

SERFF Tracking Number: JEPL-125956288 State: Arkansas  
Filing Company: The Lincoln National Life Insurance Company State Tracking Number: 41243  
Company Tracking Number: J-5761 (1/09)  
TOI: L09I Individual Life - Flexible Premium Sub-TOI: L09I.001 Single Life  
Adjustable Life  
Product Name: J-5761 (1/09)  
Project Name/Number: /J-5761 (1/09) Assured Distribution Endorsement

## Filing at a Glance

Company: The Lincoln National Life Insurance Company

Product Name: J-5761 (1/09)

SERFF Tr Num: JEPL-125956288 State: ArkansasLH

TOI: L09I Individual Life - Flexible Premium

SERFF Status: Closed

State Tr Num: 41243

Adjustable Life

Sub-TOI: L09I.001 Single Life

Co Tr Num: J-5761 (1/09)

State Status: Approved-Closed

Filing Type: Form

Co Status:

Reviewer(s): Linda Bird

Authors: Ray Fortier, James Kane,  
Jeanine Taylor

Disposition Date: 01/12/2009

Date Submitted: 01/05/2009

Disposition Status: Approved

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name:

Status of Filing in Domicile: Pending

Project Number: J-5761 (1/09) Assured Distribution Endorsement

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact:

Group Market Type:

Filing Status Changed: 01/12/2009

State Status Changed: 01/12/2009

Deemer Date:

Corresponding Filing Tracking Number: JEPL-125465251

Filing Description:

Please refer to Cover Letter attached to the "Supporting Documentation" tab above.

## Company and Contact

### Filing Contact Information

SERFF Tracking Number: JEPL-125956288 State: Arkansas  
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James Kane, Compliance Analyst james.kane@lfg.com  
One Granite Place (800) 258-3648 [Phone]  
Concord, NH 03302-0515 (603) 226-5128[FAX]

**Filing Company Information**

The Lincoln National Life Insurance Company CoCode: 65676 State of Domicile: Indiana  
350 Church Street Group Code: 20 Company Type: Life Insurance  
Hartford, CT 06103 Group Name: State ID Number:  
(800) 258-3648 ext. [Phone] FEIN Number: 35-0472300  
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## Filing Fees

Fee Required? Yes  
Fee Amount: \$35.00  
Retaliatory? Yes  
Fee Explanation: \$35.00 per form in domicile state is greater than \$20.00 for endorsement in AR = \$35.00.  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
The Lincoln National Life Insurance Company	\$35.00	01/05/2009	24818864

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Linda Bird	01/12/2009	01/12/2009

SERFF Tracking Number: JEPL-125956288 State: Arkansas  
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## Disposition

Disposition Date: 01/12/2009

Implementation Date:

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: JEPL-125956288 State: Arkansas  
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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	Cover Letter		Yes
Supporting Document	HIGHLIGHTED Copy of J-5761 (1/09)		Yes
Supporting Document	Actuarial Memorandum and Actuarial Certification		No
Form	Assured Distribution Endorsement		Yes

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## Form Schedule

Lead Form Number: J-5761 (1/09)

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	J-5761 (1/09)	Certificate Amendmen t, Insert Page, Endorseme nt or Rider	Assured Distribution Endorsement	Initial		53	J-5761 (1_09) Assured Distribution Endorsement Revised.pdf

## Assured Distribution Endorsement

### Summary of Endorsement Features

**BEFORE EXERCISING THE BENEFIT UNDER THIS ENDORSEMENT, IT IS RECOMMENDED THAT YOU CONSULT WITH A TAX ADVISOR TO DISCUSS ANY POTENTIAL TAX CONSEQUENCES.**

This Summary is an overview of the important features of Your Assured Distribution Endorsement. It is meant to give You a basic understanding of the key elements and features – see the provisions that follow this summary for a detailed description of all Endorsement specific features. There is no additional charge or monthly deduction for this Endorsement. **This summary is not a substitute for reading the entire Endorsement carefully.**

This Endorsement provides a benefit that, when exercised, guarantees a specified schedule of distributions from the policy's Net Policy Value (Policy Value less Debt), provided You have met the conditions of the Endorsement.

There are two distribution benefit options available, a level distribution benefit and an increasing distribution benefit. You select the distribution benefit option as well as the duration and frequency of the distributions. The amount of the distributions is determined based upon Your selections using a series of factors, multiplied by the Net Policy Value. Please see the **Benefit** provision below for more details.

This Endorsement is made part of the policy to which it is attached. This Endorsement is subject to all of the applicable provisions of the policy. This Endorsement will control in the event of any conflict with the policy. In this Endorsement, "We", "Us", or "Our" means The Lincoln National Life Insurance Company; "You" and "Your" means the Owner of the policy; and "Insured" means the person named on Page 3 of the policy as insured under the policy.

#### Definitions

**Effective Date** The effective date of this Endorsement is the Policy Date shown on Page 3 of the policy.

**Exchange Premiums** Premiums received from a policy or policies replaced by the policy to which this Endorsement is attached.

There are several conditions that must be met in order to exercise the benefit under this Endorsement. Conditions include, but are not limited to the following: the Insured being at least Attained Age [60] but not greater than Attained Age [80]; and the policy has been in force for at least [10] years ([15] years if Death Benefit Option I was selected at issue) or at least [10] years have passed since the last increase in Specified Amount, whichever is later. Please see the **Conditions** provision below for details on all the conditions.

Once the benefit is exercised, this Endorsement **modifies some of Your policy's provisions**. These policy changes include, but are not limited to the following: setting the policy's minimum death benefit, net of Debt, to be \$[10,000]. Also, the distributions payable under this benefit will be treated as partial surrenders or loans as described below. Please see the **Policy Changes Upon Exercising the Benefit** provision below for more details.

**There are several conditions that will terminate this Endorsement** prior to commencing distributions and there are also conditions that will cause termination of this Endorsement once distributions have commenced. See the **Termination** provision in this Endorsement for full details.

**Transfer Cost Basis** The Transfer Cost Basis will be reported to Us by the previous insurer when We receive an Exchange Premium from a policy transferred to Us as a transfer defined under Section 1035 of Title 26 of the Internal Revenue Code. The Exchange Premiums received may not be equal to the Transfer Cost Basis amount.

#### Benefit

When the benefit is exercised, the terms of this Endorsement guarantee a specified schedule of distributions from the policy's Net Policy Value to You. The dollar amount of the distributions will be determined based upon the following:

- 1) The amount of Your Net Policy Value at the time You commence distributions under this Endorsement; and
- 2) Your selected distribution benefit option including the duration and frequency of the distributions, subject to the provisions and conditions below.

Once the distribution benefit option has been selected, it may not be changed with respect to distribution benefit option, amount of distribution, duration of distribution or frequency of distribution.

### Distribution Benefit Options

Two distribution benefit options are available as defined below:

1. **Level Distribution Benefit (LDB)** This benefit provides a guaranteed level distribution amount. The LDB is calculated as (A) multiplied by (B) multiplied by (C) where:

(A) is the Net Policy Value.

(B) is the Benefit Factor as shown on Page 4 of the policy, applicable to the distribution benefit option, including the duration and frequency, You select.

(C) is the Funding Factor.

Note the amount of the LDB will be rounded up to the nearest whole dollar amount.

2. **Increasing Distribution Benefit (IDB)** This benefit provides for a distribution amount that is increased by a Specified Increase Factor beginning on the policy anniversary after You commence distributions under this Endorsement. The Specified Increase Factor will be applied on each policy anniversary thereafter. The Minimum Guaranteed Specified Increase Factor is shown on Page 4 of the policy. The IDB is calculated as (A) multiplied by (B) multiplied by (C) multiplied by (D) where:

(A) is the Net Policy Value.

(B) is the Benefit Factor shown on Page 4 of the policy, applicable to the distribution benefit option, including the duration and frequency, You select.

(C) is the Funding Factor.

(D) is the Specified Increase Factor beginning on the policy anniversary after the benefit is exercised.

Note the amount of the IDB will be rounded up to the nearest whole dollar amount.

### Duration of Distributions

While the policy to which this Endorsement is attached is in force and subject to the provisions of this Endorsement, distributions will be available as elected by You at the time You exercise the benefit under (a), (b), (c), or (d):

- (a) Installments payable for 10 years;
- (b) Installments payable for 20 years;
- (c) Installments payable to the Attained Age 100 of the Insured; or
- (d) Installments payable for as long as the Insured lives.

### Frequency of Distributions

Each distribution benefit option is available in one of four periodic modes as elected by You at the time You exercise the benefit under (a), (b), (c), or (d):

- (a) Annually;
- (b) Semiannually;
- (c) Quarterly; or
- (d) Monthly.

### Funding Factor

This factor will be calculated at the time the benefit under this Endorsement is exercised. It will never be greater than one (1) and is calculated as follows:

$a + b * \{[c - (1/d-e)]/e\}$  where:

- a. is Funding Factor Value A shown on Page 4 of the policy;
- b. is Funding Factor Value B shown on Page 4 of the policy;
- c. equals (i) divided by (ii) where:
  - (i) is Net Policy Value;
  - (ii) is the Specified Amount described under Items #1, 2, and 3 under the Policy Changes Upon Exercising the Benefit provision.
- d. is the Corridor Factor as shown on Page 4B of the policy based on the Attained Age at the time the benefit is exercised; and
- e. is the Funding Factor Value E based on the Insured's sex, age on the Policy Date, rate class, and the number of completed policy years, shown in the Funding Factor Value E Table on Page 4 of the policy.

### Conditions

Subject to the terms and conditions of this Endorsement and the policy, We agree to pay the benefit under this Endorsement if all of the following conditions are met:

- 1. Our receipt of a satisfactorily completed election form(s), signed by You;
- 2. The policy must not be a modified endowment contract or immediately become a modified endowment contract upon exercising the benefit under this Endorsement;

3. The policy to which this Endorsement is attached is not within 7 years of a material change as defined by 7702(a) of the Internal Revenue Code. Material changes include but are not limited to Death Benefit Option changes, Specified Amount increases or the addition of certain riders;
4. The Insured is at least Attained Age 60 but not greater than Attained Age 80;
5. The Insured must be living to receive distributions, please refer to the Termination provision;
6. The policy has been in force for at least [10] policy years ([15] policy years if Death Benefit Option I was selected at issue) or at least [10] policy years have passed since the last increase in Specified Amount, whichever is later;
7. The policy must have a Policy Value greater than zero;
8. The policy has no Debt (any Debt must be repaid prior to the exercise of the benefit);
9. The Death Benefit Qualification Test for the policy is the Guideline Premium Test;
10. The guideline level premium as defined in Internal Revenue Code Section 7702 must be equal to or greater than zero (this amount is available upon request);
11. In force riders or benefits attached to this policy will terminate, except any Supplemental Coverage Rider, unless otherwise agreed to.
12. The policy is sufficiently well funded. This is determined by dividing (A) by (B) and the result must be greater than (C) where:
  - (A) is the Net Policy Value;
  - (B) is the Specified Amount described under Items #1, 2, and 3 under the Policy Changes Upon Exercising the Benefit provision; and
  - (C) is the Benefit Threshold Factor described on Page 4 of the policy.
13. The Insured can not be receiving the benefit of any Disability Waiver of Monthly Deduction Benefit Rider or Disability Waiver of Specified Premium Benefit Rider attached to the policy.

### **Policy Changes Upon Exercising the Benefit**

Upon exercising the benefit under this Endorsement:

- 1) The Death Benefit Option is set to Death Benefit Option I.
- 2) The Specified Amount under the policy will be changed to the minimum amount that will not result in a negative guideline level premium as defined in Internal Revenue Code Section 7702.

- 3) The Specified Amount will not be less than the minimum death benefit of the policy.
- 4) The minimum death benefit, net of Debt to be payable on the Insured's date of death will be set at \$[10,000].
- 5) No further premium payments may be made.
- 6) While distributions are paid, the Partial Surrender Fee shown on Page 4 of the policy will be waived.
- 7) The amount of each distribution is not subject to the Partial Surrender Minimum Amount as shown on Page 4 of the policy.
- 8) While distributions are paid, the partial surrender amount limitation, as stipulated within the Partial Surrender provision of the policy, will be waived.

Once distributions begin, they will be treated as partial surrenders (as described in the policy, modified by Items #6, 7, and 8 above) until such time that the amount equal to the total premiums paid, minus total partial surrenders since policy inception, has been withdrawn from the policy. Total premiums paid will include all premiums paid up to the date the benefit is exercised. Thereafter, distributions will be treated as policy loans. It is possible that one distribution may be treated partly as a partial surrender and partly as a policy loan.

When total partial surrenders equals total premiums paid, the Specified Amount will be set equal to the Policy Value.

At the time You exercise the benefit, the distributions will immediately be treated as loans and not partial surrenders as described above if:

- (a) The amount of Transfer Cost Basis is less than the amount of Exchange Premiums; or
- (b) The Alternate Cash Surrender Value Rider was issued with this policy; or
- (c) Death Benefit Option II was selected at issue and the benefit is exercised during policy years [11-15].

Additionally under this circumstance, the Specified Amount will not be set to the Policy Value as noted above.

In the event the distributions at any time reduce the Net Policy Value to zero, We will ensure that the Net Policy Value is sufficient to support Your distribution amount.

Once distributions have commenced, the policy is guaranteed not to lapse unless this Endorsement is terminated as described in the Termination provision of this Endorsement.

Once distributions have commenced, the minimum death benefit, as described in Item #4 above, is payable upon the death of the Insured, so long as this Endorsement has not terminated as described in the Termination provision of this Endorsement.

## Termination

Prior to commencing distributions under this Endorsement, all rights provided under it will terminate without value and cannot be reinstated upon the earlier of:

- (a) Our receipt of written request by You to terminate this Endorsement;
- (b) The exercising of any Accelerated Benefits Rider attached to this policy;
- (c) The Insured reaching Attained Age [81];
- (d) The death of the Insured; or
- (e) The surrender or termination of the policy.

Once distributions have commenced under this Endorsement, the Endorsement and all rights provided under it will terminate without value and cannot be reinstated upon the earlier of:

- (a) Our receipt of written request by You to terminate this Endorsement;
- (b) The death of the Insured;
- (c) The surrender or termination of the policy;
- (d) A change in rate class;
- (e) An increase or decrease in Specified Amount;
- (f) A change in Death Benefit Option; or
- (g) You take an additional policy loan or partial surrender from the policy after commencing distributions.

 [C. Suzanne Ulmacek]

[Secretary]



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Adjustable Life  
Product Name: J-5761 (1/09)  
Project Name/Number: /J-5761 (1/09) Assured Distribution Endorsement

## Supporting Document Schedules

### Review Status:

**Satisfied -Name:** Certification/Notice 12/18/2008

**Comments:**

Please see Certification of Compliance with Regulations 19 & 49. Also, please see Readability/Flesch Certification attached below.

**Attachments:**

AR\_Cert. of Compliance.pdf  
AR\_Readability.pdf

### Review Status:

**Satisfied -Name:** Application 12/18/2008

**Comments:**

We will use previously approved application LFF06321, which was approved on 6/16/2008 under file # 39195.

### Review Status:

**Satisfied -Name:** Cover Letter 01/05/2009

**Comments:**

Please see Cover/Submission Letter attached below.

**Attachment:**

AR\_Subletter.pdf

### Review Status:

**Satisfied -Name:** HIGHLIGHTED Copy of J-5761 (1/09) 01/05/2009

**Comments:**

Please see HIGHLIGHTED copy of J-5761 (1/09) which has been highlighted to denote revisions from previously approved endorsement J-5761.

**Attachment:**

J-5761 (1\_09) Assured Distribution Endorsement Revised HIGHLIGHTED.pdf

**ARKANSAS**

**CERTIFICATE OF COMPLIANCE**

*The Lincoln National Life Insurance Company*

**Re: J-5761 (1/09) – Assured Distribution Endorsement**

To the best of my knowledge and belief, the policy form listed above complies with the provisions of Rule and Regulation 19 as well as all applicable requirements of the Arkansas Insurance department.

To the best of my knowledge and belief we are in compliance with the requirements of Arkansas Code Ann. 23-79-138. We provide a document entitled “Important Information to Policyholders” which contains the required information.

To the best of my knowledge and belief we are in compliance with the requirements of Regulation 49 and we provide the required Guaranty Association notice.



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Pamela M. Telfer, AVP  
Product Compliance

Date: December 30, 2008

Arkansas

READABILITY CERTIFICATION

*The Lincoln National Life Insurance Company*

Re: J-5761 (1/09) – Assured Distribution Endorsement

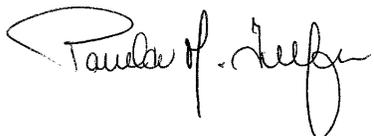
We hereby certify that the attached Form(s) is (are) in compliance with the Rules and Regulation requirements regarding Life, Annuities, and Accident and Sickness Insurance Language Simplification Standards and has (have) achieved a Flesch Reading Ease score of:

Form Number:

Flesch:

J-5761 (1/09)

52.56



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Pamela M. Telfer, Assistant Vice President  
Product Compliance

Date: December 30, 2008



Lincoln Financial Group  
One Granite Place  
P.O. Box 515  
Concord, NH 03302  
phone 603 226-5000

January 5, 2009

Hon. Julie Benafield Bowman  
Commissioner of Insurance  
Compliance - Life & Health  
Attn: Joe Musgrove  
1200 West Third Street  
Little Rock, AR 72201-1904

Re: Individual Life Insurance Policy Form  
J-5761 (1/09) Assured Distribution Endorsement  
The Lincoln National Life Insurance Company  
Group & NAIC #: 020-65676

Dear Mr. Musgrove:

We are submitting the required number of copies of the above-referenced Endorsement for your review and approval. It is a new form and will not replace any previously approved form. We will use previously approved application LFF06321, which was approved on 6/16/2008 under file # 39195.

The Assured Distribution Endorsement, when exercised, guarantees a specified schedule of distributions from the policy's Net Policy Value as described within the Endorsement. Distributions are subject to the elections of the insured and the conditions as described within the Endorsement. The issue ages for this Endorsement are ages 0 to 70 and will be available for sex distinct and unisex issues. Upon approval, the Endorsement may be used with previously approved individual flexible premium adjustable life insurance policies and any individual flexible premium adjustable life insurance policies, which may be approved in the future.

This Assured Distribution Endorsement is very similar to previously approved form J-5761 which was approved on 5/5/2008 under State Tracking No. 38824. The form has been revised and re-filed for greater compatibility with other benefit riders. Revisions from the previously approved form have been highlighted. Also, items have been bracketed for variability within the form itself; these items include age and timeframe limitations on exercising the benefit.

We have bracketed certain items in the form as variable information because they may change for new issues in the future (but not in-force policies). These items include: officer names/signatures and the service office address, all factors, rates and charges, as well as age and timeframe limitations on exercising the benefit. It is our understanding that changes to the bracketed items for new issues will not require a new filing of these forms. We confirm that the brackets will not actually appear on the forms at issue.

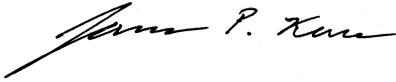
Rider form J-5761 (1/09) achieves a Flesch score of 52.56. This filing is being submitted concurrently to our Home State of Indiana and is pending approval. The appropriate certification(s), transmittal and filing fee are included, as applicable. The policy form will be marketed with an illustration pursuant to the illustration regulation in your State and the corresponding certification is included. To the best of our knowledge and belief, the filing complies with all the laws and regulations of your state.

[www.lfg.com](http://www.lfg.com)

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates

We trust that the information provided is satisfactory and look forward to your response. Unless submitted electronically, a postage-paid envelope has been enclosed for your convenience in corresponding with us. Should you require any additional information, please feel free to contact me toll-free at 1-800-258-3648, ext. 5426, or via the fax number or email address shown below.

Sincerely,

A handwritten signature in black ink that reads "James P. Kane". The signature is written in a cursive style with a long, sweeping underline.

E-mail: [James.Kane@lfg.com](mailto:James.Kane@lfg.com)  
Fax: (603) 226-5128

## Assured Distribution Endorsement

### Summary of Endorsement Features

**BEFORE EXERCISING THE BENEFIT UNDER THIS ENDORSEMENT, IT IS RECOMMENDED THAT YOU CONSULT WITH A TAX ADVISOR TO DISCUSS ANY POTENTIAL TAX CONSEQUENCES.**

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This Endorsement provides a benefit that, when exercised, guarantees a specified schedule of distributions from the policy's Net Policy Value (Policy Value less Debt), provided You have met the conditions of the Endorsement.

There are two distribution benefit options available, a level distribution benefit and an increasing distribution benefit. You select the distribution benefit option as well as the duration and frequency of the distributions. The amount of the distributions is determined based upon Your selections using a series of factors, multiplied by the Net Policy Value. Please see the **Benefit** provision below for more details.

This Endorsement is made part of the policy to which it is attached. This Endorsement is subject to all of the applicable provisions of the policy. This Endorsement will control in the event of any conflict with the policy. In this Endorsement, "We", "Us", or "Our" means The Lincoln National Life Insurance Company; "You" and "Your" means the Owner of the policy; and "Insured" means the person named on Page 3 of the policy as insured under the policy.

#### Definitions

**Effective Date** The effective date of this Endorsement is the Policy Date shown on Page 3 of the policy.

**Exchange Premiums** Premiums received from a policy or policies replaced by the policy to which this Endorsement is attached.

There are several conditions that must be met in order to exercise the benefit under this Endorsement. Conditions include, but are not limited to the following: the Insured being at least Attained Age [60] but not greater than Attained Age [80]; and the policy has been in force for at least [10] years **([15] years if Death Benefit Option I was selected at issue)** or at least [10] years have passed since the last increase in Specified Amount, whichever is later. Please see the **Conditions** provision below for details on all the conditions.

Once the benefit is exercised, this Endorsement **modifies some of Your policy's provisions**. These policy changes include, but are not limited to the following: setting the policy's minimum death benefit, net of Debt, to be \$[10,000]. Also, the distributions payable under this benefit will be treated as partial surrenders or loans as described below. Please see the **Policy Changes Upon Exercising the Benefit** provision below for more details.

**There are several conditions that will terminate this Endorsement** prior to commencing distributions and there are also conditions that will cause termination of this Endorsement once distributions have commenced. See the **Termination** provision in this Endorsement for full details.

**Transfer Cost Basis** The Transfer Cost Basis will be reported to Us by the previous insurer when We receive an Exchange Premium from a policy transferred to Us as a transfer defined under Section 1035 of Title 26 of the Internal Revenue Code. The Exchange Premiums received may not be equal to the Transfer Cost Basis amount.

#### Benefit

When the benefit is exercised, the terms of this Endorsement guarantee a specified schedule of distributions from the policy's Net Policy Value to You. The dollar amount of the distributions will be determined based upon the following:

- 1) The amount of Your Net Policy Value at the time You commence distributions under this Endorsement; and
- 2) Your selected distribution benefit option including the duration and frequency of the distributions, subject to the provisions and conditions below.

Once the distribution benefit option has been selected, it may not be changed with respect to distribution benefit option, amount of distribution, duration of distribution or frequency of distribution.

### Distribution Benefit Options

Two distribution benefit options are available as defined below:

1. **Level Distribution Benefit (LDB)** This benefit provides a guaranteed level distribution amount. The LDB is calculated as (A) multiplied by (B) multiplied by (C) where:

(A) is the Net Policy Value.

(B) is the Benefit Factor as shown on Page 4 of the policy, applicable to the distribution benefit option, including the duration and frequency, You select.

(C) is the Funding Factor.

Note the amount of the LDB will be rounded up to the nearest whole dollar amount.

2. **Increasing Distribution Benefit (IDB)** This benefit provides for a distribution amount that is increased by a Specified Increase Factor beginning on the policy anniversary after You commence distributions under this Endorsement. The Specified Increase Factor will be applied on each policy anniversary thereafter. The Minimum Guaranteed Specified Increase Factor is shown on Page 4 of the policy. The IDB is calculated as (A) multiplied by (B) multiplied by (C) multiplied by (D) where:

(A) is the Net Policy Value.

(B) is the Benefit Factor shown on Page 4 of the policy, applicable to the distribution benefit option, including the duration and frequency, You select.

(C) is the Funding Factor.

(D) is the Specified Increase Factor beginning on the policy anniversary after the benefit is exercised.

Note the amount of the IDB will be rounded up to the nearest whole dollar amount.

### Duration of Distributions

While the policy to which this Endorsement is attached is in force and subject to the provisions of this Endorsement, distributions will be available as elected by You at the time You exercise the benefit under (a), (b), (c), or (d):

- (a) Installments payable for 10 years;
- (b) Installments payable for 20 years;
- (c) Installments payable to the Attained Age 100 of the Insured; or
- (d) Installments payable for as long as the Insured lives.

### Frequency of Distributions

Each distribution benefit option is available in one of four periodic modes as elected by You at the time You exercise the benefit under (a), (b), (c), or (d):

- (a) Annually;
- (b) Semiannually;
- (c) Quarterly; or
- (d) Monthly.

### Funding Factor

This factor will be calculated at the time the benefit under this Endorsement is exercised. It will never be greater than one (1) and is calculated as follows:

$a + b * \{[c - (1/d-e)]/e\}$  where:

- a. is Funding Factor Value A shown on Page 4 of the policy;
- b. is Funding Factor Value B shown on Page 4 of the policy;
- c. equals (i) divided by (ii) where:
  - (i) is Net Policy Value;
  - (ii) is the Specified Amount described under Items #1, 2, and 3 under the Policy Changes Upon Exercising the Benefit provision.
- d. is the Corridor Factor as shown on Page 4B of the policy based on the Attained Age at the time the benefit is exercised; and
- e. is the Funding Factor Value E based on the Insured's sex, age on the Policy Date, rate class, and the number of completed policy years, shown in the Funding Factor Value E Table on Page 4 of the policy.

### Conditions

Subject to the terms and conditions of this Endorsement and the policy, We agree to pay the benefit under this Endorsement if all of the following conditions are met:

- 1. Our receipt of a satisfactorily completed election form(s), signed by You;
- 2. The policy must not be a modified endowment contract or immediately become a modified endowment contract upon exercising the benefit under this Endorsement;

3. The policy to which this Endorsement is attached is not within 7 years of a material change as defined by 7702(a) of the Internal Revenue Code. Material changes include but are not limited to Death Benefit Option changes, Specified Amount increases or the addition of certain riders;
4. The Insured is at least Attained Age 60 but not greater than Attained Age 80;
5. The Insured must be living to receive distributions, please refer to the Termination provision;
6. The policy has been in force for at least [10] policy years ([15] policy years if Death Benefit Option I was selected at issue) or at least [10] policy years have passed since the last increase in Specified Amount, whichever is later;
7. The policy must have a Policy Value greater than zero;
8. The policy has no Debt (any Debt must be repaid prior to the exercise of the benefit);
9. The Death Benefit Qualification Test for the policy is the Guideline Premium Test;
10. The guideline level premium as defined in Internal Revenue Code Section 7702 must be equal to or greater than zero (this amount is available upon request);
11. In force riders or benefits attached to this policy will terminate, except any Supplemental Coverage Rider, unless otherwise agreed to.
12. The policy is sufficiently well funded. This is determined by dividing (A) by (B) and the result must be greater than (C) where:
  - (A) is the Net Policy Value;
  - (B) is the Specified Amount described under Items #1, 2, and 3 under the Policy Changes Upon Exercising the Benefit provision; and
  - (C) is the Benefit Threshold Factor described on Page 4 of the policy.
13. The Insured can not be receiving the benefit of any Disability Waiver of Monthly Deduction Benefit Rider or Disability Waiver of Specified Premium Benefit Rider attached to the policy.

### Policy Changes Upon Exercising the Benefit

Upon exercising the benefit under this Endorsement:

- 1) The Death Benefit Option is set to Death Benefit Option I.
- 2) The Specified Amount under the policy will be changed to the minimum amount that will not result in a negative guideline level premium as defined in Internal Revenue Code Section 7702.

- 3) The Specified Amount will not be less than the minimum death benefit of the policy.
- 4) The minimum death benefit, net of Debt to be payable on the Insured's date of death will be set at \$[10,000].
- 5) No further premium payments may be made.
- 6) While distributions are paid, the Partial Surrender Fee shown on Page 4 of the policy will be waived.
- 7) The amount of each distribution is not subject to the Partial Surrender Minimum Amount as shown on Page 4 of the policy.
- 8) While distributions are paid, the partial surrender amount limitation, as stipulated within the Partial Surrender provision of the policy, will be waived.

Once distributions begin, they will be treated as partial surrenders (as described in the policy, modified by Items #6, 7, and 8 above) until such time that the amount equal to the total premiums paid, minus total partial surrenders since policy inception, has been withdrawn from the policy. Total premiums paid will include all premiums paid up to the date the benefit is exercised. Thereafter, distributions will be treated as policy loans. It is possible that one distribution may be treated partly as a partial surrender and partly as a policy loan.

When total partial surrenders equals total premiums paid, the Specified Amount will be set equal to the Policy Value.

At the time You exercise the benefit, the distributions will immediately be treated as loans and not partial surrenders as described above if:

- (a) The amount of Transfer Cost Basis is less than the amount of Exchange Premiums; or
- (b) The Alternate Cash Surrender Value Rider was issued with this policy; or
- (c) Death Benefit Option II was selected at issue and the benefit is exercised during policy years [11-15].

Additionally under this circumstance, the Specified Amount will not be set to the Policy Value as noted above.

In the event the distributions at any time reduce the Net Policy Value to zero, We will ensure that the Net Policy Value is sufficient to support Your distribution amount.

Once distributions have commenced, the policy is guaranteed not to lapse unless this Endorsement is terminated as described in the Termination provision of this Endorsement.

Once distributions have commenced, the minimum death benefit, as described in Item #4 above, is payable upon the death of the Insured, so long as this Endorsement has not terminated as described in the Termination provision of this Endorsement.

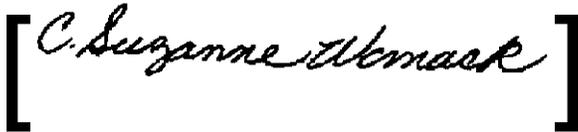
## Termination

Prior to commencing distributions under this Endorsement, all rights provided under it will terminate without value and cannot be reinstated upon the earlier of:

- (a) Our receipt of written request by You to terminate this Endorsement;
- (b) The exercising of any Accelerated Benefits Rider attached to this policy;
- (c) The Insured reaching Attained Age [81];
- (d) The death of the Insured; or
- (e) The surrender or termination of the policy.

Once distributions have commenced under this Endorsement, the Endorsement and all rights provided under it will terminate without value and cannot be reinstated upon the earlier of:

- (a) Our receipt of written request by You to terminate this Endorsement;
- (b) The death of the Insured;
- (c) The surrender or termination of the policy;
- (d) A change in rate class;
- (e) An increase or decrease in Specified Amount;
- (f) A change in Death Benefit Option; or
- (g) You take an additional policy loan or partial surrender from the policy after commencing distributions.

 [C. Suzanne Ulmack]

[Secretary]