
75	31	600	0.04395	0.04395	30.18	1.00	1.09	2	132.57	127.29	9.21	83.86
76	32	600	0.04844	0.04844	30.18	1.00	1.10	2	116.09	105.64	9.21	70.57
77	33	600	0.05367	0.05367	30.18	1.00	1.10	2	95.73	82.47	9.21	52.97
78	34	600	0.05972	0.05972	30.18	1.00	1.10	2	70.50	57.47	9.21	29.91
79	35	600	0.06648	0.06648	30.18			2	39.11	30.18	9.21	-

Fidelity Life Association, A Legal Reserve Life Insurance Company
Policy Form Series F3511 - Modified Death Benefit Term to Age 80 or 25 years
Appendix to Actuarial Memorandum - Reserve Demonstration

Table: 2001 CSO Ultimate Age Last Birthday Male Composite Mortality Table
Plan: Mod Term to 80 **Issue Age:** 45
ROI: 4.00% **Gender:** Male
Method: Semi-continuous **Class:** Standard
X-Factor: 1.00

Age	Yr	Segment Base Reserves					Base Reserves		Unitary Minimum Standard Reserve						
		PV Future Benefits	PV Future Gross Prems	Uniform Percent	Net Prem	Term Res	1/2 Cx	Mean Res	Uniform Percent: 30.5%						
									PV Future Benefits	PV Future Gross Prems	Net Prem	Min Std Prem	PV of Min Std Prems	Term Res	
	0														
45	1	78.98	410.48	19.2%	0.14	-	0.07	0.07	151.92	527.80	0.14	0.14	151.92	0.00	
46	2	82.23	396.61	20.7%	6.26	6.21	0.15	9.24	158.30	518.96	9.21	9.21	158.30	9.28	
47	3	85.46	382.24	20.7%	6.26	9.68	1.59	17.22	164.81	509.88	9.21	9.21	155.53	15.96	
48	4	85.84	367.34	20.7%	6.26	13.13	1.68	23.97	168.63	500.51	9.21	9.21	152.67	22.77	
49	5	86.08	351.85	20.7%	6.26	16.51	1.78	30.81	172.48	490.83	9.21	9.21	149.72	29.65	
50	6	86.12	335.76	20.7%	6.26	19.77	1.92	37.71	176.31	480.82	9.21	9.21	146.66	36.56	
51	7	85.92	319.05	20.7%	6.26	22.82	2.09	44.60	180.08	470.51	9.21	9.21	143.52	43.44	
52	8	85.37	301.71	20.7%	6.26	25.57	2.30	51.42	183.72	459.90	9.21	9.21	140.28	50.19	
53	9	84.39	283.72	20.7%	6.26	27.93	2.55	58.08	187.16	449.02	9.21	9.21	136.96	56.76	
54	10	82.89	265.07	20.7%	6.26	29.78	2.86	64.49	190.32	437.87	9.21	9.21	133.56	63.02	
55	11	80.73	245.71	20.7%	6.26	31.03	3.20	70.57	193.11	426.49	9.21	9.21	130.09	68.92	
56	12	77.81	225.63	20.7%	6.26	31.61	3.56	76.26	195.46	414.86	9.21	9.21	126.54	74.39	
57	13	74.06	204.75	20.7%	6.26	31.52	3.90	81.53	197.31	403.00	9.21	9.21	122.93	79.46	
58	14	69.47	183.01	20.7%	6.26	30.76	4.23	86.40	198.68	390.84	9.21	9.21	119.22	84.14	
59	15	64.00	160.33	20.7%	6.26	29.16	4.62	90.82	199.54	378.35	9.21	9.21	115.41	88.30	
60	16	57.49	136.64	20.7%	6.26	26.51	5.10	94.63	199.80	365.54	9.21	9.21	111.50	91.76	
61	17	49.70	111.88	20.7%	6.26	22.52	5.68	97.62	199.26	352.44	9.21	9.21	107.50	94.27	
62	18	40.34	85.96	20.7%	6.26	16.91	6.36	99.55	197.70	339.08	9.21	9.21	103.43	95.62	
63	19	29.09	58.78	20.7%	6.26	9.47	7.09	100.24	194.90	325.48	9.21	9.21	99.28	95.65	
64	20	15.73	30.18	20.7%	6.26	-	7.86	99.53	190.70	311.62	9.21	9.21	95.05	94.20	
65	21	184.94	297.47	62.2%	18.76	8.87	5.19	100.95	184.94	297.47	9.21	9.21	90.74	98.48	
66	22	184.80	282.98	62.2%	18.76	17.28	5.67	104.93	184.80	282.98	9.21	9.21	86.32	102.17	
67	23	183.94	268.07	62.2%	18.76	25.19	6.17	108.30	183.94	268.07	9.21	9.21	81.77	105.22	
68	24	182.30	252.71	62.2%	18.76	32.54	6.69	110.97	182.30	252.71	9.21	9.21	77.08	107.53	
69	25	179.76	236.81	62.2%	18.76	39.21	7.26	112.86	179.76	236.81	9.21	9.21	72.23	108.99	
70	26	176.20	220.34	62.2%	18.76	45.02	7.93	113.79	176.20	220.34	9.21	9.21	67.21	109.38	
71	27	171.38	203.24	62.2%	18.76	49.63	8.74	113.48	171.38	203.24	9.21	9.21	61.99	108.37	
72	28	164.95	185.49	62.2%	18.76	52.71	9.69	111.59	164.95	185.49	9.21	9.21	56.58	105.61	
73	29	156.55	167.03	62.2%	18.76	54.07	10.68	107.83	156.55	167.03	9.21	9.21	50.95	100.84	
74	30	145.89	147.68	62.2%	18.76	53.44	11.76	101.90	145.89	147.68	9.21	9.21	45.05	93.75	
75	31	132.57	127.29	62.2%	18.76	50.41	12.93	93.41	132.57	127.29	9.21	9.21	38.83	83.86	
76	32	116.09	105.64	62.2%	18.76	44.45	14.25	81.82	116.09	105.64	9.21	9.21	32.22	70.57	
77	33	95.73	82.47	62.2%	18.76	34.77	15.79	66.37	95.73	82.47	9.21	9.21	25.16	52.97	
78	34	70.50	57.47	62.2%	18.76	20.35	17.57	46.04	70.50	57.47	9.21	9.21	17.53	29.91	
79	35	39.11	30.18	62.2%	18.76	-	19.56	19.56	39.11	30.18	9.21	9.21	9.21	-	

Fidelity Life Association, A Legal Reserve Life Insurance Company
Policy Form Series F3511 - Modified Death Benefit Term to Age 80 or 25 years
Appendix to Actuarial Memorandum - Reserve Demonstration

Table: 2001 CSO Ultimate Age Last Birthday Male Composite Mortality Table

Plan: Mod Term to 80 **Issue Age:** 45
ROI: 4.00% **Gender:** Male
Method: Semi-continuous **Class:** Standard
X-Factor: 1.00

Age	Yr	Segment Minimum Standard Reserve								Deficiency Reserve				
										Before Policy Fee		Reduction for Policy Fee		
		PV Future Benefits	PV Future Gross Prens	Uniform Percent	Net Prem	Deficient Prem	Min Std Prem	PV of Min Std Prens	Term Res	Mean Std Res	Min Def Res	Fee Per Unit	PV of Fee Per Unit	Def Res
0														
45	1	78.98	410.48	19.2%	0.14	-	0.14	151.92	0.00	0.07	-	-	-	-
46	2	82.23	396.61	20.7%	6.26	-	6.26	158.30	6.21	9.24	-	-	-	-
47	3	85.46	382.24	20.7%	6.26	-	6.26	158.60	9.68	17.22	-	-	-	-
48	4	85.84	367.34	20.7%	6.26	-	6.26	158.96	13.13	23.97	-	-	-	-
49	5	86.08	351.85	20.7%	6.26	-	6.26	159.35	16.51	30.81	-	-	-	-
50	6	86.12	335.76	20.7%	6.26	-	6.26	159.80	19.77	37.71	-	-	-	-
51	7	85.92	319.05	20.7%	6.26	-	6.26	160.31	22.82	44.60	-	-	-	-
52	8	85.37	301.71	20.7%	6.26	-	6.26	160.90	25.57	51.42	-	-	-	-
53	9	84.39	283.72	20.7%	6.26	-	6.26	161.59	27.93	58.08	-	-	-	-
54	10	82.89	265.07	20.7%	6.26	-	6.26	162.39	29.78	64.49	-	-	-	-
55	11	80.73	245.71	20.7%	6.26	-	6.26	163.33	31.03	70.57	-	-	-	-
56	12	77.81	225.63	20.7%	6.26	-	6.26	164.43	31.61	76.26	-	-	-	-
57	13	74.06	204.75	20.7%	6.26	-	6.26	165.70	31.52	81.53	-	-	-	-
58	14	69.47	183.01	20.7%	6.26	-	6.26	167.15	30.76	86.40	-	-	-	-
59	15	64.00	160.33	20.7%	6.26	-	6.26	168.79	29.16	90.82	-	-	-	-
60	16	57.49	136.64	20.7%	6.26	-	6.26	170.64	26.51	94.63	-	-	-	-
61	17	49.70	111.88	20.7%	6.26	-	6.26	172.75	22.52	97.62	-	-	-	-
62	18	40.34	85.96	20.7%	6.26	-	6.26	175.19	16.91	99.55	-	-	-	-
63	19	29.09	58.78	20.7%	6.26	-	6.26	178.00	9.47	100.24	-	-	-	-
64	20	15.73	30.18	20.7%	6.26	-	6.26	181.23	-	99.53	-	-	-	-
65	21	184.94	297.47	62.2%	18.76	-	18.76	184.94	8.87	100.95	-	-	-	-
66	22	184.80	282.98	62.2%	18.76	-	18.76	175.93	17.28	104.93	-	-	-	-
67	23	183.94	268.07	62.2%	18.76	-	18.76	166.66	25.19	108.30	-	-	-	-
68	24	182.30	252.71	62.2%	18.76	-	18.76	157.11	32.54	110.97	-	-	-	-
69	25	179.76	236.81	62.2%	18.76	-	18.76	147.23	39.21	112.86	-	-	-	-
70	26	176.20	220.34	62.2%	18.76	-	18.76	136.98	45.02	113.79	-	-	-	-
71	27	171.38	203.24	62.2%	18.76	-	18.76	126.35	49.63	113.48	-	-	-	-
72	28	164.95	185.49	62.2%	18.76	-	18.76	115.32	52.71	111.59	-	-	-	-
73	29	156.55	167.03	62.2%	18.76	-	18.76	103.84	54.07	107.83	-	-	-	-
74	30	145.89	147.68	62.2%	18.76	-	18.76	91.82	53.44	101.90	-	-	-	-
75	31	132.57	127.29	62.2%	18.76	-	18.76	79.14	50.41	93.41	-	-	-	-
76	32	116.09	105.64	62.2%	18.76	-	18.76	65.68	44.45	81.82	-	-	-	-
77	33	95.73	82.47	62.2%	18.76	-	18.76	51.27	34.77	66.37	-	-	-	-
78	34	70.50	57.47	62.2%	18.76	-	18.76	35.73	20.35	46.04	-	-	-	-
79	35	39.11	30.18	62.2%	18.76	-	18.76	18.76	-	19.56	-	-	-	-

Fidelity Life Association, A Legal Reserve Life Insurance Company

Actuarial Memorandum

Policy Form Series F3521

Modified Death Benefit Term to Age 80 or 35 Years

The purpose of this memorandum is to describe the contract for the purposes of demonstrating and certifying compliance with applicable laws and regulations in the state that this contract is being filed.

Plan Description

This plan provides modified guaranteed death benefits that expire at the greater of the policy anniversary following the insured's 80th birthday, or the 35th policy anniversary. Level guaranteed premiums are payable for the life of the contract. The plan has separate rates for males and females that include a \$50 policy fee. The plan is not offered with substandard premium ratings. This plan is non-participating.

The plan is offered on a simplified underwriting basis and has reduced non-accidental death benefits during the first two policy years to minimize anti-selection risk. The full death benefit is paid upon death due to accidents during the first two policy years. This reduced death benefit schedule during the first two years is calculated to provide not less than a 10% return on premiums paid. This plan is intended to provide coverage during the first 30 policy years at a cost lower than comparable simplified underwriting whole life coverage. To this end, the guaranteed death benefit is reduced in policy years 31 and beyond.

The plan is issued at the following face amounts and ages:

Ages	Face Amounts
20-45	\$25,000 - \$250,000
46-55	\$20,000 - \$200,000
56-60	\$15,000 - \$100,000

Death benefits per unit in years three through 30 are \$1,000. The death benefits in the first two policy years and policy years 31 and beyond are:

Age	Male			Female			Age	Male			Female		
	Yr 1	Yr 2	Yrs 31+	Yr 1	Yr 2	Yrs 31+		Yr 1	Yr 2	Yrs 31+	Yr 1	Yr 2	Yrs 31+
20	27	55	800	22	46	800	46	59	124	600	45	94	600
21	27	56	800	22	46	800	47	62	130	600	47	98	600
22	27	57	800	23	47	800	48	65	136	600	49	102	600
23	28	57	800	23	48	800	49	68	143	600	51	107	600
24	28	58	800	23	49	800	50	71	149	500	53	111	500
25	29	59	800	24	49	800	51	75	157	500	56	116	500
26	29	60	800	24	50	800	52	79	165	500	58	122	500
27	29	61	800	24	51	800	53	83	173	500	61	127	500
28	30	62	800	25	51	800	54	87	181	500	63	132	500
29	30	63	800	25	52	800	55	91	190	500	66	138	500
30	31	64	700	25	53	700	56	95	198	500	69	144	500
31	32	66	700	26	54	700	57	99	206	500	72	150	500
32	33	68	700	27	56	700	58	103	215	500	75	156	500
33	34	70	700	28	58	700	59	107	223	500	78	163	500
34	35	73	700	29	60	700	60	111	232	500	81	169	500
35	36	75	700	30	62	700							
36	38	78	700	31	64	700							
37	39	81	700	32	66	700							
38	41	85	700	33	68	700							
39	42	88	700	34	71	700							
40	44	91	600	35	74	600							
41	46	96	600	37	77	600							
42	48	101	600	38	80	600							
43	51	107	600	40	83	600							
44	54	112	600	42	87	600							
45	56	118	600	43	91	600							

Nonforfeiture Values

This plan provides minimum cash values under the NAIC Model Standard Nonforfeiture Law for Life Insurance (SNFL). Cash values are calculated on a semi-continuous basis. The attached appendix includes a sample minimum cash value calculation for a male age 45. The following assumptions and formulae are used:

Mortality table: 2001 CSO ultimate, age last birthday, sex-distinct, smoker composite, mortality table

Interest rate: 5.00%

All variables are expressed per unit of coverage which is a \$1,000 death benefit in years 3 to 30.

GP_t = Gross premium per unit excluding policy fee at year t.

$PV\$1_t$ = Present value of future \$1 at the beginning of each year t.

$PVGP_t$ = Present value of future GP_t at the beginning of each year t.

PVB_t = Present value of future benefits at the beginning of each year t (benefits assumed payable in the middle of year).

$NFNLP$ = $PVB_1 / PV\$1_1$ = Nonforfeiture net level premium.

$AVGDB$ = Average guaranteed death benefit during 1st 10 years.

EXP = $(1.25 * NFNLP) + (.01 * AVGDB)$ but the total not to exceed $(.06 * AVGDB)$

UP = $(PVB_1 + EXP) / PVGP_1$ = Uniform Percentage of nonforfeiture premium over GP_t

NFP_t = $UP * GP_t$ = Nonforfeiture premium at beginning of each year t for $t > 1$

NFP_1 = $UP * GP_1 - EXP$ = Nonforfeiture premium at beginning of year 1

CSV_t = $PVB_{t+1} - UP * PVGP_{t+1}$ = Minimum required cash value

CSV_t is rounded to the high \$ per unit.

Reserves

Reserves are calculated based on the NAIC Model Valuation of Life Insurance Regulation 830 (XXX) and the Commissioner's Valuation Reserve Method (CRVM) as described in the NAIC Model Standard Valuation Law (SVL). Reserves are calculated on a semi-continuous basis. The attached appendix includes a sample reserve calculation for a male age 45. The following assumptions and formulae are used:

Mortality table: 2001 CSO ultimate, age last birthday, sex-distinct, smoker composite, mortality table

Interest Rate: 4.00%

All variables are expressed per unit of coverage which is a \$1,000 death benefit in years 3 to 30.

GP_t = Gross premium per unit excluding policy fee at year t .

DB_t = Death benefit per unit in year t .

$G_t = (GP_t / DB_t * 1000) / (GP_{t-1} / DB_{t-1} * 1000)$ (for purpose of determining reserve segments)

q_t = Mortality rate during year t from the assumed mortality table.

$R_t = q_t / q_{t-1} - .01$ but not less than 1 (for purpose of determining reserve segments)

Segments = New reserve segment starts in any year where $G_t > R_t$

Base unitary reserve calculations:

$BUPVGP_t$ = Base unitary present value of all future GP_t at the beginning of each year t

$BUPVB_t$ = Base unitary present value of all future benefits at the beginning of each year t (benefits assumed payable in the middle of year).

$BUP = BUPVB_2 / BUPVGP_2$ = Base unitary uniform percentage of unitary valuation premium over GP_t

$BUNP_t = BUP * GP_t$ = Base unitary net premium in year t , $t > 1$.

$BUNP_1$ = Present value of initial year unitary benefit = Base unitary net premium in year 1.

$BUV_t = BUPVB_{t+1} - BUP * BUPVGP_{t+1}$ = Base unitary reserve at end of year t .

$BUMV_t = .5 * (BUNP_t + BUV_{t-1} + BUV_t)$ = Base unitary mean reserve at end of year t

Base segmented reserve calculations:

Segmented reserves use same formulae as unitary, except that present values and uniform percentages are calculated separately for each segment, using the appropriate mortality rates for each segment. Substituting "S" for "U" in variable names:

$BSV_t = BSPVB_{t+1} - BSP * BSPGP_{t+1}$ = Base segmented reserve at end of year t .

$BSMV_t = .5 * (BSNP_t + BSV_{t-1} + BSV_t)$ = Base unitary mean reserve at end of year t

Reserves (continued)

Minimum tabular net premium calculation:

C_t = Present value of one year of benefits at beginning of year t.

Mean base reserve:

BV_t = Maximum of $BUMV_t$, $BSMV_t$, and $.5 * C_t$

Deficiency reserve calculations:

Minimum Standard Reserves are calculated using the same method as base reserves except that minimum standard mortality assumptions are adjusted by the minimum standard X-factor and gross premiums are substituted in calculating reserves for minimum standard premiums wherever net premiums exceed gross premiums.

Deficiency reserves equal the excess of minimum standard reserves over base reserves, if any. This plan generates no deficiency reserves using an X-factor equal to one.

Certifications

I certify that this plan is in compliance with the NAIC Model Standard Nonforfeiture Law for Life Insurance, the NAIC Model Standard Valuation Law, and the NAIC Model Valuation of Life Insurance Regulation 830.



Chuck Ritzke, F.S.A., M.A.A.A.
Consulting Actuary

February 10, 2008
Dated

Fidelity Life Association, A Legal Reserve Life Insurance Company

Policy Form Series F3521 - Modified Death Benefit Term to Age 80 or 35 years

Appendix to Actuarial Memorandum - Nonforfeiture Demonstration

Table: 2001 Ultimate Age Last Birthday Male Composite Mortality Table

ROI:	5.00%	NF Net Level Prem:	9.60674
Method:	Semi-continuous	Avg 10 Yr DB:	817.40
Issue Age:	45	Expense Allowance:	20.18242
Gender:	Male	Uniform Percentage:	30.79626%
Class:	Standard	1st Year Min NF Prem:	10.89572

Age	Yr	Death Benefit	q	Gross Prem (excl pol fee)	PV Future Benefits at BOY	PV Future \$1 at BOY	PV Future Gross Prens at BOY	Minimum NF Net Prens	PV Future NF Prens at EOY	Min CSV at EOY	Rounded Min CSV (not<0)
45	1	56.00	0.00277	35.38	150.42	15.66	553.97	(9.29)	168.16	(9.94)	-
46	2	118.00	0.00303	35.38	158.22	15.43	546.03	10.90	165.63	0.64	1.00
47	3	1,000.00	0.00325	35.38	166.27	15.20	537.81	10.90	163.00	8.81	9.00
48	4	1,000.00	0.00342	35.38	171.81	14.96	529.27	10.90	160.25	17.25	18.00
49	5	1,000.00	0.00364	35.38	177.50	14.71	520.37	10.90	157.40	25.92	26.00
50	6	1,000.00	0.00391	35.38	183.31	14.45	511.10	10.90	154.43	34.78	35.00
51	7	1,000.00	0.00426	35.38	189.21	14.17	501.46	10.90	151.36	43.78	44.00
52	8	1,000.00	0.00470	35.38	195.14	13.89	491.48	10.90	148.18	52.84	53.00
53	9	1,000.00	0.00521	35.38	201.03	13.60	481.17	10.90	144.91	61.91	62.00
54	10	1,000.00	0.00583	35.38	206.82	13.30	470.53	10.90	141.54	70.89	71.00
55	11	1,000.00	0.00652	35.38	212.42	12.99	459.59	10.90	138.07	79.71	80.00
56	12	1,000.00	0.00726	35.38	217.78	12.67	448.34	10.90	134.51	88.34	89.00
57	13	1,000.00	0.00795	35.38	222.85	12.35	436.78	10.90	130.84	96.82	97.00
58	14	1,000.00	0.00863	35.38	227.66	12.01	424.85	10.90	127.03	105.16	106.00
59	15	1,000.00	0.00942	35.38	232.20	11.66	412.50	10.90	123.11	113.28	114.00
60	16	1,000.00	0.01040	35.38	236.38	11.30	399.74	10.90	119.06	120.98	121.00
61	17	1,000.00	0.01159	35.38	240.04	10.93	386.60	10.90	114.90	128.08	129.00
62	18	1,000.00	0.01298	35.38	242.98	10.55	373.11	10.90	110.64	134.37	135.00
63	19	1,000.00	0.01447	35.38	245.01	10.15	359.28	10.90	106.27	139.72	140.00
64	20	1,000.00	0.01604	35.38	246.00	9.75	345.08	10.90	101.78	144.02	145.00
65	21	1,000.00	0.01765	35.38	245.80	9.34	330.49	10.90	97.14	147.18	148.00
66	22	1,000.00	0.01927	35.38	244.32	8.92	315.43	10.90	92.34	149.10	150.00
67	23	1,000.00	0.02096	35.38	241.44	8.47	299.83	10.90	87.34	149.66	150.00
68	24	1,000.00	0.02274	35.38	237.00	8.02	283.62	10.90	82.14	148.66	149.00
69	25	1,000.00	0.02469	35.38	230.80	7.54	266.72	10.90	76.70	145.84	146.00
70	26	1,000.00	0.02694	35.38	222.53	7.04	249.05	10.90	71.01	140.75	141.00
71	27	1,000.00	0.02971	35.38	211.76	6.52	230.57	10.90	65.05	132.73	133.00
72	28	1,000.00	0.03294	35.38	197.78	5.97	211.22	10.90	58.80	121.04	122.00
73	29	1,000.00	0.03632	35.38	179.84	5.40	190.92	10.90	52.19	105.14	106.00
74	30	1,000.00	0.03996	35.38	157.33	4.79	169.48	10.90	45.17	84.25	85.00
75	31	600.00	0.04395	35.38	129.42	4.15	146.66	10.90	37.64	76.24	77.00
76	32	600.00	0.04844	35.38	113.88	3.45	122.22	10.90	29.51	64.85	65.00
77	33	600.00	0.05367	35.38	94.36	2.71	95.82	10.90	20.65	49.17	50.00
78	34	600.00	0.05972	35.38	69.83	1.90	67.06	10.90	10.90	28.03	29.00
79	35	600.00	0.06648	35.38	38.93	1.00	35.38	10.90	-	-	-

Fidelity Life Association, A Legal Reserve Life Insurance Company
Policy Form Series F3521 - Modified Death Benefit Term to Age 80 or 35 years
Appendix to Actuarial Memorandum - Reserve Demonstration

Table: 2001 CSO Ultimate Age Last Birthday Male Composite Mortality Table
Plan: Mod Term to 80 **Issue Age:** 45
ROI: 4.00% **Gender:** Male
Method: Semi-continuous **Class:** Standard
X-Factor: 1.00

Age	Yr	Mortality		Segment Calculations				Unitary Base Reserves				
		Death Benefit	Select & Ultimate	Ultimate Only	Gross Prem (excl pol fee)	G	R	Seg	Uniform Percentage:		31.3%	
									PV Future Benefits	PV Future Gross Premiums	Net Prem	Term Res
0												
45	1	56	0.00277	0.00277	35.38	0.47	1.08	1	182.72	618.74	0.15	0.00
46	2	118	0.00303	0.00303	35.38	0.12	1.06	1	190.40	608.38	11.07	11.18
47	3	1000	0.00325	0.00325	35.38	1.00	1.04	1	198.25	597.73	11.07	19.90
48	4	1000	0.00342	0.00342	35.38	1.00	1.05	1	203.53	586.75	11.07	28.82
49	5	1000	0.00364	0.00364	35.38	1.00	1.06	1	208.90	575.39	11.07	37.91
50	6	1000	0.00391	0.00391	35.38	1.00	1.08	1	214.32	563.67	11.07	47.14
51	7	1000	0.00426	0.00426	35.38	1.00	1.09	1	219.77	551.57	11.07	56.44
52	8	1000	0.00470	0.00470	35.38	1.00	1.10	1	225.17	539.14	11.07	65.73
53	9	1000	0.00521	0.00521	35.38	1.00	1.11	1	230.47	526.38	11.07	74.95
54	10	1000	0.00583	0.00583	35.38	1.00	1.11	1	235.60	513.32	11.07	84.01
55	11	1000	0.00652	0.00652	35.38	1.00	1.10	1	240.48	499.97	11.07	92.84
56	12	1000	0.00726	0.00726	35.38	1.00	1.09	1	245.05	486.34	11.07	101.40
57	13	1000	0.00795	0.00795	35.38	1.00	1.08	1	249.26	472.43	11.07	109.74
58	14	1000	0.00863	0.00863	35.38	1.00	1.08	1	253.13	458.18	11.07	117.86
59	15	1000	0.00942	0.00942	35.38	1.00	1.09	1	256.67	443.54	11.07	125.67
60	16	1000	0.01040	0.01040	35.38	1.00	1.10	1	259.78	428.52	11.07	132.99
61	17	1000	0.01159	0.01159	35.38	1.00	1.11	1	262.30	413.16	11.07	139.62
62	18	1000	0.01298	0.01298	35.38	1.00	1.10	1	264.03	397.50	11.07	145.37
63	19	1000	0.01447	0.01447	35.38	1.00	1.10	1	264.79	381.56	11.07	150.12
64	20	1000	0.01604	0.01604	35.38	1.00	1.09	1	264.45	365.31	11.07	153.75
65	21	1000	0.01765	0.01765	35.38	1.00	1.08	1	262.89	348.72	11.07	156.17
66	22	1000	0.01927	0.01927	35.38	1.00	1.08	1	259.99	331.73	11.07	157.31
67	23	1000	0.02096	0.02096	35.38	1.00	1.07	1	255.67	314.26	11.07	157.04
68	24	1000	0.02274	0.02274	35.38	1.00	1.08	1	249.75	296.25	11.07	155.17
69	25	1000	0.02469	0.02469	35.38	1.00	1.08	1	242.06	277.61	11.07	151.46
70	26	1000	0.02694	0.02694	35.38	1.00	1.09	1	232.30	258.30	11.07	145.48
71	27	1000	0.02971	0.02971	35.38	1.00	1.10	1	220.04	238.26	11.07	136.57
72	28	1000	0.03294	0.03294	35.38	1.00	1.09	1	204.63	217.45	11.07	124.04
73	29	1000	0.03632	0.03632	35.38	1.00	1.09	1	185.32	195.80	11.07	107.38
74	30	1000	0.03996	0.03996	35.38	1.67	1.09	1	161.56	173.13	11.07	85.87
75	31	600	0.04395	0.04395	35.38	1.00	1.09	2	132.57	149.22	11.07	77.33
76	32	600	0.04844	0.04844	35.38	1.00	1.10	2	116.09	123.84	11.07	65.47
77	33	600	0.05367	0.05367	35.38	1.00	1.10	2	95.73	96.68	11.07	49.42
78	34	600	0.05972	0.05972	35.38	1.00	1.10	2	70.50	67.37	11.07	28.04
79	35	600	0.06648	0.06648	35.38			2	39.11	35.38	11.07	-

Fidelity Life Association, A Legal Reserve Life Insurance Company
Policy Form Series F3521 - Modified Death Benefit Term to Age 80 or 35 years
Appendix to Actuarial Memorandum - Reserve Demonstration

Table: 2001 CSO Ultimate Age Last Birthday Male Composite Mortality Table
Plan: Mod Term to 80 **Issue Age:** 45
ROI: 4.00% **Gender:** Male
Method: Semi-continuous **Class:** Standard
X-Factor: 1.00

Age	Yr	Segment Base Reserves					Base Reserves		Unitary Minimum Standard Reserve					
		PV Future Benefits	PV Future Gross Prems	Uniform Percent	Net Prem	Term Res	1/2 Cx	Mean Res	Uniform Percent: 31.3%					
									PV Future Benefits	PV Future Gross Prems	Net Prem	Min Std Prem	PV of Min Std Prems	Term Res
	0													
45	1	155.90	588.55	26.5%	0.15	-	0.08	0.08	182.72	618.74	0.15	0.15	182.72	0.00
46	2	162.43	576.89	28.2%	9.96	10.03	0.18	11.13	190.40	608.38	11.07	11.07	190.40	11.18
47	3	169.07	564.88	28.2%	9.96	17.53	1.59	21.08	198.25	597.73	11.07	11.07	187.07	19.90
48	4	173.08	552.48	28.2%	9.96	25.19	1.68	29.90	203.53	586.75	11.07	11.07	183.63	28.82
49	5	177.12	539.63	28.2%	9.96	32.96	1.78	38.90	208.90	575.39	11.07	11.07	180.08	37.91
50	6	181.15	526.33	28.2%	9.96	40.81	1.92	48.07	214.32	563.67	11.07	11.07	176.41	47.14
51	7	185.14	512.60	28.2%	9.96	48.67	2.09	57.33	219.77	551.57	11.07	11.07	172.62	56.44
52	8	189.00	498.43	28.2%	9.96	56.45	2.30	66.62	225.17	539.14	11.07	11.07	168.73	65.73
53	9	192.68	483.84	28.2%	9.96	64.09	2.55	75.88	230.47	526.38	11.07	11.07	164.74	74.95
54	10	196.09	468.84	28.2%	9.96	71.48	2.86	85.02	235.60	513.32	11.07	11.07	160.65	84.01
55	11	199.15	453.45	28.2%	9.96	78.56	3.20	93.96	240.48	499.97	11.07	11.07	156.47	92.84
56	12	201.78	437.64	28.2%	9.96	85.28	3.56	102.66	245.05	486.34	11.07	11.07	152.21	101.40
57	13	203.93	421.41	28.2%	9.96	91.67	3.90	111.11	249.26	472.43	11.07	11.07	147.85	109.74
58	14	205.62	404.69	28.2%	9.96	97.74	4.23	119.34	253.13	458.18	11.07	11.07	143.39	117.86
59	15	206.82	387.43	28.2%	9.96	103.38	4.62	127.30	256.67	443.54	11.07	11.07	138.81	125.67
60	16	207.44	369.61	28.2%	9.96	108.40	5.10	134.87	259.78	428.52	11.07	11.07	134.11	132.99
61	17	207.29	351.25	28.2%	9.96	112.58	5.68	141.84	262.30	413.16	11.07	11.07	129.31	139.62
62	18	206.15	332.36	28.2%	9.96	115.70	6.36	148.04	264.03	397.50	11.07	11.07	124.40	145.37
63	19	203.81	312.92	28.2%	9.96	117.64	7.09	153.28	264.79	381.56	11.07	11.07	119.41	150.12
64	20	200.10	292.88	28.2%	9.96	118.24	7.86	157.47	264.45	365.31	11.07	11.07	114.33	153.75
65	21	194.87	272.17	28.2%	9.96	117.40	8.65	160.50	262.89	348.72	11.07	11.07	109.14	156.17
66	22	187.99	250.68	28.2%	9.96	115.03	9.45	162.28	259.99	331.73	11.07	11.07	103.82	157.31
67	23	179.31	228.31	28.2%	9.96	110.94	10.28	162.71	255.67	314.26	11.07	11.07	98.35	157.04
68	24	168.64	204.95	28.2%	9.96	104.93	11.15	161.64	249.75	296.25	11.07	11.07	92.71	155.17
69	25	155.74	180.45	28.2%	9.96	96.70	12.11	158.85	242.06	277.61	11.07	11.07	86.88	151.46
70	26	140.25	154.69	28.2%	9.96	85.76	13.21	154.00	232.30	258.30	11.07	11.07	80.84	145.48
71	27	121.66	127.52	28.2%	9.96	71.37	14.57	146.56	220.04	238.26	11.07	11.07	74.57	136.57
72	28	99.18	98.76	28.2%	9.96	52.73	16.15	135.84	204.63	217.45	11.07	11.07	68.05	124.04
73	29	71.92	68.16	28.2%	9.96	29.22	17.81	121.25	185.32	195.80	11.07	11.07	61.28	107.38
74	30	39.18	35.38	28.2%	9.96	-	19.59	102.16	161.56	173.13	11.07	11.07	54.18	85.87
75	31	132.57	149.22	88.8%	31.43	6.06	12.93	87.14	132.57	149.22	11.07	11.07	46.70	77.33
76	32	116.09	123.84	88.8%	31.43	9.83	14.25	76.93	116.09	123.84	11.07	11.07	38.76	65.47
77	33	95.73	96.68	88.8%	31.43	10.65	15.79	62.98	95.73	96.68	11.07	11.07	30.26	49.42
78	34	70.50	67.37	88.8%	31.43	7.68	17.57	44.26	70.50	67.37	11.07	11.07	21.08	28.04
79	35	39.11	35.38	88.8%	31.43	-	19.56	19.56	39.11	35.38	11.07	11.07	11.07	-

Fidelity Life Association, A Legal Reserve Life Insurance Company
Policy Form Series F3521 - Modified Death Benefit Term to Age 80 or 35 years
Appendix to Actuarial Memorandum - Reserve Demonstration

Table: 2001 CSO Ultimate Age Last Birthday Male Composite Mortality Table

Plan: Mod Term to 80 **Issue Age:** 45
ROI: 4.00% **Gender:** Male
Method: Semi-continuous **Class:** Standard
X-Factor: 1.00

Age	Yr	Segment Minimum Standard Reserve								Deficiency Reserve				
		PV Future		Uniform Percent	Net Prem	Deficient Prem	Min Std Prem	PV of Min Std Pems	Term Res	Before Policy Fee		Reduction for Policy Fee		
		PV Future Benefits	Gross Pems							Mean Min Std Res	Def Res	Fee Per Unit	PV of Fee Per Unit	Def Res
0														
45	1	155.90	588.55	26.5%	0.15	-	0.15	182.72	0.00	0.08	-	-	-	-
46	2	162.43	576.89	28.2%	9.96	-	9.96	190.40	10.03	11.13	-	-	-	-
47	3	169.07	564.88	28.2%	9.96	-	9.96	188.23	17.53	21.08	-	-	-	-
48	4	173.08	552.48	28.2%	9.96	-	9.96	186.00	25.19	29.90	-	-	-	-
49	5	177.12	539.63	28.2%	9.96	-	9.96	183.71	32.96	38.90	-	-	-	-
50	6	181.15	526.33	28.2%	9.96	-	9.96	181.36	40.81	48.07	-	-	-	-
51	7	185.14	512.60	28.2%	9.96	-	9.96	178.95	48.67	57.33	-	-	-	-
52	8	189.00	498.43	28.2%	9.96	-	9.96	176.50	56.45	66.62	-	-	-	-
53	9	192.68	483.84	28.2%	9.96	-	9.96	174.02	64.09	75.88	-	-	-	-
54	10	196.09	468.84	28.2%	9.96	-	9.96	171.52	71.48	85.02	-	-	-	-
55	11	199.15	453.45	28.2%	9.96	-	9.96	169.00	78.56	93.96	-	-	-	-
56	12	201.78	437.64	28.2%	9.96	-	9.96	166.49	85.28	102.66	-	-	-	-
57	13	203.93	421.41	28.2%	9.96	-	9.96	163.98	91.67	111.11	-	-	-	-
58	14	205.62	404.69	28.2%	9.96	-	9.96	161.46	97.74	119.34	-	-	-	-
59	15	206.82	387.43	28.2%	9.96	-	9.96	158.93	103.38	127.30	-	-	-	-
60	16	207.44	369.61	28.2%	9.96	-	9.96	156.40	108.40	134.87	-	-	-	-
61	17	207.29	351.25	28.2%	9.96	-	9.96	153.90	112.58	141.84	-	-	-	-
62	18	206.15	332.36	28.2%	9.96	-	9.96	151.45	115.70	148.04	-	-	-	-
63	19	203.81	312.92	28.2%	9.96	-	9.96	149.08	117.64	153.28	-	-	-	-
64	20	200.10	292.88	28.2%	9.96	-	9.96	146.81	118.24	157.47	-	-	-	-
65	21	194.87	272.17	28.2%	9.96	-	9.96	144.64	117.40	160.50	-	-	-	-
66	22	187.99	250.68	28.2%	9.96	-	9.96	142.59	115.03	162.28	-	-	-	-
67	23	179.31	228.31	28.2%	9.96	-	9.96	140.64	110.94	162.71	-	-	-	-
68	24	168.64	204.95	28.2%	9.96	-	9.96	138.82	104.93	161.64	-	-	-	-
69	25	155.74	180.45	28.2%	9.96	-	9.96	137.13	96.70	158.85	-	-	-	-
70	26	140.25	154.69	28.2%	9.96	-	9.96	135.60	85.76	154.00	-	-	-	-
71	27	121.66	127.52	28.2%	9.96	-	9.96	134.28	71.37	146.56	-	-	-	-
72	28	99.18	98.76	28.2%	9.96	-	9.96	133.25	52.73	135.84	-	-	-	-
73	29	71.92	68.16	28.2%	9.96	-	9.96	132.59	29.22	121.25	-	-	-	-
74	30	39.18	35.38	28.2%	9.96	-	9.96	132.34	(0.00)	102.16	-	-	-	-
75	31	132.57	149.22	88.8%	31.43	-	31.43	132.57	6.06	87.14	-	-	-	-
76	32	116.09	123.84	88.8%	31.43	-	31.43	110.02	9.83	76.93	-	-	-	-
77	33	95.73	96.68	88.8%	31.43	-	31.43	85.89	10.65	62.98	-	-	-	-
78	34	70.50	67.37	88.8%	31.43	-	31.43	59.85	7.68	44.26	-	-	-	-
79	35	39.11	35.38	88.8%	31.43	-	31.43	31.43	-	19.56	-	-	-	-

FIDELITY LIFE ASSOCIATION, A LEGAL RESERVE LIFE INSURANCE COMPANY
1211 West 22nd Street, Suite 209, Oak Brook, IL 60623

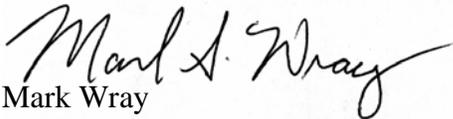
January 29, 2008

To Whom It May Concern:

Re: Authorization to Represent Fidelity Life Association on its Policy Form Filing.

I hereby authorize Actuarial Risk Management and its employees to file policy forms and other associated forms including, but not limited to riders, amendments, and applications and respond to inquiries on our behalf. This authority shall continue until we revoke in writing.

Sincerely,

A handwritten signature in black ink that reads "Mark A. Wray". The signature is written in a cursive style with a large, stylized initial "M".

Mark Wray
Chief Financial Officer, Secretary and Treasurer

Fidelity Life Association, A Legal Reserve Life Insurance Company
Statement of Variability
F3511, F3521 and F1002

Policyholder information is shown in John Doe fashion. Policyholder information such as Insured name, age, sex, dates, premium, etc., may vary between issues and, therefore, are not detailed below.

Page	Variable Items	Justification
1 and back cover	Company Address and phone numbers	This information is variable should the company relocate within Illinois in the future.
1 and back cover	Officer's Signature	This information is variable should the company officer's change.

The following items are indicated as variable items in the schedules.

Page	Variable Items	Justification
3	Annual Policy fee	This information is marked variable should the company change the policy fees for new issues.
3	Mode and modal factor	This information is marked variable. The available modes are monthly, quarterly, semi-annual and annual. The corresponding modal factors are: Annual 1.000, Semi-annual .520, Quarterly .280 and monthly .087.

*These changes will be made in an equitable manner and be applied to all issues of this product on a given day and in a manner that does not discriminate between applicants.

Important Notice

To obtain information or make a complaint:

You may call Fidelity Life Association's toll-free telephone number for information or to make a complaint at:

800- 369-3990

You may also write to Fidelity at:

1211 West 22nd Street, Suite 209
Oak Brook, IL 60523

You may write the Arkansas Department of Insurance at:

1200 West 3rd Street
Little Rock, AR 72201

You may contact the Arkansas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

800-852-5494

Premium or Claim Disputes

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

Attach This Notice to Your Policy/Certificate

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

Aviso Importante

Para obtener information o para someter una queja:

Usted puede llamar al numero de telefono gratis de LSW's para informacion o para someter una queja al

800- 369-3990

Usted tambien puede escribir a IAP:

1211 West 22nd Street, Suite 209
Oak Brook, IL 60523

Puede escribir a! Departamento de Seguros de Arkansas

1200 West 3rd Street
Little Rock, AR 72201

Puede comunicarse con el Departamento de Seguros de para obtener informacion acerca de companies, coberturas, derechos o quejas al

800-852-5494

Disputas Satire Primas o Reclamos

Si llene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente o la compania primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (ADI).

Una Este Aviso a Su POlim/Certificado

Este aviso es solo para proposito de informacion y no se convierte en parte o condici6n del documento adjunto.

APPENDIX A

LIMITATIONS AND EXCLUSIONS UNDER THE ARKANSAS LIFE AND DISABILITY INSURANCE GUARANTY ASSOCIATION ACT

Residents of this state who purchase life insurance, annuities or disability insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Disability Insurance Guaranty Association. The purpose of this Association is to assure that policy-holders will be protected, within 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 insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by these 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 companies that are well-managed and financially stable.

DISCLAIMER

The Arkansas Life and Disability Insurance 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 Arkansas Life and Disability Insurance Guaranty Association in selecting an insurance company or in selecting an insurance policy.

Coverage is NOT provided for your policy 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 or variable annuity contract.

Insurance companies or their agents are required by law to give or send you 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 Disability Insurance Guaranty Association
1123 S. University Avenue
Suite 300 University
Little Rock, Arkansas 72204**

**Arkansas Insurance Department
400 University Tower Building
12 & University
Little Rock, Arkansas 72204**

The state law that provides for this safety-net is called the Arkansas Life and Disability Insurance Guaranty Association Act. Below is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; 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 Life and Disability Insurance Guaranty Association if they live in this state and hold a life or disability insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons holding such policies are **NOT** protected by this 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 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-holder is subject to future assessments, or by an insurance exchange.

The Association also does **NOT** provide coverage for:

- * any policy or portion of a policy which is not guaranteed by the insurer or for which the individual 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;
- * 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 contractholders, not individuals).

LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Association is obligated to pay out: The Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the 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 coverages. Within this overall \$300,000 limit, the Association will not pay more than \$100,000 in health insurance benefits, \$100,000 in present value of annuity benefits, or \$100,000 in life insurance death benefits or 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.



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GRADED DEATH BENEFIT TERM LIFE INSURANCE POLICY

This is a Non-Participating Policy

Fidelity Life Association will pay the Death Benefit of this policy if the Insured dies while the policy is in force. The death benefit will be paid to the Beneficiary when due proof of the Insured's death is received at our Home Office. The Company will also require the completion of its claims forms. We have issued this policy in consideration of the application and the payment of premium. All benefits are subject to the terms and conditions of this policy.

For service or information on this policy, contact the agent who sold the policy or Our Home Office.

Right to Examine Policy: We want you to be satisfied with your policy. The Policyowner may, within **30** days after it is delivered, return the policy to our Home Office or to the agent who sold the policy and will receive a full refund of any premiums that have been paid. Once returned, the policy will be void from its beginning.

Read this policy carefully. This policy is a legal contract between the Policyowner and us. The entire contract consists of this policy, and any attached riders or endorsements, schedules, the attached written application, and any attached supplemental written applications.

Issued and signed by Fidelity Life Association at its Home Office.

A handwritten signature in black ink, appearing to read 'Mark A. Wray'.

Secretary

A handwritten signature in black ink, appearing to read 'Pamela D. Smith'.

President

Graded Death Benefit Term Life Insurance.

The Policy provides:

- Increasing Death Benefit during the Initial Period.
- Level Death Benefit during policy years three through ten, Guaranteed Death Benefit is reduced in policy years 11 and beyond.
- Level Guaranteed Premiums for the life of the policy.
- Benefits expire at the greater of the policy anniversary following the insured's 80th birthday, or the 20th policy anniversary.
- This policy is not eligible for annual dividends.

Fidelity Life Association, A Mutual Legal Reserve Company

[1211 West 22nd Street, Suite 209

Oak Brook, IL 60523

Tel 630.522.0392

Fax 630.522.0397]

To file a claim or to ask a question you may contact the agent who sold you this policy or you may contact our Policyowner Service department at the address or numbers given above or on the web at:

www.fla-life.com

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POLICY SCHEDULE

Policy Number:	123456789	Face Amount:	\$50,000
Insured:	John Franklin Butterfield	Gender and Age:	Male 45
Policyowner:	Mary Wanda Butterfield	Policy Date:	September 12, 2005
Issue Date:	September 10, 2005	Expiry Date:	September 12, 2040

Policy Description: Modified Death Benefit Term Life Insurance

Beneficiary: As stated in the application or as subsequently changed.

Total Annual Premium: \$1,405.00*

Premium Class: Standard

Annual Policy Premiums

* The Total Annual Premium shown above includes the [\$50.00] annual Policy Fee and the premium for any riders, which may be attached to this Policy. The Annual Premium is guaranteed not to increase for the policy duration.

Benefits And Premiums

	Annual Premium	Years Payable
Base Policy, including the Policy Fee	\$1,350.00	35
Accelerated Death Benefit	\$0.00	n/a
Total Initial Annual Premium	\$1350.00	

<u>Policy Year</u>	<u>Death Benefit</u>
Policy Year 1	\$ 2,250.00
Policy Year 2	\$ 4,700.00
Policy Years 3 to 10	\$50,000.00
Policy Years 11 and higher:	See Schedule of Guaranteed Death Benefit Amounts on page 3a.

Premium Payment Options

Premiums paid other than annually are subject to additional fees as determined by Company rules. Premiums are due and payable on each due date or You risk voluntary termination or reduced benefits. Premium mode changes following Issue must be requested in writing to Us.



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SCHEDULE OF GUARANTEED VALUES

Policy Number:	123456789	Effective Date:	September 12, 2005
Insured:	John Franklin Butterfield	Expiry Date:	September 12, 2040

Policy Year	Attained Age	Annual Premium (Includes Riders)	Surrender Value	Reduced Paid-Up Insurance	Death Benefit
1	45	\$1,405.00	\$0.00	\$0.00	\$ 2,250.00
2	46	\$1,405.00	\$0.00	\$0.00	\$ 4,700.00
3	47	\$1,405.00	\$200.00	\$1,100.00	\$50,000.00
4	48	\$1,405.00	\$450.00	\$2,350.00	\$50,000.00
5	49	\$1,405.00	\$700.00	\$3,500.00	\$50,000.00
6	50	\$1,405.00	\$950.00	\$4,600.00	\$50,000.00
7	51	\$1,405.00	\$1,200.00	\$5,650.00	\$50,000.00
8	52	\$1,405.00	\$1,450.00	\$6,600.00	\$50,000.00
9	53	\$1,405.00	\$1,650.00	\$7,250.00	\$50,000.00
10	54	\$1,405.00	\$1,900.00	\$8,100.00	\$50,000.00
11	55	\$1,405.00	\$2,200.00	\$9,150.00	\$30,000.00
12	56	\$1,405.00	\$2,550.00	\$10,300.00	\$30,000.00
13	57	\$1,405.00	\$2,850.00	\$11,250.00	\$30,000.00
14	58	\$1,405.00	\$3,200.00	\$12,350.00	\$30,000.00
15	59	\$1,405.00	\$3,500.00	\$13,200.00	\$30,000.00
16	60	\$1,405.00	\$3,800.00	\$14,050.00	\$30,000.00
17	61	\$1,405.00	\$4,100.00	\$14,850.00	\$30,000.00
18	62	\$1,405.00	\$4,400.00	\$15,700.00	\$30,000.00
19	63	\$1,405.00	\$4,650.00	\$16,400.00	\$30,000.00
20	64	\$1,405.00	\$4,900.00	\$17,150.00	\$30,000.00
21	Age 65	\$1,405.00	\$5,100.00	\$17,800.00	\$30,000.00
26	Age 70	\$1,405.00	\$5,650.00	\$20,700.00	\$30,000.00
31	Age 75	\$1,405.00	\$4,350.00	\$22,950.00	\$30,000.00

This is a term policy providing a death benefit prior to the expiration date as long as this policy is in force. At the expiration date the Death Benefit, Surrender Value and Reduced Paid-Up Insurance will be reduce to zero.

The above values are determined according to the Policy Values Section. Cash and paid up values are based on the [2001 CSO ultimate, age last birthday, sex-distinct, smoker composite, mortality table] We will furnish any values not shown above upon request. The method of computation of policy values has been filed with the insurance supervisory official in the State where the policy is delivered. None of the above figures include policy loans.

Reserve Interest Rate:	[4%]	Surrender Value Interest Rate	[5%]
Reinstatement Interest Rate	[6%]	Loan Interest Rate	[7%]

DEFINITIONS

We, Our , the Company or Us refer to Fidelity Life Association, a Mutual Legal Reserve Company.

You or Your refer to the Policyowner of this policy. The Policyowner may be someone other than the Insured.

Insured is the person whose life is insured under this policy. The Insured is shown in the Policy Schedule.

Beneficiary is the person, persons or entity designated to receive the death benefit of this policy.

Any Beneficiary may be named an Irrevocable Beneficiary. An irrevocable Beneficiary is one whose consent is needed to change that Beneficiary. Also, an Irrevocable Beneficiary must consent to the exercise of certain rights under the policy. See Policyowner's Rights for exceptions.

Policy Date is the date which this policy begins. This is the date from which policy anniversaries, policy years, policy months and premium due dates are determined. The Policy Date is shown in the Policy Schedule.

Policy Year is the period from the Policy Date to the first policy anniversary, or from one policy anniversary to the next. A Policy Year does not include the policy anniversary at the end of the policy year.

Initial Policy Period means the first two years during which the Death Benefit is reduced.

Expiry of Policy unless terminated earlier (because a premium was not paid), this policy will terminate at the greater of the policy anniversary following the Insured's 80th birthday or the 20th policy anniversary.

Death Benefit is the amount payable to the Beneficiary. The Death Benefit calculations are explained on page 6.

Face Amount is the amount of insurance on which premium calculations are made.

Policyowner is the person who owns this policy, as shown in Our records. The Policyowner may be someone other than the Insured.

Issue Date is used to determine the start of the suicide and contestability periods.

Lapse means the policy is not in force because a premium was not paid when due.

Net Surrender Value is the Surrender Value of this policy less any indebtedness.

POLICY PROVISIONS**Entire Contract**

This policy is a legal contract between the Policyowner and Us. The entire contract consists of this policy, and any attached riders or endorsements, schedules, the attached application, applications for modifications in the policy and any attached supplemental applications. We have issued this policy in return for the application and the payment of premiums. All statements made by or for the Insured in the application are in the absence of fraud, considered to be representations and not warranties. We can contest the validity of this policy for any material misrepresentation of a fact. To do so, however, the misrepresentation must have been made in the application and a copy of the application must have been attached to this policy when issued. Any change or waiver of its terms must be in writing and signed by Our President, Vice President, Secretary or an Assistant Secretary and endorsed on this policy to be effective.

Incontestability

Except for failure to pay premiums, We will not contest the validity of this policy after it has been in force for two years from its Issue Date, or after it has been in force for two years from the last reinstatement, if any.

Misstatement of Age or Gender

If the age or gender of the Insured has been misstated, the amount payable will be the amount that the premium paid would have purchased at the correct age and gender.

Suicide Exclusion

If the Insured commits suicide, while sane or insane, within two years from the Issue Date, and while this policy is in force, We will pay in one sum to the Beneficiary, the amount of premiums paid for this policy.

Policyowner's Rights

While the Insured is living, the Policyowner may exercise all rights given by this policy or allowed by Us. These rights include assigning this policy, changing Beneficiaries, changing ownership, enjoying all policy benefits and exercising all policy options.

The consent of any Irrevocable Beneficiary is needed to exercise any policy right except the right to:

- a. Change the frequency of premium payments, or;
- b. Reinstate this policy after lapse.

Assignment

You may assign this policy. For any assignment to be binding on Us, We must receive the original Assignment, or a signed certified copy at Our Home Office and it must be recorded by Us. Once We receive the original Assignment, or a signed certified copy, the rights of the Policyowner and the interest of any Beneficiary or any other person will be subject to the assignment. We will not be responsible for the validity of any assignment. We are not liable for any payment made by Us before We record the assignment.

Change of Policyowner or Beneficiary

The Policyowner or any Beneficiary may be changed during the Insured's lifetime. We do not limit the number of changes that may be made. To make a change, a written request, satisfactory to Us, must be received at Our Home Office. The change will take effect as of the date the request is signed, even if the Insured dies before We receive it. Each change will be subject to any payment We made or other action We took before receiving the request.

Death of Beneficiary in Common Disaster

If any Beneficiary dies with the Insured in a common disaster, death benefits will be paid as if the Beneficiary predeceased the Insured.

PREMIUM PAYMENTS

Payment of Premiums

Premiums are payable annually in advance to the greater of the policy anniversary following the Insured's 80th birthday or the 20th policy anniversary. Other modes of payment are available at the discretion of the Company. The first premium is due on the Policy Date. Each premium after the first one is payable at Our Home Office. Upon request, We will provide you with a written receipt. Each subsequent premium is due when the period covered by the preceding premium ends.

Grace Period

After the first premium has been paid, We allow a 31 day grace period to pay each subsequent premium. During this grace period the policy remains in full force. If the Insured dies during the grace period, We will deduct the unpaid premium from the benefits of this policy.

Lapse

If a premium is not paid by the end of this grace period, the policy will lapse without value and no further premium payments may be made.

Reinstatement

This policy may be reinstated, while the Insured is alive, at any time within three years after the date of lapse. However, the policy cannot be reinstated on or after the Expiration Date.

If the premium due is paid within 60 days of the due date (within 29 days after the end of the Grace period) and during the lifetime of the Insured, the policy will be reinstated without evidence of insurability.

If the premium due is not paid within 60 days of the due date (within 29 days after the end of the Grace Period) Reinstatement will be subject to evidence of insurability satisfactory to Us. All overdue premiums must be paid with interest from their due dates to the date of reinstatement. Interest will be at the Policy Reinstatement Rate shown on page 3a, compounded annually to the date of reinstatement.



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Non-Payment of Premium Options

If the premium due is not paid by the end of the Grace Period the policy will lapse. If the policy has no Surrender Value it will terminate without value. If this policy has a Surrender Value on the date of Lapse the Policyowner may chose one of the following options:

1. Reduced Paid-Up insurance; or
2. Automatic Premium Loan; or
3. Single Cash Payment of the Net Surrender Value.

If the Automatic Premium Loan has not been previously elected and the Policyowner does not make a written selection within 60 days after the date of Lapse, we will apply the Reduced Paid-Up provision.

THE DEATH BENEFIT

Subject to a written claim form, as furnished by Us and surrender of the Policy We will pay the death benefit within 30 days of when We receive due proof at Our Home Office that the Insured died while the policy was in force. If payment is delayed for 30 days or more, we will pay you interest at a rate of at least 8% a year on the amount we owe you.

Death Benefit Calculations

In any policy year, the amount of the Death Benefit will be:

- (a) the Death Benefit in effect on the Insured's life; plus
- (b) the premium paid beyond the date of death; plus
- (c) interest, not less than required by law, from the Insured's date of death until the payment date;
minus
- (d) any indebtedness under the policy; minus
- (e) any unpaid premium due and unpaid at the date of death.

Payment of Proceeds – Settlement of the death benefit shall be made by payment in one sum.

The proceeds are subject to any adjustments provided in the Misstatement of Age or Gender, Incontestability and Suicide provisions.

Death of Beneficiary

If any beneficiary predeceases the Insured the portion of the proceeds that would have gone to that beneficiary shall be paid to the Estate of the Insured.

Multiple Beneficiaries

If there is more than one beneficiary, proceeds shall be divided equally among the beneficiaries unless the beneficiary designation specifies the amount to be paid to each beneficiary.

POLICY LOANS

Policy Loans

The Policyowner may, by written request, borrow, **on the sole security of the policy**, the available Surrender Value of this policy. **The minimum cash loan is \$100.00. There is no minimum if the loan is to pay a premium due.** We have the right to postpone payment of the loan for up to 6 months unless the loan is to pay a premium due.

After 3 full years' premiums have been paid and after the policy has a Surrender Value and while no premium is in default beyond the grace period for payment We will advance, on proper assignment or pledge of the Policy and on the sole security thereof, at rate of interest shown in the Policy Schedule, an amount equal to or, at the option of the party entitled thereto, less than the Loan Value of the policy.

Loan Value

The Loan Value of the Policy shall be at least equal to the Surrender Value at the end of the then current Policy Year, provided that the insurer may deduct, either from such Loan Value or from the proceeds of the loan, any existing indebtedness not already deducted in determining such Surrender Value including any interest then accrued but not due, any unpaid balance of the premium for the current Policy Year, and interest on the loan to the end of the current policy year.

You may borrow up to your policy's loan value. This value will be equal to:

- the policy's Surrender Value; less
- interest to the end of the Policy Year on the Surrender Value; less
- any Amount You already Owe Us with interest accrued to the end of the Policy Year; less
- any premium due and unpaid.

Rate of Interest

The interest rate for policy loans is shown in the Policy Schedule. Interest is payable in advance on each policy anniversary and annually in advance on each policy anniversary thereafter. If you do not pay the interest when it is due, the unpaid interest will be added to the policy loan.

Automatic Premium Loan

If any premium is unpaid at the end of the Grace Period an amount equal to the premium due will be automatically charged as a Policy Loan. If there is insufficient Surrender Value to pay the actual premium due an amount equal to the next lower modal premium due will be charged. If there is insufficient value to pay at least one monthly premium the policy will be continued for the number of days the actual Surrender Value will purchase. The automatic premium loan may be elected by the Policyowner. If premium is paid automatically by charging it against the policy's loan value which is derived from the Net Surrender Value of the policy, We will mail the notice of the amount of the loan and the loan interest rate to the Policyowner, and any assignee of record, to the last known address in our file. The notice will be mailed no later than 30 days after the end of the grace period of the premium paid by loan.

Repayment

If this policy is in force the loan may be repaid in full or in part at any time while the Insured is alive. The loan may also be repaid within 60 days after the Insured's death, if we have not paid any of the benefits under this policy. Any loan repayment, other than the balance due, must meet our minimum amount rules then in effect.

This policy will remain in force unless the indebtedness equals or exceeds the Surrender Value of this policy. If termination occurs due to excessive debt, We will provide the Policyowner and any assignee of record a notice of termination no later than 30 days prior to the date of termination. In such case, the policy will terminate 31 days after we mail the notice of termination to the Policyowner, and any assignee of record, to the last known address in our file.

POLICY VALUES

Reduced Paid-Up Insurance

Provided there is sufficient Net Surrender Value to purchase at least \$1,000 of level death benefit based on the Insured's age at the time of lapse, the policy will be continued as Reduced Paid-Up insurance. Otherwise the automatic Premium Loan provision will apply.

Policy Surrender

The Policyowner may request that the policy be surrendered for value. This will terminate the policy and it may not be reinstated. The Policyowner must make such request in writing and must return the policy to Us. We have the right to postpone payment of the Surrender Value for up to 6 months. If payment is delayed for 30 days or more, we will pay you interest at a rate of at least 2.5% a year on the amount we owe you.

The Surrender Value of the policy, within 60 days after the due date of the unpaid premium, is the same as on the due date. If the request to surrender is made more than 60 days after the due date, and the policy had been continued as Reduced Paid-Up, the Surrender Value will be equal to the net single premium for that insurance. The Surrender Value of Reduced Paid-Up insurance which is surrendered within 30 days after a policy anniversary will be at least equal to that anniversary value.

When the policy is surrendered, the proceeds will be the Net Surrender Value. The Surrender Value within a policy year is adjusted for lapse of time and premiums paid for any portion of the policy year.

Basis of Values

Surrender Values, net single premiums, and policy reserves are computed to be equal to or greater than the minimum required by the law of the State in which this policy is delivered. A detailed statement of the method of computing nonforfeiture values has been filed with that State.

All nonforfeiture values, present values and net single premiums for this policy are based on the Commissioners Standard Ordinary Mortality Table shown on page 3a. Calculations take into account the gender and age of the Insured and assume that premiums are paid annually and that death benefits are payable uniformly throughout the policy year. Any additional benefits provided by riders attached to this policy shall be excluded from these calculations.

The amount of Reduced Paid-Up insurance shall be such that the present value of the guaranteed benefits computed on the same basis as described above shall be equal to the cash Surrender Value.

Schedule of Guaranteed Values

The Schedule of Guaranteed Values shows the guaranteed values for this policy on the assumption that premiums have been fully paid in cash for the completed years stated.

If premiums on this policy are paid other than annually adjustments will be made in calculating values for that portion of the policy year for which premiums were actually paid. These values will be decreased if there is any outstanding loan balance.

Guaranteed Surrender values for the end of any policy year not shown in the table will be furnished upon written request to the Home Office.



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GRADED DEATH BENEFIT TERM LIFE INSURANCE POLICY

This is a Non-Participating Policy

Fidelity Life Association will pay the Death Benefit of this policy if the Insured dies while the policy is in force. The Death Benefit will be paid to the Beneficiary when due proof of the Insured's death is received at Our Home Office. The Company will also require the completion of its claims forms. We have issued this policy in consideration of the application and the payment of premium. All benefits are subject to the terms and conditions of this policy.

For service or information on this policy, contact the agent who sold the policy or Our Home Office.

Right to Examine Policy: We want You to be satisfied with Your policy. The Policyowner may, within **30** days after it is delivered, return the policy to Our Home Office or to the agent who sold the policy and will receive a full refund of any premiums that have been paid. Once returned, the policy will be void from its beginning.

Read this policy carefully. This policy is a legal contract between the Policyowner and Us. The entire contract consists of this policy, and any attached riders or endorsements, schedules, the attached written application, and any attached supplemental written applications.

Issued and signed by Fidelity Life Association at its Home Office.

A handwritten signature in cursive script, appearing to read 'Mark A. Wray'.

Secretary

A handwritten signature in cursive script, appearing to read 'Pamela D. Smith'.

President

Graded Death Benefit Term Life Insurance.

The Policy provides:

- Increasing Death Benefit during the Initial Period.
- Level Death Benefit during Policy Years three through twenty, Guaranteed Death Benefit is reduced in Policy Years 21 and beyond.
- Level Guaranteed Premiums for the life of the policy.
- Benefits expire on the latter of the policy anniversary following the Insured's 80th birthday, or the 25th policy anniversary.
- This policy is not eligible for annual dividends.

Fidelity Life Association, A Legal Reserve Life Insurance Company

1211 West 22nd Street, Suite 209

Oak Brook, IL 60523

Tel 800.369.3990

Fax 866.375.8175

To file a claim or to ask a question You may contact the agent who sold You this policy or You may contact Our Policyowner Service department at the address or numbers given above or on the web at:

www.fidelitylife.com

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POLICY SCHEDULE

Policy Number: 123456789	Face Amount: \$50,000
Insured: John Franklin Butterfield	Gender and Age: Male 45
Policyowner: Mary Wanda Butterfield	Policy Date: September 12, 2008
Issue Date: September 10, 2008	Expiry Date: September 12, 2043

Policy Description: Modified Death Benefit Term Life Insurance

Beneficiary: As stated in the application or as subsequently changed.

Total Annual Premium: \$1,559.00*

Premium Class: Standard

Annual Policy Premiums

* The Total Annual Premium shown above includes the [\$50.00] annual Policy Fee and the premium for any riders, which may be attached to this Policy. The Annual Premium is guaranteed not to increase for the policy duration.

Benefits And Premiums

	Annual Premium	Years Payable
Base Policy, including the Policy Fee	\$1,559.00	35
Accelerated Death Benefit	\$0.00	n/a
Total Initial Annual Premium	\$1,559.00	

Policy Year	Death Benefit
Policy Year 1	\$ 2,500.00
Policy Year 2	\$ 5,200.00
Policy Years 3 to 20	\$50,000.00
Policy Years 21 and higher	See Schedule of Guaranteed Death Benefit Amounts on page 3a.

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Deleted: Policy Years 3 and higher \$0.00

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Premium Payment Options

You have selected a payment mode of [semiannual]. [Semiannual] premiums equal your annual premium multiplied by a guaranteed modal factor of [0.52]. Changes to your current payment mode must be requested in writing to Us. Changes in mode, other than to annual mode, will be subject to modal factors and availability as determined by Company rules at the time of the request. Premiums are due and payable on each due date or You risk voluntary termination or reduced benefits.

SCHEDULE OF GUARANTEED VALUES

Policy Number: 123456789	Effective Date: September 12, 2008
Insured: John Franklin Butterfield	Expiry Date: September 12, 2043

Policy Year	Attained Age	Annual Premium (Includes Riders)	Surrender Value	Reduced Paid-Up Insurance	Death Benefit
1	45	\$1,559.00	\$ -	\$ -	\$ 2,500.00
2	46	\$1,559.00	\$ -	\$ -	\$ 5,200.00
3	47	\$1,559.00	\$ 300.00	\$ 1,650.00	\$50,000.00
4	48	\$1,559.00	\$ 650.00	\$ 3,400.00	\$50,000.00
5	49	\$1,559.00	\$ 950.00	\$ 4,750.00	\$50,000.00
6	50	\$1,559.00	\$1,300.00	\$ 6,300.00	\$50,000.00
7	51	\$1,559.00	\$1,650.00	\$ 7,750.00	\$50,000.00
8	52	\$1,559.00	\$1,950.00	\$ 8,850.00	\$50,000.00
9	53	\$1,559.00	\$2,300.00	\$10,100.00	\$50,000.00
10	54	\$1,559.00	\$2,600.00	\$11,100.00	\$50,000.00
11	55	\$1,559.00	\$2,900.00	\$12,050.00	\$50,000.00
12	56	\$1,559.00	\$3,200.00	\$12,950.00	\$50,000.00
13	57	\$1,559.00	\$3,450.00	\$13,600.00	\$50,000.00
14	58	\$1,559.00	\$3,700.00	\$14,250.00	\$50,000.00
15	59	\$1,559.00	\$3,900.00	\$14,700.00	\$50,000.00
16	60	\$1,559.00	\$4,100.00	\$15,150.00	\$50,000.00
17	61	\$1,559.00	\$4,250.00	\$15,400.00	\$50,000.00
18	62	\$1,559.00	\$4,350.00	\$15,550.00	\$50,000.00
19	63	\$1,559.00	\$4,350.00	\$15,350.00	\$50,000.00
20	64	\$1,559.00	\$4,300.00	\$15,050.00	\$50,000.00
21	Age 65	\$1,559.00	\$4,550.00	\$15,850.00	\$30,000.00
26	Age 70	\$1,559.00	\$5,200.00	\$19,050.00	\$30,000.00
31	Age 75	\$1,559.00	\$4,150.00	\$21,900.00	\$30,000.00

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This is a term policy providing a death benefit prior to the Expiry Date as long as this policy is in force. At the Expiry Date the Death Benefit, Surrender Value and Reduced Paid-Up Insurance will be reduced to zero.

Deleted: * The Death Benefit during Policy Year 1 and 2 may be higher than shown. Please refer to the Death Benefit Calculation section on page 6 of the policy.¶

The above values are determined according to the Policy Values Section. Cash and paid up values are based on the 2001 CSO ultimate, age last birthday, sex-distinct, smoker composite, mortality table. We will furnish any values not shown above upon request. The method of computation of policy values has been filed with the insurance supervisory official in the State where the policy is delivered. None of the above figures include policy loans.

Reserve Interest Rate: 4%
Surrender Value Interest Rate: 5%
Reinstatement Interest Rate: 6%
Loan Interest Rate: 7%

DEFINITIONS

We, Our , the Company or Us refer to Fidelity Life Association, A Legal Reserve Life Insurance Company.

You or Your refer to the Policyowner of this policy. The Policyowner may be someone other than the Insured.

Insured is the person whose life is insured under this policy. The Insured is shown in the Policy Schedule.

Beneficiary is the person, persons or entity designated to receive the Death Benefit of this policy.

Any Beneficiary may be named an Irrevocable Beneficiary. An Irrevocable Beneficiary is one whose consent is needed to change that Beneficiary. Also, an Irrevocable Beneficiary must consent to the exercise of certain rights under the policy. See Policyowner's Rights for exceptions.

Policy Date is the date which this policy begins. This is the date from which policy anniversaries, Policy Years, policy months and premium due dates are determined. The Policy Date is shown in the Policy Schedule.

Policy Year is the period from the Policy Date to the first policy anniversary, or from one policy anniversary to the next. A Policy Year does not include the policy anniversary at the end of the policy year.

Initial Policy Period means the first two years during which the Death Benefit is reduced.

Expiry Date unless terminated earlier (because a premium was not paid), this policy will terminate on the latter of the policy anniversary following the Insured's 80th birthday, or the 25th policy anniversary.

Death Benefit is the amount payable to the Beneficiary. The Death Benefit calculations are explained on page 6.

Face Amount is the amount of insurance on which premium calculations are made.

Policyowner is the person who owns this policy, as shown in Our records. The Policyowner may be someone other than the Insured.

Issue Date is used to determine the start of the suicide and contestability periods.

Lapse means the policy is not in force because a premium was not paid when due.

Net Surrender Value is the Surrender Value of this policy less any indebtedness.

POLICY PROVISIONS

Entire Contract

This policy is a legal contract between the Policyowner and Us. The entire contract consists of this policy, and any attached riders or endorsements, schedules, the attached application, applications for modifications in the policy and any attached supplemental applications. We have issued this policy in return for the application and the payment of premiums. All statements made by or for the Insured in the application are, in the absence of fraud, considered to be representations and not warranties. We can contest the validity of this policy for any material misrepresentation of a fact. To do so, however, the misrepresentation must have been made in the application and a copy of the application must have been attached to this policy when issued. Any change or waiver of its terms must be in writing and signed by Our President, Vice President, Secretary or an Assistant Secretary and endorsed on this policy to be effective.

Incontestability

Except for failure to pay premiums, We will not contest the validity of this policy after it has been in force for two years from its Issue Date, or after it has been in force for two years from the last reinstatement, if any.

Misstatement of Age or Gender

If the age or gender of the Insured has been misstated, the amount payable will be the amount that the premium paid would have purchased at the correct age and gender.

Suicide Exclusion

If the Insured commits suicide, while sane or insane, within two years from the Issue Date, and while this policy is in force, We will pay in one sum to the Beneficiary, the amount of premiums paid for this policy.

Policyowner's Rights

While the Insured is living, the Policyowner may exercise all rights given by this policy or allowed by Us. These rights include assigning this policy, changing Beneficiaries, changing ownership, enjoying all policy benefits and exercising all policy options.

The consent of any Irrevocable Beneficiary is needed to exercise any policy right except the right to:

- a. Change the frequency of premium payments, or;
- b. Reinstate this policy after Lapse.

Assignment

You may assign this policy. For any assignment to be binding on Us, We must receive the original Assignment, or a signed certified copy at Our Home Office and it must be recorded by Us. Once We receive the original Assignment, or a signed certified copy, the rights of the Policyowner and the interest of any Beneficiary or any other person will be subject to the assignment. We will not be responsible for the validity of any assignment. We are not liable for any payment made by Us before We record the assignment.

Change of Policyowner or Beneficiary

The Policyowner or any Beneficiary may be changed during the Insured's lifetime. We do not limit the number of changes that may be made. To make a change, a written request satisfactory to Us, must be received at Our Home Office. The change will take effect as of the date the request is signed, even if the Insured dies before We receive it. Each change will be subject to any payment We made or other action We took before receiving the request.

Death of Beneficiary in Common Disaster

If any Beneficiary dies with the Insured in a common disaster, Death Benefits will be paid as if the Beneficiary predeceased the Insured.

PREMIUM PAYMENTS

Payment of Premiums

Premiums are payable annually in advance to the greater of the policy anniversary following the Insured's 80th birthday or the 25th policy anniversary. Other modes of payment are available at the discretion of the Company. The first premium is due on the Policy Date. Each premium after the first one is payable at Our Home Office. Upon request, We will provide You with a written receipt. Each subsequent premium is due when the period covered by the preceding premium ends.

Grace Period

After the first premium has been paid, We allow a 31 day Grace Period to pay each subsequent premium. During this Grace Period the policy remains in full force. If the Insured dies during the Grace Period, We will deduct the unpaid premium from the benefits of this policy.

Lapse

If a premium is not paid by the end of the Grace Period, the policy will Lapse without value and no further premium payments may be made.

Reinstatement

This policy may be reinstated, while the Insured is alive, at any time within three years after the date of Lapse. However, the policy cannot be reinstated on or after the Expiry Date.

If the premium due is paid within 60 days of the due date (within 29 days after the end of the Grace Period) and during the lifetime of the Insured, the policy will be reinstated without evidence of insurability.

If the premium due is not paid within 60 days of the due date (within 29 days after the end of the Grace Period) Reinstatement will be subject to evidence of insurability satisfactory to Us. All overdue premiums must be paid with interest from their due dates to the date of reinstatement. Interest will be at the Policy Reinstatement Rate shown on page 3a, compounded annually to the date of reinstatement.

Non-Payment of Premium Options

If the premium due is not paid by the end of the Grace Period the policy will Lapse. If the policy has no Surrender Value it will terminate without value. If this policy has a Surrender Value on the date of Lapse the Policyowner may choose one of the following options:

1. Reduced Paid-Up insurance; or
2. Automatic Premium Loan; or
3. Single Cash Payment of the Net Surrender Value.

If the Automatic Premium Loan has not been previously elected and the Policyowner does not make a written selection within 60 days after the date of Lapse, We will apply the Reduced Paid-Up provision.

THE DEATH BENEFIT

Subject to a written claim form, as furnished by Us and surrender of the Policy We will pay the Death Benefit within 30 days of when We receive due proof at Our Home Office that the Insured died while the policy was in force. If payment is delayed for 30 days or more, we will pay you interest at a rate of at least 8% a year on the amount we owe you.

Death Benefit Calculations

In any Policy Year, the amount of the Death Benefit will be:

- (a) the Death Benefit in effect on the Insured's life; plus
- (b) the premium paid beyond the date of death; plus
- (c) interest, not less than required by law, from the Insured's date of death until the payment date;
minus
- (d) any indebtedness under the policy; minus
- (e) any unpaid premium due and unpaid at the date of death.

Payment of Proceeds – Settlement of the Death Benefit shall be made by payment in one sum.

The proceeds are subject to any adjustments provided in the Misstatement of Age or Gender, Incontestability and Suicide provisions.

Death of Beneficiary

If any Beneficiary predeceases the Insured the portion of the proceeds that would have gone to that Beneficiary shall be paid to the Estate of the Insured.

Multiple Beneficiaries

If there is more than one Beneficiary, proceeds shall be divided equally among the beneficiaries unless the Beneficiary designation specifies the amount to be paid to each Beneficiary.

POLICY LOANS

Policy Loans

The Policyowner may, by written request, borrow, **on the sole security of the policy**, the available Surrender Value of this policy. **The minimum cash loan is \$100.00. There is no minimum if the loan is to pay a premium due.** We have the right to postpone payment of the loan for up to 6 months unless the loan is to pay a premium due.

After 3 full years' premiums have been paid and after the policy has a Surrender Value and while no premium is in default beyond the Grace Period for payment We will advance, on proper assignment or pledge of the Policy and on the sole security thereof, at rate of interest shown in the Policy Schedule, an amount equal to or, at the option of the party entitled thereto, less than the Loan Value of the policy.

Loan Value

The Loan Value of the Policy shall be at least equal to the Surrender Value at the end of the then current Policy Year, provided that the insurer may deduct, either from such Loan Value or from the proceeds of the loan, any existing indebtedness not already deducted in determining such Surrender Value including any interest then accrued but not due, any unpaid balance of the premium for the current Policy Year, and interest on the loan to the end of the current Policy Year.

You may borrow up to Your policy's loan value. This value will be equal to:

- the policy's Surrender Value; less
- interest to the end of the Policy Year on the Surrender Value; less
- any Amount You already Owe Us with interest accrued to the end of the Policy Year; less
- any premium due and unpaid.

Rate of Interest

The interest rate for policy loans is shown in the Policy Schedule. Interest is payable in advance on each policy anniversary and annually in advance on each policy anniversary thereafter. If You do not pay the interest when it is due, the unpaid interest will be added to the policy loan.

Automatic Premium Loan

If any premium is unpaid at the end of the Grace Period an amount equal to the premium due will be automatically charged as a Policy Loan. If there is insufficient Surrender Value to pay the actual premium due an amount equal to the next lower modal premium due will be charged. If there is insufficient value to pay at least one monthly premium the policy will be continued for the number of days the actual Surrender Value will purchase. The automatic premium loan may be elected by the Policyowner. If premium is paid automatically by charging it against the policy's loan value which is derived from the Net Surrender Value of the policy, We will mail the notice of the amount of the loan and the loan interest rate to the Policyowner, and any assignee of record, to the last known address in Our file. The notice will be mailed no later than 30 days after the end of the Grace Period of the premium paid by loan.

Repayment

If this policy is in force the loan may be repaid in full or in part at any time while the Insured is alive. The loan may also be repaid within 60 days after the Insured's death, if We have not paid any of the benefits under this policy. Any loan repayment, other than the balance due, must meet Our minimum amount rules then in effect.

This policy will remain in force unless the indebtedness equals or exceeds the Surrender Value of this policy. If termination occurs due to excessive debt, We will provide the Policyowner and any assignee of record a notice of termination no later than 30 days prior to the date of termination. In such case, the policy will terminate 31 days after We mail the notice of termination to the Policyowner, and any assignee of record, to the last known address in Our file.

POLICY VALUES

Reduced Paid-Up Insurance

Provided there is sufficient Net Surrender Value to purchase at least \$1,000 of level Death Benefit based on the Insured's age at the time of Lapse, the policy will be continued as Reduced Paid-Up insurance. Otherwise the Automatic Premium Loan provision will apply.

Policy Surrender

The Policyowner may request that the policy be surrendered for value. This will terminate the policy and it may not be reinstated. The Policyowner must make such request in writing and must return the policy to Us. We have the right to postpone payment of the Surrender Value for up to 6 months. If payment is delayed for 30 days or more, We will pay You interest at a rate of at least 2.5% a year on the amount We owe You.

The Surrender Value of the policy, within 60 days after the due date of the unpaid premium, is the same as on the due date. If the request to surrender is made more than 60 days after the due date, and the policy had been continued as Reduced Paid-Up, the Surrender Value will be equal to the net single premium for that insurance. The Surrender Value of Reduced Paid-Up insurance which is surrendered within 30 days after a policy anniversary will be at least equal to that anniversary value.

When the policy is surrendered, the proceeds will be the Net Surrender Value. The Surrender Value within a Policy Year is adjusted for Lapse of time and premiums paid for any portion of the Policy Year.

Basis of Values

Surrender Values, net single premiums, and policy reserves are computed to be equal to or greater than the minimum required by the law of the State in which this policy is delivered. A detailed statement of the method of computing nonforfeiture values has been filed with that State.

All nonforfeiture values, present values, and net single premiums for this policy are based on the mortality table shown on page 3a. Calculations take into account the gender and age of the Insured and assume that premiums are paid annually and that Death Benefits are payable uniformly throughout the Policy Year. Any additional benefits provided by riders attached to this policy shall be excluded from these calculations.

The amount of Reduced Paid-Up insurance shall be such that the present value of the guaranteed benefits computed on the same basis as described above shall be equal to the cash Surrender Value.

Schedule of Guaranteed Values

The Schedule of Guaranteed Values shows the guaranteed values for this policy on the assumption that premiums have been fully paid in cash for the completed years stated.

If premiums on this policy are paid other than annually, adjustments will be made in calculating values for that portion of the Policy Year for which premiums were actually paid. These values will be decreased if there is any outstanding loan balance.

Guaranteed Surrender values for the end of any Policy Year not shown in the table will be furnished upon written request to the Home Office.

**GRADED DEATH BENEFIT TERM LIFE
INSURANCE POLICY**

This is a Non-Participating Policy

Fidelity Life Association, A Legal Reserve Life Insurance Company

1211 West 22nd Street, Suite 209

Oak Brook, IL 60523

Tel 800.369.3990

Fax 866.375.8175



Established 1896

GRADED DEATH BENEFIT TERM LIFE INSURANCE POLICY

This is a Non-Participating Policy

Fidelity Life Association will pay the Death Benefit of this policy if the Insured dies while the policy is in force. The Death Benefit will be paid to the Beneficiary when due proof of the Insured's death is received at Our Home Office. The Company will also require the completion of its claims forms. We have issued this policy in consideration of the application and the payment of premium. All benefits are subject to the terms and conditions of this policy.

For service or information on this policy, contact the agent who sold the policy or Our Home Office.

Right to Examine Policy: We want You to be satisfied with Your policy. The Policyowner may, within **30** days after it is delivered, return the policy to Our Home Office or to the agent who sold the policy and will receive a full refund of any premiums that have been paid. Once returned, the policy will be void from its beginning.

Read this policy carefully. This policy is a legal contract between the Policyowner and Us. The entire contract consists of this policy, and any attached riders or endorsements, schedules, the attached written application, and any attached supplemental written applications.

Issued and signed by Fidelity Life Association at its Home Office.

Handwritten signature of Mark A. Wray in cursive.

Secretary

Handwritten signature of Pamela D. Smith in cursive.

President

Graded Death Benefit Term Life Insurance.

The Policy provides:

- Increasing Death Benefit during the Initial Period.
- Level Death Benefit during Policy Years three through thirty, Guaranteed Death Benefit is reduced in Policy Years 31 and beyond.
- Level Guaranteed Premiums for the life of the policy.
- Benefits expire on the latter of the policy anniversary following the Insured's 80th birthday, or the 35th policy anniversary.
- This policy is not eligible for annual dividends.

Fidelity Life Association, A Legal Reserve Life Insurance Company

1211 West 22nd Street, Suite 209

Oak Brook, IL 60523

Tel 800.369.3990

Fax 866.375.8175

To file a claim or to ask a question You may contact the agent who sold You this policy or You may contact Our Policyowner Service department at the address or numbers given above or on the web at:

www.fidelitylife.com

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Any Riders and Endorsements and a Copy of the Application for the Policy, Follow Page 8

POLICY SCHEDULE

Policy Number: 123456789	Face Amount: \$50,000
Insured: John Franklin Butterfield	Gender and Age: Male 45
Policyowner: Mary Wanda Butterfield	Policy Date: September 12, 2008
Issue Date: September 10, 2008	Expiry Date: September 12, 2043

Policy Description: Modified Death Benefit Term Life Insurance

Beneficiary: As stated in the application or as subsequently changed.

Total Annual Premium: \$1,819.00*

Premium Class: Standard

Annual Policy Premiums

* The Total Annual Premium shown above includes the [\$50.00] annual Policy Fee and the premium for any riders, which may be attached to this Policy. The Annual Premium is guaranteed not to increase for the policy duration.

Benefits And Premiums

	Annual Premium	Years Payable
Base Policy, including the Policy Fee	\$1,819.00	35
Accelerated Death Benefit	\$0.00	n/a
Total Initial Annual Premium	\$1,819.00	

<u>Policy Year</u>	<u>Death Benefit</u>
Policy Year 1	\$ 2,800.00
Policy Year 2	\$ 5,900.00
Policy Years 3 to 30	\$50,000.00
Policy Years 31 and higher	See Schedule of Guaranteed Death Benefit Amounts on page 3a.

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Deleted: Policy Year 2 . . . \$44,100.00

Deleted: Policy Years 3 and higher \$0.00

Premium Payment Options

You have selected a payment mode of [semiannual]. [Semiannual] premiums equal your annual premium multiplied by a guaranteed modal factor of [0.52]. Changes to your current payment mode must be requested in writing to Us. Changes in mode, other than to annual mode, will be subject to modal factors and availability as determined by Company rules at the time of the request. Premiums are due and payable on each due date or You risk voluntary termination or reduced benefits.

SCHEDULE OF GUARANTEED VALUES

Policy Number: 123456789	Effective Date: September 12, 2008
Insured: John Franklin Butterfield	Expiry Date: September 12, 2043

Policy Year	Attained Age	Annual Premium (Includes Riders)	Surrender Value	Reduced Paid-Up Insurance	Death Benefit
1	45	\$1,819.00	\$ -	\$ -	\$ 2,800.00
2	46	\$1,819.00	\$ 50.00	\$ 300.00	\$ 5,900.00
3	47	\$1,819.00	\$ 450.00	\$ 2,450.00	\$50,000.00
4	48	\$1,819.00	\$ 900.00	\$ 4,650.00	\$50,000.00
5	49	\$1,819.00	\$1,300.00	\$ 6,500.00	\$50,000.00
6	50	\$1,819.00	\$1,750.00	\$ 8,450.00	\$50,000.00
7	51	\$1,819.00	\$2,200.00	\$10,300.00	\$50,000.00
8	52	\$1,819.00	\$2,650.00	\$12,000.00	\$50,000.00
9	53	\$1,819.00	\$3,100.00	\$13,650.00	\$50,000.00
10	54	\$1,819.00	\$3,550.00	\$15,150.00	\$50,000.00
11	55	\$1,819.00	\$4,000.00	\$16,600.00	\$50,000.00
12	56	\$1,819.00	\$4,450.00	\$18,000.00	\$50,000.00
13	57	\$1,819.00	\$4,850.00	\$19,100.00	\$50,000.00
14	58	\$1,819.00	\$5,300.00	\$20,400.00	\$50,000.00
15	59	\$1,819.00	\$5,700.00	\$21,450.00	\$50,000.00
16	60	\$1,819.00	\$6,050.00	\$22,300.00	\$50,000.00
17	61	\$1,819.00	\$6,450.00	\$23,350.00	\$50,000.00
18	62	\$1,819.00	\$6,750.00	\$24,100.00	\$50,000.00
19	63	\$1,819.00	\$7,000.00	\$24,700.00	\$50,000.00
20	64	\$1,819.00	\$7,250.00	\$25,350.00	\$50,000.00
21	Age 65	\$1,819.00	\$7,400.00	\$25,800.00	\$50,000.00
26	Age 70	\$1,819.00	\$7,050.00	\$25,800.00	\$50,000.00
31	Age 75\	\$1,819.00	\$3,850.00	\$20,300.00	\$30,000.00

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This is a term policy providing a death benefit prior to the Expiry Date as long as this policy is in force. At the Expiry Date the Death Benefit, Surrender Value and Reduced Paid-Up Insurance will be reduced to zero.

Deleted: * The Death Benefit during Policy Year 1 and 2 may be higher than shown. Please refer to the Death Benefit Calculation section on page 6 of the policy.¶

The above values are determined according to the Policy Values Section. Cash and paid up values are based on the 2001 CSO ultimate, age last birthday, sex-distinct, smoker composite, mortality table. We will furnish any values not shown above upon request. The method of computation of policy values has been filed with the insurance supervisory official in the State where the policy is delivered. None of the above figures include policy loans.

Reserve Interest Rate: 4%
Surrender Value Interest Rate: 5%
Reinstatement Interest Rate: 6%
Loan Interest Rate: 7%

DEFINITIONS

We, Our , the Company or Us refer to Fidelity Life Association, A Legal Reserve Life Insurance Company.

You or Your refer to the Policyowner of this policy. The Policyowner may be someone other than the Insured.

Insured is the person whose life is insured under this policy. The Insured is shown in the Policy Schedule.

Beneficiary is the person, persons or entity designated to receive the Death Benefit of this policy.

Any Beneficiary may be named an Irrevocable Beneficiary. An Irrevocable Beneficiary is one whose consent is needed to change that Beneficiary. Also, an Irrevocable Beneficiary must consent to the exercise of certain rights under the policy. See Policyowner's Rights for exceptions.

Policy Date is the date which this policy begins. This is the date from which policy anniversaries, Policy Years, policy months and premium due dates are determined. The Policy Date is shown in the Policy Schedule.

Policy Year is the period from the Policy Date to the first policy anniversary, or from one policy anniversary to the next. A Policy Year does not include the policy anniversary at the end of the policy year.

Initial Policy Period means the first two years during which the Death Benefit is reduced.

Expiry Date unless terminated earlier (because a premium was not paid), this policy will terminate on the latter of the policy anniversary following the Insured's 80th birthday, or the 35th policy anniversary.

Death Benefit is the amount payable to the Beneficiary. The Death Benefit calculations are explained on page 6.

Face Amount is the amount of insurance on which premium calculations are made.

Policyowner is the person who owns this policy, as shown in Our records. The Policyowner may be someone other than the Insured.

Issue Date is used to determine the start of the suicide and contestability periods.

Lapse means the policy is not in force because a premium was not paid when due.

Net Surrender Value is the Surrender Value of this policy less any indebtedness.

POLICY PROVISIONS

Entire Contract

This policy is a legal contract between the Policyowner and Us. The entire contract consists of this policy, and any attached riders or endorsements, schedules, the attached application, applications for modifications in the policy and any attached supplemental applications. We have issued this policy in return for the application and the payment of premiums. All statements made by or for the Insured in the application are, in the absence of fraud, considered to be representations and not warranties. We can contest the validity of this policy for any material misrepresentation of a fact. To do so, however, the misrepresentation must have been made in the application and a copy of the application must have been attached to this policy when issued. Any change or waiver of its terms must be in writing and signed by Our President, Vice President, Secretary or an Assistant Secretary and endorsed on this policy to be effective.

Incontestability

Except for failure to pay premiums, We will not contest the validity of this policy after it has been in force for two years from its Issue Date, or after it has been in force for two years from the last reinstatement, if any.

Misstatement of Age or Gender

If the age or gender of the Insured has been misstated, the amount payable will be the amount that the premium paid would have purchased at the correct age and gender.

Suicide Exclusion

If the Insured commits suicide, while sane or insane, within two years from the Issue Date, and while this policy is in force, We will pay in one sum to the Beneficiary, the amount of premiums paid for this policy.

Policyowner's Rights

While the Insured is living, the Policyowner may exercise all rights given by this policy or allowed by Us. These rights include assigning this policy, changing Beneficiaries, changing ownership, enjoying all policy benefits and exercising all policy options.

The consent of any Irrevocable Beneficiary is needed to exercise any policy right except the right to:

- a. Change the frequency of premium payments, or;
- b. Reinstate this policy after Lapse.

Assignment

You may assign this policy. For any assignment to be binding on Us, We must receive the original Assignment, or a signed certified copy at Our Home Office and it must be recorded by Us. Once We receive the original Assignment, or a signed certified copy, the rights of the Policyowner and the interest of any Beneficiary or any other person will be subject to the assignment. We will not be responsible for the validity of any assignment. We are not liable for any payment made by Us before We record the assignment.

Change of Policyowner or Beneficiary

The Policyowner or any Beneficiary may be changed during the Insured's lifetime. We do not limit the number of changes that may be made. To make a change, a written request satisfactory to Us, must be received at Our Home Office. The change will take effect as of the date the request is signed, even if the Insured dies before We receive it. Each change will be subject to any payment We made or other action We took before receiving the request.

Death of Beneficiary in Common Disaster

If any Beneficiary dies with the Insured in a common disaster, Death Benefits will be paid as if the Beneficiary predeceased the Insured.

PREMIUM PAYMENTS

Payment of Premiums

Premiums are payable annually in advance to the greater of the policy anniversary following the Insured's 80th birthday or the 35th policy anniversary. Other modes of payment are available at the discretion of the Company. The first premium is due on the Policy Date. Each premium after the first one is payable at Our Home Office. Upon request, We will provide You with a written receipt. Each subsequent premium is due when the period covered by the preceding premium ends.

Grace Period

After the first premium has been paid, We allow a 31 day Grace Period to pay each subsequent premium. During this Grace Period the policy remains in full force. If the Insured dies during the Grace Period, We will deduct the unpaid premium from the benefits of this policy.

Lapse

If a premium is not paid by the end of the Grace Period, the policy will Lapse without value and no further premium payments may be made.

Reinstatement

This policy may be reinstated, while the Insured is alive, at any time within three years after the date of Lapse. However, the policy cannot be reinstated on or after the Expiry Date.

If the premium due is paid within 60 days of the due date (within 29 days after the end of the Grace Period) and during the lifetime of the Insured, the policy will be reinstated without evidence of insurability.

If the premium due is not paid within 60 days of the due date (within 29 days after the end of the Grace Period) Reinstatement will be subject to evidence of insurability satisfactory to Us. All overdue premiums must be paid with interest from their due dates to the date of reinstatement. Interest will be at the Policy Reinstatement Rate shown on page 3a, compounded annually to the date of reinstatement.

Non-Payment of Premium Options

If the premium due is not paid by the end of the Grace Period the policy will Lapse. If the policy has no Surrender Value it will terminate without value. If this policy has a Surrender Value on the date of Lapse the Policyowner may choose one of the following options:

1. Reduced Paid-Up insurance; or
2. Automatic Premium Loan; or
3. Single Cash Payment of the Net Surrender Value.

If the Automatic Premium Loan has not been previously elected and the Policyowner does not make a written selection within 60 days after the date of Lapse, We will apply the Reduced Paid-Up provision.

THE DEATH BENEFIT

Subject to a written claim form, as furnished by Us and surrender of the Policy We will pay the Death Benefit within 30 days of when We receive due proof at Our Home Office that the Insured died while the policy was in force. If payment is delayed for 30 days or more, we will pay you interest at a rate of at least 8% a year on the amount we owe you.

Death Benefit Calculations

In any Policy Year, the amount of the Death Benefit will be:

- (a) the Death Benefit in effect on the Insured's life; plus
- (b) the premium paid beyond the date of death; plus
- (c) interest, not less than required by law, from the Insured's date of death until the payment date;
minus
- (d) any indebtedness under the policy; minus
- (e) any unpaid premium due and unpaid at the date of death.

Payment of Proceeds – Settlement of the Death Benefit shall be made by payment in one sum.

The proceeds are subject to any adjustments provided in the Misstatement of Age or Gender, Incontestability and Suicide provisions.

Death of Beneficiary

If any Beneficiary predeceases the Insured the portion of the proceeds that would have gone to that Beneficiary shall be paid to the Estate of the Insured.

Multiple Beneficiaries

If there is more than one Beneficiary, proceeds shall be divided equally among the beneficiaries unless the Beneficiary designation specifies the amount to be paid to each Beneficiary.

POLICY LOANS

Policy Loans

The Policyowner may, by written request, borrow, **on the sole security of the policy**, the available Surrender Value of this policy. **The minimum cash loan is \$100.00. There is no minimum if the loan is to pay a premium due.** We have the right to postpone payment of the loan for up to 6 months unless the loan is to pay a premium due.

After 3 full years' premiums have been paid and after the policy has a Surrender Value and while no premium is in default beyond the Grace Period for payment We will advance, on proper assignment or pledge of the Policy and on the sole security thereof, at rate of interest shown in the Policy Schedule, an amount equal to or, at the option of the party entitled thereto, less than the Loan Value of the policy.

Loan Value

The Loan Value of the Policy shall be at least equal to the Surrender Value at the end of the then current Policy Year, provided that the insurer may deduct, either from such Loan Value or from the proceeds of the loan, any existing indebtedness not already deducted in determining such Surrender Value including any interest then accrued but not due, any unpaid balance of the premium for the current Policy Year, and interest on the loan to the end of the current Policy Year.

You may borrow up to Your policy's loan value. This value will be equal to:

- the policy's Surrender Value; less
- interest to the end of the Policy Year on the Surrender Value; less
- any Amount You already Owe Us with interest accrued to the end of the Policy Year; less
- any premium due and unpaid.

Rate of Interest

The interest rate for policy loans is shown in the Policy Schedule. Interest is payable in advance on each policy anniversary and annually in advance on each policy anniversary thereafter. If You do not pay the interest when it is due, the unpaid interest will be added to the policy loan.

Automatic Premium Loan

If any premium is unpaid at the end of the Grace Period an amount equal to the premium due will be automatically charged as a Policy Loan. If there is insufficient Surrender Value to pay the actual premium due an amount equal to the next lower modal premium due will be charged. If there is insufficient value to pay at least one monthly premium the policy will be continued for the number of days the actual Surrender Value will purchase. The automatic premium loan may be elected by the Policyowner. If premium is paid automatically by charging it against the policy's loan value which is derived from the Net Surrender Value of the policy, We will mail the notice of the amount of the loan and the loan interest rate to the Policyowner, and any assignee of record, to the last known address in Our file. The notice will be mailed no later than 30 days after the end of the Grace Period of the premium paid by loan.

Repayment

If this policy is in force the loan may be repaid in full or in part at any time while the Insured is alive. The loan may also be repaid within 60 days after the Insured's death, if We have not paid any of the benefits under this policy. Any loan repayment, other than the balance due, must meet Our minimum amount rules then in effect.

This policy will remain in force unless the indebtedness equals or exceeds the Surrender Value of this policy. If termination occurs due to excessive debt, We will provide the Policyowner and any assignee of record a notice of termination no later than 30 days prior to the date of termination. In such case, the policy will terminate 31 days after We mail the notice of termination to the Policyowner, and any assignee of record, to the last known address in Our file.

POLICY VALUES

Reduced Paid-Up Insurance

Provided there is sufficient Net Surrender Value to purchase at least \$1,000 of level Death Benefit based on the Insured's age at the time of Lapse, the policy will be continued as Reduced Paid-Up insurance. Otherwise the Automatic Premium Loan provision will apply.

Policy Surrender

The Policyowner may request that the policy be surrendered for value. This will terminate the policy and it may not be reinstated. The Policyowner must make such request in writing and must return the policy to Us. We have the right to postpone payment of the Surrender Value for up to 6 months. If payment is delayed for 30 days or more, We will pay You interest at a rate of at least 2.5% a year on the amount We owe You.

The Surrender Value of the policy, within 60 days after the due date of the unpaid premium, is the same as on the due date. If the request to surrender is made more than 60 days after the due date, and the policy had been continued as Reduced Paid-Up, the Surrender Value will be equal to the net single premium for that insurance. The Surrender Value of Reduced Paid-Up insurance which is surrendered within 30 days after a policy anniversary will be at least equal to that anniversary value.

When the policy is surrendered, the proceeds will be the Net Surrender Value. The Surrender Value within a Policy Year is adjusted for Lapse of time and premiums paid for any portion of the Policy Year.

Basis of Values

Surrender Values, net single premiums, and policy reserves are computed to be equal to or greater than the minimum required by the law of the State in which this policy is delivered. A detailed statement of the method of computing nonforfeiture values has been filed with that State.

All nonforfeiture values, present values, and net single premiums for this policy are based on the mortality table shown on page 3a. Calculations take into account the gender and age of the Insured and assume that premiums are paid annually and that Death Benefits are payable uniformly throughout the Policy Year. Any additional benefits provided by riders attached to this policy shall be excluded from these calculations.

The amount of Reduced Paid-Up insurance shall be such that the present value of the guaranteed benefits computed on the same basis as described above shall be equal to the cash Surrender Value.

Schedule of Guaranteed Values

The Schedule of Guaranteed Values shows the guaranteed values for this policy on the assumption that premiums have been fully paid in cash for the completed years stated.

If premiums on this policy are paid other than annually, adjustments will be made in calculating values for that portion of the Policy Year for which premiums were actually paid. These values will be decreased if there is any outstanding loan balance.

Guaranteed Surrender values for the end of any Policy Year not shown in the table will be furnished upon written request to the Home Office.

**GRADED DEATH BENEFIT TERM LIFE
INSURANCE POLICY**

This is a Non-Participating Policy

Fidelity Life Association, A Legal Reserve Life Insurance Company

1211 West 22nd Street, Suite 209

Oak Brook, IL 60523

Tel 800.369.3990

Fax 866.375.8175

SERFF Tracking Number: ACTR-125582223 State: Arkansas
 Filing Company: Fidelity Life Association, A Legal Reserve Life Insurance Company State Tracking Number: 38610
 Company Tracking Number: FLA2030GDB
 TOI: L04I Individual Life - Term Sub-TOI: L04I.500 Other
 Product Name: Fidelity Graded Death Benefit Term 20/30
 Project Name/Number: Fidelity Graded Death Benefit Term 20/30/FLA2030GDB

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	Graded Death Benefit Term Life Insurance Policy	04/04/2008	AR F3511 20year GDB Term Policy.pdf
No original date	Form	Graded Death Benefit Term Life Insurance Policy	04/04/2008	AR F3521 30year GDB Term Policy.pdf



Established 1896

GRADED DEATH BENEFIT TERM LIFE INSURANCE POLICY

This is a Non-Participating Policy

Fidelity Life Association will pay the Death Benefit of this policy if the Insured dies while the policy is in force. The Death Benefit will be paid to the Beneficiary when due proof of the Insured's death is received at Our Home Office. The Company will also require the completion of its claims forms. We have issued this policy in consideration of the application and the payment of premium. All benefits are subject to the terms and conditions of this policy.

For service or information on this policy, contact the agent who sold the policy or Our Home Office.

Right to Examine Policy: We want You to be satisfied with Your policy. The Policyowner may, within **30** days after it is delivered, return the policy to Our Home Office or to the agent who sold the policy and will receive a full refund of any premiums that have been paid. Once returned, the policy will be void from its beginning.

Read this policy carefully. This policy is a legal contract between the Policyowner and Us. The entire contract consists of this policy, and any attached riders or endorsements, schedules, the attached written application, and any attached supplemental written applications.

Issued and signed by Fidelity Life Association at its Home Office.

A handwritten signature in cursive script, appearing to read 'Mark A. Wray'.

Secretary

A handwritten signature in cursive script, appearing to read 'Pamela D. Smith'.

President

Graded Death Benefit Term Life Insurance.

The Policy provides:

- Increasing Death Benefit during the Initial Period.
- Level Death Benefit during Policy Years three through twenty, Guaranteed Death Benefit is reduced in Policy Years 21 and beyond.
- Level Guaranteed Premiums for the life of the policy.
- Benefits expire on the latter of the policy anniversary following the Insured's 80th birthday, or the 25th policy anniversary.
- This policy is not eligible for annual dividends.

Fidelity Life Association, A Legal Reserve Life Insurance Company
1211 West 22nd Street, Suite 209
Oak Brook, IL 60523
Tel 800.369.3990
Fax 866.375.8175

To file a claim or to ask a question You may contact the agent who sold You this policy or You may contact Our Policyowner Service department at the address or numbers given above or on the web at:

www.fidelitylife.com

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Any Riders and Endorsements and a Copy of the Application for the Policy, Follow Page 8

POLICY SCHEDULE

Policy Number:	123456789	Face Amount:	\$50,000
Insured:	John Franklin Butterfield	Gender and Age:	Male 45
Policyowner:	Mary Wanda Butterfield	Policy Date:	September 12, 2008
Issue Date:	September 10, 2008	Expiry Date:	September 12, 2043

Policy Description: Modified Death Benefit Term Life Insurance

Beneficiary: As stated in the application or as subsequently changed.

Total Annual Premium: \$1,559.00*

Premium Class: Standard

Annual Policy Premiums

* The Total Annual Premium shown above includes the [\$50.00] annual Policy Fee and the premium for any riders, which may be attached to this Policy. The Annual Premium is guaranteed not to increase for the policy duration.

Benefits And Premiums

	Annual Premium	Years Payable
Base Policy, including the Policy Fee	\$1,559.00	35
Accelerated Death Benefit	\$0.00	n/a
Total Initial Annual Premium	\$1,559.00	

<u>Death Benefit</u>	<u>Non-Accidental Death</u>	<u>Special Accidental Death Benefit</u>
Policy Year 1	\$ 2,500.00	Policy Year 1 \$47,500.00
Policy Year 2	\$ 5,200.00	Policy Year 2 \$44,800.00
Policy Years 3 to 20	\$50,000.00	Policy Years 3 and higher \$0.00
Policy Years 21 and higher	See Schedule of Guaranteed Death Benefit Amounts on page 3a.	

Premium Payment Options

You have selected a payment mode of [semiannual]. [Semiannual] premiums equal your annual premium multiplied by a guaranteed modal factor of [0.52]. Changes to your current payment mode must be requested in writing to Us. Changes in mode, other than to annual mode, will be subject to modal factors and availability as determined by Company rules at the time of the request. Premiums are due and payable on each due date or You risk voluntary termination or reduced benefits.

SCHEDULE OF GUARANTEED VALUES

Policy Number: 123456789	Effective Date: September 12, 2008
Insured: John Franklin Butterfield	Expiry Date: September 12, 2043

Policy Year	Attained Age	Annual Premium (Includes Riders)	Surrender Value	Reduced Paid-Up Insurance	Death Benefit
1	45	\$1,559.00	\$ -	\$ -	\$ 2,500.00*
2	46	\$1,559.00	\$ -	\$ -	\$ 5,200.00*
3	47	\$1,559.00	\$ 300.00	\$ 1,650.00	\$50,000.00
4	48	\$1,559.00	\$ 650.00	\$ 3,400.00	\$50,000.00
5	49	\$1,559.00	\$ 950.00	\$ 4,750.00	\$50,000.00
6	50	\$1,559.00	\$1,300.00	\$ 6,300.00	\$50,000.00
7	51	\$1,559.00	\$1,650.00	\$ 7,750.00	\$50,000.00
8	52	\$1,559.00	\$1,950.00	\$ 8,850.00	\$50,000.00
9	53	\$1,559.00	\$2,300.00	\$10,100.00	\$50,000.00
10	54	\$1,559.00	\$2,600.00	\$11,100.00	\$50,000.00
11	55	\$1,559.00	\$2,900.00	\$12,050.00	\$50,000.00
12	56	\$1,559.00	\$3,200.00	\$12,950.00	\$50,000.00
13	57	\$1,559.00	\$3,450.00	\$13,600.00	\$50,000.00
14	58	\$1,559.00	\$3,700.00	\$14,250.00	\$50,000.00
15	59	\$1,559.00	\$3,900.00	\$14,700.00	\$50,000.00
16	60	\$1,559.00	\$4,100.00	\$15,150.00	\$50,000.00
17	61	\$1,559.00	\$4,250.00	\$15,400.00	\$50,000.00
18	62	\$1,559.00	\$4,350.00	\$15,550.00	\$50,000.00
19	63	\$1,559.00	\$4,350.00	\$15,350.00	\$50,000.00
20	64	\$1,559.00	\$4,300.00	\$15,050.00	\$50,000.00
21	Age 65	\$1,559.00	\$4,550.00	\$15,850.00	\$30,000.00
26	Age 70	\$1,559.00	\$5,200.00	\$19,050.00	\$30,000.00
31	Age 75\	\$1,559.00	\$4,150.00	\$21,900.00	\$30,000.00

* The Death Benefit during Policy Year 1 and 2 may be higher than shown. Please refer to the Death Benefit Calculation section on page 6 of the policy.

This is a term policy providing a death benefit prior to the Expiry Date as long as this policy is in force. At the Expiry Date the Death Benefit, Surrender Value and Reduced Paid-Up Insurance will be reduced to zero.

The above values are determined according to the Policy Values Section. Cash and paid up values are based on the 2001 CSO ultimate, age last birthday, sex-distinct, smoker composite, mortality table. We will furnish any values not shown above upon request. The method of computation of policy values has been filed with the insurance supervisory official in the State where the policy is delivered. None of the above figures include policy loans.

Reserve Interest Rate: 4%
Surrender Value Interest Rate: 5%
Reinstatement Interest Rate: 6%
Loan Interest Rate: 7%

DEFINITIONS

We, Our , the Company or Us refer to Fidelity Life Association, A Legal Reserve Life Insurance Company.

You or Your refer to the Policyowner of this policy. The Policyowner may be someone other than the Insured.

Insured is the person whose life is insured under this policy. The Insured is shown in the Policy Schedule.

Beneficiary is the person, persons or entity designated to receive the Death Benefit of this policy.

Any Beneficiary may be named an Irrevocable Beneficiary. An Irrevocable Beneficiary is one whose consent is needed to change that Beneficiary. Also, an Irrevocable Beneficiary must consent to the exercise of certain rights under the policy. See Policyowner's Rights for exceptions.

Policy Date is the date which this policy begins. This is the date from which policy anniversaries, Policy Years, policy months and premium due dates are determined. The Policy Date is shown in the Policy Schedule.

Policy Year is the period from the Policy Date to the first policy anniversary, or from one policy anniversary to the next. A Policy Year does not include the policy anniversary at the end of the policy year.

Initial Policy Period means the first two years during which the Death Benefit is reduced.

Expiry Date unless terminated earlier (because a premium was not paid), this policy will terminate on the latter of the policy anniversary following the Insured's 80th birthday, or the 25th policy anniversary.

Death Benefit is the amount payable to the Beneficiary. The Death Benefit calculations are explained on page 6.

Face Amount is the amount of insurance on which premium calculations are made.

Policyowner is the person who owns this policy, as shown in Our records. The Policyowner may be someone other than the Insured.

Issue Date is used to determine the start of the suicide and contestability periods.

Lapse means the policy is not in force because a premium was not paid when due.

Net Surrender Value is the Surrender Value of this policy less any indebtedness.

POLICY PROVISIONS

Entire Contract

This policy is a legal contract between the Policyowner and Us. The entire contract consists of this policy, and any attached riders or endorsements, schedules, the attached application, applications for modifications in the policy and any attached supplemental applications. We have issued this policy in return for the application and the payment of premiums. All statements made by or for the Insured in the application are, in the absence of fraud, considered to be representations and not warranties. We can contest the validity of this policy for any material misrepresentation of a fact. To do so, however, the misrepresentation must have been made in the application and a copy of the application must have been attached to this policy when issued. Any change or waiver of its terms must be in writing and signed by Our President, Vice President, Secretary or an Assistant Secretary and endorsed on this policy to be effective.

Incontestability

Except for failure to pay premiums, We will not contest the validity of this policy after it has been in force for two years from its Issue Date, or after it has been in force for two years from the last reinstatement, if any.

Misstatement of Age or Gender

If the age or gender of the Insured has been misstated, the amount payable will be the amount that the premium paid would have purchased at the correct age and gender.

Suicide Exclusion

If the Insured commits suicide, while sane or insane, within two years from the Issue Date, and while this policy is in force, We will pay in one sum to the Beneficiary, the amount of premiums paid for this policy.

Policyowner's Rights

While the Insured is living, the Policyowner may exercise all rights given by this policy or allowed by Us. These rights include assigning this policy, changing Beneficiaries, changing ownership, enjoying all policy benefits and exercising all policy options.

The consent of any Irrevocable Beneficiary is needed to exercise any policy right except the right to:

- a. Change the frequency of premium payments, or;
- b. Reinstate this policy after Lapse.

Assignment

You may assign this policy. For any assignment to be binding on Us, We must receive the original Assignment, or a signed certified copy at Our Home Office and it must be recorded by Us. Once We receive the original Assignment, or a signed certified copy, the rights of the Policyowner and the interest of any Beneficiary or any other person will be subject to the assignment. We will not be responsible for the validity of any assignment. We are not liable for any payment made by Us before We record the assignment.

Change of Policyowner or Beneficiary

The Policyowner or any Beneficiary may be changed during the Insured's lifetime. We do not limit the number of changes that may be made. To make a change, a written request satisfactory to Us, must be received at Our Home Office. The change will take effect as of the date the request is signed, even if the Insured dies before We receive it. Each change will be subject to any payment We made or other action We took before receiving the request.

Death of Beneficiary in Common Disaster

If any Beneficiary dies with the Insured in a common disaster, Death Benefits will be paid as if the Beneficiary predeceased the Insured.

PREMIUM PAYMENTS

Payment of Premiums

Premiums are payable annually in advance to the greater of the policy anniversary following the Insured's 80th birthday or the 25th policy anniversary. Other modes of payment are available at the discretion of the Company. The first premium is due on the Policy Date. Each premium after the first one is payable at Our Home Office. Upon request, We will provide You with a written receipt. Each subsequent premium is due when the period covered by the preceding premium ends.

Grace Period

After the first premium has been paid, We allow a 31 day Grace Period to pay each subsequent premium. During this Grace Period the policy remains in full force. If the Insured dies during the Grace Period, We will deduct the unpaid premium from the benefits of this policy.

Lapse

If a premium is not paid by the end of the Grace Period, the policy will Lapse without value and no further premium payments may be made.

Reinstatement

This policy may be reinstated, while the Insured is alive, at any time within three years after the date of Lapse. However, the policy cannot be reinstated on or after the Expiry Date.

If the premium due is paid within 60 days of the due date (within 29 days after the end of the Grace Period) and during the lifetime of the Insured, the policy will be reinstated without evidence of insurability.

If the premium due is not paid within 60 days of the due date (within 29 days after the end of the Grace Period) Reinstatement will be subject to evidence of insurability satisfactory to Us. All overdue premiums must be paid with interest from their due dates to the date of reinstatement. Interest will be at the Policy Reinstatement Rate shown on page 3a, compounded annually to the date of reinstatement.

Non-Payment of Premium Options

If the premium due is not paid by the end of the Grace Period the policy will Lapse. If the policy has no Surrender Value it will terminate without value. If this policy has a Surrender Value on the date of Lapse the Policyowner may choose one of the following options:

1. Reduced Paid-Up insurance; or
2. Automatic Premium Loan; or
3. Single Cash Payment of the Net Surrender Value.

If the Automatic Premium Loan has not been previously elected and the Policyowner does not make a written selection within 60 days after the date of Lapse, We will apply the Reduced Paid-Up provision.

THE DEATH BENEFIT

Subject to a written claim form, as furnished by Us and surrender of the Policy We will pay the Death Benefit within 30 days of when We receive due proof at Our Home Office that the Insured died while the policy was in force. If payment is delayed for 30 days or more, we will pay you interest at a rate of at least 8% a year on the amount we owe you.

Death Benefit Calculations

In any Policy Year, the amount of the Death Benefit will be:

- (a) the Death Benefit in effect on the Insured's life; plus
- (b) the premium paid beyond the date of death; plus
- (c) interest, not less than required by law, from the Insured's date of death until the payment date;
minus
- (d) any indebtedness under the policy; minus
- (e) any unpaid premium due and unpaid at the date of death.

Payment of Proceeds – Settlement of the Death Benefit shall be made by payment in one sum.

The proceeds are subject to any adjustments provided in the Misstatement of Age or Gender, Incontestability and Suicide provisions.

Death of Beneficiary

If any Beneficiary predeceases the Insured the portion of the proceeds that would have gone to that Beneficiary shall be paid to the Estate of the Insured.

Multiple Beneficiaries

If there is more than one Beneficiary, proceeds shall be divided equally among the beneficiaries unless the Beneficiary designation specifies the amount to be paid to each Beneficiary.

POLICY LOANS

Policy Loans

The Policyowner may, by written request, borrow, **on the sole security of the policy**, the available Surrender Value of this policy. **The minimum cash loan is \$100.00. There is no minimum if the loan is to pay a premium due.** We have the right to postpone payment of the loan for up to 6 months unless the loan is to pay a premium due.

After 3 full years' premiums have been paid and after the policy has a Surrender Value and while no premium is in default beyond the Grace Period for payment We will advance, on proper assignment or pledge of the Policy and on the sole security thereof, at rate of interest shown in the Policy Schedule, an amount equal to or, at the option of the party entitled thereto, less than the Loan Value of the policy.

Loan Value

The Loan Value of the Policy shall be at least equal to the Surrender Value at the end of the then current Policy Year, provided that the insurer may deduct, either from such Loan Value or from the proceeds of the loan, any existing indebtedness not already deducted in determining such Surrender Value including any interest then accrued but not due, any unpaid balance of the premium for the current Policy Year, and interest on the loan to the end of the current Policy Year.

You may borrow up to Your policy's loan value. This value will be equal to:

- the policy's Surrender Value; less
- interest to the end of the Policy Year on the Surrender Value; less
- any Amount You already Owe Us with interest accrued to the end of the Policy Year; less
- any premium due and unpaid.

Rate of Interest

The interest rate for policy loans is shown in the Policy Schedule. Interest is payable in advance on each policy anniversary and annually in advance on each policy anniversary thereafter. If You do not pay the interest when it is due, the unpaid interest will be added to the policy loan.

Automatic Premium Loan

If any premium is unpaid at the end of the Grace Period an amount equal to the premium due will be automatically charged as a Policy Loan. If there is insufficient Surrender Value to pay the actual premium due an amount equal to the next lower modal premium due will be charged. If there is insufficient value to pay at least one monthly premium the policy will be continued for the number of days the actual Surrender Value will purchase. The automatic premium loan may be elected by the Policyowner. If premium is paid automatically by charging it against the policy's loan value which is derived from the Net Surrender Value of the policy, We will mail the notice of the amount of the loan and the loan interest rate to the Policyowner, and any assignee of record, to the last known address in Our file. The notice will be mailed no later than 30 days after the end of the Grace Period of the premium paid by loan.

Repayment

If this policy is in force the loan may be repaid in full or in part at any time while the Insured is alive. The loan may also be repaid within 60 days after the Insured's death, if We have not paid any of the benefits under this policy. Any loan repayment, other than the balance due, must meet Our minimum amount rules then in effect.

This policy will remain in force unless the indebtedness equals or exceeds the Surrender Value of this policy. If termination occurs due to excessive debt, We will provide the Policyowner and any assignee of record a notice of termination no later than 30 days prior to the date of termination. In such case, the policy will terminate 31 days after We mail the notice of termination to the Policyowner, and any assignee of record, to the last known address in Our file.

POLICY VALUES

Reduced Paid-Up Insurance

Provided there is sufficient Net Surrender Value to purchase at least \$1,000 of level Death Benefit based on the Insured's age at the time of Lapse, the policy will be continued as Reduced Paid-Up insurance. Otherwise the Automatic Premium Loan provision will apply.

Policy Surrender

The Policyowner may request that the policy be surrendered for value. This will terminate the policy and it may not be reinstated. The Policyowner must make such request in writing and must return the policy to Us. We have the right to postpone payment of the Surrender Value for up to 6 months. If payment is delayed for 30 days or more, We will pay You interest at a rate of at least 2.5% a year on the amount We owe You.

The Surrender Value of the policy, within 60 days after the due date of the unpaid premium, is the same as on the due date. If the request to surrender is made more than 60 days after the due date, and the policy had been continued as Reduced Paid-Up, the Surrender Value will be equal to the net single premium for that insurance. The Surrender Value of Reduced Paid-Up insurance which is surrendered within 30 days after a policy anniversary will be at least equal to that anniversary value.

When the policy is surrendered, the proceeds will be the Net Surrender Value. The Surrender Value within a Policy Year is adjusted for Lapse of time and premiums paid for any portion of the Policy Year.

Basis of Values

Surrender Values, net single premiums, and policy reserves are computed to be equal to or greater than the minimum required by the law of the State in which this policy is delivered. A detailed statement of the method of computing nonforfeiture values has been filed with that State.

All nonforfeiture values, present values, and net single premiums for this policy are based on the mortality table shown on page 3a. Calculations take into account the gender and age of the Insured and assume that premiums are paid annually and that Death Benefits are payable uniformly throughout the Policy Year. Any additional benefits provided by riders attached to this policy shall be excluded from these calculations.

The amount of Reduced Paid-Up insurance shall be such that the present value of the guaranteed benefits computed on the same basis as described above shall be equal to the cash Surrender Value.

Schedule of Guaranteed Values

The Schedule of Guaranteed Values shows the guaranteed values for this policy on the assumption that premiums have been fully paid in cash for the completed years stated.

If premiums on this policy are paid other than annually, adjustments will be made in calculating values for that portion of the Policy Year for which premiums were actually paid. These values will be decreased if there is any outstanding loan balance.

Guaranteed Surrender values for the end of any Policy Year not shown in the table will be furnished upon written request to the Home Office.

**GRADED DEATH BENEFIT TERM LIFE
INSURANCE POLICY**

This is a Non-Participating Policy

Fidelity Life Association, A Legal Reserve Life Insurance Company

1211 West 22nd Street, Suite 209

Oak Brook, IL 60523

Tel 800.369.3990

Fax 866.375.8175



Established 1896

GRADED DEATH BENEFIT TERM LIFE INSURANCE POLICY

This is a Non-Participating Policy

Fidelity Life Association will pay the Death Benefit of this policy if the Insured dies while the policy is in force. The Death Benefit will be paid to the Beneficiary when due proof of the Insured's death is received at Our Home Office. The Company will also require the completion of its claims forms. We have issued this policy in consideration of the application and the payment of premium. All benefits are subject to the terms and conditions of this policy.

For service or information on this policy, contact the agent who sold the policy or Our Home Office.

Right to Examine Policy: We want You to be satisfied with Your policy. The Policyowner may, within **30** days after it is delivered, return the policy to Our Home Office or to the agent who sold the policy and will receive a full refund of any premiums that have been paid. Once returned, the policy will be void from its beginning.

Read this policy carefully. This policy is a legal contract between the Policyowner and Us. The entire contract consists of this policy, and any attached riders or endorsements, schedules, the attached written application, and any attached supplemental written applications.

Issued and signed by Fidelity Life Association at its Home Office.

Handwritten signature of Mark A. Wray in cursive.

Secretary

Handwritten signature of Pamela D. Smith in cursive.

President

Graded Death Benefit Term Life Insurance.

The Policy provides:

- Increasing Death Benefit during the Initial Period.
- Level Death Benefit during Policy Years three through thirty, Guaranteed Death Benefit is reduced in Policy Years 31 and beyond.
- Level Guaranteed Premiums for the life of the policy.
- Benefits expire on the latter of the policy anniversary following the Insured's 80th birthday, or the 35th policy anniversary.
- This policy is not eligible for annual dividends.

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To file a claim or to ask a question You may contact the agent who sold You this policy or You may contact Our Policyowner Service department at the address or numbers given above or on the web at:

www.fidelitylife.com

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Any Riders and Endorsements and a Copy of the Application for the Policy, Follow Page 8

POLICY SCHEDULE

Policy Number:	123456789	Face Amount:	\$50,000
Insured:	John Franklin Butterfield	Gender and Age:	Male 45
Policyowner:	Mary Wanda Butterfield	Policy Date:	September 12, 2008
Issue Date:	September 10, 2008	Expiry Date:	September 12, 2043

Policy Description: Modified Death Benefit Term Life Insurance

Beneficiary: As stated in the application or as subsequently changed.

Total Annual Premium: \$1,819.00*

Premium Class: Standard

Annual Policy Premiums

* The Total Annual Premium shown above includes the [\$50.00] annual Policy Fee and the premium for any riders, which may be attached to this Policy. The Annual Premium is guaranteed not to increase for the policy duration.

Benefits And Premiums

	Annual Premium	Years Payable
Base Policy, including the Policy Fee	\$1,819.00	35
Accelerated Death Benefit	\$0.00	n/a
Total Initial Annual Premium	\$1,819.00	

<u>Death Benefit</u>	<u>Non-Accidental Death</u>	<u>Special Accidental Death Benefit</u>
Policy Year 1	\$ 2,800.00	Policy Year 1 \$47,200.00
Policy Year 2	\$ 5,900.00	Policy Year 2 \$44,100.00
Policy Years 3 to 30	\$50,000.00	Policy Years 3 and higher \$0.00
Policy Years 31 and higher	See Schedule of Guaranteed Death Benefit Amounts on page 3a.	

Premium Payment Options

You have selected a payment mode of [semiannual]. [Semiannual] premiums equal your annual premium multiplied by a guaranteed modal factor of [0.52]. Changes to your current payment mode must be requested in writing to Us. Changes in mode, other than to annual mode, will be subject to modal factors and availability as determined by Company rules at the time of the request. Premiums are due and payable on each due date or You risk voluntary termination or reduced benefits.

SCHEDULE OF GUARANTEED VALUES

Policy Number: 123456789	Effective Date: September 12, 2008
Insured: John Franklin Butterfield	Expiry Date: September 12, 2043

Policy Year	Attained Age	Annual Premium (Includes Riders)	Surrender Value	Reduced Paid-Up Insurance	Death Benefit
1	45	\$1,819.00	\$ -	\$ -	\$ 2,800.00*
2	46	\$1,819.00	\$ 50.00	\$ 300.00	\$ 5,900.00*
3	47	\$1,819.00	\$ 450.00	\$ 2,450.00	\$50,000.00
4	48	\$1,819.00	\$ 900.00	\$ 4,650.00	\$50,000.00
5	49	\$1,819.00	\$1,300.00	\$ 6,500.00	\$50,000.00
6	50	\$1,819.00	\$1,750.00	\$ 8,450.00	\$50,000.00
7	51	\$1,819.00	\$2,200.00	\$10,300.00	\$50,000.00
8	52	\$1,819.00	\$2,650.00	\$12,000.00	\$50,000.00
9	53	\$1,819.00	\$3,100.00	\$13,650.00	\$50,000.00
10	54	\$1,819.00	\$3,550.00	\$15,150.00	\$50,000.00
11	55	\$1,819.00	\$4,000.00	\$16,600.00	\$50,000.00
12	56	\$1,819.00	\$4,450.00	\$18,000.00	\$50,000.00
13	57	\$1,819.00	\$4,850.00	\$19,100.00	\$50,000.00
14	58	\$1,819.00	\$5,300.00	\$20,400.00	\$50,000.00
15	59	\$1,819.00	\$5,700.00	\$21,450.00	\$50,000.00
16	60	\$1,819.00	\$6,050.00	\$22,300.00	\$50,000.00
17	61	\$1,819.00	\$6,450.00	\$23,350.00	\$50,000.00
18	62	\$1,819.00	\$6,750.00	\$24,100.00	\$50,000.00
19	63	\$1,819.00	\$7,000.00	\$24,700.00	\$50,000.00
20	64	\$1,819.00	\$7,250.00	\$25,350.00	\$50,000.00
21	Age 65	\$1,819.00	\$7,400.00	\$25,800.00	\$50,000.00
26	Age 70	\$1,819.00	\$7,050.00	\$25,800.00	\$50,000.00
31	Age 75\	\$1,819.00	\$3,850.00	\$20,300.00	\$30,000.00

* The Death Benefit during Policy Year 1 and 2 may be higher than shown. Please refer to the Death Benefit Calculation section on page 6 of the policy.

This is a term policy providing a death benefit prior to the Expiry Date as long as this policy is in force. At the Expiry Date the Death Benefit, Surrender Value and Reduced Paid-Up Insurance will be reduced to zero.

The above values are determined according to the Policy Values Section. Cash and paid up values are based on the 2001 CSO ultimate, age last birthday, sex-distinct, smoker composite, mortality table. We will furnish any values not shown above upon request. The method of computation of policy values has been filed with the insurance supervisory official in the State where the policy is delivered. None of the above figures include policy loans.

Reserve Interest Rate: 4%
Surrender Value Interest Rate: 5%
Reinstatement Interest Rate: 6%
Loan Interest Rate: 7%

DEFINITIONS

We, Our , the Company or Us refer to Fidelity Life Association, A Legal Reserve Life Insurance Company.

You or Your refer to the Policyowner of this policy. The Policyowner may be someone other than the Insured.

Insured is the person whose life is insured under this policy. The Insured is shown in the Policy Schedule.

Beneficiary is the person, persons or entity designated to receive the Death Benefit of this policy.

Any Beneficiary may be named an Irrevocable Beneficiary. An Irrevocable Beneficiary is one whose consent is needed to change that Beneficiary. Also, an Irrevocable Beneficiary must consent to the exercise of certain rights under the policy. See Policyowner's Rights for exceptions.

Policy Date is the date which this policy begins. This is the date from which policy anniversaries, Policy Years, policy months and premium due dates are determined. The Policy Date is shown in the Policy Schedule.

Policy Year is the period from the Policy Date to the first policy anniversary, or from one policy anniversary to the next. A Policy Year does not include the policy anniversary at the end of the policy year.

Initial Policy Period means the first two years during which the Death Benefit is reduced.

Expiry Date unless terminated earlier (because a premium was not paid), this policy will terminate on the latter of the policy anniversary following the Insured's 80th birthday, or the 35th policy anniversary.

Death Benefit is the amount payable to the Beneficiary. The Death Benefit calculations are explained on page 6.

Face Amount is the amount of insurance on which premium calculations are made.

Policyowner is the person who owns this policy, as shown in Our records. The Policyowner may be someone other than the Insured.

Issue Date is used to determine the start of the suicide and contestability periods.

Lapse means the policy is not in force because a premium was not paid when due.

Net Surrender Value is the Surrender Value of this policy less any indebtedness.

POLICY PROVISIONS

Entire Contract

This policy is a legal contract between the Policyowner and Us. The entire contract consists of this policy, and any attached riders or endorsements, schedules, the attached application, applications for modifications in the policy and any attached supplemental applications. We have issued this policy in return for the application and the payment of premiums. All statements made by or for the Insured in the application are, in the absence of fraud, considered to be representations and not warranties. We can contest the validity of this policy for any material misrepresentation of a fact. To do so, however, the misrepresentation must have been made in the application and a copy of the application must have been attached to this policy when issued. Any change or waiver of its terms must be in writing and signed by Our President, Vice President, Secretary or an Assistant Secretary and endorsed on this policy to be effective.

Incontestability

Except for failure to pay premiums, We will not contest the validity of this policy after it has been in force for two years from its Issue Date, or after it has been in force for two years from the last reinstatement, if any.

Misstatement of Age or Gender

If the age or gender of the Insured has been misstated, the amount payable will be the amount that the premium paid would have purchased at the correct age and gender.

Suicide Exclusion

If the Insured commits suicide, while sane or insane, within two years from the Issue Date, and while this policy is in force, We will pay in one sum to the Beneficiary, the amount of premiums paid for this policy.

Policyowner's Rights

While the Insured is living, the Policyowner may exercise all rights given by this policy or allowed by Us. These rights include assigning this policy, changing Beneficiaries, changing ownership, enjoying all policy benefits and exercising all policy options.

The consent of any Irrevocable Beneficiary is needed to exercise any policy right except the right to:

- a. Change the frequency of premium payments, or;
- b. Reinstate this policy after Lapse.

Assignment

You may assign this policy. For any assignment to be binding on Us, We must receive the original Assignment, or a signed certified copy at Our Home Office and it must be recorded by Us. Once We receive the original Assignment, or a signed certified copy, the rights of the Policyowner and the interest of any Beneficiary or any other person will be subject to the assignment. We will not be responsible for the validity of any assignment. We are not liable for any payment made by Us before We record the assignment.

Change of Policyowner or Beneficiary

The Policyowner or any Beneficiary may be changed during the Insured's lifetime. We do not limit the number of changes that may be made. To make a change, a written request satisfactory to Us, must be received at Our Home Office. The change will take effect as of the date the request is signed, even if the Insured dies before We receive it. Each change will be subject to any payment We made or other action We took before receiving the request.

Death of Beneficiary in Common Disaster

If any Beneficiary dies with the Insured in a common disaster, Death Benefits will be paid as if the Beneficiary predeceased the Insured.

PREMIUM PAYMENTS

Payment of Premiums

Premiums are payable annually in advance to the greater of the policy anniversary following the Insured's 80th birthday or the 35th policy anniversary. Other modes of payment are available at the discretion of the Company. The first premium is due on the Policy Date. Each premium after the first one is payable at Our Home Office. Upon request, We will provide You with a written receipt. Each subsequent premium is due when the period covered by the preceding premium ends.

Grace Period

After the first premium has been paid, We allow a 31 day Grace Period to pay each subsequent premium. During this Grace Period the policy remains in full force. If the Insured dies during the Grace Period, We will deduct the unpaid premium from the benefits of this policy.

Lapse

If a premium is not paid by the end of the Grace Period, the policy will Lapse without value and no further premium payments may be made.

Reinstatement

This policy may be reinstated, while the Insured is alive, at any time within three years after the date of Lapse. However, the policy cannot be reinstated on or after the Expiry Date.

If the premium due is paid within 60 days of the due date (within 29 days after the end of the Grace Period) and during the lifetime of the Insured, the policy will be reinstated without evidence of insurability.

If the premium due is not paid within 60 days of the due date (within 29 days after the end of the Grace Period) Reinstatement will be subject to evidence of insurability satisfactory to Us. All overdue premiums must be paid with interest from their due dates to the date of reinstatement. Interest will be at the Policy Reinstatement Rate shown on page 3a, compounded annually to the date of reinstatement.

Non-Payment of Premium Options

If the premium due is not paid by the end of the Grace Period the policy will Lapse. If the policy has no Surrender Value it will terminate without value. If this policy has a Surrender Value on the date of Lapse the Policyowner may choose one of the following options:

1. Reduced Paid-Up insurance; or
2. Automatic Premium Loan; or
3. Single Cash Payment of the Net Surrender Value.

If the Automatic Premium Loan has not been previously elected and the Policyowner does not make a written selection within 60 days after the date of Lapse, We will apply the Reduced Paid-Up provision.

THE DEATH BENEFIT

Subject to a written claim form, as furnished by Us and surrender of the Policy We will pay the Death Benefit within 30 days of when We receive due proof at Our Home Office that the Insured died while the policy was in force. If payment is delayed for 30 days or more, we will pay you interest at a rate of at least 8% a year on the amount we owe you.

Death Benefit Calculations

In any Policy Year, the amount of the Death Benefit will be:

- (a) the Death Benefit in effect on the Insured's life; plus
- (b) the premium paid beyond the date of death; plus
- (c) interest, not less than required by law, from the Insured's date of death until the payment date;
minus
- (d) any indebtedness under the policy; minus
- (e) any unpaid premium due and unpaid at the date of death.

Payment of Proceeds – Settlement of the Death Benefit shall be made by payment in one sum.

The proceeds are subject to any adjustments provided in the Misstatement of Age or Gender, Incontestability and Suicide provisions.

Death of Beneficiary

If any Beneficiary predeceases the Insured the portion of the proceeds that would have gone to that Beneficiary shall be paid to the Estate of the Insured.

Multiple Beneficiaries

If there is more than one Beneficiary, proceeds shall be divided equally among the beneficiaries unless the Beneficiary designation specifies the amount to be paid to each Beneficiary.

POLICY LOANS

Policy Loans

The Policyowner may, by written request, borrow, **on the sole security of the policy**, the available Surrender Value of this policy. **The minimum cash loan is \$100.00. There is no minimum if the loan is to pay a premium due.** We have the right to postpone payment of the loan for up to 6 months unless the loan is to pay a premium due.

After 3 full years' premiums have been paid and after the policy has a Surrender Value and while no premium is in default beyond the Grace Period for payment We will advance, on proper assignment or pledge of the Policy and on the sole security thereof, at rate of interest shown in the Policy Schedule, an amount equal to or, at the option of the party entitled thereto, less than the Loan Value of the policy.

Loan Value

The Loan Value of the Policy shall be at least equal to the Surrender Value at the end of the then current Policy Year, provided that the insurer may deduct, either from such Loan Value or from the proceeds of the loan, any existing indebtedness not already deducted in determining such Surrender Value including any interest then accrued but not due, any unpaid balance of the premium for the current Policy Year, and interest on the loan to the end of the current Policy Year.

You may borrow up to Your policy's loan value. This value will be equal to:

- the policy's Surrender Value; less
- interest to the end of the Policy Year on the Surrender Value; less
- any Amount You already Owe Us with interest accrued to the end of the Policy Year; less
- any premium due and unpaid.

Rate of Interest

The interest rate for policy loans is shown in the Policy Schedule. Interest is payable in advance on each policy anniversary and annually in advance on each policy anniversary thereafter. If You do not pay the interest when it is due, the unpaid interest will be added to the policy loan.

Automatic Premium Loan

If any premium is unpaid at the end of the Grace Period an amount equal to the premium due will be automatically charged as a Policy Loan. If there is insufficient Surrender Value to pay the actual premium due an amount equal to the next lower modal premium due will be charged. If there is insufficient value to pay at least one monthly premium the policy will be continued for the number of days the actual Surrender Value will purchase. The automatic premium loan may be elected by the Policyowner. If premium is paid automatically by charging it against the policy's loan value which is derived from the Net Surrender Value of the policy, We will mail the notice of the amount of the loan and the loan interest rate to the Policyowner, and any assignee of record, to the last known address in Our file. The notice will be mailed no later than 30 days after the end of the Grace Period of the premium paid by loan.

Repayment

If this policy is in force the loan may be repaid in full or in part at any time while the Insured is alive. The loan may also be repaid within 60 days after the Insured's death, if We have not paid any of the benefits under this policy. Any loan repayment, other than the balance due, must meet Our minimum amount rules then in effect.

This policy will remain in force unless the indebtedness equals or exceeds the Surrender Value of this policy. If termination occurs due to excessive debt, We will provide the Policyowner and any assignee of record a notice of termination no later than 30 days prior to the date of termination. In such case, the policy will terminate 31 days after We mail the notice of termination to the Policyowner, and any assignee of record, to the last known address in Our file.

POLICY VALUES

Reduced Paid-Up Insurance

Provided there is sufficient Net Surrender Value to purchase at least \$1,000 of level Death Benefit based on the Insured's age at the time of Lapse, the policy will be continued as Reduced Paid-Up insurance. Otherwise the Automatic Premium Loan provision will apply.

Policy Surrender

The Policyowner may request that the policy be surrendered for value. This will terminate the policy and it may not be reinstated. The Policyowner must make such request in writing and must return the policy to Us. We have the right to postpone payment of the Surrender Value for up to 6 months. If payment is delayed for 30 days or more, We will pay You interest at a rate of at least 2.5% a year on the amount We owe You.

The Surrender Value of the policy, within 60 days after the due date of the unpaid premium, is the same as on the due date. If the request to surrender is made more than 60 days after the due date, and the policy had been continued as Reduced Paid-Up, the Surrender Value will be equal to the net single premium for that insurance. The Surrender Value of Reduced Paid-Up insurance which is surrendered within 30 days after a policy anniversary will be at least equal to that anniversary value.

When the policy is surrendered, the proceeds will be the Net Surrender Value. The Surrender Value within a Policy Year is adjusted for Lapse of time and premiums paid for any portion of the Policy Year.

Basis of Values

Surrender Values, net single premiums, and policy reserves are computed to be equal to or greater than the minimum required by the law of the State in which this policy is delivered. A detailed statement of the method of computing nonforfeiture values has been filed with that State.

All nonforfeiture values, present values, and net single premiums for this policy are based on the mortality table shown on page 3a. Calculations take into account the gender and age of the Insured and assume that premiums are paid annually and that Death Benefits are payable uniformly throughout the Policy Year. Any additional benefits provided by riders attached to this policy shall be excluded from these calculations.

The amount of Reduced Paid-Up insurance shall be such that the present value of the guaranteed benefits computed on the same basis as described above shall be equal to the cash Surrender Value.

Schedule of Guaranteed Values

The Schedule of Guaranteed Values shows the guaranteed values for this policy on the assumption that premiums have been fully paid in cash for the completed years stated.

If premiums on this policy are paid other than annually, adjustments will be made in calculating values for that portion of the Policy Year for which premiums were actually paid. These values will be decreased if there is any outstanding loan balance.

Guaranteed Surrender values for the end of any Policy Year not shown in the table will be furnished upon written request to the Home Office.

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