

|                                 |  |                               |                             |
|---------------------------------|--|-------------------------------|-----------------------------|
| <i>SERFF Tracking Number:</i>   | <i>PRTA-125718220</i>                          | <i>State:</i>                 | <i>Arkansas</i>             |
| <i>Filing Company:</i>          | <i>Protective Life Insurance Company</i>       | <i>State Tracking Number:</i> | <i>39524</i>                |
| <i>Company Tracking Number:</i> | <i>PL BOLIHBY</i>                              |                               |                             |
| <i>TOI:</i>                     | <i>L09I Individual Life - Flexible Premium</i> | <i>Sub-TOI:</i>               | <i>L09I.001 Single Life</i> |
|                                 | <i>Adjustable Life</i>                         |                               |                             |
| <i>Product Name:</i>            | <i>PL BOLIHBY</i>                              |                               |                             |
| <i>Project Name/Number:</i>     | <i>PL BOLIHBY/PB-02 9-08</i>                   |                               |                             |

## Filing at a Glance

Company: Protective Life Insurance Company

Product Name: PL BOLIHBY

SERFF Tr Num: PRTA-125718220 State: ArkansasLH

TOI: L09I Individual Life - Flexible Premium

SERFF Status: Closed

State Tr Num: 39524

Adjustable Life

Sub-TOI: L09I.001 Single Life

Co Tr Num: PL BOLIHBY

State Status: Approved-Closed

Filing Type: Form

Co Status:

Reviewer(s): Linda Bird

Author: Laura Jackson

Disposition Date: 07/08/2008

Date Submitted: 07/03/2008

Disposition Status: Approved

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name: PL BOLIHBY

Status of Filing in Domicile: Pending

Project Number: PB-02 9-08

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments: Submitted to Tennessee concurrently.

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact:

Group Market Type:

Filing Status Changed: 07/08/2008

State Status Changed: 07/08/2008

Deemer Date:

Corresponding Filing Tracking Number: PRTA-125718255

Filing Description:

This filing is identical to SERFF submission PRTA-125718255 for West Coast Life Insurance Company.

The above referenced forms are being submitted for filing review and prior approval, as appropriate. These are new forms that will not replace any forms currently in use by the Company. This filing does not contain any unusual or controversial provisions.

*SERFF Tracking Number:* PRTA-125718220      *State:* Arkansas  
*Filing Company:* Protective Life Insurance Company      *State Tracking Number:* 39524  
*Company Tracking Number:* PL BOLIHYB  
*TOI:* L09I Individual Life - Flexible Premium      *Sub-TOI:* L09I.001 Single Life  
Adjustable Life  
*Product Name:* PL BOLIHYB  
*Project Name/Number:* PL BOLIHYB/PB-02 9-08

The forms are for use in the Bank Owned or Corporate Owned life insurance market only. This is a universal life product with fixed (non-variable) separate accounts.

This policy is similar to PB-01-AR 6-08, which was approved by your Department under State Tracking number 39251 (SERFF Tracking number PRTA-125689582). A side-by-side comparison is included showing the addition of the fixed separate account information.

The applications and consent forms used to apply for this product are either PB-APP-RI-01 6/08 and PB-C-RI-01 6/08 or PB-APP-GI-01 6/08 and PB-C-GI-01 6/08, which were approved by your Department with the previously mentioned policy form.

Endorsement form PB-E01 6-08 (Limited Waiver of Surrender Charge Endorsement) will be attached to each policy. It was also included in the filing referenced above. There will be no optional riders available with this product.

This product will be illustrated.

The applicable Actuarial Memorandum has been included.

The forms are submitted in final print, just as they will be delivered to contract owners. The company reserves the right at any time to make minor non-material format changes including, but not limited to: paper stock, type face (but not font size) and page layout that become unavoidably necessary as a result of computer hardware and/or software upgrades and print technology changes. We certify that any necessary format changes will not affect the specific content of the approved forms.

This filing is being filed concurrently in our domiciliary state, Tennessee.

## **Company and Contact**

### **Filing Contact Information**

Laura Jackson, Policy Contract Filing Specialist [laura.jackson@protective.com](mailto:laura.jackson@protective.com)

SERFF Tracking Number: PRTA-125718220 State: Arkansas  
Filing Company: Protective Life Insurance Company State Tracking Number: 39524  
Company Tracking Number: PL BOLIHYB  
TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life  
Adjustable Life  
Product Name: PL BOLIHYB  
Project Name/Number: PL BOLIHYB/PB-02 9-08

2801 Highway 280 South (800) 866-3555 [Phone]  
Birmingham, AL 35223 (205) 268-3401[FAX]

**Filing Company Information**

Protective Life Insurance Company CoCode: 68136 State of Domicile: Tennessee  
2801 Highway 280 Group Code: 458 Company Type:  
Birmingham, AL 35223 Group Name: State ID Number:  
(800) 866-3555 ext. [Phone] FEIN Number: 63-0169720  
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SERFF Tracking Number: PRTA-125718220 State: Arkansas  
Filing Company: Protective Life Insurance Company State Tracking Number: 39524  
Company Tracking Number: PL BOLIHYB  
TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life  
Adjustable Life  
Product Name: PL BOLIHYB  
Project Name/Number: PL BOLIHYB/PB-02 9-08

## Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation: \$50 per filing  
Per Company: No

| COMPANY                           | AMOUNT  | DATE PROCESSED | TRANSACTION # |
|-----------------------------------|---------|----------------|---------------|
| Protective Life Insurance Company | \$50.00 | 07/03/2008     | 21239729      |

SERFF Tracking Number: PRTA-125718220 State: Arkansas  
Filing Company: Protective Life Insurance Company State Tracking Number: 39524  
Company Tracking Number: PL BOLIHYB  
TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life  
Adjustable Life  
Product Name: PL BOLIHYB  
Project Name/Number: PL BOLIHYB/PB-02 9-08

## Correspondence Summary

### Dispositions

| Status   | Created By | Created On | Date Submitted |
|----------|------------|------------|----------------|
| Approved | Linda Bird | 07/08/2008 | 07/08/2008     |

*SERFF Tracking Number:* PRTA-125718220      *State:* Arkansas  
*Filing Company:* Protective Life Insurance Company      *State Tracking Number:* 39524  
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Adjustable Life  
*Product Name:* PL BOLIHYB  
*Project Name/Number:* PL BOLIHYB/PB-02 9-08

## **Disposition**

Disposition Date: 07/08/2008

Implementation Date:

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: PRTA-125718220 State: Arkansas  
 Filing Company: Protective Life Insurance Company State Tracking Number: 39524  
 Company Tracking Number: PL BOLIHYB  
 TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life  
 Adjustable Life  
 Product Name: PL BOLIHYB  
 Project Name/Number: PL BOLIHYB/PB-02 9-08

| Item Type           | Item Name   | Item Status | Public Access |
|---------------------|---|-------------|---------------|
| Supporting Document | Certification/Notice  |             | Yes           |
| Supporting Document | Application   |             | Yes           |
| Supporting Document | Health - Actuarial Justification  |             | No            |
| Supporting Document | Outline of Coverage   |             | No            |
| Supporting Document | Statement of Variability  |             | Yes           |
| Supporting Document | Policy Comparison   |             | Yes           |
| Supporting Document | Guaranty Association Notice   |             | Yes           |
| Supporting Document | Actuarial Memorandum  |             | No            |
| Form                | Flexible Premium Adjustable Life Insurance Policy   |             | Yes           |
| Form                | Supplement to Application – Corporate Owned Life Insurance – Initial Allocation of Premiums |             | Yes           |

SERFF Tracking Number: PRTA-125718220 State: Arkansas  
 Filing Company: Protective Life Insurance Company State Tracking Number: 39524  
 Company Tracking Number: PL BOLIHYB  
 TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life  
 Adjustable Life  
 Product Name: PL BOLIHYB  
 Project Name/Number: PL BOLIHYB/PB-02 9-08

## Form Schedule

Lead Form Number: PB-02-AR 9-08

| Review Status | Form Number   | Form Type                   | Form Name   | Action  | Action Specific Data | Readability | Attachment        |
|---------------|---------------|-----------------------------|---|---------|----------------------|-------------|-------------------|
|               | PB-02-AR 9-08 | Policy/Cont                 | Flexible Premium<br>ract/Fratern<br>al Insurance Policy<br>Certificate                                  | Initial |                      | 51          | PB-02-AR 9-08.pdf |
|               | PB-AP-01 9/08 | Application/Enrollment Form | Supplement to Application –<br>Corporate Owned<br>Life Insurance –<br>Initial Allocation of<br>Premiums | Initial |                      | 63          | PB-AP-01 9.08.pdf |



PROTECTIVE LIFE INSURANCE COMPANY / [P. O. BOX 193892/ SAN FRANCISCO, CA 94119-3892]  
A STOCK COMPANY STATE OF DOMICILE – [TENNESSEE] [(800-366-9378)]

**LIFE INSURANCE POLICY**

**INSURED** – [John Doe]

**POLICY NUMBER** – [PB000001]

**INSURING AGREEMENT**

This Policy is a legal contract between the Owner (also referred to as "You" or "Your") and Protective Life Insurance Company (also referred to as "the Company", "We", "Us", or "Our").

Subject to the terms of this Policy, We will pay the Death Benefit proceeds to the Beneficiary upon due proof that the Insured died while this Policy was in force.

**READ YOUR POLICY CAREFULLY**

The terms of this Policy are contained on this and the following pages.

**[30] DAY FREE LOOK**

**YOU HAVE THE RIGHT TO CANCEL THIS INSURANCE POLICY.** This Policy may be returned within [30] days of the day it was received by You if it is not entirely satisfactory. Simply return it to the agent who sold it to You or mail it to Our Administrative Office. We will then cancel the Policy as if it had never been in force and refund any premium that was paid.

[ *John D. Johns* ]

[John D. Johns]  
President

[ *Deborah J. Long* ]

[Deborah J. Long]  
Secretary

**FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE POLICY**

**Adjustable Death Benefit**

Flexible premiums payable during the life of the Insured until the Insured's Attained Age [95]

Non-Participating

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**POLICY SCHEDULE (continued)**

**POLICY NUMBER:** [SPECIMEN]

**MAXIMUM POLICY CHARGES & FEES**

**PREMIUM EXPENSE CHARGE** [[0%] OF EACH PREMIUM PAYMENT]  
**MONTHLY EXPENSE CHARGE** [[\$0.00] PER \$1,000 OF INITIAL FACE AMOUNT]  
**ADMINISTRATIVE CHARGE** [[\$0.00] PER MONTH]  
**PARTIAL SURRENDER FEE** [\$0.00]  
**PROJECTION REQUEST FEE** [\$50.00]

**MAXIMUM MONTHLY COST OF INSURANCE RATES**  
(PER \$1,000 OF NET AMOUNT AT RISK)

| <b>AGE</b> | <b>RATE</b> | <b>AGE</b> | <b>RATE</b> | <b>AGE</b> | <b>RATE</b> | <b>AGE</b> | <b>RATE</b> |
|------------|-------------|------------|-------------|------------|-------------|------------|-------------|
| 0          |             | 25         |             | 50         | [0.31333]   | 75         | [3.49250]   |
| 1          |             | 26         |             | 51         | [0.33833]   | 76         | [3.84000]   |
| 2          |             | 27         |             | 52         | [0.37250]   | 77         | [4.24333]   |
| 3          |             | 28         |             | 53         | [0.41083]   | 78         | [4.71333]   |
| 4          |             | 29         |             | 54         | [0.45833]   | 79         | [5.25500]   |
| 5          |             | 30         |             | 55         | [0.51416]   | 80         | [5.84500]   |
| 6          |             | 31         |             | 56         | [0.57333]   | 81         | [6.51583]   |
| 7          |             | 32         |             | 57         | [0.63666]   | 82         | [7.21166]   |
| 8          |             | 33         |             | 58         | [0.68916]   | 83         | [7.95916]   |
| 9          |             | 34         |             | 59         | [0.74916]   | 84         | [8.78583]   |
| 10         |             | 35         | [0.10083]   | 60         | [0.82166]   | 85         | [9.71416]   |
| 11         |             | 36         | [0.10666]   | 61         | [0.91166]   | 86         | [10.74250]  |
| 12         |             | 37         | [0.11166]   | 62         | [1.02083]   | 87         | [11.86250]  |
| 13         |             | 38         | [0.12000]   | 63         | [1.14250]   | 88         | [13.06083]  |
| 14         |             | 39         | [0.12833]   | 64         | [1.27000]   | 89         | [14.32333]  |
| 15         |             | 40         | [0.13750]   | 65         | [1.40416]   | 90         | [15.63833]  |
| 16         |             | 41         | [0.14916]   | 66         | [1.53916]   | 91         | [16.87000]  |
| 17         |             | 42         | [0.16333]   | 67         | [1.67416]   | 92         | [18.15250]  |
| 18         |             | 43         | [0.17916]   | 68         | [1.82083]   | 93         | [19.50333]  |
| 19         |             | 44         | [0.19916]   | 69         | [1.97000]   | 94         | [20.92833]  |
| 20         |             | 45         | [0.22083]   | 70         | [2.14750]   | 95+        | [0.00]      |
| 21         |             | 46         | [0.24166]   | 71         | [2.34583]   |            |             |
| 22         |             | 47         | [0.26416]   | 72         | [2.61000]   |            |             |
| 23         |             | 48         | [0.27750]   | 73         | [2.88500]   |            |             |
| 24         |             | 49         | [0.29333]   | 74         | [3.17333]   |            |             |

**MORTALITY BASIS:** [2001 COMMISSIONER'S STANDARD ORDINARY (CSO) RATES MALE OR FEMALE, AGE NEAREST BIRTHDAY, AGGREGATE SMOKER, AS APPLICABLE.]

**GUARANTEED INTEREST RATE:** [2.50%]

**POLICY SCHEDULE (continued)**

**POLICY NUMBER:** [SPECIMEN]

**SURRENDER CHARGE**

THIS TABLE SHOWS THE MAXIMUM SURRENDER CHARGES THAT APPLY TO THE INITIAL FACE AMOUNT DURING EACH OF THE FIRST [10] POLICY YEARS.

| <b>POLICY YEAR</b> | <b>SURRENDER CHARGE</b> | <b>POLICY YEAR</b> | <b>SURRENDER CHARGE</b> |
|--------------------|-------------------------|--------------------|-------------------------|
| 1                  | [\$2,650.00]            | 6                  | [\$1,825.00]            |
| 2                  | [2,575.00]              | 7                  | [1,350.00]              |
| 3                  | [2,525.00]              | 8                  | [1,025.00]              |
| 4                  | [2,475.00]              | 9                  | [750.00]                |
| 5                  | [1,425.00]              | 10                 | [575.00]                |
|                    |                         | 11+                | [0.00]                  |

SURRENDER CHARGES MAY BE WAIVED BY ENDORSEMENT.

**POLICY LOANS**

**LOAN INTEREST RATES:** THE ANNUAL EFFECTIVE LOAN INTEREST RATE APPLICABLE ON THE POLICY EFFECTIVE DATE IS: [5.50%]

**POLICY DEBT LIMIT:** [95%] OF CASH VALUE AT THE TIME OF THE LOAN REQUEST

**CORRIDOR PERCENTAGE**

THE CORRIDOR AMOUNT IS A PERCENTAGE OF THE POLICY VALUE AND IT IS APPLIED AS PRESCRIBED IN SECTION 7702 OF THE CODE. THE PERCENTAGE VARIES ACCORDING TO THE INSURED'S ATTAINED AGE AS SHOWN IN THE TABLE BELOW:

| <b>Age at Death</b> | <b>Corridor Percentage</b> |
|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|
| 20                  | [699.093%]                 | 39                  | [320.302%]                 | 58                  | [126.671%]                 | 77                  | [41.206%]                  |
| 21                  | [673.534%]                 | 40                  | [306.042%]                 | 59                  | [120.118%]                 | 78                  | [38.432%]                  |
| 22                  | [648.607%]                 | 41                  | [292.308%]                 | 60                  | [113.818%]                 | 79                  | [35.803%]                  |
| 23                  | [624.398%]                 | 42                  | [279.104%]                 | 61                  | [107.779%]                 | 80                  | [33.324%]                  |
| 24                  | [600.848%]                 | 43                  | [266.426%]                 | 62                  | [102.017%]                 | 81                  | [30.982%]                  |
| 25                  | [577.982%]                 | 44                  | [254.259%]                 | 63                  | [96.544%]                  | 82                  | [28.778%]                  |
| 26                  | [555.782%]                 | 45                  | [242.609%]                 | 64                  | [91.352%]                  | 83                  | [26.685%]                  |
| 27                  | [534.333%]                 | 46                  | [231.452%]                 | 65                  | [86.415%]                  | 84                  | [24.684%]                  |
| 28                  | [513.601%]                 | 47                  | [220.744%]                 | 66                  | [81.713%]                  | 85                  | [22.766%]                  |
| 29                  | [493.407%]                 | 48                  | [210.465%]                 | 67                  | [77.216%]                  | 86                  | [20.923%]                  |
| 30                  | [473.692%]                 | 49                  | [200.518%]                 | 68                  | [72.896%]                  | 87                  | [19.142%]                  |
| 31                  | [454.485%]                 | 50                  | [190.901%]                 | 69                  | [68.743%]                  | 88                  | [17.396%]                  |
| 32                  | [435.784%]                 | 51                  | [181.623%]                 | 70                  | [64.736%]                  | 89                  | [15.649%]                  |
| 33                  | [417.608%]                 | 52                  | [172.690%]                 | 71                  | [60.885%]                  | 90                  | [13.848%]                  |
| 34                  | [399.990%]                 | 53                  | [164.125%]                 | 72                  | [57.188%]                  | 91                  | [11.917%]                  |
| 35                  | [382.932%]                 | 54                  | [155.919%]                 | 73                  | [53.683%]                  | 92                  | [9.733%]                   |
| 36                  | [366.416%]                 | 55                  | [148.080%]                 | 74                  | [50.348%]                  | 93                  | [7.157%]                   |
| 37                  | [350.489%]                 | 56                  | [140.608%]                 | 75                  | [47.162%]                  | 94                  | [4.000%]                   |
| 38                  | [335.108%]                 | 57                  | [133.478%]                 | 76                  | [44.118%]                  | 95+                 | [0.000%]                   |

## PARTIES TO THE POLICY

**The Company:** Protective Life Insurance Company.

**Owner:** The person, persons or entity, such as but not limited to a business, corporation or trust (an "Entity"), named as Owner of the Policy in Our records. The Owner is entitled to exercise all rights and privileges provided by this Policy.

**Insured:** The person whose life this Policy insures.

**Beneficiary:** The person, persons or Entity designated by the Owner to receive the Proceeds of this Policy upon the death of the Insured.

Primary - The Primary Beneficiary is the person, persons or Entity designated by the Owner and named in Our records.

Contingent - The Contingent Beneficiary is the person, persons or Entity designated by the Owner and named in Our records to be the Beneficiary if there is no Primary Beneficiary, or if the Primary Beneficiary is not living.

There may be one or more than one Beneficiary in a class. If one or more persons in a class die before the Insured, the surviving members of the class will share the Policy's Death Benefit equally unless otherwise instructed by the Owner.

You may change the Owner or Beneficiary, and may designate any Beneficiary as irrevocable. This may limit Your ability to change that designation in the future or make other Policy changes.

## DEFINITIONS

The terms below have specific meaning associated with them each time they are used in this Policy. Other terms may be defined elsewhere in this Policy and will have that meaning when they are used in this Policy.

**Administrative Office:** The location where administrative services for this Policy are performed.

**Attained Age:** The Attained Age is the Insured's age on the Policy Effective Date as of the [nearest/last] birthday, plus the number of complete years that have elapsed since the Policy Effective Date.

**Cash Value:** The Policy Value minus any applicable Surrender Charges.

**Code:** The Internal Revenue Code of 1986, as amended or its successor.

**Face Amount:** The amount of basic insurance provided by this Policy, which does not include any additional benefits provided by any Rider or Endorsement. The initial Face Amount is shown in the Policy Schedule.

**Monthly Anniversary:** The same date as the Monthly Anniversary Date shown on the Policy Schedule in each subsequent month this Policy remains in force.

**Net Premium:** The premium payment less the Premium Expense Charge shown in the Policy Schedule.

**Policy Anniversary:** The same day in each Policy Year as the Policy Effective Date.

**Policy Debt:** The sum of all outstanding loans made against the Policy's Cash Value plus all accrued interest, less loan repayments made.

**Policy Effective Date:** The date on which the insurance coverage under this Policy takes effect.

**Policy Sub-Account:** An investment option into which Net Premium may be allocated or Policy Value transferred.

**Policy Sub-Account Value:** The value of a Policy Sub-Account attributable to this Policy.

**Policy Value:** The sum of all Policy Sub-Account Values.

**Policy Year:** The 12-month period commencing with the Policy Effective Date or any subsequent Policy Anniversary.

**Proceeds:** The amount payable upon claiming a Death Benefit or requesting a full Surrender, a Partial Withdrawal or Loan.

**Surrender Charge:** An amount shown in the Policy Schedule that will be charged by the Company upon a Surrender of the Policy.

**Surrender Value:** The Cash Value minus any outstanding Policy Debt.

## GENERAL PROVISIONS

**Entire Contract:** This Policy is a legal contract between You and Us. We entered into this contract in consideration of a complete application and the payment of premiums. The Policy, including all applications, both initial and supplemental, and all endorsements, amendments, riders and Policy Schedule, both initial and supplemental, are attached and constitute the entire agreement.

**Modification of the Contract:** No one is authorized to modify or waive any term or provision of this Policy unless We agree in writing and it is signed by Our President, Vice-President, or Secretary. We have the right, subject to regulatory approval, to modify the terms and provisions of this Policy to conform to any applicable laws, rules or regulations issued by a governmental agency, or to assure continued qualification of the Policy as a life insurance contract under the Code. We will send You a copy of any endorsement that modifies the Policy and will obtain all necessary consents.

**Representations and Contestability:** In determining whether to issue this Policy We relied upon the statements in the application made by and for the Insured. We acknowledge these statements are representations, not warranties. We have the right to contest the validity of this Policy or resist any claim based on a material misrepresentation in any application We accept and make a part of this Policy. However, We cannot bring any legal action to contest the validity of this Policy or to resist a claim after the Policy has been in force for two years during the life of this Insured, unless fraud is involved.

If We accept an application to change the Policy, add or change a benefit, or reinstate the Policy after it has lapsed and make the application part of this Policy, We cannot bring any legal action to contest the change, addition, or reinstatement after it has been in force for two years during the life of the Insured, unless fraud is involved.

**Error in Age [or Gender]:** If statements in an application regarding the Insured's age [or gender] are not correct, We will adjust the Death Benefit of the Policy to that which would have been provided at the correct age [or gender] using the ratio of the maximum cost of insurance rate from the most recent month to the maximum cost of insurance rate based on the correct age [and gender].

**Assignment:** The Owner may assign rights under this Policy while this Policy is in force. We must receive a signed copy of the assignment along with the written notice if the assignment is to be binding on Us. Any assignment will be subject to any amounts owed to Us before the assignment was recorded. We are not responsible for the validity of any assignment.

**Effective Date:** The Effective Date of coverage under this Policy will be as follows:

- a) For all coverage provided in the original application, the Effective Date will be the Policy Effective Date.
- b) For any decrease or addition to coverage, the Effective Date will be the Monthly Anniversary date that coincides with or next follows the date shown in the supplemental Policy Schedule.
- c) For any insurance that has been reinstated, the Effective Date will be the Monthly Anniversary date that coincides with or next follows the date the application for reinstatement is approved by Us.

**Tax Considerations:** On its Effective Date, this Policy qualified as life insurance under applicable sections of the Code. We have the right to modify the Policy to assure it continues to qualify as life insurance. If necessary to prevent it from failing to qualify as life insurance, We may:

- a) decline a premium payment; or
- b) decline a request to change the Death Benefit options; or
- c) decline to process a request for a Partial Withdrawal; or
- d) decline a request to reduce the Face Amount; or
- e) decline a request to add, modify or terminate any rider or benefit; or
- f) refund any premium We previously accepted, including earnings associated with the refunded premium, if any.

**Coverage Limitations:** Unless the health and other conditions of the Insured on the date this Policy, or any subsequent modification, is delivered to the Owner are the same as that indicated in the application, We reserve the right to cancel the Policy or modification, or re-evaluate the application and re-issue the Policy or modification with appropriate adjustments.

**Termination:** This Policy will terminate at the earliest of:

- a) the date that We receive Your written request to Surrender the Policy.
- b) the date that the Grace Period ends without payment of the premium required to keep this Policy in force.
- c) the date We settle a valid claim for the Death Benefit.
- d) the date a [31] day loan grace period ends if no loan repayments are made after the Policy Debt exceeds the Policy Debt limit.

**Suicide Exclusions:** If, while sane or insane, the Insured commits suicide within two years of the Policy Effective Date, Our total liability under this Policy is limited to the premiums paid from that date to the date of death, less Policy Debt and Partial Withdrawals, including applicable Surrender Charges and fees, if any.

**Annual Report:** Unless the Policy is in a Grace Period, no less than once per year, while the Policy is in force, We will send You a report that shows:

- a) the Policy Value as of the beginning and end of the reporting period;
- b) amounts added to or deducted from the Policy Value during the reporting period;
- c) Policy Debt, if any, as of the end of the reporting period;
- d) the Surrender Value as of the end of the reporting period;
- e) the Death Benefit as of the end of the reporting period; and,
- f) any other information required by law.

**Projections of Policy Benefits and Values:** Once each year at no cost, You may request by written notice a projection of the Death Benefit and certain other values. Unless You specify otherwise, the calculations will be based on the Face Amount, current premium assumptions and patterns, and the interest rates, Cost of Insurance rates and Policy charges and fees in effect at that time. We may charge a fee that does not exceed the Projection Request Fee shown on the Policy Schedule for each additional projection You request that year.

**Protection of Proceeds:** To the extent permitted by law and subject to any assignment, the Proceeds of this Policy are free from legal process and the claims of creditors.

**Minimum Values:** The values generated under this Policy, including Cash Values and Surrender Values, at least equal the minimum required by the state in which the Policy is issued. The method of computing minimum required values has been filed with the insurance supervisory authority of the state in which the Policy is issued.

**Written Notice and Request:** All instructions regarding this Policy and any request to change or assign it, must be in writing in a form acceptable to Us and received at the Administrative Office. Written instructions, requests and assignments are effective as of the date they are signed. We are not responsible for following any instruction or acting on any request or assignment before We actually receive it. Instructions, requests and assignments are subject to any payment We have made and any action We have taken prior to receiving the written notice.

**Payment of Proceeds:** Unless You instruct Us otherwise by written notice, Proceeds are payable in a lump sum. We may delay payment of Surrender or Loan Proceeds for up to six months where permitted or required. However, We will not do so when the Surrender or Loan Proceeds will be used to pay premium to Us. Interest on Proceeds will be paid in accordance with state law.

**Non-participating:** This Policy does not pay dividends, or share in the Company's surplus or profits.

## **PREMIUMS**

**Initial Premium:** The Initial Premium is the premium paid on or before the Policy Effective Date and shown on the Policy Schedule. Insurance under this Policy will not become effective until the Initial Premium is paid.

**Planned Premium:** Planned Premium is Our understanding of Your intention regarding premium payments at any particular time. Your initial Planned Premium amount and mode was communicated to Us on the application.

You may change the amount and/or mode of Your Planned Premium by written notice. You may instruct Us to send You periodic reminders for the Planned Premium on an annual, semiannual or quarterly basis, or may pre-authorize automatic payment of Planned Premiums from a designated account at Your bank or other financial institution. If You request it in writing, We will provide, without cost, a receipt for any premium payment.

Our acceptance of Your Planned Premium instructions does not in any way imply or guarantee insurance coverage or any other benefit provided by this Policy will continue. If Planned Premium payments are discontinued and no subsequent premiums are paid, the insurance coverage will continue only until the end of the Grace Period.

**Unplanned Premiums:** You may make Unplanned Premium payments after the Initial Premium upon receipt of prior approval from Our Administrative Office. Unplanned Premium payments must be made during the life of the Insured and prior to the day the Insured reaches the Attained Age of [95]. We reserve the right to limit the amount or frequency of Unplanned Premium payments.

**Minimum Premium:** No premium payment may be less than the Minimum Modal Premium shown on the Policy Schedule, without Our prior consent.

**Allocation of Net Premium:** Initial Net Premiums and any subsequent planned or unplanned Net Premiums will be allocated to the Policy Sub-Accounts according to the instructions You provided in the application. You may change the allocation of planned or unplanned Net Premium payments at any time by written notice.

**Premium Limitation:** We have the right to refuse or refund any premium that, during any Policy Year:

- a) increases the difference between the Death Benefit and the Policy Value; or,
- b) would result in the Policy failing to qualify as life insurance under the Code immediately or any time in the future.

**Grace Period:** If on any Monthly Anniversary the Policy Value minus Policy Debt, if any, is insufficient to pay the Monthly Deduction for the upcoming month, the Policy will begin a [61] day period called the "Grace Period". In such a case, the insurance provided by this Policy would remain in effect only during the Grace Period.

We will notify You in writing that a Grace Period has begun. If We do not receive sufficient premium to keep the Policy in force before the end of the Grace Period, the Policy will terminate without value as of that date.

If the Insured dies during the Grace Period, the Death Benefit will be paid after deducting the amount of any past due Monthly Deductions from the Proceeds.

**Reinstatement:** If this Policy terminates at the end of a Grace Period, You may request reinstatement of this Policy prior to the date the Insured reaches the Attained Age of [95] if:

- a) We receive a reinstatement application in good order within five years of the end of the Grace Period during the life of the Insured;
- b) You provide current evidence of insurability satisfactory to Us; and
- c) You pay the Monthly Deductions that became due during the Grace Period plus sufficient premium to maintain the Policy in force for three months.

We will apply the reinstatement premium, and coverage under the reinstated Policy will take effect, on the Monthly Anniversary following the date We approve Your reinstatement application and requirements a) through c) above are satisfied. The beginning Policy Value and Policy Debt, if any, of the reinstated Policy will be determined based on the Policy Value and Policy Debt, if any, as of the date the Policy entered the most recent Grace Period. Interest accruals on the Policy Value and Policy Debt, if any, will resume on the reinstatement date.

### **SEPARATE ACCOUNT(S)**

We have established and maintain one or more legal separate account(s) under the laws of the state of [Tennessee] for the assets supporting the benefits provided by this Policy. We own the assets in the separate account(s). Assets for this Policy are placed in the separate account(s) based on your Policy Sub-Account allocations. We may also place assets in the separate account(s) for any other policies We may issue.

The portion of the assets in the separate account(s) equal to the reserves and other policy liabilities with respect to the separate account(s) is not chargeable with the liabilities arising out of any other business We may conduct. Any income, both realized and unrealized, net gains and losses from the assets of the separate account(s) are credited to or charged against the separate account(s), without regard to Our other income, gains or losses.

We have the right to transfer to Our general account any assets of the separate account(s) that are in excess of the reserves and liabilities. The Owner has no claim upon such transferred assets, except to the extent such assets are part of Our general account.

We reserve the right to transfer assets from the separate account(s) to other separate account(s) We currently maintain or may later establish. We will maintain sufficient assets in the separate account(s) at all times to satisfy related contractual liabilities. When necessary, We will infuse assets into the separate account(s).

The participation of this Policy in the separate account(s) prior to the date on which the Death Benefit becomes payable is represented by the ratio of the Policy's un-loaned Policy Value to the aggregate un-loaned Policy Values of all policies in the Separate Account(s).

### **DETERMINING VALUES**

**Calculating Policy Value:** The Policy Value on the Policy Effective Date is equal to the Initial Net Premium minus the Monthly Deduction for the first month.

On each subsequent Monthly Anniversary date, the Policy Value is equal to:

- a) the Policy Value as of the prior Monthly Anniversary; plus,
- b) interest accrued since the prior Monthly Anniversary, if any; plus,
- c) Net Premium received since the prior Monthly Anniversary, if any; minus,
- d) Partial Withdrawals and fees since the prior Monthly Anniversary, if any; minus,
- e) the Monthly Deduction for the upcoming month.

The Monthly Deduction and fees for this Policy will be charged to the Policy Value by charging each Policy Sub-Account Value. The amount of the Monthly Deduction and fees charged to each Policy Sub-Account Value will be in the same proportion that the Policy Sub-Account's Value bears to the total Policy Value.

**Monthly Deduction:** The Monthly Deduction is composed of the following costs and charges, each of which is described on the Policy Schedule:

- a) the Cost of Insurance for the upcoming month; plus,
- b) the cost of any additional insurance coverage or benefit provided by a rider for the upcoming month, if any; plus,
- c) the administrative charge, if any; plus,
- d) the monthly expense charge applicable to the initial Face Amount, if any.

Beginning on the date the Insured reaches the Attained Age of [95], no further Monthly Deductions will be made.

**Cost of Insurance:** The Cost of Insurance is equal to the Insured's cost of insurance rate per \$1,000 of Net Amount at Risk for the upcoming month multiplied by the Policy's Net Amount at Risk, all divided by 1,000.

We, in Our sole discretion, establish the monthly cost of insurance rates. We will not establish cost of insurance rates greater than those in the table of Maximum Monthly Cost of Insurance Rates shown on the Policy Schedule. Cost of insurance rates are based on the Insured's age, gender, rate class and the number of years elapsed since the Policy Effective Date.

Any change in monthly cost of insurance rates will be based on Our expected future experience of mortality, persistency, investment earnings and expenses, including taxes, and will be consistent for all Insureds in the same rate class.

**Net Amount at Risk:** The Net Amount at Risk on the Policy Effective Date is equal to:

- a) the Death Benefit on the Policy Effective Date; divided by,
- b) 1 plus the monthly guaranteed interest rate; minus,
  - 1) the Policy Value on the Policy Effective Date prior to taking the Monthly Deduction for the first month, if the Death Benefit Option is Option A (Level Death Benefit), or
  - 2) the Policy Value on the Policy Effective Date prior to taking the Monthly Deduction for the first month divided by 1 plus the monthly guaranteed interest rate, if the Death Benefit Option is Option B (Increasing Death Benefit).

On each subsequent Monthly Anniversary, Net Amount at Risk is equal to:

- a) the Death Benefit on the Monthly Anniversary; divided by,
- b) 1 plus the monthly guaranteed interest rate; minus,
  - 1) the Policy Value on the Monthly Anniversary prior to taking the Monthly Deduction for the upcoming month, if the Death Benefit Option is Option A (Level Death Benefit), or
  - 2) the Policy Value on the Monthly Anniversary prior to taking the Monthly Deduction for the upcoming month divided by 1 plus the monthly guaranteed interest rate, if the Death Benefit Option is B (Increasing Death Benefit).

**Interest:** We, in Our sole discretion, establish the interest rates used to calculate the Policy Value, but We will not establish an interest rate lower than the guaranteed interest rate shown on the Policy Schedule. For the purposes of determining Policy Value, interest accumulates on Net Premium as of the date it is applied to the Policy.

**Transfers:** You may send Us a written request to transfer Policy Value between or among the Policy Sub-Accounts. The transfer will be processed on the next Policy Anniversary after Our receipt of Your request. Any written request for transfer received less than [90] days prior to a Policy Anniversary will be processed at the Policy Anniversary following the upcoming Policy Anniversary. The value transferred from one Policy Sub-Account to any other Policy Sub-Account must be at least [\$10,000]. The maximum value that can be transferred from one Policy Sub-Account to another is the greater of [\$100,000] or [25%] of the Policy Sub-Account Value of the Policy Sub-Account from which the transfer is requested.

If after the transfer is made, the remaining value of any Policy Sub-Account would be less than [\$10,000], We may, at Our discretion, either transfer the entire Policy Sub-Account Value instead of the requested value, or reject the request for transfer. Where We elect to transfer the entire Policy Sub-Account Value and Your request was for a transfer to more than one Policy Sub-Account, the percentage of the value transferred to each Policy Sub-Account will be in the same proportion as in Your original request. We reserve the right to delay the execution of a transfer request for up to 6 months after the Policy Anniversary that applies to the request.

### **POLICY LOAN**

**Policy Loan:** While this Policy is in force during the life of the Insured, You may borrow from the Cash Value using the Policy as security. The loan request must be in writing. The maximum loan We will make at any time is the amount that, when added to existing Policy Debt, does not exceed the Policy Debt Limit shown on the Policy Schedule.

The portion of the Policy Value equal to Policy Debt will earn interest at the guaranteed interest rate shown in the Policy Schedule. Within the interest calculation formula, the Policy Debt is allocated to the Policy Sub-Accounts as its value relates to the total value of all Policy Sub-Accounts. The allocation of Policy Debt is recalculated on each Monthly Anniversary date. When there is an outstanding loan, each Policy Sub-Account will have the un-loaned portion of the Policy Sub-Account Value earn the declared interest rate and the portion of the Policy Sub-Account Value equal to the allocated Policy Debt earn the guaranteed interest rate.

Interest charged on the loan will be at the annual effective Loan Interest Rate per year shown in the Policy Schedule and is payable in arrears on each Policy Anniversary. If the loan interest is not paid when due, it is added to the loan principal and will bear interest at the applicable annual rate until paid. Interest, as it accrues from day to day, is considered part of the Policy Debt.

**Repayment of Debt:** You may repay all or part of the Policy Debt any time while this Policy is in force during the life of the Insured. A written notice must accompany Your payment to distinguish it from a premium payment and each payment must be at least [\$25].

Policy Debt will be deducted from the Death Benefit or Cash Value before paying or settling the Death Benefit or Surrender Proceeds.

### **SURRENDERS AND PARTIAL WITHDRAWALS**

**Surrender:** At any time during the life of the Insured, You may send Us a written request to surrender this Policy. We will terminate the insurance and other benefits provided by this Policy as of the next Monthly Anniversary and liquidate the Surrender Value as of that date. We will deduct the Surrender Charge, if applicable.

If You request a full surrender within 30 days after a Policy Anniversary, the Surrender Value will not be less than the Surrender Value as of the most recent prior Policy Anniversary minus additional Policy Debt and Partial Withdrawals since that Policy Anniversary, if any.

**Partial Withdrawals:** After the first Policy Year and subject to certain restrictions, You may withdraw a portion of the Policy Value by written request. You must withdraw at least [\$500]. We will reduce the Policy Sub-Account Values in the same proportion that each bears to the total Policy Value on the next Monthly Anniversary date after We receive Your written request.

We may decrease the Face Amount, if necessary, so Our Net Amount at Risk does not increase as a result of the Partial Withdrawal. We may restrict or decline requests for a Partial Withdrawal in which the resulting decrease in the Face Amount violates any restrictions described in the "Decreasing the Face Amount" provision in the section entitled, "CHANGING THE POLICY". We will not process any request for a Partial Withdrawal if, after the Partial Withdrawal, the Face Amount would be less than the minimum Face Amount shown on the Policy Schedule.

### **DEATH BENEFIT**

A Death Benefit is payable when We receive satisfactory proof of the death of the Insured while this Policy was in force. The Death Benefit prior to the date the Insured reaches the Attained Age of [95] is determined by the Death Benefit Option in effect as of the Insured's date of death. The Death Benefit will comply with the applicable sections of the Code and will be adjusted according to the Policy provisions prior to payment.

The Death Benefit payable after the date the Insured reaches the Attained Age of [95] is the Cash Value less Policy Debt.

If we have not paid the Death Benefit proceeds within 30 days after we receive due proof of the Insured's death, we will add interest at the rate of 8% per year.

**Death Benefit Option A – Level Death Benefit:** The Death Benefit is the greater of:

- a) the Face Amount as of the Insured's date of death; or,
- b) the Policy Value as of the Insured's date of death plus the corridor amount.

**Death Benefit Option B – Increasing Death Benefit:** The Death Benefit is the greater of:

- a) the Face Amount as of the Insured's date of death plus the Policy Value on the date of death; or,
- b) the Policy Value as of the Insured's date of death plus the corridor amount.

The "corridor amount" is a percentage of the Policy Value on the Insured's date of death. It is applied as prescribed in section 7702 of the Code. The percentage varies according to the Insured's Attained Age as indicated in the table shown in the Policy Schedule.

### **SETTLEMENT OPTIONS**

**Settlement Options:** Settlement Options are used for the payment of Proceeds over a period of time rather than payment in a lump sum. Generally, Proceeds from the Death Benefit may be paid under a Settlement Option. Proceeds from a Policy Loan, Surrender, or those payable pursuant to the suicide exclusion may not be paid under a Settlement Option and must be paid in a lump sum.

If this Policy is subject to an assignment when the Proceeds from a Death Benefit are payable, the portion of the Proceeds subject to the assignment will be paid to the assignee immediately in a lump sum. Any remaining Proceeds may be paid under a Settlement Option subject to the limitations described in the "Minimum Amounts" provision of this section.

**Selecting a Settlement Option:** You may select or change a Settlement Option, while this Policy is in force and during the life of the Insured. If You select a Settlement Option, then Proceeds may not be paid or assigned in advance of their payment dates without Your prior written notice.

If You do not select a Settlement Option, or if We are unable to pay any portion of the Proceeds according to the Settlement Option selected, the Beneficiary may select a Settlement Option from among those available at that time, or may take the amount due immediately in a lump sum.

All instructions to select or change a Settlement Option must be by written notice.

**Option 1 – Payments for a Fixed Period:** We will make equal monthly payments on the same day of each month for up to 30 years. The amount of each payment depends upon the amount applied to the Settlement Option, the period selected, and the interest rate in effect at the time the payments are determined. Minimum monthly rates per \$1,000 applied under Settlement Option 1 are shown in the Option 1 Table, which is based on an annual effective interest rate of [1.50%].

**OPTION 1 TABLE**  
Minimum Monthly Payment Rates for Each \$1,000 Applied

| Fixed Period<br>(in years) | Monthly<br>Payment | Fixed Period<br>(in years) | Monthly<br>Payment | Fixed Period<br>(in years) | Monthly<br>Payment |
|----------------------------|--------------------|----------------------------|--------------------|----------------------------|--------------------|
| 1                          | [89.20]            | 11                         | [8.21]             | 21                         | [4.62]             |
| 2                          | [42.26]            | 12                         | [7.58]             | 22                         | [4.44]             |
| 3                          | [28.39]            | 13                         | [7.05]             | 23                         | [4.28]             |
| 4                          | [21.45]            | 14                         | [6.59]             | 24                         | [4.13]             |
| 5                          | [17.28]            | 15                         | [6.20]             | 25                         | [3.99]             |
| 6                          | [14.51]            | 16                         | [5.85]             | 26                         | [3.86]             |
| 7                          | [12.53]            | 17                         | [5.55]             | 27                         | [3.75]             |
| 8                          | [11.04]            | 18                         | [5.27]             | 28                         | [3.64]             |
| 9                          | [9.89]             | 19                         | [5.03]             | 29                         | [3.54]             |
| 10                         | [8.96]             | 20                         | [4.81]             | 30                         | [3.44]             |

**Option 2 – Payments for Life with a Guaranteed Fixed Period:** Where the Beneficiary is a natural person, We will make equal monthly payments on the same day of each month for the life of a designated person with payments guaranteed for either 10 or 20 years. Payments stop at the end of the guaranteed period or when the designated person dies, whichever is later. Minimum monthly rates per \$1,000 applied under Settlement Option 2 are shown in the Option 2 Table.

The table is derived from mortality assumptions based on the [Annuity 2000 Mortality table projected 6 years using the annual projection factors associated with the 1983 Individual Annuitant Mortality Table] and an annual effective interest rate of [1.50%]. One year will be deducted from the Attained Age of the designated person for every [3] completed years beyond the year [2006].

**OPTION 2 TABLE**

Minimum Monthly Payment Rates for Each \$1,000 Applied

| Life with<br>10 Years |          | Life with<br>20 Years |          | Life with<br>10 Years |        | Life with<br>20 Years |          |          |          |
|-----------------------|----------|-----------------------|----------|-----------------------|--------|-----------------------|----------|----------|----------|
| Age                   | Male     | Female                | Male     | Female                | Age    | Male                  | Female   | Male     | Female   |
| 0-30                  | [\$1.68] | [\$1.68]              | [\$1.68] | [\$1.63]              | 56     | [\$3.37]              | [\$3.08] | [\$3.25] | [\$3.02] |
| 31                    | [2.17]   | [2.06]                | [2.16]   | [2.05]                | 57     | [3.45]                | [3.15]   | [3.32]   | [3.08]   |
| 32                    | [2.20]   | [2.08]                | [2.19]   | [2.08]                | 58     | [3.54]                | [3.22]   | [3.39]   | [3.15]   |
| 33                    | [2.22]   | [2.10]                | [2.22]   | [2.10]                | 59     | [3.63]                | [3.30]   | [3.46]   | [3.22]   |
| 34                    | [2.25]   | [2.13]                | [2.25]   | [2.13]                | 60     | [3.73]                | [3.39]   | [3.53]   | [3.29]   |
| 35                    | [2.28]   | [2.16]                | [2.28]   | [2.15]                | 61     | [3.84]                | [3.48]   | [3.60]   | [3.36]   |
| 36                    | [2.32]   | [2.18]                | [2.31]   | [2.18]                | 62     | [3.94]                | [3.57]   | [3.68]   | [3.43]   |
| 37                    | [2.35]   | [2.21]                | [2.34]   | [2.21]                | 63     | [4.06]                | [3.67]   | [3.75]   | [3.51]   |
| 38                    | [2.38]   | [2.24]                | [2.37]   | [2.24]                | 64     | [4.18]                | [3.78]   | [3.83]   | [3.59]   |
| 39                    | [2.42]   | [2.27]                | [2.41]   | [2.27]                | 65     | [4.31]                | [3.89]   | [3.90]   | [3.67]   |
| 40                    | [2.46]   | [2.30]                | [2.44]   | [2.30]                | 66     | [4.44]                | [4.01]   | [3.98]   | [3.75]   |
| 41                    | [2.50]   | [2.34]                | [2.48]   | [2.33]                | 67     | [4.58]                | [4.13]   | [4.05]   | [3.83]   |
| 42                    | [2.54]   | [2.37]                | [2.52]   | [2.36]                | 68     | [4.73]                | [4.27]   | [4.12]   | [3.91]   |
| 43                    | [2.59]   | [2.41]                | [2.56]   | [2.40]                | 69     | [4.88]                | [4.41]   | [4.19]   | [4.00]   |
| 44                    | [2.63]   | [2.45]                | [2.60]   | [2.44]                | 70     | [5.04]                | [4.55]   | [4.26]   | [4.08]   |
| 45                    | [2.68]   | [2.49]                | [2.65]   | [2.47]                | 71     | [5.20]                | [4.71]   | [4.32]   | [4.16]   |
| 46                    | [2.73]   | [2.53]                | [2.69]   | [2.51]                | 72     | [5.37]                | [4.88]   | [4.39]   | [4.23]   |
| 47                    | [2.78]   | [2.57]                | [2.74]   | [2.56]                | 73     | [5.54]                | [5.05]   | [4.44]   | [4.30]   |
| 48                    | [2.83]   | [2.62]                | [2.79]   | [2.60]                | 74     | [5.72]                | [5.23]   | [4.49]   | [4.37]   |
| 49                    | [2.89]   | [2.67]                | [2.84]   | [2.64]                | 75     | [5.90]                | [5.42]   | [4.54]   | [4.43]   |
| 50                    | [2.95]   | [2.72]                | [2.89]   | [2.69]                | 76     | [6.09]                | [5.62]   | [4.58]   | [4.49]   |
| 51                    | [3.01]   | [2.77]                | [2.95]   | [2.74]                | 77     | [6.28]                | [5.82]   | [4.62]   | [4.54]   |
| 52                    | [3.08]   | [2.83]                | [3.01]   | [2.79]                | 78     | [6.47]                | [6.03]   | [4.66]   | [4.59]   |
| 53                    | [3.14]   | [2.88]                | [3.07]   | [2.85]                | 79     | [6.66]                | [6.25]   | [4.69]   | [4.63]   |
| 54                    | [3.21]   | [2.94]                | [3.13]   | [2.90]                | 80     | [6.85]                | [6.46]   | [4.71]   | [4.66]   |
| 55                    | [3.29]   | [3.01]                | [3.19]   | [2.96]                | & over |                       |          |          |          |

**Option 3 - Interest Income:** We make payments according to written instructions We receive and credit interest on the unpaid balance. We, in Our sole discretion, establish the current interest rate on Settlement Option 3 from time to time, but will not declare an annual effective interest rate less than [1.50%].

**Option 4 - Payments of a Fixed Amount:** We will make fixed payments on the same day of each month in the amount agreed upon between You and Us. The amount of each payment may not be less than [\$10] for each \$1,000 applied to the Settlement Option. Interest will be credited to the unpaid balance at a rate set by Us (from time to time), but We will not declare an annual effective interest rate less than [1.50%]. The fixed payments will continue until the amount We hold is exhausted. The last payment will be for the unpaid balance only.

**Minimum Amounts:** If the portion of the Death Benefit owed to any one person is less than [\$5,000], We may pay that amount immediately in a lump sum. If, at any time payments under a Settlement Option are less than [\$50], We have the right to change the frequency of the payments to an interval that results in a payment at least equal to that amount.

**Death of Payee:** Where the payee under a Settlement Option is a natural person and the payee dies before the entire amount has been paid, We will pay the commuted value to the estate of the deceased payee in a lump sum unless directed otherwise by written notice.

## POLICY CHANGES

After the first Policy Anniversary, while this Policy is in force during the life of the Insured, You may send Us a written request to change this Policy. Any change is conditioned on the limitations specifically set forth in this section or elsewhere in this Policy and must be approved by Us before becoming effective.

Generally, a Policy change becomes effective as of the Monthly Anniversary on or following the date We approve the request. We will send You a supplemental Policy Schedule or other acknowledgment that documents the Policy change and shows its Effective Date. No agent or other person has the authority to change this Policy after it is issued. No change is effective until it is entered into Our records.

**Decreasing the Face Amount:** We will not approve a Face Amount decrease that results in:

- a) a Face Amount lower than the minimum allowed for this Policy as shown on the Policy Schedule; or
- b) this Policy failing to qualify as life insurance under the Code.

We may not approve a Face Amount decrease that is requested:

- a) prior to the third Policy Anniversary; or
- b) within one year of any earlier Face Amount decrease.

**Changing the Death Benefit Option:** On or after the first Policy Anniversary, You may send Us a written request to change the Death Benefit Option. If You request a change from Death Benefit Option B to Death Benefit Option A, the Face Amount will be increased to equal the Death Benefit on the Effective Date of the change. If You request a change from Death Benefit Option A to Death Benefit Option B, the Face Amount will be decreased to be equal to the Death Benefit minus Policy Value as of the Effective Date of the change.

We may not authorize Your request and may require satisfactory proof of insurability. If We do authorize it, the change will be effective as of the Monthly Anniversary date shown on the supplemental Policy Schedule.

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**FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE POLICY**

**Adjustable Death Benefit**

Flexible premiums payable during the life of the Insured until the Insured's Attained Age [95]

Non-Participating





SERFF Tracking Number: PRTA-125718220 State: Arkansas  
Filing Company: Protective Life Insurance Company State Tracking Number: 39524  
Company Tracking Number: PL BOLIHYB  
TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life  
Adjustable Life  
Product Name: PL BOLIHYB  
Project Name/Number: PL BOLIHYB/PB-02 9-08

## Supporting Document Schedules

### Review Status:

**Satisfied -Name:** Certification/Notice 07/01/2008

**Comments:**

**Attachments:**

AR PL Compliance Certification.pdf  
Readability Certification.pdf

### Review Status:

**Satisfied -Name:** Application 07/01/2008

**Comments:**

The applications and consent forms used to apply for this product are either PB-APP-RI-01 6/08 and PB-C-RI-01 6/08 or PB-APP-GI-01 6/08 and PB-C-GI-01 6/08, which were approved by your Department on 06/17/2008 under State Tracking number 39251 (SERFF Tracking number PRTA-125689582).

Copies of these approved forms, plus the agent's report PB-AG-01 6/08 also approved in the above-mentioned filing, are attached to this Supporting Documentation item.

**Attachments:**

WB-AG-01 6.08.pdf  
WB-APP-GI-01 6.08.pdf  
WB-APP-RI-01 6.08.pdf  
WB-C-GI-01 6.08.pdf  
WB-C-RI-01 6.08.pdf

### Review Status:

**Satisfied -Name:** Statement of Variability 07/01/2008

**Comments:**

**Attachment:**

Statement of Variability (PL).pdf

### Review Status:

**Satisfied -Name:** Policy Comparison 07/01/2008

**Comments:**



SERFF Tracking Number: PRTA-125718220 State: Arkansas  
Filing Company: Protective Life Insurance Company State Tracking Number: 39524  
Company Tracking Number: PL BOLIHYB  
TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life  
Adjustable Life  
Product Name: PL BOLIHYB  
Project Name/Number: PL BOLIHYB/PB-02 9-08

**Review Status:**

**Satisfied -Name:** Guaranty Association Notice

07/01/2008

**Comments:**

**Attachment:**

AR1.pdf

**PROTECTIVE LIFE INSURANCE COMPANY**  
**Birmingham, Alabama**

**STATE OF ARKANSAS**

**RULE AND REGULATION 19 CERTIFICATION**

This is to certify that the attached Form No. PB-02-AR 9-08 is in compliance with Rule and Regulation 19 of the State of Arkansas regarding the Unfair Sex Discrimination in the Sale of Insurance.

---

Keith Kirkley, J.D., MBA  
Assistant Vice President

Date: June 26, 2008

PROTECTIVE LIFE INSURANCE COMPANY

Birmingham, Alabama

READABILITY CERTIFICATION

I certify that the submitted forms have achieved Flesch Reading Ease Test Scores as follows:

| Form Number | Flesch Score | Form Number   | Flesch Score |
|-------------|--------------|---------------|--------------|
| PB-02 9-08  | 51.0         | PB-AP-01 9/08 | 63.0         |

  
\_\_\_\_\_  
Keith Kirkley, JD, MBA  
Assistant Vice President

Date: June 24, 2008



343 Sansome Street  
P.O. Box 193892  
San Francisco, CA 94119-3892  
1-800-366-9378

**CORPORATE OWNED LIFE INSURANCE**  
**AGENT'S REPORT**

**PROPOSED INSURED:** \_\_\_\_\_ **OWNER:** \_\_\_\_\_

**I CERTIFY THAT: (1) THE ANSWERS GIVEN IN THIS APPLICATION ARE FULL, COMPLETE AND TRUE TO THE BEST OF MY KNOWLEDGE AND BELIEF; (2) I KNOW OF NOTHING AFFECTING THE RISK WHICH IS NOT SET FORTH IN MY AGENT'S CONTRACT OR THIS LIFE INSURANCE APPLICATION; AND (3) I CAREFULLY EXPLAINED EACH QUESTION BEFORE RECORDING EACH ANSWER AND BEFORE THE APPLICATION WAS SIGNED.**

1. Do you understand that no final underwriting offer is valid unless a policy has been issued and delivered?  Yes  No
2. How long have you known the insured? \_\_\_\_\_ Years \_\_\_\_\_ Months  Yes  No
3. Is the insured a relative or does the insured have a business relationship with you?  Yes  No
4. Does the proposed insured appear healthy and free from visible or known impairments or disability?  Yes  No
5. Do you have any reason to believe that the life insurance policy applied for will replace any life insurance or annuity from West Coast Life or another company?  Yes  No

If YES, Provide policy number(s) and company(ies) below.

6. INDICATE CLASSIFICATION BASIS FOR THIS SALE:
- Super Preferred  Non-Tobacco  
 Preferred  Tobacco  
 Standard  
 Rated Table A, B, C, D, E, F, H (circle one)  
 Other \_\_\_\_\_

|  |                     |
|--|---------------------|
| <b>For Underwriting and New Business Contact Purposes:</b> | _____               |
| BGA Fax Number   | BGA Name            |
| BGA E-Mail Address   | BGA Contract Number |

**ALL COMPENSATION (IF ANY) SHALL BE PAID TO:**

|       |           |         |           |
|-------|-----------|---------|-----------|
| _____ | _____     | _____   | _____     |
| Name  | Agent No. | Share % | Signature |
| _____ | _____     | _____   | _____     |
| Name  | Agent No. | Share % | Signature |
| _____ | _____     | _____   | _____     |
| Name  | Agent No. | Share % | Signature |
| _____ | _____     | _____   | _____     |
| Name  | Agent No. | Share % | Signature |

|                      |                             |                |
|----------------------|-----------------------------|----------------|
| _____                | _____                       | _____          |
| Agent's Signature    | Agent's Commission Code No. | Business Phone |
| _____                | _____                       | _____          |
| Agent's Printed Name | Agent's E-Mail Address      | Date Place     |

IF MORE THAN ONE AGENT - Complete Below

|                      |                             |                |
|----------------------|-----------------------------|----------------|
| _____                | _____                       | _____          |
| Agent's Signature    | Agent's Commission Code No. | Business Phone |
| _____                | _____                       | _____          |
| Agent's Printed Name | Agent's E-Mail Address      | Date Place     |



**SECTION V: EXISTING COVERAGE AND PENDING INSURANCE**

(MUST BE ANSWERED COMPLETELY ON ALL CASES)

**Regarding all persons proposed for insurance, list all life insurance in force on each proposed insured's life. Please be sure to include insurance whether owned by the insured or not. If "none" please state it below.**

| Name of Insured   | Company | Type of Coverage | Life Amount | Business or Personal | Year Issued |
|---|---------|------------------|-------------|----------------------|-------------|
| <input type="checkbox"/> multiple proposed insureds - see attached census |         |                  |             |                      |             |
|   |         |                  |             |                      |             |
|   |         |                  |             |                      |             |

**SECTION VI: OWNERSHIP OF POLICY**

|                              |      |                   |          |  |  |
|------------------------------|------|-------------------|----------|--|--|
| NAME OF OWNER                |      | TAXPAYER I.D. NO. |          |  |  |
| ADDRESS                      | CITY | STATE             | ZIP CODE |  |  |
| BILLING ADDRESS IF DIFFERENT | CITY | STATE             | ZIP CODE |  |  |

**SECTION VII: REMARKS AND SPECIAL REQUESTS**

**DECLARATIONS**

I, (We) represent that all statements and answers made in all parts of this application are full, complete and true to the best of my (Our) knowledge and belief. It is understood and agreed that:

- a) All such statements and answers shall be the basis of any insurance issued, and my (our) answers are material to the decision as to whether the risk is accepted by West Coast Life.
- b) No agent can make, alter or discharge any contract, accept risks, or waive West Coast Life's rights or requirements.
- c) Changes will be made only with the Owner's written consent.
- d) No insurance shall take effect unless (1) a policy is delivered to the Owner; (2) the full initial premium is paid while the proposed insured(s) is (are) alive; and (3) there has been no change in health and insurability from that described in this application.
- e) The agent taking this application has made no statement or representation different from, contrary to or in addition to these Declarations.
- f) This application is made to West Coast Life for individual policy(ies) of insurance on the lives of the proposed insured(s).
- g) This application includes any attached census and a completed Supplement to Application - Consent to Insurance form for each proposed insured.

**IMPORTANT INFORMATION ABOUT IDENTIFICATION INFORMATION**

To help the government fight the funding of terrorism and money laundering activities, Federal Law requires all financial institutions to obtain, verify, and record information of its customers. We may ask for information or identifying documents that will allow us to verify the identity of our customers.

Any person who knowingly, with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which may be a crime and may subject such person to criminal and civil penalties, according to state law.

Signature of Owner

Printed Name/Title

Date

**AGENT CERTIFICATION**

The agent hereby certifies that:

1. He/she asked all the questions on the Application and any Supplement to Application and recommends this risk to West Coast Life without reservation.
2. To the best of his/her knowledge and belief, the answers given to the questions in this application are full, complete and true; and there is nothing adversely affecting the insurability of any person proposed for insurance.
3. The insurance applied for   ▶  is not intended to replace existing life insurance or annuity policy(ies).  
    ▶  is intended to replace existing life insurance or annuity policy(ies).

**ALL COMPENSATION (IF ANY) SHALL BE PAID TO:**

|       |           |         |           |
|-------|-----------|---------|-----------|
| _____ | _____     | _____   | _____     |
| Name  | Agent No. | Share % | Signature |
| _____ | _____     | _____   | _____     |
| Name  | Agent No. | Share % | Signature |
| _____ | _____     | _____   | _____     |
| Name  | Agent No. | Share % | Signature |
| _____ | _____     | _____   | _____     |
| Name  | Agent No. | Share % | Signature |

Signature of Agent

Date

Agent's No.

**CORPORATE OWNED LIFE INSURANCE APPLICATION**  
**Regular Issue**

**SECTION I: PROPOSED INSURED**

**Page 1**

| NAME OF PROPOSED INSURED | SEX | BIRTH DATE | SOC. SEC. NO. | BIRTH STATE | DRIVER'S LICENSE NO. |
|--------------------------|-----|------------|---------------|-------------|----------------------|
|                          |     |            |               |             |                      |

**RESIDENCE:** \_\_\_\_\_

STREET APT. NO.

---

CITY STATE ZIP CODE TELEPHONE NUMBER NUMBER OF YEARS

| OCCUPATION of PROPOSED INSURED | # OF YRS | ANNUAL INCOME (Required) | EMPLOYER | ADDRESS | TELEPHONE NUMBER |
|--------------------------------|----------|--------------------------|----------|---------|------------------|
|                                |          |                          |          |         |                  |

**SECTION II: PLAN OF INSURANCE**

\$ \_\_\_\_\_ PLAN OF INSURANCE \_\_\_\_\_

FACE AMOUNT NAME OF PRODUCT

**DEATH BENEFIT:**       OPTION A - LEVEL DEATH BENEFIT       OPTION B - INCREASING DEATH BENEFIT

**PREMIUM PAYMENT**

ANNUAL \$ \_\_\_\_\_       OTHER \$ \_\_\_\_\_

ADDITIONAL FIRST YEAR PAYMENT \$ \_\_\_\_\_       CASH WITH APPLICATION \$ \_\_\_\_\_

SEND PREMIUM NOTICES TO:

\_\_\_\_\_  
Name (Printed) Address City State Zip Code

**SECTION III: BENEFICIARY**

PRIMARY: FULL NAME \_\_\_\_\_

RELATIONSHIP TO INSURED \_\_\_\_\_

Address City State Zip Code

SECONDARY: FULL NAME \_\_\_\_\_

RELATIONSHIP TO INSURED \_\_\_\_\_

Address City State Zip Code

**SECTION IV: NON-MEDICAL HISTORY (MUST BE ANSWERED FOR PROPOSED INSURED)**

| <b>HAS PROPOSED INSURED:</b>  |  | <b>Yes</b>   | <b>No</b>  |
|---|--|--|--|
| 1. Used tobacco or nicotine of any kind over the last 5 years?<br>Type: _____ Frequency: _____ Date last used: _____  |  | <input type="checkbox"/>   | <input type="checkbox"/>   |
| 2. Consulted a physician or had treatment for the use or possession of:<br>A. Alcohol?<br>B. Narcotics, stimulants, sedatives, hallucinogenic drugs?  |  | <input type="checkbox"/><br><input type="checkbox"/>                             | <input type="checkbox"/><br><input type="checkbox"/>                             |
| 3. In the past 5 years, been convicted of (i) two or more moving violations, (ii) driving under the influence of alcohol or other drugs, or (iii) had his/her driver's license suspended or revoked?  |  | <input type="checkbox"/>   | <input type="checkbox"/>   |
| 4. Ever been convicted of, or pled guilty or no contest to a felony, or have any such charges pending against him/her?  |  | <input type="checkbox"/>   | <input type="checkbox"/>   |
| 5. Flown as a pilot, student pilot, or crew member, or intend to fly as such?   |  | <input type="checkbox"/>   | <input type="checkbox"/>   |
| 6. Been a member of, or applied to be a member of, or received a notice of required service in, the armed forces, reserves or National Guard? If "Yes", please list: branch of service, rank, duties, mobilization category and current duty station. _____   |  | <input type="checkbox"/>   | <input type="checkbox"/>   |
| 7. Engaged in auto, motorcycle or boat racing, parachuting, skin or scuba diving, skydiving, or hang gliding or other hazardous avocation or hobby?   |  | <input type="checkbox"/>   | <input type="checkbox"/>   |
| 8. Had a request for life or health insurance declined, postponed, rated, canceled, or restricted in any way?   |  | <input type="checkbox"/>   | <input type="checkbox"/>   |
| 9. Any application for any other life or health insurance on his/her life now pending or contemplated in this or any other company?   |  | <input type="checkbox"/>   | <input type="checkbox"/>   |
| 10. <b>Is the Proposed Insured:</b><br>a). A citizen of any other country besides U.S.? If so, what country? _____<br>b). Has Proposed Insured lived outside of North America at any time during the last 3 years?<br>c). Intending to travel outside the United States or Canada within the next 12 months?<br>To where: _____ When: _____<br>Why: _____ For How Long: _____ |  | <input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/> | <input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/> |

**SECTION V: MEDICAL HISTORY (MUST BE ANSWERED FOR PROPOSED INSURED)**

| <b>HAS PROPOSED INSURED EVER BEEN TREATED FOR OR TOLD HE/SHE HAD:</b>  |              | <b>Yes</b>   | <b>No</b>  |
|--|--------------|--|--|
| 11. A. Cancer, diabetes, epilepsy, heart disorder, high blood pressure, stroke, mental or nervous disorders tumors, ulcers, or any disorder of bladder, kidney, liver or lungs?<br>B. AIDS (acquired immune deficiency syndrome) or ARC (AIDS-related complex)?<br>C. Arthritis, gout, or other disorders of muscles, joints, spine, stomach, intestines, or chest pain or asthma? |              | <input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/> | <input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/> |
| <b>HAS PROPOSED INSURED:</b>   |              |  |  |
| 12. Within the last 12 months, had any kind of medication prescribed?  |              | <input type="checkbox"/>   | <input type="checkbox"/>   |
| 13. Been advised to have, or contemplated having a surgical operation?   |              | <input type="checkbox"/>   | <input type="checkbox"/>   |
| 14. Within the last 5 years, suffered from any disease, or received medical or surgical treatment for any condition not listed in question 11?   |              | <input type="checkbox"/>   | <input type="checkbox"/>   |
| 15. List current height and weight for proposed insured. _____   | Height _____ | Weight _____   |  |

**SECTION VI: DETAILS TO ANY "YES" ANSWERS TO QUESTIONS #1 THROUGH #15 ABOVE**

(MUST BE ANSWERED IF APPLICABLE) (ATTACH ADDITIONAL SHEETS IF NEEDED)

| Question Number | Date | Details or Reason | Name, Address and Phone Number of Attending Doctor and Hospital |
|-----------------|------|-------------------|---|
|                 |      |                   |   |
|                 |      |                   |   |
|                 |      |                   |   |

**SECTION VII: EXISTING COVERAGE AND PENDING INSURANCE**

(MUST BE ANSWERED COMPLETELY ON ALL CASES)

16. List all life insurance in force on the proposed insured's life.

Please be sure to include insurance whether owned by the insured or not. If "none", please state it below.

| Company | Type of Coverage | Life Amount | Business or Personal | Year Issued |
|---------|------------------|-------------|----------------------|-------------|
|         |                  |             |                      |             |
|         |                  |             |                      |             |
|         |                  |             |                      |             |

**SECTION VIII: REPLACEMENT**

(MUST BE ANSWERED COMPLETELY ON ALL CASES)

**Yes No**

17. Is the policy applied for to replace an existing life insurance or annuity policy in this or any other company?

If "yes", give details in remarks section and complete any State required replacement forms and comparison statements.

**SECTION IX: OWNERSHIP OF POLICY**

NAME OF OWNER \_\_\_\_\_ TAXPAYER I.D. NO. \_\_\_\_\_

ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

**SECTION X: BUSINESS INSURANCE**

a. Purpose of insurance (Key Person, Buy & Sell, Split Dollar, etc.) \_\_\_\_\_

b. What percent of business does Proposed Insured own or control? \_\_\_\_\_

c. Business insurance on other Owners, Officers, Partners, or Key Persons

| Name and Title | % of Business Owned | Insurance Company | Amount Now Carried or Applied for |
|----------------|---------------------|-------------------|-----------------------------------|
|                |                     |                   | \$                                |
|                |                     |                   | \$                                |
|                |                     |                   | \$                                |

**SECTION XI: REMARKS AND SPECIAL REQUESTS**

DECLARATIONS

I (We) represent that all statements and answers made in all parts of this application are full, complete and true to the best of my (our) knowledge and belief. It is agreed that:

- 1. All such statements and answers shall be the basis of any insurance issued, and my (our) answers are material to the decision as to whether the risk is accepted by West Coast Life.
2. No agent or medical examiner can make, alter or discharge any contract, accept risks, or waive West Coast Life's rights or requirements.
3. Changes will be made only with the Owner's written consent.
4. No insurance shall take effect unless: (1) a policy is delivered to the Owner; (2) the first full premium is paid while the proposed insured(s) is (are) alive; and (3) there has been no change in health and insurability from that described in this application.
5. I have reviewed the attached Conditional Receipt Agreement and understand and agree that it provides a limited amount of life insurance for a limited period of time, and that such coverage is subject to the terms and conditions set forth in the Conditional Receipt Agreement.
6. The agent taking this application has made no statement or representation different from, contrary to or in addition to these Declarations and the terms and conditions of the attached Conditional Receipt Agreement.

IMPORTANT INFORMATION ABOUT IDENTIFICATION INFORMATION

To help the government fight the funding of terrorism and money laundering activities, Federal Law requires all financial institutions to obtain, verify, and record information of its customers. We may ask for information or identifying documents that will allow us to verify the identity of our customers.

Any person who knowingly, with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which may be a crime and may subject such person to criminal and civil penalties, according to state law.

Signed At: \_\_\_\_\_ Date: \_\_\_\_\_
(City and State)

(X) \_\_\_\_\_ (X) \_\_\_\_\_
Signature of Proposed Insured Printed Name of Proposed Insured

(X) \_\_\_\_\_ (X) \_\_\_\_\_
Signature of Owner/Title Printed Name of Signatory

(X) \_\_\_\_\_ (X) \_\_\_\_\_
Signature of Agent Witness to Signature(s)



343 Sansome Street  
P.O. Box 193892  
San Francisco, CA 94119-3892  
1-800-366-9378

**SUPPLEMENT TO APPLICATION FOR CORPORATE OWNED LIFE INSURANCE  
CONSENT TO INSURANCE - MODIFIED GUARANTEED ISSUE**

Employer Name (Please Print) \_\_\_\_\_

Name of Proposed Insured \_\_\_\_\_ Gender \_\_\_\_\_ Social Security Number \_\_\_\_\_ Date of Birth \_\_\_\_\_

Residential Address (City, State & Zip Code) \_\_\_\_\_ Business Address (City State & Zip Code) \_\_\_\_\_

**CONSENT DISCLOSURE:** I acknowledge, understand and agree that if I consent to be insured:

- A life insurance policy, policies or certificate(s) ("Policy" or "Policies") may be issued on my life by an Insurer or Insurers (the "Insurer") selected by the Employer;
- The Employer may purchase the insurance directly or through a trust (the "Trust") established by the Employer;
- The Employer or Trust has an insurable interest in my life;
- The Employer or Trust will apply for, own and control the insurance Policy in every respect;
- The Employer, Trust or any successor will continue to be the owner and beneficiary of the life insurance Policy indefinitely, including after my employment/service terminates for any reason;
- Neither I nor my estate, administrators, heirs or assignees have any rights in the Policy or in any Policy proceeds, unless the owner notifies Insurer in writing otherwise; and
- The maximum aggregate face amount for all Policies issued will not exceed \$ \_\_\_\_\_ at the time such Policies are issued.
  - Please note that the Employer may apply for such aggregate insurance coverage through one or more insurers. The Employer typically applies for insurance in aggregate amounts below the maximum amount described above. In addition, please understand that the Employer will be making significant contributions of premiums to the Policies. Consequently, a considerable portion of the death benefit received by the Employer at your death will be a return of the Employer's premium payments.

**WORK STATUS:** (Please complete if you consent to be insured.)

- Yes  No Are you a U.S. citizen or do you have permanent U.S. resident status and do you currently reside in the U.S.? If "NO", give details below including visa type, country of citizenship, country of residence and any plans to become a U.S. citizen. (Attach additional sheet if needed.) \_\_\_\_\_
- Yes  No Are you currently engaged in active, full-time work (of at least 30 hours per week) in a normal capacity?
- Yes  No Are you currently employed by, or a Director of, the Employer and have you been actively at work as described in the previous question for the past 90 days?
- Yes  No During the 90 days immediately prior to the date of this Consent to Insurance, have you been hospitalized or otherwise absent from work due to illness or accident (not including vacation or holidays) for either more than 3 consecutive days or more than a total of 5 days? If "YES", please explain. (Attach an additional sheet, if necessary.) \_\_\_\_\_

DETAILS: \_\_\_\_\_

**TOBACCO/NICOTINE USAGE:** (Please complete if you consent to be insured.)

- Yes  No Have you used any tobacco, nicotine or any nicotine substitution product in any form in the last 12 months? If "YES", please give details including type(s), frequency and last date used: \_\_\_\_\_

**DECLARATIONS:**

I have read and understand this Supplement to Application. I represent that all statements and answers made in all parts herein are full, complete and true to the best of my knowledge and belief, and that my signature below constitutes my consent to be insured as described above. It is further understood and agreed that all such answers shall be the basis of any insurance issued and are material to the decision as to whether the risk is accepted by West Coast Life (the Company). No agent may alter or discharge any contract, accept risks or waive the company's rights or requirements. This Supplement to Application will be attached to and made part of any policy issued.

**Any person who knowingly, with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which may be a crime and may subject such person to criminal and civil penalties, according to state law.**

Proposed Insured's Signature: \_\_\_\_\_ Date: \_\_\_\_\_



343 Sansome Street  
P.O. Box 193892  
San Francisco, CA 94119-3892  
1-800-366-9378

## CONSENT TO INSURANCE SUPPLEMENTAL DISCLOSURE FOR CORPORATE OWNED LIFE INSURANCE REGULAR ISSUE

In connection with your consent to be insured pursuant to the attached insurance application,  
\_\_\_\_\_ (the "Employer") is required to notify you of the following information:

### CONSENT DISCLOSURE:

- A life insurance policy, policies or certificate(s) ("Policy" or "Policies") may be issued on my life by an Insurer or Insurers (the "Insurer") selected by the Employer, and that such Policy will be issued to the Employer;
- The Employer may purchase the insurance directly or through a trust (the "Trust") established by the Employer;
- The Employer or Trust has an insurable interest in my life;
- The Employer or Trust will apply for, own and control the insurance Policy in every respect;
- The Employer, Trust or any successor will continue to be the owner and beneficiary of the life insurance Policy indefinitely, including after my employment/service terminates for any reason.
- Neither I nor my estate, administrators, heirs or assignees have any rights in the Policy or in any Policy proceeds, unless the owner notifies Insurer in writing otherwise; and
- The maximum aggregate face amount for all Policies issued will not exceed \$ \_\_\_\_\_ at the time such Policies are issued.
  - Please note that the Employer may apply for such aggregate insurance coverage through one or more insurers. The Employer typically applies for insurance in aggregate amounts below the maximum amount described above. In addition, please understand that the Employer will be making significant contributions of premiums to the Policies. Consequently, a considerable portion of the death benefit received by the Employer at your death will be a return of the Employer's premium payments.

By signing below, I acknowledge that I have read and understand the information contained in this Consent to Insurance at the time I completed and signed the attached insurance application.

\_\_\_\_\_  
Signature of Proposed Insured

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

## **Statement of Variability – PB-02 9-08**

Specimen data provided are for male, age 35, non-tobacco with a \$100,000 face amount. Data and table entries can depend on a number of factors including gender, age, rate class, premium pattern, interest rates, etc.

Schedule Page numbering may vary due to length of table entries, etc.

No variables will change with respect to in-force policies without notification, appropriate regulatory approvals, and (where required) consent of the contract holder, owner or participant.

### **FACE PAGE – PB-02 9-08**

Company Address and Phone Number – Will only be changed to accurately disclose the company's correct mailing address and phone number.

Company State of Domicile – Will only be changed to accurately disclose the company's state of domicile. This change would not be made until any required notifications or regulatory filings are completed.

Right to Cancel – Not less than 30 days nor more than 60 days.

Officer Signatures – Will only be changed to accurately disclose the company's officers. This change would not be made until any required notifications or regulatory filings are completed.

Insured's Attained Age 95 - Not less than 75 nor more than 120. (This also appears at the bottom of page 3, and in the following provisions: Unplanned Premium, Reinstatement, Monthly Deduction, Death Benefit.

### **POLICY SCHEDULE – PB-02 9-08**

Items that vary by applicant, or "John Doe" information - Insured, Age, Gender, Rate Class, Owner, Initial Face Amount, Initial Premium, Policy Effective Date, Monthly Anniversary Date, Allocation Percentages

Initial Death Benefit Option – Can be either A or B (Level or Increasing)

Minimum Face Amount – \$25,000

Minimum Model Premium – Not less than \$100 nor more than \$200.

Policy Sub-Accounts – Allows us to add or remove Policy Sub-Accounts, or slightly change the appearance of them.

Premium Expense Charge – Not less than 0% nor more than 25%.

Monthly Expense Charge – Based on Age, Gender and Rate Class

Administrative Charge – Based on Age, Gender and Rate Class

Partial Surrender Fee – Not less than \$0 nor more than \$100

Projection Request Fee – Not less than \$0 nor more than \$200

Maximum Monthly Cost of Insurance Rates – Based on Age, Gender and Rate Class

Mortality Basis – May vary as to age nearest birthday or age last birthday, according to plan of insurance being issued. Mortality basis will be updated as necessary by future legislative or regulatory action. Will not be less favorable than 2001 CSO or current required by the state in which the policy is issued.

Guaranteed Interest Rate – Not less than 1% nor more than 5%

Surrender Charge – The number of years the surrender charge will be assessed can vary from 5 to 25. Surrender charges are based on age, gender and rate class.

Loan Interest Rate – Will never exceed 8%.

Policy Debt Limit – Not less than 75% nor more than 100% of Cash Value.

Corridor Percentage – Will only vary according to current IRS requirements as of the policy effective date.

## **POLICY BODY PAGES – PB-02 9-08**

Definitions; "Age" – Can either be age nearest or age last birthday as appropriate for the plan of insurance issued.

Error in Age or Gender – Bracketed reference to gender will not be used if unisex plans of insurance are issued.

Termination Provision – Not less than 31 days.

Grace Period – Not less than 61 days.

Separate Account(s); "Tennessee" – Allows us to change the state where the separate accounts are maintained.

Transfers

90 – Allows us to change the amount of days prior to a Policy Anniversary we must allow for separate account transfer processing. Not more than 180 but not less than 28.

\$1,000/\$100,000 – Allows us to change the minimum amount to be transferred. Not more than \$500,000 but not less than \$100.

25% - Allows us to change the maximum percentage amount that may be transferred. Not more than 50% nor less than 5%.

\$10,000 – Allows us to change the amount of remaining Policy Sub-Account value. Not more than \$50,000 nor less than \$1,000.

Repayment of Debt; "\$25" – Not less than \$25.

Partial Withdrawals; "\$500" – Not less than \$500.

Settlement Options; Minimum Amounts - Not more than a lump sum of \$5,000 and not more than periodic payments of \$50 unless a lower amount is required by the state in which the policy is delivered.

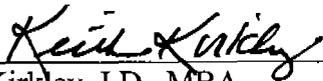
Settlement Options; Minimum Interest Rates - Will be populated with the minimum assumed interest rates used to calculate minimum factors for settlement options. Will not be less than 1.00% nor greater than 3.00%

Option 2; Mortality Basis - Will be populated with data reflecting the company's assumptions for annuitant mortality as of the date the policy is issued. Will not be less favorable than the assumptions used to determine the guaranteed payout options under the company's single premium deferred annuities issued on the same date.

## CERTIFICATION

I certify that the information contained in this Statement of Variability is true and correct to the best of my knowledge and belief, and that I am duly authorized by the company to make this certification.

Signed for the Company by:



---

Keith Kirkley, J.D., MBA  
Assistant Vice President

June 24, 2008

# Text Comparison

## Documents Compared

PB-01-AR 6-08.pdf - Adobe Acrobat Professional

PB-02-AR 9-08.pdf

## Summary

1330 word(s) added

452 word(s) deleted

6635 word(s) matched

44 block(s) matched

To see where the changes are, scroll down.



PROTECTIVE LIFE INSURANCE COMPANY / [P. O. BOX 193892/ SAN FRANCISCO, CA 94119-3892]  
A STOCK COMPANY STATE OF DOMICILE – [TENNESSEE] [(800-366-9378)]

**LIFE INSURANCE POLICY**

**INSURED** – [John Doe]

**POLICY NUMBER** – [PB000001]

**INSURING AGREEMENT**

This Policy is a legal contract between the Owner (also referred to as "You" or "Your") and Protective Life Insurance Company (also referred to as "the Company", "We", "Us", or "Our").

Subject to the terms of this Policy, We will pay the Death Benefit proceeds to the Beneficiary upon due proof that the Insured died while this Policy was in force.

**READ YOUR POLICY CAREFULLY**

The terms of this Policy are contained on this and the following pages.

**[30] DAY FREE LOOK**

**YOU HAVE THE RIGHT TO CANCEL THIS INSURANCE POLICY.** This Policy may be returned within [30] days of the day it was received by You if it is not entirely satisfactory. Simply return it to the agent who sold it to You or mail it to Our Administrative Office. We will then cancel the Policy as if it had never been in force and refund any premium that was paid.

[ *John D. Johns* ]

[John D. Johns]  
President

[ *Deborah J. Long* ]

[Deborah J. Long]  
Secretary

**FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE POLICY**

**Adjustable Death Benefit**

Flexible premiums payable during the life of the Insured until the Insured's Attained Age [95]

Non-Participating



**PROTECTIVE LIFE INSURANCE COMPANY** / [P. O. BOX 193892/ SAN FRANCISCO, CA 94119-3892]  
**A STOCK COMPANY**                      **STATE OF DOMICILE – [TENNESSEE]**                      **[(800-366-9378)]**

---

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**INSURED** – [John Doe]

**POLICY NUMBER** – [PB000001]

**INSURING AGREEMENT**

This Policy is a legal contract between the Owner (also referred to as "You" or "Your") and Protective Life Insurance Company (also referred to as "the Company", "We", "Us", or "Our").

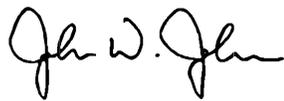
Subject to the terms of this Policy, We will pay the Death Benefit proceeds to the Beneficiary upon due proof that the Insured died while this Policy was in force.

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[  ]

[John D. Johns]  
President

[  ]

[Deborah J. Long]  
Secretary

**FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE POLICY**

**Adjustable Death Benefit**

Flexible premiums payable during the life of the Insured until the Insured's Attained Age [95]

Non-Participating

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| Face Amount .....                     | 4 | Cost of Insurance .....                | 8  |
| Monthly Anniversary .....             | 4 | Net Amount at Risk .....               | 8  |
| Net Premium .....                     | 4 | Interest .....                         | 8  |
| Policy Anniversary .....              | 4 | POLICY LOAN .....                      | 8  |
| Policy Debt .....                     | 5 | Policy Loan .....                      | 8  |
| Policy Effective Date .....           | 5 | Repayment of Debt .....                | 10 |
| Policy Year .....                     | 5 | SURRENDERS AND PARTIAL                 |    |
| Proceeds .....                        | 5 | WITHDRAWALS .....                      | 10 |
| Surrender Charge .....                | 5 | Surrender .....                        | 10 |
| Surrender Value .....                 | 5 | Partial Withdrawals .....              | 10 |
| GENERAL PROVISIONS .....              | 5 | DEATH BENEFIT .....                    | 10 |
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| Modification of the Contract .....    | 5 | Death Benefit Option B .....           | 10 |
| Representations and Contestability .. | 5 | SETTLEMENT OPTIONS .....               | 11 |
| Error in Age [or Gender] .....        | 5 | Settlement Options .....               | 11 |
| Assignment .....                      | 5 | Selecting a Settlement Option .....    | 11 |
| Effective Date .....                  | 6 | Option 1 - Payments for a Fixed        |    |
| Tax Considerations .....              | 6 | Period .....                           | 11 |
| Coverage Limitations .....            | 6 | Option 2 - Payments for Life with a    |    |
| Termination .....                     | 6 | Guaranteed Fixed Period .....          | 11 |
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| Owner .....                           | 4 | Unplanned Premiums .....                | 8  |
| Insured .....                         | 4 | Minimum Premium .....                   | 8  |
| Beneficiary .....                     | 4 | Allocation of Net Premium .....         | 8  |
| DEFINITIONS .....                     | 4 | Premium Limitation .....                | 8  |
| Administrative Office .....           | 4 | Grace Period .....                      | 8  |
| Attained Age .....                    | 4 | Reinstatement .....                     | 8  |
| Cash Value .....                      | 4 | SEPARATE ACCOUNT(S) .....               | 9  |
| Code .....                            | 4 | DETERMINING VALUES .....                | 9  |
| Face Amount .....                     | 4 | Calculating Policy Value .....          | 9  |
| Monthly Anniversary .....             | 4 | Monthly Deduction .....                 | 10 |
| Net Premium .....                     | 5 | Cost of Insurance .....                 | 10 |
| Policy Anniversary .....              | 5 | Net Amount at Risk .....                | 10 |
| Policy Debt .....                     | 5 | Interest .....                          | 10 |
| Policy Effective Date .....           | 5 | Transfers .....                         | 11 |
| Policy Sub-Account .....              | 5 | POLICY LOAN .....                       | 11 |
| Policy Sub-Account Value .....        | 5 | Policy Loan .....                       | 11 |
| Policy Value .....                    | 5 | Repayment of Debt .....                 | 11 |
| Policy Year .....                     | 5 | SURRENDERS AND PARTIAL                  |    |
| Proceeds .....                        | 5 | WITHDRAWALS .....                       | 11 |
| Surrender Charge .....                | 5 | Surrender .....                         | 11 |
| Surrender Value .....                 | 5 | Partial Withdrawals .....               | 12 |
| GENERAL PROVISIONS .....              | 5 | DEATH BENEFIT .....                     | 12 |
| Entire Contract .....                 | 5 | Death Benefit Option A .....            | 12 |
| Modification of the Contract .....    | 5 | Death Benefit Option B .....            | 12 |
| Representations and Contestability .. | 5 | SETTLEMENT OPTIONS .....                | 12 |
| Error in Age [or Gender] .....        | 6 | Settlement Options .....                | 12 |
| Assignment .....                      | 6 | Selecting a Settlement Option .....     | 13 |
| Effective Date .....                  | 6 | Option 1 - Payments for a Fixed         |    |
| Tax Considerations .....              | 6 | Period .....                            | 13 |
| Coverage Limitations .....            | 6 | Option 2 - Payments for Life with a     |    |
| Termination .....                     | 6 | Guaranteed Fixed Period .....           | 13 |
| Suicide Exclusions .....              | 6 | Option 3 - Interest Income .....        | 14 |
| Annual Report .....                   | 7 | Option 4 = Payments of a Fixed          |    |
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**POLICY SCHEDULE**

**POLICY NUMBER:** [SPECIMEN]

**LIFE INSURANCE**

**POLICY INFORMATION ON THE POLICY EFFECTIVE DATE**

**INSURED:** [JOHN DOE]

**OWNER:** [ABC BANK]

**AGE:** [35]

**GENDER:** [MALE]

**RATE CLASS:** [NON-TOBACCO]

**INITIAL FACE AMOUNT:** [\$100,000]

**MINIMUM FACE AMOUNT:** [\$25,000]

**INITIAL DEATH BENEFIT OPTION:** [A]

**MINIMUM MODAL PREMIUM:** [\$100.00]

**INITIAL PREMIUM:** [\$20,706.85]

**POLICY EFFECTIVE DATE:** [AUGUST 1, 2008]

**MONTHLY ANNIVERSARY DATE:** [1]

IT IS POSSIBLE THAT COVERAGE WILL EXPIRE PRIOR TO ATTAINED AGE [95] WHERE EITHER NO PREMIUMS ARE PAID AFTER THE INITIAL PREMIUM OR SUBSEQUENT PREMIUMS ARE INSUFFICIENT TO CONTINUE COVERAGE.



**POLICY SCHEDULE (continued)****POLICY NUMBER:** [SPECIMEN]**MAXIMUM POLICY CHARGES & FEES****PREMIUM EXPENSE CHARGE** [[0%] OF EACH PREMIUM PAYMENT]**MONTHLY EXPENSE CHARGE** [[\$0.00] PER \$1,000 OF INITIAL FACE AMOUNT]**ADMINISTRATIVE CHARGE** [~~[\$0] PER MONTH~~]~~**Partial Surrender Fee** [[\$0.00]~~~~**Projection Request Fee** [\$50.00]~~**MAXIMUM MONTHLY COST OF INSURANCE RATES**  
(PER \$1,000 OF NET AMOUNT AT RISK)

| AGE | RATE | AGE | RATE      | AGE | RATE      | AGE | RATE       |
|-----|------|-----|-----------|-----|-----------|-----|------------|
| 0   |      | 25  |           | 50  | [0.31333] | 75  | [3.49250]  |
| 1   |      | 26  |           | 51  | [0.33833] | 76  | [3.84000]  |
| 2   |      | 27  |           | 52  | [0.37250] | 77  | [4.24333]  |
| 3   |      | 28  |           | 53  | [0.41083] | 78  | [4.71333]  |
| 4   |      | 29  |           | 54  | [0.45833] | 79  | [5.25500]  |
| 5   |      | 30  |           | 55  | [0.51416] | 80  | [5.84500]  |
| 6   |      | 31  |           | 56  | [0.57333] | 81  | [6.51583]  |
| 7   |      | 32  |           | 57  | [0.63666] | 82  | [7.21166]  |
| 8   |      | 33  |           | 58  | [0.68916] | 83  | [7.95916]  |
| 9   |      | 34  |           | 59  | [0.74916] | 84  | [8.78583]  |
| 10  |      | 35  | [0.10083] | 60  | [0.82166] | 85  | [9.71416]  |
| 11  |      | 36  | [0.10666] | 61  | [0.91166] | 86  | [10.74250] |
| 12  |      | 37  | [0.11166] | 62  | [1.02083] | 87  | [11.86250] |
| 13  |      | 38  | [0.12000] | 63  | [1.14250] | 88  | [13.06083] |
| 14  |      | 39  | [0.12833] | 64  | [1.27000] | 89  | [14.32333] |
| 15  |      | 40  | [0.13750] | 65  | [1.40416] | 90  | [15.63833] |
| 16  |      | 41  | [0.14916] | 66  | [1.53916] | 91  | [16.87000] |
| 17  |      | 42  | [0.16333] | 67  | [1.67416] | 92  | [18.15250] |
| 18  |      | 43  | [0.17916] | 68  | [1.82083] | 93  | [19.50333] |
| 19  |      | 44  | [0.19916] | 69  | [1.97000] | 94  | [20.92833] |
| 20  |      | 45  | [0.22083] | 70  | [2.14750] | 95+ | [0.00]     |
| 21  |      | 46  | [0.24166] | 71  | [2.34583] |     |            |
| 22  |      | 47  | [0.26416] | 72  | [2.61000] |     |            |
| 23  |      | 48  | [0.27750] | 73  | [2.88500] |     |            |
| 24  |      | 49  | [0.29333] | 74  | [3.17333] |     |            |

**MORTALITY BASIS:** [2001 COMMISSIONER'S STANDARD ORDINARY (CSO) RATES MALE OR FEMALE, AGE NEAREST BIRTHDAY, AGGREGATE SMOKER, AS APPLICABLE.]**GUARANTEED INTEREST RATE:** [~~3.00%~~]

**POLICY SCHEDULE (continued)****POLICY NUMBER:** [SPECIMEN]**MAXIMUM POLICY CHARGES & FEES****PREMIUM EXPENSE CHARGE** [[0%] OF EACH PREMIUM PAYMENT]**MONTHLY EXPENSE CHARGE** [[\$0.00] PER \$1,000 OF INITIAL FACE AMOUNT]**ADMINISTRATIVE CHARGE** [[\$0.00] PER MONTH]**PARTIAL SURRENDER FEE** [\$0.00]**PROJECTION REQUEST FEE** [\$50.00]**MAXIMUM MONTHLY COST OF INSURANCE RATES**  
(PER \$1,000 OF NET AMOUNT AT RISK)

| AGE | RATE | AGE | RATE      | AGE | RATE      | AGE | RATE       |
|-----|------|-----|-----------|-----|-----------|-----|------------|
| 0   |      | 25  |           | 50  | [0.31333] | 75  | [3.49250]  |
| 1   |      | 26  |           | 51  | [0.33833] | 76  | [3.84000]  |
| 2   |      | 27  |           | 52  | [0.37250] | 77  | [4.24333]  |
| 3   |      | 28  |           | 53  | [0.41083] | 78  | [4.71333]  |
| 4   |      | 29  |           | 54  | [0.45833] | 79  | [5.25500]  |
| 5   |      | 30  |           | 55  | [0.51416] | 80  | [5.84500]  |
| 6   |      | 31  |           | 56  | [0.57333] | 81  | [6.51583]  |
| 7   |      | 32  |           | 57  | [0.63666] | 82  | [7.21166]  |
| 8   |      | 33  |           | 58  | [0.68916] | 83  | [7.95916]  |
| 9   |      | 34  |           | 59  | [0.74916] | 84  | [8.78583]  |
| 10  |      | 35  | [0.10083] | 60  | [0.82166] | 85  | [9.71416]  |
| 11  |      | 36  | [0.10666] | 61  | [0.91166] | 86  | [10.74250] |
| 12  |      | 37  | [0.11166] | 62  | [1.02083] | 87  | [11.86250] |
| 13  |      | 38  | [0.12000] | 63  | [1.14250] | 88  | [13.06083] |
| 14  |      | 39  | [0.12833] | 64  | [1.27000] | 89  | [14.32333] |
| 15  |      | 40  | [0.13750] | 65  | [1.40416] | 90  | [15.63833] |
| 16  |      | 41  | [0.14916] | 66  | [1.53916] | 91  | [16.87000] |
| 17  |      | 42  | [0.16333] | 67  | [1.67416] | 92  | [18.15250] |
| 18  |      | 43  | [0.17916] | 68  | [1.82083] | 93  | [19.50333] |
| 19  |      | 44  | [0.19916] | 69  | [1.97000] | 94  | [20.92833] |
| 20  |      | 45  | [0.22083] | 70  | [2.14750] | 95+ | [0.00]     |
| 21  |      | 46  | [0.24166] | 71  | [2.34583] |     |            |
| 22  |      | 47  | [0.26416] | 72  | [2.61000] |     |            |
| 23  |      | 48  | [0.27750] | 73  | [2.88500] |     |            |
| 24  |      | 49  | [0.29333] | 74  | [3.17333] |     |            |

**MORTALITY BASIS:** [2001 COMMISSIONER'S STANDARD ORDINARY (CSO) RATES MALE OR FEMALE, AGE NEAREST BIRTHDAY, AGGREGATE SMOKER, AS APPLICABLE.]**GUARANTEED INTEREST RATE:** [2.50%]

**POLICY SCHEDULE (continued)****POLICY NUMBER:** [SPECIMEN]**SURRENDER CHARGE**

THIS TABLE SHOWS THE MAXIMUM SURRENDER CHARGES THAT APPLY TO THE INITIAL FACE AMOUNT DURING EACH OF THE FIRST [10] POLICY YEARS.

| <b>POLICY YEAR</b> | <b>SURRENDER CHARGE</b> | <b>POLICY YEAR</b> | <b>SURRENDER CHARGE</b> |
|--------------------|-------------------------|--------------------|-------------------------|
| 1                  | <del>\$(2,500.00)</del> | <del>6</del>       | <del>\$(1,725.00)</del> |
| <del>2</del>       | <del>[2,450.00]</del>   | <del>7</del>       | <del>[1,275.00]</del>   |
| <del>3</del>       | <del>[2,400.00]</del>   | <del>8</del>       | <del>[050.00]</del>     |
| <del>4</del>       | <del>[2,350.00]</del>   | <del>9</del>       | <del>[725.00]</del>     |
| <del>5</del>       | <del>[2,300.00]</del>   | <del>10</del>      | <del>[525.00]</del>     |
|                    |                         | 11+                | [0.00]                  |

SURRENDER CHARGES MAY BE WAIVED BY ENDORSEMENT.

**POLICY LOANS**

**LOAN INTEREST RATES:** THE ANNUAL EFFECTIVE LOAN INTEREST RATE APPLICABLE ON THE POLICY EFFECTIVE DATE IS: [5.50%]

**POLICY DEBT LIMIT:** [95%] OF CASH VALUE AT THE TIME OF THE LOAN REQUEST

**CORRIDOR PERCENTAGE**

THE CORRIDOR AMOUNT IS A PERCENTAGE OF THE POLICY VALUE AND IT IS APPLIED AS PRESCRIBED IN SECTION 7702 OF THE CODE. THE PERCENTAGE VARIES ACCORDING TO THE INSURED'S ATTAINED AGE AS SHOWN IN THE TABLE BELOW:

| <b>Age at Death</b> | <b>Corridor Percentage</b> |
|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|
| 20                  | [699.093%]                 | 39                  | [320.302%]                 | 58                  | [126.671%]                 | 77                  | [41.206%]                  |
| 21                  | [673.534%]                 | 40                  | [306.042%]                 | 59                  | [120.118%]                 | 78                  | [38.432%]                  |
| 22                  | [648.607%]                 | 41                  | [292.308%]                 | 60                  | [113.818%]                 | 79                  | [35.803%]                  |
| 23                  | [624.398%]                 | 42                  | [279.104%]                 | 61                  | [107.779%]                 | 80                  | [33.324%]                  |
| 24                  | [600.848%]                 | 43                  | [266.426%]                 | 62                  | [102.017%]                 | 81                  | [30.982%]                  |
| 25                  | [577.982%]                 | 44                  | [254.259%]                 | 63                  | [96.544%]                  | 82                  | [28.778%]                  |
| 26                  | [555.782%]                 | 45                  | [242.609%]                 | 64                  | [91.352%]                  | 83                  | [26.685%]                  |
| 27                  | [534.333%]                 | 46                  | [231.452%]                 | 65                  | [86.415%]                  | 84                  | [24.684%]                  |
| 28                  | [513.601%]                 | 47                  | [220.744%]                 | 66                  | [81.713%]                  | 85                  | [22.766%]                  |
| 29                  | [493.407%]                 | 48                  | [210.465%]                 | 67                  | [77.216%]                  | 86                  | [20.923%]                  |
| 30                  | [473.692%]                 | 49                  | [200.518%]                 | 68                  | [72.896%]                  | 87                  | [19.142%]                  |
| 31                  | [454.485%]                 | 50                  | [190.901%]                 | 69                  | [68.743%]                  | 88                  | [17.396%]                  |
| 32                  | [435.784%]                 | 51                  | [181.623%]                 | 70                  | [64.736%]                  | 89                  | [15.649%]                  |
| 33                  | [417.608%]                 | 52                  | [172.690%]                 | 71                  | [60.885%]                  | 90                  | [13.848%]                  |
| 34                  | [399.990%]                 | 53                  | [164.125%]                 | 72                  | [57.188%]                  | 91                  | [11.917%]                  |
| 35                  | [382.932%]                 | 54                  | [155.919%]                 | 73                  | [53.683%]                  | 92                  | [9.733%]                   |
| 36                  | [366.416%]                 | 55                  | [148.080%]                 | 74                  | [50.348%]                  | 93                  | [7.157%]                   |
| 37                  | [350.489%]                 | 56                  | [140.608%]                 | 75                  | [47.162%]                  | 94                  | [4.000%]                   |
| 38                  | [335.108%]                 | 57                  | [133.478%]                 | 76                  | [44.118%]                  | 95+                 | [0.000%]                   |

**POLICY SCHEDULE (continued)****POLICY NUMBER:** [SPECIMEN]**SURRENDER CHARGE**

THIS TABLE SHOWS THE MAXIMUM SURRENDER CHARGES THAT APPLY TO THE INITIAL FACE AMOUNT DURING EACH OF THE FIRST [10] POLICY YEARS.

| <b>POLICY YEAR</b> | <b>SURRENDER CHARGE</b> | <b>POLICY YEAR</b> | <b>SURRENDER CHARGE</b> |
|--------------------|-------------------------|--------------------|-------------------------|
| 1                  | [\$2,650.00]            | 6                  | [\$1,825.00]            |
| 2                  | [2,575.00]              | 7                  | [1,350.00]              |
| 3                  | [2,525.00]              | 8                  | [1,025.00]              |
| 4                  | [2,475.00]              | 9                  | [750.00]                |
| 5                  | [1,425.00]              | 10                 | [575.00]                |
|                    |                         | 11+                | [0.00]                  |

SURRENDER CHARGES MAY BE WAIVED BY ENDORSEMENT.

**POLICY LOANS**

**LOAN INTEREST RATES:** THE ANNUAL EFFECTIVE LOAN INTEREST RATE APPLICABLE ON THE POLICY EFFECTIVE DATE IS: [5.50%]

**POLICY DEBT LIMIT:** [95%] OF CASH VALUE AT THE TIME OF THE LOAN REQUEST

**CORRIDOR PERCENTAGE**

THE CORRIDOR AMOUNT IS A PERCENTAGE OF THE POLICY VALUE AND IT IS APPLIED AS PRESCRIBED IN SECTION 7702 OF THE CODE. THE PERCENTAGE VARIES ACCORDING TO THE INSURED'S ATTAINED AGE AS SHOWN IN THE TABLE BELOW:

| <b>Age at Death</b> | <b>Corridor Percentage</b> |
|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|---------------------|----------------------------|
| 20                  | [699.093%]                 | 39                  | [320.302%]                 | 58                  | [126.671%]                 | 77                  | [41.206%]                  |
| 21                  | [673.534%]                 | 40                  | [306.042%]                 | 59                  | [120.118%]                 | 78                  | [38.432%]                  |
| 22                  | [648.607%]                 | 41                  | [292.308%]                 | 60                  | [113.818%]                 | 79                  | [35.803%]                  |
| 23                  | [624.398%]                 | 42                  | [279.104%]                 | 61                  | [107.779%]                 | 80                  | [33.324%]                  |
| 24                  | [600.848%]                 | 43                  | [266.426%]                 | 62                  | [102.017%]                 | 81                  | [30.982%]                  |
| 25                  | [577.982%]                 | 44                  | [254.259%]                 | 63                  | [96.544%]                  | 82                  | [28.778%]                  |
| 26                  | [555.782%]                 | 45                  | [242.609%]                 | 64                  | [91.352%]                  | 83                  | [26.685%]                  |
| 27                  | [534.333%]                 | 46                  | [231.452%]                 | 65                  | [86.415%]                  | 84                  | [24.684%]                  |
| 28                  | [513.601%]                 | 47                  | [220.744%]                 | 66                  | [81.713%]                  | 85                  | [22.766%]                  |
| 29                  | [493.407%]                 | 48                  | [210.465%]                 | 67                  | [77.216%]                  | 86                  | [20.923%]                  |
| 30                  | [473.692%]                 | 49                  | [200.518%]                 | 68                  | [72.896%]                  | 87                  | [19.142%]                  |
| 31                  | [454.485%]                 | 50                  | [190.901%]                 | 69                  | [68.743%]                  | 88                  | [17.396%]                  |
| 32                  | [435.784%]                 | 51                  | [181.623%]                 | 70                  | [64.736%]                  | 89                  | [15.649%]                  |
| 33                  | [417.608%]                 | 52                  | [172.690%]                 | 71                  | [60.885%]                  | 90                  | [13.848%]                  |
| 34                  | [399.990%]                 | 53                  | [164.125%]                 | 72                  | [57.188%]                  | 91                  | [11.917%]                  |
| 35                  | [382.932%]                 | 54                  | [155.919%]                 | 73                  | [53.683%]                  | 92                  | [9.733%]                   |
| 36                  | [366.416%]                 | 55                  | [148.080%]                 | 74                  | [50.348%]                  | 93                  | [7.157%]                   |
| 37                  | [350.489%]                 | 56                  | [140.608%]                 | 75                  | [47.162%]                  | 94                  | [4.000%]                   |
| 38                  | [335.108%]                 | 57                  | [133.478%]                 | 76                  | [44.118%]                  | 95+                 | [0.000%]                   |

## PARTIES TO THE POLICY

**The Company:** Protective Life Insurance Company.

**Owner:** The person, persons or entity, such as but not limited to a business, corporation or trust (an "Entity"), named as Owner of the Policy in Our records. The Owner is entitled to exercise all rights and privileges provided by this Policy.

**Insured:** The person whose life this Policy insures.

**Beneficiary:** The person, persons or Entity designated by the Owner to receive the Proceeds of this Policy upon the death of the Insured.

Primary - The Primary Beneficiary is the person, persons or Entity designated by the Owner and named in Our records.

Contingent - The Contingent Beneficiary is the person, persons or Entity designated by the Owner and named in Our records to be the Beneficiary if there is no Primary Beneficiary, or if the Primary Beneficiary is not living.

There may be one or more than one Beneficiary in a class. If one or more persons in a class die before the Insured, the surviving members of the class will share the Policy's Death Benefit equally unless otherwise instructed by the Owner.

You may change the Owner or Beneficiary, and may designate any Beneficiary as irrevocable. This may limit Your ability to change that designation in the future or make other Policy changes.

## DEFINITIONS

The terms below have specific meaning associated with them each time they are used in this Policy. Other terms may be defined elsewhere in this Policy and will have that meaning when they are used in this Policy.

**Administrative Office:** The location where administrative services for this Policy are performed.

**Attained Age:** The Attained Age is the Insured's age on the Policy Effective Date as of the [nearest/last] birthday, plus the number of complete years that have elapsed since the Policy Effective Date.

**Cash Value:** The Policy Value minus any applicable Surrender Charges.

**Code:** The Internal Revenue Code of 1986, as amended or its successor.

**Face Amount:** The amount of basic insurance provided by this Policy, which does not include any additional benefits provided by any Rider or Endorsement. The initial Face Amount is shown in the Policy Schedule.

**Monthly Anniversary:** The same date as the Monthly Anniversary Date shown on the Policy Schedule in each subsequent month this Policy remains in force.

**Net Premium:** The premium payment less the Premium Expense Charge shown in the Policy Schedule.

**Policy Anniversary:** The same day in each Policy Year as the Policy Effective Date.

## PARTIES TO THE POLICY

**The Company:** Protective Life Insurance Company.

**Owner:** The person, persons or entity, such as but not limited to a business, corporation or trust (an "Entity"), named as Owner of the Policy in Our records. The Owner is entitled to exercise all rights and privileges provided by this Policy.

**Insured:** The person whose life this Policy insures.

**Beneficiary:** The person, persons or Entity designated by the Owner to receive the Proceeds of this Policy upon the death of the Insured.

Primary - The Primary Beneficiary is the person, persons or Entity designated by the Owner and named in Our records.

Contingent - The Contingent Beneficiary is the person, persons or Entity designated by the Owner and named in Our records to be the Beneficiary if there is no Primary Beneficiary, or if the Primary Beneficiary is not living.

There may be one or more than one Beneficiary in a class. If one or more persons in a class die before the Insured, the surviving members of the class will share the Policy's Death Benefit equally unless otherwise instructed by the Owner.

You may change the Owner or Beneficiary, and may designate any Beneficiary as irrevocable. This may limit Your ability to change that designation in the future or make other Policy changes.

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**Code:** The Internal Revenue Code of 1986, as amended or its successor.

**Face Amount:** The amount of basic insurance provided by this Policy, which does not include any additional benefits provided by any Rider or Endorsement. The initial Face Amount is shown in the Policy Schedule.

**Monthly Anniversary:** The same date as the Monthly Anniversary Date shown on the Policy Schedule in each subsequent month this Policy remains in force.

**Policy Debt:** The sum of all outstanding loans made against the Policy's Cash Value plus all accrued interest, less loan repayments made.

**Policy Effective Date:** The date on which the insurance coverage under this Policy takes effect.

**Policy Year:** The 12-month period commencing with the Policy Effective Date or any subsequent Policy Anniversary.

**Proceeds:** The amount payable upon claiming a Death Benefit or requesting a full Surrender, a Partial Withdrawal or Loan.

**Surrender Charge:** An amount shown in the Policy Schedule that will be charged by the Company upon a Surrender of the Policy.

**Surrender Value:** The Cash Value minus any outstanding Policy Debt.

### GENERAL PROVISIONS

**Entire Contract:** This Policy is a legal contract between You and Us. We entered into this contract in consideration of a complete application and the payment of premiums. The Policy, including all applications, both initial and supplemental, and all endorsements, amendments, riders and Policy Schedule, both initial and supplemental, are attached and constitute the entire agreement.

**Modification of the Contract:** No one is authorized to modify or waive any term or provision of this Policy unless We agree in writing and it is signed by Our President, Vice-President, or Secretary. We have the right, subject to regulatory approval, to modify the terms and provisions of this Policy to conform to any applicable laws, rules or regulations issued by a governmental agency, or to assure continued qualification of the Policy as a life insurance contract under the Code. We will send You a copy of any endorsement that modifies the Policy and will obtain all necessary consents.

**Representations and Contestability:** In determining whether to issue this Policy We relied upon the statements in the application made by and for the Insured. We acknowledge these statements are representations, not warranties. We have the right to contest the validity of this Policy or resist any claim based on a material misrepresentation in any application We accept and make a part of this Policy. However, We cannot bring any legal action to contest the validity of this Policy or to resist a claim after the Policy has been in force for two years during the life of this Insured, unless fraud is involved.

If We accept an application to change the Policy, add or change a benefit, or reinstate the Policy after it has lapsed and make the application part of this Policy, We cannot bring any legal action to contest the change, addition, or reinstatement after it has been in force for two years during the life of the Insured, unless fraud is involved.

**Error in Age [or Gender]:** If statements in an application regarding the Insured's age [or gender] are not correct, We will adjust the Death Benefit of the Policy to that which would have been provided at the correct age [or gender] using the ratio of the maximum cost of insurance rate from the most recent month to the maximum cost of insurance rate based on the correct age [and gender].

**Assignment:** The Owner may assign rights under this Policy while this Policy is in force. We must receive a signed copy of the assignment along with the written notice if the assignment is to be binding on Us. Any assignment will be subject to any amounts owed to Us before the assignment was recorded. We are not responsible for the validity of any assignment.

**Net Premium:** The premium payment less the Premium Expense Charge shown in the Policy Schedule.

**Policy Anniversary:** The same day in each Policy Year as the Policy Effective Date.

**Policy Debt:** The sum of all outstanding loans made against the Policy's Cash Value plus all accrued interest, less loan repayments made.

**Policy Effective Date:** The date on which the insurance coverage under this Policy takes effect.

**Policy Sub-Account:** An investment option into which Net Premium may be allocated or Policy Value transferred.

**Policy Sub-Account Value:** The value of a Policy Sub-Account attributable to this Policy.

**Policy Value:** The sum of all Policy Sub-Account Values.

**Policy Year:** The 12-month period commencing with the Policy Effective Date or any subsequent Policy Anniversary.

**Proceeds:** The amount payable upon claiming a Death Benefit or requesting a full Surrender, a Partial Withdrawal or Loan.

**Surrender Charge:** An amount shown in the Policy Schedule that will be charged by the Company upon a Surrender of the Policy.

**Surrender Value:** The Cash Value minus any outstanding Policy Debt.

## GENERAL PROVISIONS

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**Representations and Contestability:** In determining whether to issue this Policy We relied upon the statements in the application made by and for the Insured. We acknowledge these statements are representations, not warranties. We have the right to contest the validity of this Policy or resist any claim based on a material misrepresentation in any application We accept and make a part of this Policy. However, We cannot bring any legal action to contest the validity of this Policy or to resist a claim after the Policy has been in force for two years during the life of this Insured, unless fraud is involved.

**Effective Date:** The Effective Date of coverage under this Policy will be as follows:

- a) For all coverage provided in the original application, the Effective Date will be the Policy Effective Date.
- b) For any decrease or addition to coverage, the Effective Date will be the Monthly Anniversary date that coincides with or next follows the date shown in the supplemental Policy Schedule.
- c) For any insurance that has been reinstated, the Effective Date will be the Monthly Anniversary date that coincides with or next follows the date the application for reinstatement is approved by Us.

**Tax Considerations:** On its Effective Date, this Policy qualified as life insurance under applicable sections of the Code. We have the right to modify the Policy to assure it continues to qualify as life insurance. If necessary to prevent it from failing to qualify as life insurance, We may:

- a) decline a premium payment; or
- b) decline a request to change the Death Benefit options; or
- c) decline to process a request for a Partial Withdrawal; or
- d) decline a request to reduce the Face Amount; or
- e) decline a request to add, modify or terminate any rider or benefit; or
- f) refund any premium We previously accepted, including earnings associated with the refunded premium, if any.

**Coverage Limitations:** Unless the health and other conditions of the Insured on the date this ~~Policy or any subsequent modification~~ is delivered to the Owner are the same as that indicated in the application, We reserve the right to cancel the Policy or modification, or re-evaluate the application and re-issue the Policy or modification with appropriate adjustments.

**Termination:** This Policy will terminate at the earliest of:

- a) the date that We receive Your written request to Surrender the Policy.
- b) the date that the Grace Period ends without payment of the premium required to keep this Policy in force.
- c) the date We settle a valid claim for the Death Benefit.
- d) the date a [31] day loan grace period ends if no loan repayments are made after the Policy Debt exceeds the Policy Debt limit.

**Suicide Exclusions:** If, while sane or insane, the Insured commits suicide within two years of the Policy Effective Date, Our total liability under this Policy is limited to the premiums paid from that date to the date of death, less Policy Debt and Partial Withdrawals, including applicable Surrender Charges and fees, if any.

**Annual Report:** Unless the Policy is in a Grace Period, no less than once per year, while the Policy is in force, We will send You a report that shows:

- a) the Policy Value as of the beginning and end of the reporting period;
- b) amounts added to or deducted from the Policy Value during the reporting period;
- c) Policy Debt, if any, as of the end of the reporting period;
- d) the Surrender Value as of the end of the reporting period;
- e) the Death Benefit as of the end of the reporting period; and,
- f) any other information required by law.

**Projections of Policy Benefits and Values:** Once each year at no cost, You may request by written notice a projection of the Death Benefit and certain other values. Unless You specify otherwise, the calculations will be based on the Face Amount, current premium assumptions and patterns, and the interest rates, Cost of Insurance rates and Policy charges and fees in effect at that time. We may charge a fee that does not exceed the Projection Request Fee shown on the Policy Schedule for each additional projection You request that year.

If We accept an application to change the Policy, add or change a benefit, or reinstate the Policy after it has lapsed and make the application part of this Policy, We cannot bring any legal action to contest the change, addition, or reinstatement after it has been in force for two years during the life of the Insured, unless fraud is involved.

**Error in Age [or Gender]:** If statements in an application regarding the Insured's age [or gender] are not correct, We will adjust the Death Benefit of the Policy to that which would have been provided at the correct age [or gender] using the ratio of the maximum cost of insurance rate from the most recent month to the maximum cost of insurance rate based on the correct age [and gender].

**Assignment:** The Owner may assign rights under this Policy while this Policy is in force. We must receive a signed copy of the assignment along with the written notice if the assignment is to be binding on Us. Any assignment will be subject to any amounts owed to Us before the assignment was recorded. We are not responsible for the validity of any assignment.

**Effective Date:** The Effective Date of coverage under this Policy will be as follows:

- a) For all coverage provided in the original application, the Effective Date will be the Policy Effective Date.
- b) For any decrease or addition to coverage, the Effective Date will be the Monthly Anniversary date that coincides with or next follows the date shown in the supplemental Policy Schedule.
- c) For any insurance that has been reinstated, the Effective Date will be the Monthly Anniversary date that coincides with or next follows the date the application for reinstatement is approved by Us.

**Tax Considerations:** On its Effective Date, this Policy qualified as life insurance under applicable sections of the Code. We have the right to modify the Policy to assure it continues to qualify as life insurance. If necessary to prevent it from failing to qualify as life insurance, We may:

- a) decline a premium payment; or
- b) decline a request to change the Death Benefit options; or
- c) decline to process a request for a Partial Withdrawal; or
- d) decline a request to reduce the Face Amount; or
- e) decline a request to add, modify or terminate any rider or benefit; or
- f) refund any premium We previously accepted, including earnings associated with the refunded premium, if any.

**Coverage Limitations:** Unless the health and other conditions of the Insured on the date this Policy, or any subsequent modification, is delivered to the Owner are the same as that indicated in the application, We reserve the right to cancel the Policy or modification, or re-evaluate the application and re-issue the Policy or modification with appropriate adjustments.

**Termination:** This Policy will terminate at the earliest of:

- a) the date that We receive Your written request to Surrender the Policy.
- b) the date that the Grace Period ends without payment of the premium required to keep this Policy in force.
- c) the date We settle a valid claim for the Death Benefit.
- d) the date a [31] day loan grace period ends if no loan repayments are made after the Policy Debt exceeds the Policy Debt limit.

**Suicide Exclusions:** If, while sane or insane, the Insured commits suicide within two years of the Policy Effective Date, Our total liability under this Policy is limited to the premiums paid from that date to the date of death, less Policy Debt and Partial Withdrawals, including applicable Surrender Charges and fees, if any.

**Protection of Proceeds:** To the extent permitted by law and subject to any assignment, the Proceeds of this Policy are free from legal process and the claims of creditors.

**Minimum Values:** The values generated under this Policy, including Cash Values and Surrender Values, at least equal the minimum required by the state in which the Policy is issued. The method of computing minimum required values has been filed with the insurance supervisory authority of the state in which the Policy is issued.

**Written Notice and Request:** All instructions regarding this Policy and any request to change or assign it, must be in writing in a form acceptable to Us and received at the Administrative Office. Written instructions, requests and assignments are effective as of the date they are signed. We are not responsible for following any instruction or acting on any request or assignment before We actually receive it. Instructions, requests and assignments are subject to any payment We have made and any action We have taken prior to receiving the written notice.

**Payment of Proceeds:** Unless You instruct Us otherwise by written notice, Proceeds are payable in a lump sum. We may delay payment of Surrender or Loan Proceeds for up to six months where permitted or required. However, We will not do so when the Surrender or Loan Proceeds will be used to pay premium to Us. Interest on Proceeds will be paid in accordance with state law.

**Non-participating:** This Policy does not pay dividends, or share in the Company's surplus or profits.

## PREMIUMS

**Initial Premium:** The Initial Premium is the premium paid on or before the Policy Effective Date and shown on the Policy Schedule. Insurance under this Policy will not become effective until the Initial Premium is paid.

**Planned Premium:** Planned Premium is Our understanding of Your intention regarding premium payments at any particular time. Your initial Planned Premium amount and mode was communicated to Us on the application.

You may change the amount and/or mode of Your Planned Premium by written notice. You may instruct Us to send You periodic reminders for the Planned Premium on an annual, semiannual or quarterly basis, or may pre-authorize automatic payment of Planned Premiums from a designated account at Your bank or other financial institution. If You request it in writing, We will ~~provide without cost~~ a receipt for any premium payment.

Our acceptance of Your Planned Premium instructions does not in any way imply or guarantee insurance coverage or any other benefit provided by this Policy will continue. If Planned Premium payments are discontinued and no subsequent premiums are paid, the insurance coverage will continue only until the end of the Grace Period.

**Unplanned Premiums:** You may make Unplanned Premium payments after the Initial Premium upon receipt of prior approval from Our Administrative Office. Unplanned Premium payments must be made during the life of the Insured and prior to the day the Insured reaches the Attained Age of [95]. We reserve the right to limit the amount or frequency of Unplanned Premium payments.

**Minimum Premium:** No premium payment may be less than the Minimum Modal Premium shown on the Policy Schedule, without Our prior consent.

**Annual Report:** Unless the Policy is in a Grace Period, no less than once per year, while the Policy is in force, We will send You a report that shows:

- a) the Policy Value as of the beginning and end of the reporting period;
- b) amounts added to or deducted from the Policy Value during the reporting period;
- c) Policy Debt, if any, as of the end of the reporting period;
- d) the Surrender Value as of the end of the reporting period;
- e) the Death Benefit as of the end of the reporting period; and,
- f) any other information required by law.

**Projections of Policy Benefits and Values:** Once each year at no cost, You may request by written notice a projection of the Death Benefit and certain other values. Unless You specify otherwise, the calculations will be based on the Face Amount, current premium assumptions and patterns, and the interest rates, Cost of Insurance rates and Policy charges and fees in effect at that time. We may charge a fee that does not exceed the Projection Request Fee shown on the Policy Schedule for each additional projection You request that year.

**Protection of Proceeds:** To the extent permitted by law and subject to any assignment, the Proceeds of this Policy are free from legal process and the claims of creditors.

**Minimum Values:** The values generated under this Policy, including Cash Values and Surrender Values, at least equal the minimum required by the state in which the Policy is issued. The method of computing minimum required values has been filed with the insurance supervisory authority of the state in which the Policy is issued.

**Written Notice and Request:** All instructions regarding this Policy and any request to change or assign it, must be in writing in a form acceptable to Us and received at the Administrative Office. Written instructions, requests and assignments are effective as of the date they are signed. We are not responsible for following any instruction or acting on any request or assignment before We actually receive it. Instructions, requests and assignments are subject to any payment We have made and any action We have taken prior to receiving the written notice.

**Payment of Proceeds:** Unless You instruct Us otherwise by written notice, Proceeds are payable in a lump sum. We may delay payment of Surrender or Loan Proceeds for up to six months where permitted or required. However, We will not do so when the Surrender or Loan Proceeds will be used to pay premium to Us. Interest on Proceeds will be paid in accordance with state law.

**Non-participating:** This Policy does not pay dividends, or share in the Company's surplus or profits.

## **PREMIUMS**

**Initial Premium:** The Initial Premium is the premium paid on or before the Policy Effective Date and shown on the Policy Schedule. Insurance under this Policy will not become effective until the Initial Premium is paid.

**Planned Premium:** Planned Premium is Our understanding of Your intention regarding premium payments at any particular time. Your initial Planned Premium amount and mode was communicated to Us on the application.

**Premium Limitation:** We have the right to refuse or refund any premium that, during any Policy Year:

- a) increases the difference between the Death Benefit and the Policy Value; or,
- b) would result in the Policy failing to qualify as life insurance under the Code immediately or any time in the future.

**Grace Period:** If on any Monthly Anniversary the Policy Value minus Policy Debt, if any, is insufficient to pay the Monthly Deduction for the upcoming month, the Policy will begin a [61] day period called the "Grace Period". In such a case, the insurance provided by this Policy would remain in effect only during the Grace Period.

We will notify You in writing that a Grace Period has begun. If We do not receive sufficient premium to keep the Policy in force before the end of the Grace Period, the Policy will terminate without value as of that date.

If the Insured dies during the Grace Period, the Death Benefit will be paid after deducting the amount of any past due Monthly Deductions from the Proceeds.

**Reinstatement:** If this Policy terminates at the end of a Grace Period, You may request reinstatement of this Policy prior to the date the Insured reaches the Attained Age of [95] if:

- a) We receive a reinstatement application in good order within five years of the end of the Grace Period during the life of the Insured;
- b) You provide current evidence of insurability satisfactory to Us; and
- c) You pay the Monthly Deductions that became due during the Grace Period plus sufficient premium to maintain the Policy in force for three months.

We will apply the reinstatement premium, and coverage under the reinstated Policy will take effect, on the Monthly Anniversary following the date We approve Your reinstatement application and requirements a) through c) above are satisfied. The beginning Policy Value and Policy Debt, if any, of the reinstated Policy will be determined based on the Policy Value and Policy Debt, if any, as of the date the Policy entered the most recent Grace Period. Interest accruals on the Policy Value and Policy Debt, if any, will resume on the reinstatement date.

#### ~~DETERMINING VALUES~~

**Policy Value:** The Policy Value on the Policy Effective Date is equal to the Initial Net Premium minus the Monthly Deduction for the first month.

On each subsequent Monthly Anniversary date, the Policy Value is equal to:

- a) the Policy Value as of the prior Monthly Anniversary; plus,
- b) interest accrued since the prior Monthly Anniversary, if any; plus,
- c) Net Premium received since the prior Monthly Anniversary, if any; minus,
- d) Partial Withdrawals and fees since the prior Monthly Anniversary, if any; minus,
- e) the Monthly Deduction for the upcoming month.

**Monthly Deduction:** The Monthly Deduction is composed of the following costs and charges, each of which is described on the Policy Schedule:

- a) the Cost of Insurance for the upcoming month; plus,
- b) the cost of any additional insurance coverage or benefit provided by a rider for the upcoming month, if any; plus,
- c) the administrative charge, if any; plus,
- d) the monthly charge applicable to the initial Face Amount, if any.

Beginning on the date the Insured reaches the Attained Age of [95], no further Monthly Deductions will be made.

You may change the amount and/or mode of Your Planned Premium by written notice. You may instruct Us to send You periodic reminders for the Planned Premium on an annual, semiannual or quarterly basis, or may pre-authorize automatic payment of Planned Premiums from a designated account at Your bank or other financial institution. If You request it in writing, We will provide, without cost, a receipt for any premium payment.

Our acceptance of Your Planned Premium instructions does not in any way imply or guarantee insurance coverage or any other benefit provided by this Policy will continue. If Planned Premium payments are discontinued and no subsequent premiums are paid, the insurance coverage will continue only until the end of the Grace Period.

**Unplanned Premiums:** You may make Unplanned Premium payments after the Initial Premium upon receipt of prior approval from Our Administrative Office. Unplanned Premium payments must be made during the life of the Insured and prior to the day the Insured reaches the Attained Age of [95]. We reserve the right to limit the amount or frequency of Unplanned Premium payments.

**Minimum Premium:** No premium payment may be less than the Minimum Modal Premium shown on the Policy Schedule, without Our prior consent.

**Allocation of Net Premium:** Initial Net Premiums and any subsequent planned or unplanned Net Premiums will be allocated to the Policy Sub-Accounts according to the instructions You provided in the application. You may change the allocation of planned or unplanned Net Premium payments at any time by written notice.

**Premium Limitation:** We have the right to refuse or refund any premium that, during any Policy Year:

- a) increases the difference between the Death Benefit and the Policy Value; or,
- b) would result in the Policy failing to qualify as life insurance under the Code immediately or any time in the future.

**Grace Period:** If on any Monthly Anniversary the Policy Value minus Policy Debt, if any, is insufficient to pay the Monthly Deduction for the upcoming month, the Policy will begin a [61] day period called the "Grace Period". In such a case, the insurance provided by this Policy would remain in effect only during the Grace Period.

We will notify You in writing that a Grace Period has begun. If We do not receive sufficient premium to keep the Policy in force before the end of the Grace Period, the Policy will terminate without value as of that date.

If the Insured dies during the Grace Period, the Death Benefit will be paid after deducting the amount of any past due Monthly Deductions from the Proceeds.

**Reinstatement:** If this Policy terminates at the end of a Grace Period, You may request reinstatement of this Policy prior to the date the Insured reaches the Attained Age of [95] if:

- a) We receive a reinstatement application in good order within five years of the end of the Grace Period during the life of the Insured;
- b) You provide current evidence of insurability satisfactory to Us; and
- c) You pay the Monthly Deductions that became due during the Grace Period plus sufficient premium to maintain the Policy in force for three months.

**Cost of Insurance:** The Cost of Insurance is equal to the Insured's cost of insurance rate per \$1,000 of Net Amount at Risk for the upcoming month multiplied by the Policy's Net Amount at Risk, all divided by 1,000.

We, in Our sole discretion, establish the monthly cost of insurance rates. We will not establish cost of insurance rates greater than those in the table of Maximum Monthly Cost of Insurance Rates shown on the Policy Schedule. Cost of insurance rates are based on the Insured's age, gender, rate class and the number of years elapsed since the Policy Effective Date.

Any change in monthly cost of insurance rates will be based on Our expected future experience of mortality, persistency, investment earnings and expenses, including taxes, and will be consistent for all Insureds in the same rate class.

**Net Amount at Risk:** The Net Amount at Risk on the Policy Effective Date is equal to:

- a) the Death Benefit on the Policy Effective Date; divided by,
- b) 1 plus the monthly guaranteed interest rate; minus,
  - 1) the Policy Value on the Policy Effective Date prior to taking the Monthly Deduction for the first month, if the Death Benefit Option is Option A (Level Death Benefit), or
  - 2) the Policy Value on the Policy Effective Date prior to taking the Monthly Deduction for the first month divided by 1 plus the monthly guaranteed interest rate, if the Death Benefit Option is Option B (Increasing Death Benefit).

On each subsequent Monthly Anniversary, Net Amount at Risk is equal to:

- a) the Death Benefit on the Monthly Anniversary; divided by,
- b) 1 plus the monthly guaranteed interest rate; minus,
  - 1) the Policy Value on the Monthly Anniversary prior to taking the Monthly Deduction for the upcoming month, if the Death Benefit Option is Option A (Level Death Benefit), or
  - 2) the Policy Value on the Monthly Anniversary prior to taking the Monthly Deduction for the upcoming month divided by 1 plus the monthly guaranteed interest rate, if the Death Benefit Option is B (Increasing Death Benefit).

**Interest:** We, in Our sole discretion, establish the interest rates used to calculate the Policy Value, but We will not establish an interest rate lower than the guaranteed interest rate shown on the Policy Schedule. For the ~~purpose~~ of determining Policy Value, interest accumulates on Net Premium as of the date it is applied to the Policy.

## POLICY LOAN

**Policy Loan:** While this Policy is in force during the life of the Insured, You may borrow from the Cash Value using the Policy as security. The loan request must be in writing. The maximum loan We will make at any time is the amount that, when added to existing Policy Debt, does not exceed the Policy Debt Limit shown on the Policy Schedule.

The portion of the Policy Value equal to Policy Debt will earn interest at the guaranteed interest rate shown in the Policy Schedule.

Interest charged on the loan will be at the annual effective ~~rate~~ per year shown in the Policy Schedule and is payable in arrears on each Policy Anniversary. If the loan interest is not paid when due, it is added to the loan principal and will bear interest at the applicable annual rate until paid. Interest, as it accrues from day to day, is considered part of the Policy Debt.

We will apply the reinstatement premium, and coverage under the reinstated Policy will take effect, on the Monthly Anniversary following the date We approve Your reinstatement application and requirements a) through c) above are satisfied. The beginning Policy Value and Policy Debt, if any, of the reinstated Policy will be determined based on the Policy Value and Policy Debt, if any, as of the date the Policy entered the most recent Grace Period. Interest accruals on the Policy Value and Policy Debt, if any, will resume on the reinstatement date.

### **SEPARATE ACCOUNT(S)**

We have established and maintain one or more legal separate account(s) under the laws of the state of [Tennessee] for the assets supporting the benefits provided by this Policy. We own the assets in the separate account(s). Assets for this Policy are placed in the separate account(s) based on your Policy Sub-Account allocations. We may also place assets in the separate account(s) for any other policies We may issue.

The portion of the assets in the separate account(s) equal to the reserves and other policy liabilities with respect to the separate account(s) is not chargeable with the liabilities arising out of any other business We may conduct. Any income, both realized and unrealized, net gains and losses from the assets of the separate account(s) are credited to or charged against the separate account(s), without regard to Our other income, gains or losses.

We have the right to transfer to Our general account any assets of the separate account(s) that are in excess of the reserves and liabilities. The Owner has no claim upon such transferred assets, except to the extent such assets are part of Our general account.

We reserve the right to transfer assets from the separate account(s) to other separate account(s) We currently maintain or may later establish. We will maintain sufficient assets in the separate account(s) at all times to satisfy related contractual liabilities. When necessary, We will infuse assets into the separate account(s).

The participation of this Policy in the separate account(s) prior to the date on which the Death Benefit becomes payable is represented by the ratio of the Policy's un-loaned Policy Value to the aggregate un-loaned Policy Values of all policies in the Separate Account(s).

### **DETERMINING VALUES**

**Calculating Policy Value:** The Policy Value on the Policy Effective Date is equal to the Initial Net Premium minus the Monthly Deduction for the first month.

On each subsequent Monthly Anniversary date, the Policy Value is equal to:

- a) the Policy Value as of the prior Monthly Anniversary; plus,
- b) interest accrued since the prior Monthly Anniversary, if any; plus,
- c) Net Premium received since the prior Monthly Anniversary, if any; minus,
- d) Partial Withdrawals and fees since the prior Monthly Anniversary, if any; minus,
- e) the Monthly Deduction for the upcoming month.

The Monthly Deduction and fees for this Policy will be charged to the Policy Value by charging each Policy Sub-Account Value. The amount of the Monthly Deduction and fees charged to each Policy Sub-Account Value will be in the same proportion that the Policy Sub-Account's Value bears to the total Policy Value.

**Repayment of Debt:** You may repay all or part of the Policy Debt any time while this Policy is in force during the life of the Insured. A written notice must accompany Your payment to distinguish it from a premium payment and each payment must be at least [\$25].

Policy Debt will be deducted from the Death Benefit or Cash Value before paying or settling the Death Benefit or Surrender Proceeds.

### **SURRENDERS AND PARTIAL WITHDRAWALS**

**Surrender:** At any time during the life of the Insured, You may send Us a written request to surrender this Policy. We will terminate the insurance and other benefits provided by this Policy as of the next Monthly Anniversary and liquidate the Surrender Value as of that date. We will deduct the Surrender Charge, if applicable.

If You request a full surrender within 30 days after a Policy Anniversary, the Surrender Value will not be less than the Surrender Value as of the most recent prior Policy Anniversary minus additional Policy Debt and Partial Withdrawals since that Policy Anniversary, if any.

**Partial Withdrawals:** After the first Policy Year and subject to certain restrictions, You may withdraw a portion of the Policy Value by written request. You must withdraw at least [\$500]. We will reduce ~~the~~ Policy Value on the next Monthly Anniversary date after We receive Your written request.

We may decrease the Face Amount, if necessary, so Our Net Amount at Risk does not increase as a result of the Partial Withdrawal. We may restrict or decline requests for a Partial Withdrawal in which the resulting decrease in the Face Amount violates any restrictions described in the "Decreasing the Face Amount" provision in the section entitled, "CHANGING THE POLICY". We will not process any request for a Partial Withdrawal if, after the Partial Withdrawal, the Face Amount would be less than the minimum Face Amount shown on the Policy Schedule.

### **DEATH BENEFIT**

A Death Benefit is payable when We receive satisfactory proof of the death of the Insured while this Policy was in force. The Death Benefit prior to the date the Insured reaches the Attained Age of [95] is determined by the Death Benefit Option in effect as of the Insured's date of death. The Death Benefit will comply with the applicable sections of the Code and will be adjusted according to the Policy provisions prior to payment.

The Death Benefit payable after the date the Insured reaches the Attained Age of [95] is the Cash Value less Policy Debt.

If we have not paid the Death Benefit proceeds within 30 days after we receive due proof of the Insured's death, we will add interest at the rate of 8% per year.

**Death Benefit Option A – Level Death Benefit:** The Death Benefit is the greater of:

- a) the Face Amount as of the Insured's date of death; or,
- b) the Policy Value as of the Insured's date of death plus the corridor amount.

**Death Benefit Option B – Increasing Death Benefit:** The Death Benefit is the greater of:

- a) the Face Amount as of the Insured's date of death plus the Policy Value on the date of death; or,
- b) the Policy Value as of the Insured's date of death plus the corridor amount.

The "corridor amount" is a percentage of the Policy Value on the Insured's date of death. It is applied as prescribed in section 7702 of the Code. The percentage varies according to the Insured's Attained Age as indicated in the table shown in the Policy Schedule.

**Monthly Deduction:** The Monthly Deduction is composed of the following costs and charges, each of which is described on the Policy Schedule:

- a) the Cost of Insurance for the upcoming month; plus,
- b) the cost of any additional insurance coverage or benefit provided by a rider for the upcoming month, if any; plus,
- c) the administrative charge, if any; plus,
- d) the monthly expense charge applicable to the initial Face Amount, if any.

Beginning on the date the Insured reaches the Attained Age of [95], no further Monthly Deductions will be made.

**Cost of Insurance:** The Cost of Insurance is equal to the Insured's cost of insurance rate per \$1,000 of Net Amount at Risk for the upcoming month multiplied by the Policy's Net Amount at Risk, all divided by 1,000.

We, in Our sole discretion, establish the monthly cost of insurance rates. We will not establish cost of insurance rates greater than those in the table of Maximum Monthly Cost of Insurance Rates shown on the Policy Schedule. Cost of insurance rates are based on the Insured's age, gender, rate class and the number of years elapsed since the Policy Effective Date.

Any change in monthly cost of insurance rates will be based on Our expected future experience of mortality, persistency, investment earnings and expenses, including taxes, and will be consistent for all Insureds in the same rate class.

**Net Amount at Risk:** The Net Amount at Risk on the Policy Effective Date is equal to:

- a) the Death Benefit on the Policy Effective Date; divided by,
- b) 1 plus the monthly guaranteed interest rate; minus,
  - 1) the Policy Value on the Policy Effective Date prior to taking the Monthly Deduction for the first month, if the Death Benefit Option is Option A (Level Death Benefit), or
  - 2) the Policy Value on the Policy Effective Date prior to taking the Monthly Deduction for the first month divided by 1 plus the monthly guaranteed interest rate, if the Death Benefit Option is Option B (Increasing Death Benefit).

On each subsequent Monthly Anniversary, Net Amount at Risk is equal to:

- a) the Death Benefit on the Monthly Anniversary; divided by,
- b) 1 plus the monthly guaranteed interest rate; minus,
  - 1) the Policy Value on the Monthly Anniversary prior to taking the Monthly Deduction for the upcoming month, if the Death Benefit Option is Option A (Level Death Benefit), or
  - 2) the Policy Value on the Monthly Anniversary prior to taking the Monthly Deduction for the upcoming month divided by 1 plus the monthly guaranteed interest rate, if the Death Benefit Option is B (Increasing Death Benefit).

**Interest:** We, in Our sole discretion, establish the interest rates used to calculate the Policy Value, but We will not establish an interest rate lower than the guaranteed interest rate shown on the Policy Schedule. For the purposes of determining Policy Value, interest accumulates on Net Premium as of the date it is applied to the Policy.

## SETTLEMENT OPTIONS

**Settlement Options:** Settlement Options are used for the payment of Proceeds over a period of time rather than payment in a lump sum. Generally, Proceeds from the Death Benefit may be paid under a Settlement Option. Proceeds from a Policy Loan, Surrender, or those payable pursuant to the suicide exclusion may not be paid under a Settlement Option and must be paid in a lump sum.

If this Policy is subject to an assignment when the Proceeds from a Death Benefit are payable, the portion of the Proceeds subject to the assignment will be paid to the assignee immediately in a lump ~~sum and any~~ remaining Proceeds may be paid under a Settlement Option subject to the limitations in the "Minimum Amounts" provision of this section.

**Selecting a Settlement Option:** You may select or change a Settlement Option, while this Policy is in force and during the life of the Insured. If ~~the Owner selects~~ a Settlement Option, then Proceeds may not be paid or assigned in advance of their payment dates without Your prior written notice.

If You do not select a Settlement Option, or if We are unable to pay any portion of the Proceeds according to the Settlement Option selected, the Beneficiary may select a Settlement Option from among those available at that time, or may take the amount due immediately in a lump sum.

All instructions to select or change a Settlement Option must be by written notice.

**Option 1 – Payments for a Fixed Period:** We will make equal monthly payments on the same day of each month for up to 30 years. The amount of each payment depends upon the amount applied to the Settlement Option, the period selected, and the interest rate in effect at the time the payments are determined. Minimum monthly rates per \$1,000 applied under Settlement Option 1 are shown in the Option 1 Table, which is based on an annual effective interest rate of [1.50%].

**OPTION 1 TABLE**  
Minimum Monthly Payment Rates for Each \$1,000 Applied

| Fixed Period<br>(in years) | Monthly<br>Payment | Fixed Period<br>(in years) | Monthly<br>Payment | Fixed Period<br>(in years) | Monthly<br>Payment |
|----------------------------|--------------------|----------------------------|--------------------|----------------------------|--------------------|
| 1                          | [89.20]            | 11                         | [8.21]             | 21                         | [4.62]             |
| 2                          | [42.26]            | 12                         | [7.58]             | 22                         | [4.44]             |
| 3                          | [28.39]            | 13                         | [7.05]             | 23                         | [4.28]             |
| 4                          | [21.45]            | 14                         | [6.59]             | 24                         | [4.13]             |
| 5                          | [17.28]            | 15                         | [6.20]             | 25                         | [3.99]             |
| 6                          | [14.51]            | 16                         | [5.85]             | 26                         | [3.86]             |
| 7                          | [12.53]            | 17                         | [5.55]             | 27                         | [3.75]             |
| 8                          | [11.04]            | 18                         | [5.27]             | 28                         | [3.64]             |
| 9                          | [9.89]             | 19                         | [5.03]             | 29                         | [3.54]             |
| 10                         | [8.96]             | 20                         | [4.81]             | 30                         | [3.44]             |

**Option 2 – Payments for Life with a Guaranteed Fixed Period:** Where the Beneficiary is a natural person, We will make equal monthly payments on the same day of each month for the life of a designated person with payments guaranteed for either 10 or 20 years. Payments stop at the end of the guaranteed period or when the designated person dies, whichever is later. Minimum monthly rates per \$1,000 applied under Settlement Option 2 are shown in the Option 2 Table.

**Transfers:** You may send Us a written request to transfer Policy Value between or among the Policy Sub-Accounts. The transfer will be processed on the next Policy Anniversary after Our receipt of Your request. Any written request for transfer received less than [90] days prior to a Policy Anniversary will be processed at the Policy Anniversary following the upcoming Policy Anniversary. The value transferred from one Policy Sub-Account to any other Policy Sub-Account must be at least [\$10,000]. The maximum value that can be transferred from one Policy Sub-Account to another is the greater of [\$100,000] or [25%] of the Policy Sub-Account Value of the Policy Sub-Account from which the transfer is requested.

If after the transfer is made, the remaining value of any Policy Sub-Account would be less than [\$10,000]. We may, at Our discretion, either transfer the entire Policy Sub-Account Value instead of the requested value, or reject the request for transfer. Where We elect to transfer the entire Policy Sub-Account Value and Your request was for a transfer to more than one Policy Sub-Account, the percentage of the value transferred to each Policy Sub-Account will be in the same proportion as in Your original request. We reserve the right to delay the execution of a transfer request for up to 6 months after the Policy Anniversary that applies to the request.

## POLICY LOAN

**Policy Loan:** While this Policy is in force during the life of the Insured, You may borrow from the Cash Value using the Policy as security. The loan request must be in writing. The maximum loan We will make at any time is the amount that, when added to existing Policy Debt, does not exceed the Policy Debt Limit shown on the Policy Schedule.

The portion of the Policy Value equal to Policy Debt will earn interest at the guaranteed interest rate shown in the Policy Schedule. Within the interest calculation formula, the Policy Debt is allocated to the Policy Sub-Accounts as its value relates to the total value of all Policy Sub-Accounts. The allocation of Policy Debt is recalculated on each Monthly Anniversary date. When there is an outstanding loan, each Policy Sub-Account will have the un-loaned portion of the Policy Sub-Account Value earn the declared interest rate and the portion of the Policy Sub-Account Value equal to the allocated Policy Debt earn the guaranteed interest rate.

Interest charged on the loan will be at the annual effective Loan Interest Rate per year shown in the Policy Schedule and is payable in arrears on each Policy Anniversary. If the loan interest is not paid when due, it is added to the loan principal and will bear interest at the applicable annual rate until paid. Interest, as it accrues from day to day, is considered part of the Policy Debt.

**Repayment of Debt:** You may repay all or part of the Policy Debt any time while this Policy is in force during the life of the Insured. A written notice must accompany Your payment to distinguish it from a premium payment and each payment must be at least [\$25].

Policy Debt will be deducted from the Death Benefit or Cash Value before paying or settling the Death Benefit or Surrender Proceeds.

## SURRENDERS AND PARTIAL WITHDRAWALS

**Surrender:** At any time during the life of the Insured, You may send Us a written request to surrender this Policy. We will terminate the insurance and other benefits provided by this Policy as of the next Monthly Anniversary and liquidate the Surrender Value as of that date. We will deduct the Surrender Charge, if applicable.

The table is derived from mortality assumptions based on the [Annuity 2000 Mortality table projected 6 years using the annual projection factors associated with the 1983 Individual Annuitant Mortality Table] and an annual effective interest rate of [1.50%]. One year will be deducted from the Attained Age of the designated person for every [3] completed years beyond the year [2006].

### OPTION 2 TABLE

#### Minimum Monthly Payment Rates for Each \$1,000 Applied

|      |          | Life with<br>10 Years |          | Life with<br>20 Years |        |          |          | Life with<br>10 Years |          | Life with<br>20 Years |  |
|------|----------|-----------------------|----------|-----------------------|--------|----------|----------|-----------------------|----------|-----------------------|--|
| Age  | Male     | Female                | Male     | Female                | Age    | Male     | Female   | Male                  | Female   |                       |  |
| 0-30 | [\$1.68] | [\$1.68]              | [\$1.68] | [\$1.63]              | 56     | [\$3.37] | [\$3.08] | [\$3.25]              | [\$3.02] |                       |  |
| 31   | [2.17]   | [2.06]                | [2.16]   | [2.05]                | 57     | [3.45]   | [3.15]   | [3.32]                | [3.08]   |                       |  |
| 32   | [2.20]   | [2.08]                | [2.19]   | [2.08]                | 58     | [3.54]   | [3.22]   | [3.39]                | [3.15]   |                       |  |
| 33   | [2.22]   | [2.10]                | [2.22]   | [2.10]                | 59     | [3.63]   | [3.30]   | [3.46]                | [3.22]   |                       |  |
| 34   | [2.25]   | [2.13]                | [2.25]   | [2.13]                | 60     | [3.73]   | [3.39]   | [3.53]                | [3.29]   |                       |  |
| 35   | [2.28]   | [2.16]                | [2.28]   | [2.15]                | 61     | [3.84]   | [3.48]   | [3.60]                | [3.36]   |                       |  |
| 36   | [2.32]   | [2.18]                | [2.31]   | [2.18]                | 62     | [3.94]   | [3.57]   | [3.68]                | [3.43]   |                       |  |
| 37   | [2.35]   | [2.21]                | [2.34]   | [2.21]                | 63     | [4.06]   | [3.67]   | [3.75]                | [3.51]   |                       |  |
| 38   | [2.38]   | [2.24]                | [2.37]   | [2.24]                | 64     | [4.18]   | [3.78]   | [3.83]                | [3.59]   |                       |  |
| 39   | [2.42]   | [2.27]                | [2.41]   | [2.27]                | 65     | [4.31]   | [3.89]   | [3.90]                | [3.67]   |                       |  |
| 40   | [2.46]   | [2.30]                | [2.44]   | [2.30]                | 66     | [4.44]   | [4.01]   | [3.98]                | [3.75]   |                       |  |
| 41   | [2.50]   | [2.34]                | [2.48]   | [2.33]                | 67     | [4.58]   | [4.13]   | [4.05]                | [3.83]   |                       |  |
| 42   | [2.54]   | [2.37]                | [2.52]   | [2.36]                | 68     | [4.73]   | [4.27]   | [4.12]                | [3.91]   |                       |  |
| 43   | [2.59]   | [2.41]                | [2.56]   | [2.40]                | 69     | [4.88]   | [4.41]   | [4.19]                | [4.00]   |                       |  |
| 44   | [2.63]   | [2.45]                | [2.60]   | [2.44]                | 70     | [5.04]   | [4.55]   | [4.26]                | [4.08]   |                       |  |
| 45   | [2.68]   | [2.49]                | [2.65]   | [2.47]                | 71     | [5.20]   | [4.71]   | [4.32]                | [4.16]   |                       |  |
| 46   | [2.73]   | [2.53]                | [2.69]   | [2.51]                | 72     | [5.37]   | [4.88]   | [4.39]                | [4.23]   |                       |  |
| 47   | [2.78]   | [2.57]                | [2.74]   | [2.56]                | 73     | [5.54]   | [5.05]   | [4.44]                | [4.30]   |                       |  |
| 48   | [2.83]   | [2.62]                | [2.79]   | [2.60]                | 74     | [5.72]   | [5.23]   | [4.49]                | [4.37]   |                       |  |
| 49   | [2.89]   | [2.67]                | [2.84]   | [2.64]                | 75     | [5.90]   | [5.42]   | [4.54]                | [4.43]   |                       |  |
| 50   | [2.95]   | [2.72]                | [2.89]   | [2.69]                | 76     | [6.09]   | [5.62]   | [4.58]                | [4.49]   |                       |  |
| 51   | [3.01]   | [2.77]                | [2.95]   | [2.74]                | 77     | [6.28]   | [5.82]   | [4.62]                | [4.54]   |                       |  |
| 52   | [3.08]   | [2.83]                | [3.01]   | [2.79]                | 78     | [6.47]   | [6.03]   | [4.66]                | [4.59]   |                       |  |
| 53   | [3.14]   | [2.88]                | [3.07]   | [2.85]                | 79     | [6.66]   | [6.25]   | [4.69]                | [4.63]   |                       |  |
| 54   | [3.21]   | [2.94]                | [3.13]   | [2.90]                | 80     | [6.85]   | [6.46]   | [4.71]                | [4.66]   |                       |  |
| 55   | [3.29]   | [3.01]                | [3.19]   | [2.96]                | & over |          |          |                       |          |                       |  |

**Option 3 - Interest Income:** We make payments according to written instructions We receive and credit interest on the unpaid balance. We, in Our sole discretion, establish the current interest rate on Settlement Option 3 from time to time, but will not declare an annual effective interest rate less than [1.50%].

**Option 4 - Payments of a Fixed Amount:** We will make fixed payments on the same day of each month in the amount agreed upon between You and Us. The amount of each payment may not be less than [\$10] for each \$1,000 applied to the Settlement Option. Interest will be credited to the unpaid balance at a rate set by Us (from time to time), but We will not declare an annual effective interest rate less than [1.50%]. The fixed payments will continue until the amount We hold is exhausted. The last payment will be for the unpaid balance only.

**Minimum Amounts:** If the portion of the Death Benefit owed to any one person is less than [\$5,000], We may pay that amount immediately in a lump sum. If, at any time payments under a Settlement Option are less than [\$50], We have the right to change the frequency of the payments to an interval that results in a payment at least equal to that amount.

**Death of Payee:** Where the payee under a Settlement Option is a natural person and the payee dies before the entire amount has been paid, We will pay the commuted value to the estate of the deceased payee in a lump sum unless directed otherwise by written notice.

If You request a full surrender within 30 days after a Policy Anniversary, the Surrender Value will not be less than the Surrender Value as of the most recent prior Policy Anniversary minus additional Policy Debt and Partial Withdrawals since that Policy Anniversary, if any.

**Partial Withdrawals:** After the first Policy Year and subject to certain restrictions, You may withdraw a portion of the Policy Value by written request. You must withdraw at least [\$500]. We will reduce the Policy Sub-Account Values in the same proportion that each bears to the total Policy Value on the next Monthly Anniversary date after We receive Your written request.

We may decrease the Face Amount, if necessary, so Our Net Amount at Risk does not increase as a result of the Partial Withdrawal. We may restrict or decline requests for a Partial Withdrawal in which the resulting decrease in the Face Amount violates any restrictions described in the "Decreasing the Face Amount" provision in the section entitled, "CHANGING THE POLICY". We will not process any request for a Partial Withdrawal if, after the Partial Withdrawal, the Face Amount would be less than the minimum Face Amount shown on the Policy Schedule.

### DEATH BENEFIT

A Death Benefit is payable when We receive satisfactory proof of the death of the Insured while this Policy was in force. The Death Benefit prior to the date the Insured reaches the Attained Age of [95] is determined by the Death Benefit Option in effect as of the Insured's date of death. The Death Benefit will comply with the applicable sections of the Code and will be adjusted according to the Policy provisions prior to payment.

The Death Benefit payable after the date the Insured reaches the Attained Age of [95] is the Cash Value less Policy Debt.

If we have not paid the Death Benefit proceeds within 30 days after we receive due proof of the Insured's death, we will add interest at the rate of 8% per year.

**Death Benefit Option A – Level Death Benefit:** The Death Benefit is the greater of:

- a) the Face Amount as of the Insured's date of death; or,
- b) the Policy Value as of the Insured's date of death plus the corridor amount.

**Death Benefit Option B – Increasing Death Benefit:** The Death Benefit is the greater of:

- a) the Face Amount as of the Insured's date of death plus the Policy Value on the date of death; or,
- b) the Policy Value as of the Insured's date of death plus the corridor amount.

The "corridor amount" is a percentage of the Policy Value on the Insured's date of death. It is applied as prescribed in section 7702 of the Code. The percentage varies according to the Insured's Attained Age as indicated in the table shown in the Policy Schedule.

### SETTLEMENT OPTIONS

**Settlement Options:** Settlement Options are used for the payment of Proceeds over a period of time rather than payment in a lump sum. Generally, Proceeds from the Death Benefit may be paid under a Settlement Option. Proceeds from a Policy Loan, Surrender, or those payable pursuant to the suicide exclusion may not be paid under a Settlement Option and must be paid in a lump sum.

## POLICY CHANGES

After the first Policy Anniversary, while this Policy is in force during the life of the Insured, You may send Us a written request to change this Policy. Any change is conditioned on the limitations specifically set forth in this section or elsewhere in this Policy and must be approved by Us before becoming effective.

Generally, a Policy change becomes effective as of the Monthly Anniversary on or following the date We approve the request. We will send You a supplemental Policy Schedule or other acknowledgment that documents the Policy change and shows its Effective Date. No agent or other person has the authority to change this Policy after it is issued. No change is effective until it is entered into Our records.

**Decreasing the Face Amount:** We will not approve a Face Amount decrease that results in:

- a) a Face Amount lower than the minimum allowed for this Policy as shown on the Policy Schedule; or
- b) this Policy failing to qualify as life insurance under the Code.

We may not approve a Face Amount decrease that is requested:

- a) prior to the third Policy Anniversary; or
- b) within one year of any earlier Face Amount decrease.

**Changing the Death Benefit Option:** On or after the first Policy Anniversary, You may send Us a written request to change the Death Benefit Option. If You request a change from Death Benefit Option B to Death Benefit Option A, the Face Amount will be increased to equal the Death Benefit on the Effective Date of the change. If You request a change from Death Benefit Option A to Death Benefit Option B, the Face Amount will be decreased to be equal to the Death Benefit minus Policy Value as of the Effective Date of the change.

We may not authorize Your request and may require satisfactory proof of insurability. If We do authorize it, the change will be effective as of the Monthly Anniversary date shown on the supplemental Policy Schedule.

If this Policy is subject to an assignment when the Proceeds from a Death Benefit are payable, the portion of the Proceeds subject to the assignment will be paid to the assignee immediately in a lump sum. Any remaining Proceeds may be paid under a Settlement Option subject to the limitations described in the "Minimum Amounts" provision of this section.

**Selecting a Settlement Option:** You may select or change a Settlement Option, while this Policy is in force and during the life of the Insured. If You select a Settlement Option, then Proceeds may not be paid or assigned in advance of their payment dates without Your prior written notice.

If You do not select a Settlement Option, or if We are unable to pay any portion of the Proceeds according to the Settlement Option selected, the Beneficiary may select a Settlement Option from among those available at that time, or may take the amount due immediately in a lump sum.

All instructions to select or change a Settlement Option must be by written notice.

**Option 1 – Payments for a Fixed Period:** We will make equal monthly payments on the same day of each month for up to 30 years. The amount of each payment depends upon the amount applied to the Settlement Option, the period selected, and the interest rate in effect at the time the payments are determined. Minimum monthly rates per \$1,000 applied under Settlement Option 1 are shown in the Option 1 Table, which is based on an annual effective interest rate of [1.50%].

**OPTION 1 TABLE**  
Minimum Monthly Payment Rates for Each \$1,000 Applied

| Fixed Period<br>(in years) | Monthly<br>Payment | Fixed Period<br>(in years) | Monthly<br>Payment | Fixed Period<br>(in years) | Monthly<br>Payment |
|----------------------------|--------------------|----------------------------|--------------------|----------------------------|--------------------|
| 1                          | [89.20]            | 11                         | [8.21]             | 21                         | [4.62]             |
| 2                          | [42.26]            | 12                         | [7.58]             | 22                         | [4.44]             |
| 3                          | [28.39]            | 13                         | [7.05]             | 23                         | [4.28]             |
| 4                          | [21.45]            | 14                         | [6.59]             | 24                         | [4.13]             |
| 5                          | [17.28]            | 15                         | [6.20]             | 25                         | [3.99]             |
| 6                          | [14.51]            | 16                         | [5.85]             | 26                         | [3.86]             |
| 7                          | [12.53]            | 17                         | [5.55]             | 27                         | [3.75]             |
| 8                          | [11.04]            | 18                         | [5.27]             | 28                         | [3.64]             |
| 9                          | [9.89]             | 19                         | [5.03]             | 29                         | [3.54]             |
| 10                         | [8.96]             | 20                         | [4.81]             | 30                         | [3.44]             |

**Option 2 – Payments for Life with a Guaranteed Fixed Period:** Where the Beneficiary is a natural person, We will make equal monthly payments on the same day of each month for the life of a designated person with payments guaranteed for either 10 or 20 years. Payments stop at the end of the guaranteed period or when the designated person dies, whichever is later. Minimum monthly rates per \$1,000 applied under Settlement Option 2 are shown in the Option 2 Table.

The table is derived from mortality assumptions based on the [Annuity 2000 Mortality table projected 6 years using the annual projection factors associated with the 1983 Individual Annuitant Mortality Table] and an annual effective interest rate of [1.50%]. One year will be deducted from the Attained Age of the designated person for every [3] completed years beyond the year [2006].

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**OPTION 2 TABLE**

Minimum Monthly Payment Rates for Each \$1,000 Applied

| Life with<br>10 Years |          | Life with<br>20 Years |          | Life with<br>10 Years |        | Life with<br>20 Years |          |          |          |
|-----------------------|----------|-----------------------|----------|-----------------------|--------|-----------------------|----------|----------|----------|
| Age                   | Male     | Female                | Male     | Female                | Age    | Male                  | Female   | Male     | Female   |
| 0-30                  | [\$1.68] | [\$1.68]              | [\$1.68] | [\$1.63]              | 56     | [\$3.37]              | [\$3.08] | [\$3.25] | [\$3.02] |
| 31                    | [2.17]   | [2.06]                | [2.16]   | [2.05]                | 57     | [3.45]                | [3.15]   | [3.32]   | [3.08]   |
| 32                    | [2.20]   | [2.08]                | [2.19]   | [2.08]                | 58     | [3.54]                | [3.22]   | [3.39]   | [3.15]   |
| 33                    | [2.22]   | [2.10]                | [2.22]   | [2.10]                | 59     | [3.63]                | [3.30]   | [3.46]   | [3.22]   |
| 34                    | [2.25]   | [2.13]                | [2.25]   | [2.13]                | 60     | [3.73]                | [3.39]   | [3.53]   | [3.29]   |
| 35                    | [2.28]   | [2.16]                | [2.28]   | [2.15]                | 61     | [3.84]                | [3.48]   | [3.60]   | [3.36]   |
| 36                    | [2.32]   | [2.18]                | [2.31]   | [2.18]                | 62     | [3.94]                | [3.57]   | [3.68]   | [3.43]   |
| 37                    | [2.35]   | [2.21]                | [2.34]   | [2.21]                | 63     | [4.06]                | [3.67]   | [3.75]   | [3.51]   |
| 38                    | [2.38]   | [2.24]                | [2.37]   | [2.24]                | 64     | [4.18]                | [3.78]   | [3.83]   | [3.59]   |
| 39                    | [2.42]   | [2.27]                | [2.41]   | [2.27]                | 65     | [4.31]                | [3.89]   | [3.90]   | [3.67]   |
| 40                    | [2.46]   | [2.30]                | [2.44]   | [2.30]                | 66     | [4.44]                | [4.01]   | [3.98]   | [3.75]   |
| 41                    | [2.50]   | [2.34]                | [2.48]   | [2.33]                | 67     | [4.58]                | [4.13]   | [4.05]   | [3.83]   |
| 42                    | [2.54]   | [2.37]                | [2.52]   | [2.36]                | 68     | [4.73]                | [4.27]   | [4.12]   | [3.91]   |
| 43                    | [2.59]   | [2.41]                | [2.56]   | [2.40]                | 69     | [4.88]                | [4.41]   | [4.19]   | [4.00]   |
| 44                    | [2.63]   | [2.45]                | [2.60]   | [2.44]                | 70     | [5.04]                | [4.55]   | [4.26]   | [4.08]   |
| 45                    | [2.68]   | [2.49]                | [2.65]   | [2.47]                | 71     | [5.20]                | [4.71]   | [4.32]   | [4.16]   |
| 46                    | [2.73]   | [2.53]                | [2.69]   | [2.51]                | 72     | [5.37]                | [4.88]   | [4.39]   | [4.23]   |
| 47                    | [2.78]   | [2.57]                | [2.74]   | [2.56]                | 73     | [5.54]                | [5.05]   | [4.44]   | [4.30]   |
| 48                    | [2.83]   | [2.62]                | [2.79]   | [2.60]                | 74     | [5.72]                | [5.23]   | [4.49]   | [4.37]   |
| 49                    | [2.89]   | [2.67]                | [2.84]   | [2.64]                | 75     | [5.90]                | [5.42]   | [4.54]   | [4.43]   |
| 50                    | [2.95]   | [2.72]                | [2.89]   | [2.69]                | 76     | [6.09]                | [5.62]   | [4.58]   | [4.49]   |
| 51                    | [3.01]   | [2.77]                | [2.95]   | [2.74]                | 77     | [6.28]                | [5.82]   | [4.62]   | [4.54]   |
| 52                    | [3.08]   | [2.83]                | [3.01]   | [2.79]                | 78     | [6.47]                | [6.03]   | [4.66]   | [4.59]   |
| 53                    | [3.14]   | [2.88]                | [3.07]   | [2.85]                | 79     | [6.66]                | [6.25]   | [4.69]   | [4.63]   |
| 54                    | [3.21]   | [2.94]                | [3.13]   | [2.90]                | 80     | [6.85]                | [6.46]   | [4.71]   | [4.66]   |
| 55                    | [3.29]   | [3.01]                | [3.19]   | [2.96]                | & over |                       |          |          |          |

**Option 3 - Interest Income:** We make payments according to written instructions We receive and credit interest on the unpaid balance. We, in Our sole discretion, establish the current interest rate on Settlement Option 3 from time to time, but will not declare an annual effective interest rate less than [1.50%].

**Option 4 - Payments of a Fixed Amount:** We will make fixed payments on the same day of each month in the amount agreed upon between You and Us. The amount of each payment may not be less than [\$10] for each \$1,000 applied to the Settlement Option. Interest will be credited to the unpaid balance at a rate set by Us (from time to time), but We will not declare an annual effective interest rate less than [1.50%]. The fixed payments will continue until the amount We hold is exhausted. The last payment will be for the unpaid balance only.

**Minimum Amounts:** If the portion of the Death Benefit owed to any one person is less than [\$5,000], We may pay that amount immediately in a lump sum. If, at any time payments under a Settlement Option are less than [\$50], We have the right to change the frequency of the payments to an interval that results in a payment at least equal to that amount.

**Death of Payee:** Where the payee under a Settlement Option is a natural person and the payee dies before the entire amount has been paid, We will pay the commuted value to the estate of the deceased payee in a lump sum unless directed otherwise by written notice.

**FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE POLICY**

**Adjustable Death Benefit**

Flexible premiums payable during the life of the Insured until the Insured's Attained Age [95]

Non-Participating

## POLICY CHANGES

After the first Policy Anniversary, while this Policy is in force during the life of the Insured, You may send Us a written request to change this Policy. Any change is conditioned on the limitations specifically set forth in this section or elsewhere in this Policy and must be approved by Us before becoming effective.

Generally, a Policy change becomes effective as of the Monthly Anniversary on or following the date We approve the request. We will send You a supplemental Policy Schedule or other acknowledgment that documents the Policy change and shows its Effective Date. No agent or other person has the authority to change this Policy after it is issued. No change is effective until it is entered into Our records.

**Decreasing the Face Amount:** We will not approve a Face Amount decrease that results in:

- a) a Face Amount lower than the minimum allowed for this Policy as shown on the Policy Schedule; or
- b) this Policy failing to qualify as life insurance under the Code.

We may not approve a Face Amount decrease that is requested:

- a) prior to the third Policy Anniversary; or
- b) within one year of any earlier Face Amount decrease.

**Changing the Death Benefit Option:** On or after the first Policy Anniversary, You may send Us a written request to change the Death Benefit Option. If You request a change from Death Benefit Option B to Death Benefit Option A, the Face Amount will be increased to equal the Death Benefit on the Effective Date of the change. If You request a change from Death Benefit Option A to Death Benefit Option B, the Face Amount will be decreased to be equal to the Death Benefit minus Policy Value as of the Effective Date of the change.

We may not authorize Your request and may require satisfactory proof of insurability. If We do authorize it, the change will be effective as of the Monthly Anniversary date shown on the supplemental Policy Schedule.



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**FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE POLICY**

**Adjustable Death Benefit**

Flexible premiums payable during the life of the Insured until the Insured's Attained Age [95]

Non-Participating

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

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

### DISCLAIMER

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

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

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

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

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

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

### COVERAGE

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

## **EXCLUSIONS FROM COVERAGE**

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

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

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

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

## **LIMITS ON AMOUNT OF COVERAGE**

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