Filing at a Glance

Company: United Heritage Life Insurance Company

Product Name: ANN-2009	SERFF Tr Num: HERT-126061621	State: Arkansas
TOI: A02I Individual Annuities- Deferred Non-Variable	SERFF Status: Closed-Approved-Closed	State Tr Num: 41782
Sub-TOI: A02I.003 Single Premium	Co Tr Num: ANN-2009-AR	State Status: Approved-Closed
Filing Type: Form		Reviewer(s): Linda Bird
	Authors: Michele MacKenzie, Deanne Schildan	Disposition Date: 03/16/2009
	Date Submitted: 03/06/2009	Disposition Status: Approved-Closed
Implementation Date Requested: On Approval		Implementation Date:

State Filing Description:

General Information

Project Name: ANN-2009
Project Number:
Requested Filing Mode: Review & Approval
Explanation for Combination/Other:
Submission Type: New Submission
Overall Rate Impact:
Filing Status Changed: 03/16/2009

Deemer Date:
Submitted By: Deanne Schildan
Filing Description:

March 2, 2009

Department of Insurance
State of Arkansas

Status of Filing in Domicile: Authorized
Date Approved in Domicile:
Domicile Status Comments: FILED
Market Type: Individual
Group Market Size:
Group Market Type:
Explanation for Other Group Market Type:
State Status Changed: 03/16/2009
Created By: Deanne Schildan
Corresponding Filing Tracking Number:

RE: Deferred Annuity Application, Form No. 30-02 DA (Rev. 02-2008)
Deferred Annuity Waiver of Withdrawal Charges Endorsement for Confinement or Terminal Illness, Endorsement #101 (03-2008)
Roth IRA Disclosure Statement, Form No. 9180 Roth (Rev.01-2009)
Roth IRA Annuity Endorsement, Form No. 20-1459IRA (4-2003)
IRA Disclosure Statement, Form No. 9100 IRA (Rev.03-2008)
Individual Retirement Annuity Endorsement, Form No. Endorsement #16 (Rev. 03-2008)
Request/Authorization for Transfer of Direct Rollover or Transfer of Qualified Funds, Form No. 20-05 (Rev. 12-2008)
Assignment of Proceeds, Form No. 20-2711 (1-2009)

Ladies and Gentlemen:

Please find attached for your review and approval new Annuity forms to be used with the following United Heritage Deferred Annuity products in the individual marketplace.:

Form No(s) 9250.1 (5/2003) and 9250U.1 (5/2003) filed with your Department on 7/1/2003
Form No(s) 9252.1 (5/2003) and 9252U.1 (5/2003) filed with your Department on 7/1/2003
Form No(s) 9254.1 (5/2003) and 9254U.1 (5/2003) filed with your Department on 7/1/2003
Form No(s) 925.16 (5/2003) and 9256U.1 (5/2003) filed with your Department on 7/1/2003

This filing is to generally update forms that are now more than five years old and on file with your Department. Upon approval of this filing, any previous versions of the following forms are withdrawn and considered obsolete.

30-02 DA (02-2008) Deferred Annuity Application, Filed with the Idaho Department of Insurance March 13, 2008. This form replaces form no. 30-02 DAAR (8/1998) filed with your Department on 11/5/1998.

The application includes an enhanced fraud statement section, an enhanced taxpayer certification section on page 2 and an enhanced section IX for replacement and other minor changes. The Flesch Score meets the minimum requirement.

Endorsement #101(03-2008), Deferred Annuity Waiver of Withdrawal Charges Endorsement for Confinement or Terminal Illness: Filed with the Idaho Department of Insurance, April 18, 2008. This form replaces End #101 filed with your Department on 9/2/1992.

This Endorsement provides more comprehensive definitions and explanations of the terms and conditions of the endorsement. This Endorsement #101 will be used with flexible premium annuities as well as single premium annuities being marketed in your state. Due to the format of this document and the medical terminology involved, the form maintains a Flesch Score of 37.8. The policies to which this endorsement applies however carry Flesch Scores of 50 or better.

Form No. 20-05 (Rev. 12-2008), Request/Authorization for Transfer of Direct Rollover or Transfer of Qualified Funds: This form is used when a proposed client wishes to transfer funds from an existing qualified plan to a plan maintained by United Heritage Company. This form is written under Federal guidelines therefore the language is limited to government specifications.

Form No. 9180 Roth (Rev.01-2009), Roth IRA Disclosure Statement, Filed with the Idaho Department January 29, 2009. This form replaces 9180 (12/1998) filed with your Department on 2/3/1999. This form is being replaced as the age of this document makes it obsolete in some of its terms and provisions. This form is written under Federal guidelines therefore the language is limited to government specifications.

20-1459IRA (4-2003), Roth IRA Annuity Endorsement Filed with the Idaho Department, January 29, 2009.
This is the most current version of Federal Form No. 5305-RB and complies with Internal Revenue Code § 408A. It is unaltered from the Federal form with the exception of the company identification at the top of the page. It replaces the same form no. Revision date 12-1998, filed with your Department on 02/03/1999, as this form is obsolete in some its terms and provisions. This form is used in conjunction with form no 9180 Roth IRA (Rev. 01-2009) Disclosure statement also being filed at this time. This form is written under Federal guidelines therefore the language is limited to government specifications.

Form No. 9100 IRA (Rev.03-2008), Traditional IRA Disclosure Statement, Filed with the Idaho Department April 25, 2008. This form replaces form no. 9100 IRA (Rev. 12/93), filed with your Department on 7/25/1995, as the age of this form is obsolete in some of its terms and conditions. This form is written under Federal guidelines therefore the language is limited to government specifications.

Endorsement #16 (Rev.03-2008), Traditional Individual Retirement Annuity Endorsement, Filed with the Idaho Department April 25, 2008 It replaces form End #16 (12/93), filed with your Department on 7/25/1995, as the age of this form makes it obsolete in some of its terms and conditions. The Endorsement and Disclosure have been generally revised to meet current requirements by the Federal government.

Form No. 20-2711 (1-2009), Assignment of Proceeds , replaces Form No. 20-2121(12/1993) Assignment of Life Policy or Annuity, filed with your Department on 2/3/1999. Upon approval of this filing, this form will become obsolete. This form also replaces Forms No.20-2711I (5/2004) and 20-2711R (5/2004) filed with your Department on 10/19/2004.
This form will be used with the above named annuity contracts and also the following Pre-Need Funeral Expense

policies on file with your Department as listed. This form was approved by the Idaho Department of Insurance February 12, 2009.

Form No.	Filed with your Department
1720U.1(1/1999)	3/26/1999
1723U.1(1/1999)	3/26/1999
1890.5(5/2004)	7/26/2005
1890U.5(5/2004)	7/26/2005

We believe that you will find this application and endorsement meet all the requirements of the statutes and regulations for your state. Should you have any questions regarding this submission, please do not hesitate to contact our legal division at 800-657-6351, ext. 2281.

Sincerely,

Deanne Schildan
Legal Assistant
dschildan@unitedheritage.com

Company and Contact

Filing Contact Information

Michele MacKenzie, Regulatory Compliance Analyst — mmackenzie@unitedheritage.com
707 W. United Heritage Court — 208-475-0981 [Phone] 2281 [Ext]
Meridian, ID 83680

Filing Company Information

United Heritage Life Insurance Company	CoCode: 63983	State of Domicile: Idaho
PO BOX 7777	Group Code: 2878	Company Type:
Meridian, ID 83680-7777	Group Name:	State ID Number:
(208) 475-0981 ext. [Phone]	FEIN Number: 82-0123320	

Filing Fees

Fee Required?	Yes
Fee Amount:	$160.00
Retaliatory?	No
Fee Explanation:	8 forms X $20 each = $160
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
United Heritage Life Insurance Company	$160.00	03/06/2009	26196042

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	03/16/2009	03/16/2009

Disposition

Disposition Date: 03/16/2009
Implementation Date:
Status: Approved-Closed
Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		No
Supporting Document	Life & Annuity - Acturial Memo		No
Form	Deferred Annuity Application		Yes
Form	Deferred Annuity Waiver of Withdrawal Charges		Yes
Form	Roth Individual Retirement Annuity Disclosure Statement		Yes
Form	Roth Individual Retirement Annuity Endorsement		Yes
Form	IRA Disclosure Statement		Yes
Form	Individual Retirement Annuity Endorsement		Yes
Form	Assignment of Proceeds		Yes
Form	Request/Authorization for Direct Rollover or Transfer of Qualified Funds		Yes

Form Schedule

Lead Form Number:

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	30-02DA (Rev 02-2008)	Application/ Enrollment Form	Deferred Annuity Application	Initial		40.000	30-02DA (Rev 02-2008).pdf
	Endorsement #101	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	Deferred Annuity Waiver of Withdrawal Charges	Initial		37.400	Endorsement #101.pdf
	Form No.9180 Roth (Rev.01-2009)	Other	Roth Individual Retirement Annuity Disclosure Statement	Initial			Form No.9180 Roth (Rev.01-2009).pdf
	20-1459IRA (4-2003)	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	Roth Individual Retirement Annuity Endorsement	Initial			20-1459IRA (4-2003).pdf
	Form No. 9100 IRA (Rev.03-2008)	Outline of Coverage	IRA Disclosure Statement	Initial			Form No. 9100 IRA (Rev.03-2008).pdf

Endorsement #16 (Rev.03-2008)	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	Individual Retirement Annuity Endorsement	Initial			Endorsement #16 (Rev.03-2008).pdf
20-2711 (1-2009)	Other	Assignment of Proceeds	Initial		40.000	20-2711 (1-2009).pdf
20-05 (Rev 12-2008)	Other	Request/Authorization for Direct Rollover or Transfer of Qualified Funds	Initial			20-05 (Rev 12-2008).pdf

UNITED HERITAGE LIFE INSURANCE COMPANY

P. O. Box 7777, Meridian, Idaho 83680-7777 1-800-657-6351

DEFERRED ANNUITY APPLICATION

I. ANNUITANT: ____________________
First Name Middle Initial Last Name

____________________ (______) ____________
Street Address Telephone Number

____
City State Zip

_____/_____/_____ __________ ❑ M ❑ F ❑ Married ❑ Widowed ________ - ________ - ________
Date of Birth Age Sex Social Security or Taxpayer ID Number

II. OWNER ***(Complete Only If Different Than Annuitant)***

____
First Name Middle Initial Last Name

____________________ (______) ____________
Street Address Telephone Number

____
City State Zip

_____/_____/_____ __________ ❑ M ❑ F ________ - ________ - ________
Date of Birth Age Sex Social Security or Taxpayer ID Number

III. JOINT OWNER:

____
First Name Middle Initial Last Name

____________________ (______) ____________
Street Address Telephone Number

____
City State Zip

_____/_____/_____ __________ ❑ M ❑ F ________ - ________ - ________
Date of Birth Age Sex Social Security or Taxpayer ID Number

IV. BENEFICIARY(S): ***(Use additional pages if necessary)*** ❑ Revocable ❑ Irrevocable

Primary: Name: ____________________ Relationship: ____________
Address: ____________________

Contingent: Name: ____________________ Relationship: ____________
Address: ____________________

V. ANNUITY REQUESTED: ❑ Eagle 8 SPDA ❑ Eagle 3 SPDA ❑ Heritage FPDA ❑ Secure Value 5 SPDA
❑ Other: ____________________

VI. PLAN APPLIED FOR:
❑ Non Qualified Is this a 1035 Exchange? ❑ No ❑ Yes *(If yes, complete form 20-05A and appropriate state replacement form)*
❑ Qualified Is this a Rollover or Direct Transfer? ❑ No ❑ Yes *(If yes, complete form 20-05)*

FOR QUALIFIED FUNDS INDICATE APPROPRIATE PLAN:
❑ IRA (Tax Yr. _____) ❑ Roth IRA (Tax Yr. _____) ❑ SEP
❑ IRA Transfer ❑ Roth Transfer ❑ Other: ____________________

VII. ADDITIONAL PAYMENTS FOR THE HERITAGE FPDA:
United Heritage does not require you to make additional payments to your account.
If you wish to make additional payments, please check the method by which you wish to make your payments:

❑ Monthly ❑ Annually ❑ Other: ____________________

❑ Pre-Authorized Check Amount $____________ *(Complete Pre-Authorized Check form 30-15)*

VIII. PAYMENT WITH APPLICATION : $____________, or approximate amount of transfer $____________

30-02DA (Rev. 02-2008)

UNITED HERITAGE

P. O. Box 7777
Meridian, Idaho 83680-7777
1-800-657-6351

On written request, we will provide within a reasonable time reasonable factual information regarding the benefits and provisions of this policy to you. If for any reason you are not satisfied with this policy, you may return it within thirty days after you receive it by delivering it or mailing it to the insurer or to the agent through whom it was purchased.

30-02DA (Rev. 02-2008)

IX. Replacement:

(1) Do you have any existing life insurance or annuity contracts pending or in force? ❑ No ❑ Yes *(If yes, complete state replacement form if required)*

(2) Will this policy replace or change any existing life policy or annuity contract? ❑ No ❑ Yes *(If yes, complete state replacement form)*

Company Name	Company Address	Policy/Contract Number

Company Name	Company Address	Policy/Contract Number

X. Statement to Owner and Annuitant: No agent can make or change any of the provisions in the policy or waive any of the Company's rights. Any policy issued on the basis of this application will be subject to the laws of the jurisdiction where the owner resides. On written request, and within a reasonable time, we will provide to you reasonable factual information regarding the benefits and provisions of the annuity contract. If for any reason you are not satisfied with the annuity contract, you may return it within thirty days after the contract is delivered, and receive a refund of all monies paid.

The laws of **some** states require us to furnish you with the following:
It is unlawful to knowingly, with intent, file a claim statement or an insurance application that provides materially false or incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the insurance company. To do so **in some states**, is to commit insurance fraud. Penalties **may** include denial of insurance benefits, imprisonment, fines and civil damages. The company is required to report suspected fraudulent activity to the Departments of Insurance of the various states or to other regulatory authorities.

Colorado Residents: "It is unlawful to knowingly provide false, incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies."

Arkansas and Louisiana Residents: "Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison."

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

Utah Residents - Arbitration Provision: Any matter in dispute between you and the company may be subject to arbitration as an alternative to court action pursuant to the rules of (the American Arbitration Association or other recognized arbitrator), a copy of which is available on request from the company. Any decision reached by arbitration shall be binding upon both you and the company. The arbitration award may include attorney's fees if allowed by state law and may be entered as a judgement in any court of proper jurisdiction.

If you have questions regarding the laws pertaining to these matters, please contact your state Department of Insurance.

I CERTIFY:

(1) that the number shown on this form is my correct Social Security/Taxpayer ID Number; and

(2) that **I ❑ AM ❑ AM NOT** subject to a backup withholding order under Section 3406 (a)(1)(C) of the Internal Revenue Code.

Signed At ______________________ , ______________ . ____/____/____

City State Date

Signature of Owner **Signature of Annuitant (if other than Owner)**

XI. Agent Information: To the best of your knowledge as writing agent, is the insurance applied for intended to replace any existing life insurance or annuity? ❑ No ❑ Yes

Last Name First Name Middle Initial Agent Number

Signature of Agent ____/____/____ Date

Home Office Use Only:

30-02DA (Rev. 02-2008)

RECEIPT

This receipt must be detached and delivered to Applicant when payment is made, otherwise it must not be detached.

Received From ______________________ Date ____/____/____ the amount of ______________________ Dollars as payment on account of proposed Annuity on the life of ______________________ for which an application is this day made to the United Heritage Life Insurance Company. If the application is not acceptable, the payment evidenced by this receipt shall be returned on demand and upon the surrender of this receipt.

Agent ______________________

30-02DA (Rev. 02-2008)

DEFERRED ANNUITY
WAIVER OF WITHDRAWAL CHARGES ENDORSEMENT
FOR CONFINEMENT OR TERMINAL ILLNESS

SECTION 1
DEFINITIONS:

Convalescent Care Facility means:
A Convalescent home" or "convalescent hospital" is licensed by the State and provides bed and ambulatory care for more than six patients. In general, the facility will provide care for persons who need care for postoperative convalescent, chronic illness or dietary problems and persons unable to care for themselves. This includes persons undergoing psychiatric care and treatment as inpatients and outpatients. Care does not include persons with contagious diseases.. A **Convalescent Care Facility** may also be known as a nursing home, a convalescent hospital, a rest home or a home for the aged.

Custodial Care means:
Care that is for the purpose of watching and protecting a patient. Custodial Care is not a Health Intervention. Custodial Care includes care that helps the patient conduct the activities of daily living. Care can be provided by persons without medical or paramedical skills. Custodial Care is primarily for the purpose of separating the patient from others or preventing self-harm.

Hospital means:
A facility that is licensed as a general, acute or specialty Hospital by the state where the Hospital is located. A Hospital provides continuous 24-hour nursing services by registered nurses. A Hospital has an attending medical staff consisting of one or more Physicians. Under this definition a Hospital is not, other than incidentally, a place for rest, a nursing home or a facility for convalescence. It is also not a place for long term treatment of drug or alcohol abuse or mental illness.

Hospice means:
A form of medical care or treatment that concentrates on reducing the severity of disease symptoms rather than providing a cure. The goal is to prevent and relieve suffering and to improve quality of life for persons facing a serious and complex illness until end of life.

Physician means:
Is an individual who is duly licensed by a state to practice medicine and surgery. This may also include an osteopathic Physician and surgeon.

Skilled Nursing Facility means:
A facility or distinct part of a facility which is licensed by the state in which it is located a nursing care facility. This facility provides skilled nursing services by, or under the direction and supervision of, a registered nurse.

Terminal Illness means:
An active and malignant disease that cannot be cured or adequately treated and is expected to lead to death.

SECTION 2
BENEFITS:

WAIVER OF CHARGES:
The company will waive any withdrawal charges on amounts withdrawn from the annuity account before the annuity date if, after the effective date of this endorsement, the annuitant is admitted and confined to a hospital or convalescent care facility.

If a licensed physician diagnoses the annuitant as being terminally ill and the annuitant is confined to hospice care, the waiver of withdrawal charges will apply. Benefits will be made available on or after the second contract day.

ELIMINATION PERIOD:
This endorsement will apply after the first 30 days of confinement in a hospital or convalescent care facility. During the first 30 days of a confinement, the waiver of withdrawal charges will not apply. In the case of recurring confinements, the elimination period will apply to each one separately.

If the annuitant is confined to a hospital or convalescent care facility on the date of this policy, this endorsement will not become effective until the annuitant is no longer confined to a hospital or convalescent care facility for a period of 60 consecutive days.

PROOF OF CONFINEMENT:
A physician's statement will be required to show proof of confinement before any waiver of withdrawal charges will be granted. The confinement must be reported to the company within 60 days after the first day the annuitant is confined to a hospital or convalescent care facility or as soon as is reasonably possible. Proof of confinement must be received while the annuitant is confined to a hospital or convalescent care facility.

EXCLUSIONS:
The Waiver of Withdrawal Charges will not apply to a confinement that is due to mental, psychoneurotic, or personality disorder unless the condition is caused by a demonstrable organic disease. Degenerative brain diseases such as Alzheimer's Disease are considered organic diseases and are covered by this endorsement.

The Waiver of Withdrawal Charges will not apply to confinement or terminal illness if the annuitant is confined in a convalescent facility, hospice or other care facility on or before the contract date. If the terminal illness was diagnosed prior to or on the contract date, the waiver will not apply.

GENERAL PROVISIONS:
This endorsement is part of the policy to which it is attached, and is effective as of the policy date unless noted otherwise in the provisions. Please make note, that in some cases the Internal Revenue Service (IRS) may impose an early withdrawal penalty and/or interest from this annuity.

Marjorie A. Hopkins

Secretary

UNITED HERITAGE LIFE INSURANCE COMPANY

Meridian, Idaho

Roth Individual Retirement Annuity Disclosure Statement

This Disclosure Statement explains the rules governing a Roth IRA. The term Roth IRA will be used in this Disclosure Statement to refer to a Roth IRA (under Internal Revenue Code (Code) sections 408A and 408(b)) unless specified otherwise.

RIGHT TO REVOKE YOUR IRA

You have the right to revoke your Roth IRA within thirty (30) days of the receipt of the Disclosure Statement. If revoked, you are entitled to a full return of the Premiums you made to your Roth IRA. You may make this revocation only by mailing or delivering a written notice to United Heritage Life Insurance Company, P.O. Box 7777, Meridian, ID 83680-7777.

If you send your notice by first class mail, your revocation will be deemed mailed as of the postmark date.

If you have any questions about the procedure for revoking your Roth IRA, please call 1-800-657-6351.

Requirements of a Roth IRA

A. Cash Premiums – Your Premium must be in cash, unless it is a rollover or conversion.

B. Maximum Premium – The total amount of the Premiums to your Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your Compensation or $3,000 for years 2002-2004, $4,000 for years 2005-2007, and $5,000 for 2008 with possible cost-of-living adjustments in years 2009 and beyond. If you also maintain a Traditional IRA (i.e., an IRA subject to the limits of Internal Revenue Code (Code) sections 408(a) or 408(b)) the maximum Premium to your Roth IRA is reduced by any Premiums you make to your Traditional IRA. Your total annual Premiums to all Traditional IRAs and Roth IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your Compensation.

Your Roth IRA Premium is further limited if your modified adjusted gross income (MAGI) equals or exceeds $150,000 if you are a married individual filing a joint income tax return, or equals or exceeds $95,000 if you are a single individual. Married individuals filing a joint income tax return with MAGI equaling or exceeding $160,000 may not fund a Roth IRA. Single individuals with MAGI equaling or exceeding $110,000 may not fund a Roth IRA. Married individuals filing a separate income tax return with MAGI equaling or exceeding $10,000 may not fund a Roth IRA. The MAGI limits described above are subject to cost-of-living increases for tax years beginning after 2006.

If you are married filing a joint income tax return and your MAGI is between the applicable MAGI phaseout range for the year, your maximum Roth IRA Premium is determined as follows: (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI from it; (2) divide the result by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable Premium for the year, including catch-up Premiums if you are age 50 or older. For example, if you are age 30 and your MAGI is $155,000, your maximum Roth IRA Premium for 2002 is $1,500. This amount is determined as follows: [($160,000 minus $155,000) divided by $10,000] multiplied by $3,000.

If you are single and your MAGI is between the applicable MAGI phaseout for the year, your maximum Roth IRA Premium is determined as follows: (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI from it; (2) divide the result by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable Premium for the year, including catch-up Premiums if you are age 50 or older. For example, if you are age 30 and your MAGI is $98,000, your maximum Roth IRA Premium for 2002 is $2,400. This amount is determined as follows: [($110,000 minus $98,000) divided by $15,000] multiplied by $3,000.

C. **Premium Eligibility** – You are eligible to make a regular Premium to your Roth IRA, regardless of your age, if you have compensation and your MAGI is below the maximum threshold. Your Roth IRA Premium is not limited by your participation in a retirement plan, other than a Traditional IRA.

D. **Catch-Up Premiums** – If you are age 50 or older by the close of the taxable year, you may make an additional Premium to your Roth IRA. The maximum additional Premium is $500 for years 2002 – 2005 and $1,000 for years 2006 and beyond.

E. **Nonforfeitability** – Your interest in your Roth IRA is nonforfeitable.

F. **Commingling Assets** – The assets of your Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.

G. **Life Insurance** – No portion of your Roth IRA may be invested in life insurance contracts.

H. **Refund Of Premiums** – Any refund of Premiums must be applied before the close of the calendar year following the year of the refund toward the payment of future Premiums, paid-up annuity additions, or the purchase of additional benefits.

I. **Collectibles** – You may not invest the assets of your Roth IRA in collectibles (within the meaning of Code section 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum or palladium bullion (as described in Code section 408(m)(3)) are also permitted as Roth IRA investments.

J. **Beneficiary Payouts** – Your Designated Beneficiary is determined based on the Beneficiary(ies) designated as of the date of your death who remains your Beneficiary(ies) as of September 30 of the year following the year of your death. If you die,

(1) on or after your distributions have irrevocably commenced due to the annuitization of the Contract, distributions must be made to your Beneficiary(ies) according to the distribution option you chose.

(2)before your distributions have irrevocably commenced, distributions will, at the election of your Beneficiary(ies), either

(a) be distributed by December 31 of the year containing the fifth anniversary of your death, or

(b)be distributed over the remaining life expectancy of your Designated Beneficiary(ies).

If your spouse is your sole Designated Beneficiary, he or she must elect either option (a) or (b) by the earlier of December 31 of the year containing the fifth anniversary of your death, or December 31 of the year you would have attained age 70½. Your Designated Beneficiary(ies), other than a spouse who is the sole Designated Beneficiary, must elect either option (a) or (b) by December 31 of the year following the year of your death. If no election is made, distribution will be calculated in accordance with option (b). In the case of a distribution under option (b), distributions must commence by December 31 of the year following the year of your death. Generally if your spouse is the Designated Beneficiary, distributions need not commence until December 31 of the year you would have attained age 70½, if later. If a Beneficiary(ies) other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no Designated Beneficiary(ies) of your Roth IRA for purposes of determining the distribution period. If there is no Designated Beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

A spouse who is the sole Designated Beneficiary of your entire Roth IRA will be deemed to elect to redesignate your Roth IRA as his or her own. Alternatively, the sole spouse Beneficiary will be deemed to elect to treat your Roth IRA as his or her own by either (1) making Premiums to your Roth IRA or (2) failing to timely remove a required minimum distribution from your Roth IRA. Regardless of whether or not the spouse is the sole Designated Beneficiary of your Roth IRA, a spouse Beneficiary may roll over his or her share of the assets to his or her own Roth IRA.

Income Tax Consequences of Establishing A Roth IRA

A. Premiums Not Deducted – No deduction is allowed for Roth IRA Premiums, including transfers, rollovers and conversion Premiums.

B. Premium Deadline – The deadline for making a Roth IRA Premium is your tax return due date (not including extensions). You may designate a Premium as a Premium for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar year taxpayer, and you make your Roth IRA Premium on or before April 15, your Premium is considered to have been made for the previous year if you designate it as such.

C. Tax Credit For Premiums – You may be eligible to receive a tax credit on your Roth IRA Premiums. This credit may not exceed $1,000 in a given year. You may be eligible for this tax credit if you are

- age 18 or older as of the close of the taxable year,
- not a dependent of another taxpayer, and
- not a full-time student.

The credit is based upon your income (see chart below) and will range from 0 to 50 percent of eligible Premiums. In order to determine the amount of your Premiums, add all of the Premiums made to your Roth IRA and reduce these Premiums by any distributions that you may have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your retirement savings Premiums that do not exceed $2,000.

Adjusted Gross Income*			Applicable Percentage
Joint Return	Head of a Household	All Other Cases	
$1 – 30,000	$1 – 22,500	$1 – 15,000	50
30,001 – 32,500	22,501 – 24,375	15,001 – 16,250	20
32,501 – 50,000	24,376 – 37,500	16,251 – 25,000	10
Over 50,000	Over 37,500	Over 25,000	0

*Adjusted gross income includes foreign earned income and income from Guam, America Samoa, North Mariana Islands and Puerto Rico. AGI limits are subject to cost-of-living adjustments for tax years beginning after 2006.

D. **Tax-Deferred Earnings** – The investment earnings of your Roth IRA are not subject to federal income tax as they accumulate in your Roth IRA. In addition, distributions of your Roth IRA earnings will be free from federal income tax if you take a qualified distribution, as described below.

E. **Taxation Of Distributions** – The taxation of Roth IRA distributions depends on whether the distribution is a qualified distribution or a nonqualified distribution.

1. **Qualified Distributions** – Qualified distributions from your Roth IRA (both the Premiums and earnings) are not included in your income. A qualified distribution is a distribution which is made after the expiration of the five-year period beginning January 1 of the first year for which you made any Premiums to any Roth IRA (including a conversion from a Traditional IRA), and is made on account of one of the following events:

   - attainment of age 59½,
   - disability,
   - the purchase of a first home, or
   - death.

   For example, if you made a Premium payment to your Roth IRA for 1998, the five-year period for determining whether a distribution is a qualified distribution is satisfied as of January 1, 2003.

2. **Nonqualified Distributions** – If you do not meet the requirements for a qualified distribution, any earnings you withdraw from your Roth IRA will be included in your gross income and, if you are under age 59½, may be subject to an early distribution penalty. However, when you take a distribution, the Premiums you deposited annually to any Roth IRA account and any military death gratuity or United Heritage Life Insurance (UHLI) payments that you rolled over to a Roth IRA, will be deemed to be removed first, followed by conversion Premiums made to any Roth IRA on a first-in, first-out basis. Therefore, your nonqualified distributions will not be taxable to you until your withdrawals exceed the amount of your annual Premiums, military death gratuity or SGLI payments and your conversions.

F. **Required Minimum Distributions** – You are not required to take distributions from your Roth IRA at age 70½ (as required for Traditional and SIMPLE IRAs). However, your Beneficiary(ies) is generally required to take distributions from your Roth IRA after your death. See the section titled Beneficiary Payouts in this Disclosure Statement regarding Beneficiary's(ies') required minimum distributions.

G. **Rollovers and Conversions** – Your Roth IRA may be rolled over to another Roth IRA of yours, may receive rollover deposits, or may receive conversion deposits provided that all of the applicable rollover or conversion rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property to your Roth IRA from another Roth IRAs. Conversion is a term used to describe the movement of Traditional IRA or SIMPLE IRA assets to a Roth IRA. A conversion is generally a taxable event. The rollover and conversion rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

1. **Roth IRA to Roth IRA Rollovers** – Funds distributed from your Roth IRA may be rolled over to a Roth IRA of yours if the requirements of Code section 408(d)(3) are met. A proper Roth IRA to Roth IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may not have completed another Roth IRA to Roth IRA rollover from the distributing Roth IRA during the 12 months preceding the date you receive the distribution. Further, you may roll over the same dollars or assets only once every 12 months. Roth IRA assets may not be rolled over to other types of IRAs (e.g., Traditional IRA, SIMPLE IRA).

2. **Traditional IRA to Roth IRA Conversions** – If your MAGI is not more than $100,000 and you are not married filing a separate income tax return, you are eligible to convert all or any portion of your existing Traditional IRA(s) into your Roth IRA(s). Beginning in 2010, the $100,000 MAGI limit and the married filing separate tax filing restriction will be eliminated for conversion eligibility. If you are age 70½ or older you must remove your required minimum distribution prior to converting your Traditional IRA. The amount of the conversion from your Traditional IRA to your Roth IRA shall be treated as a distribution for income tax purposes, and is includible in your gross income (except for any nondeductible Premiums). Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty.

3. **SIMPLE IRA to Roth IRA Conversions** – If your MAGI is not more than $100,000 and you are not married filing a separate income tax return, you are eligible to convert all or any portion of your existing savings incentive match plan for employees of small employers (SIMPLE) IRA(s) into your Roth IRA(s), provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. Beginning in 2010, the $100,000 MAGI limit and the married filing separate tax filing restriction will be eliminated for conversion eligibility. If you are age 70½ or older you must remove your required minimum distribution prior to converting your SIMPLE IRA. The amount of the conversion from your SIMPLE IRA to your Roth IRA shall be treated as a distribution for income tax purposes and is includible in your gross income. Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty.

4. **Rollovers of Roth Elective Deferrals** – Roth elective deferrals distributed from a 401(k) cash or deferred arrangement of 403(b) tax-sheltered annuity may be rolled into your Roth IRA.

5. **Rollovers from Employer-Sponsored Retirement Plans** – Distributions taken from your qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan after December 31, 2007 may be rolled over to your Roth IRA. If you are a spouse, nonspouse, or qualified trust beneficiary who has inherited a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan, you may be eligible to directly roll over the assets to an inherited Roth IRA. The inherited Roth IRA is subject to the beneficiary distribution requirements. Roth IRA conversion rules, as described above, will apply to rollovers by beneficiaries or plan participants, including the requirement to include the taxable portion in income in the year distributed.

6. **Beneficiary Rollovers from 401(k) or 403(b) Plans Containing Roth Elective Deferrals** – If you are a spouse, nonspouse, or qualified trust beneficiary of a

deceased 401(k) or 403(b) plan participant who had made Roth elective deferrals to the plan, you may directly roll over the Roth elective deferrals, and their earnings, to an inherited Roth IRA. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.

7. **Rollover of Military Death Benefits** – If you receive or have received a military death gratuity or a payment from the United Heritage Life Insurance (UHLI) program, you may be able to roll over the proceeds to your Roth IRA. The rollover amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Coverdell education savings account. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. For deaths occurring between October 7, 2001 and June 17, 2008, proceeds may be rolled over no later than one year from June 17, 2008. Any amount that is rolled over under this provision is considered nontaxable basis in your Roth IRA.

8. **Qualified HSA Funding Distribution** – If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free HSA funding distribution from your Roth IRA and directly deposit it to your HSA. The amount of the qualified HSA funding distribution may not exceed the maximum HSA contribution limit in effect for the type of high deductible health plan coverage (i.e., single or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. For further detailed information, you may wish to obtain IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*.

9. **Written Election** – At the time you make a proper rollover or conversion to a Roth IRA, you must designate in writing to the Issuer, your election to treat that Premium as a rollover or conversion. Once made, the election is irrevocable.

H. Transfer Due To Divorce – If all or any part of your Roth IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's Roth IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another Roth IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Roth IRA to another.

I. Recharacterizations – If you make a Premium payment to a Traditional IRA and later recharacterize either all of a portion of the original Premium to a Roth IRA along with net income attributable, you may elect to treat the original Premium as having been made to the Roth IRA. The same methodology applies when recharacterizing a Premium from a Roth IRA to a Traditional IRA. If you have converted from a Traditional IRA to a Roth IRA you may recharacterize the conversion along with net income attributable back to the Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions), for the year for which the original Premium was made or conversion completed.

Limitations And Restrictions

A. Spousal Roth IRA – If you are married and have compensation, you may make payments to a Roth IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation. You must file a joint income tax return for the year for which the Premium is made. Your Premium may be further limited if your MAGI falls with the minimum and maximum thresholds.

The amount of your Premium to your Roth IRA and your spouse's Roth IRA is the lesser of 100 percent of your combined compensation or $6,000 for years 2002-2004, $8,000 for

2005-2007 and $10,000 for 2008. This amount may be increased with cost-of-living adjustments in 2009 and beyond. However, you may not make a payment of more than the individual Premium limit to each Roth IRA. Your Premium may be further limited if your MAGI falls within the minimum and maximum thresholds.

If your spouse is age 50 or older by the close of the taxable year, and is otherwise eligible, you may make an additional Premium to your spouse's Roth IRA. The maximum additional Premium is $500 for years 2002-2005, and $1,000 for years 2006 and beyond.

B. **Gift Tax** – Transfers of your Roth IRA assets to a Beneficiary made during your life and at your request may be subject to federal gift tax under Code section 2501.

C. **Special Tax Treatment** – Capital gains treatment and 10-year forward income averaging authorized by Code section 402 do not apply to Roth IRA distributions.

D. **Income Tax Treatment** – Any nonqualified withdrawal of earnings from your Roth IRA may be subject to federal income tax withholding. You may, however, elect not to have withholding apply to your Roth IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.

E. **Prohibited Transactions** – If you or your Beneficiary engage in a prohibited transaction with your Roth IRA, as described in Code section 4975, your Roth IRA will lose its tax-deferred status, and you must generally include the value of the earnings in your gross income for the taxable year you engage in the prohibited transaction. The following transactions are examples of prohibited transactions with your Roth IRA: (1) taking a loan from your Roth IRA; (2) buying property for personal use (present or future) with Roth IRA funds; or (3) receiving certain bonuses or premiums because of your Roth IRA.

F. **Pledging** – If you pledge any portion of your Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution, and may be included in your gross income for the taxable year in which you pledge the assets to the extent it represents earnings.

Federal Tax Penalties

A. **Early Distribution Penalty** – If you are under age 59½ and receive a nonqualified Roth IRA distribution, an additional tax of 10 percent will generally apply to the amount includible in income in the year of the distribution. If you are under age 59½ and receive a distribution of conversion amounts within the five-year period beginning with the year in which the conversion occurred, an additional tax of 10 percent will generally apply to the distribution. The additional tax of 10 percent will generally not apply if a distribution is made on account of 1) death, 2) disability, 3) a qualifying rollover, 4) the timely withdrawal of an excess Premium, 5) a series of substantially equal periodic payments (at least annual payments) made over your life expectancy or the joint life expectancy of you and your Beneficiary, 6) medical expenses which exceed 7.5 percent of your adjusted gross income, 7) health insurance payments if you are separated from employment and have received unemployment compensation under a federal or state program for at least 12 weeks, 8) certain qualified education expenses, 9) first-home purchases (up to a life-time maximum of $10,000), 10) a levy issued by the IRS, or 11) active military duty (see *Qualified Reservist Distributions*, below).

B. **Excess Premium Penalty** – An additional tax of six percent is imposed upon any excess Premiums you make to your Roth IRA. This additional tax will apply each year in which an excess remains in your Roth IRA. An excess Premium is any Premium amount that exceeds the amount that you are eligible to contribute.

C. Excess Accumulation Penalty – As previously described, your Beneficiary(ies) is generally required to take certain required minimum distributions after your death. An additional tax of 50 percent is imposed on the amount of the required minimum distribution which should have been taken but was not.

D. Penalty Reporting – You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes.

OTHER

A. IRS Plan Approval – The Endorsement used to establish this IRA has been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.

B. Additional Information – You may obtain further information on Roth IRAs from your District Office of the IRS. In particular, you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements*, by calling 1-800-TAX-FORM, or visiting www.irs.gov on the Internet.

C. Important Information About Procedures For Opening A New Annuity – To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an annuity. What this means for you: When you open an annuity, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.

D. Hurricane-Related Relief – If you are an individual who sustained an economic loss due to, or are otherwise considered affected by, hurricane Katrina, Rita or Wilma, you may be eligible for favorable tax treatment on distributions and rollovers from your Roth IRA. Qualified distributions include Roth IRA distributions made on or after specified dates for each hurricane and before January 1, 2007 to a qualified individual. For a complete definition of what constitutes a qualified individual and a qualified hurricane distribution for purposes of hurricane relief, refer to IRS Publication 4492, *Information for Taxpayers Affected by Hurricanes Katrina, Rita and Wilma.*

1. **10 Percent Penalty Exception on Qualified Distributions** – Qualified hurricane distributions are not subject to the 10 percent early distribution penalty tax. This penalty exception applies only to the first $100,000 of qualified distributions to each individual.
2. **Taxation May be Spread Over Three Years** – If you receive qualified hurricane distributions, you may elect to include the distribution in your gross income ratably over three years, beginning with the year of the distribution.

3. **Repayment of Qualified Hurricane Distributions** – You may roll over qualified hurricane distributions to an eligible retirement plan, and avoid federal income taxation, within three years of the date of receipt of the distribution. The 60-day rollover rule does not apply to these distributions.

   For further detailed information on tax relief granted for hurricanes Katrina, Rita and Wilma, and other exceptions which may be granted in the future by the IRS, you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements*, by calling 1-800-TAXFORM, or by visiting www.irs.gov on the Internet.

E. Qualified Reservist Distributions – If you are a qualified reservist called to active duty, you may be eligible to take penalty-free distributions from your Roth IRA and recontribute those amounts to an IRA generally within a two-year period from your date of return. For further detailed information you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements* from the IRS.

UNITED HERITAGE LIFE INSURANCE COMPANY
Meridian, Idaho

Form **5305-RB** (Rev. March 2002) Department of the Treasury Internal Revenue Service	**Roth Individual Retirement Annuity Endorsement** **(Under section 408A of the Internal Revenue Code)**	**Do not** file with the Internal Revenue Service

Name of issuer United Heritage Life Insurance Company	Check if this endorsement supersedes a prior Roth IRA endorsement . . . . ► ☐

This endorsement is made a part of the annuity contract to which it is attached, and the following provisions apply in lieu of any provisions in the contract to the contrary.

The annuitant is establishing a Roth individual retirement annuity (Roth IRA) under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death.

Article I

Except in the case of a rollover contribution described in section 408A(e), a recharacterized contribution described in section 408A(d)(6), or an IRA Conversion Contribution, the issuer will accept only cash contributions up to $3,000 per year for tax years 2002 through 2004. That contribution limit is increased to $4,000 for tax years 2005 through 2007 and $5,000 for 2008 and thereafter. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to $3,500 per year for tax years 2002 through 2004, $4,500 for 2005, $5,000 for 2006 and 2007, and $6,000 for 2008 and thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

Article II

1. The contribution limit described in Article I is gradually reduced to $0 for higher income annuitants. For a single annuitant, the annual contribution is phased out between adjusted gross income (AGI) of $95,000 and $110,000; for a married annuitant filing jointly, between AGI of $150,000 and $160,000; and for a married annuitant filing separately, between AGI of $0 and $10,000. In the case of a conversion, the issuer will not accept IRA Conversion Contributions in a tax year if the annuitant's AGI for the tax year the funds were distributed from the other IRA exceeds $100,000 or if the annuitant is married and files a separate return. Adjusted gross income is defined in section 408A(c)(3) and does not include IRA Conversion Contributions.

2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the annuitant and his or her spouse.

Article III

The annuitant's interest in the contract is nonforfeitable and nontransferable.

Article IV

1. The contract does not require fixed contributions.

2. Any dividends (refund of contributions other than those attributable to excess contributions) arising under the contract will be applied (before the close of the calendar year following the year of the dividend) as contributions toward the contract.

Article V

1. If the annuitant dies before his or her entire interest in the contract is distributed to him or her and the annuitant's surviving spouse is not the designated beneficiary, the remaining interest in the contract will be distributed in accordance with (a) below or, if elected or there is no designated beneficiary, in accordance with (b) below:

(a) The remaining interest in the contract will be distributed, starting by the end of the calendar year following the year of the annuitant's death, over the designated beneficiary's remaining life expectancy, or a period no longer than such remaining life expectancy, as determined in the year following the death of the annuitant. Life expectancy is determined using the single life table in Regulations section 1.401(a)(9)-9.

(b) The remaining interest in the contract will be distributed by the end of the calendar year containing the fifth anniversary of the annuitant's death.

2. If the annuitant's surviving spouse is the designated beneficiary, such spouse will then be treated as the annuitant.

Article VI

1. The annuitant agrees to provide the issuer with all information necessary to prepare any reports required by sections 408(i) and 408A(d)(3)(E), Regulations sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).

2. The issuer agrees to submit to the IRS and annuitant the reports prescribed by the IRS.

Article VII

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related regulations, or other published guidance will be invalid.

Article VIII

This endorsement will be amended as necessary to comply with the provisions of the Code, the related regulations, and other published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the contract.

Article IX

Article IX may be used for any additional provisions. If no other provisions will be added, draw a line through this space. If provisions are added, they must comply with applicable requirements of state law and the Internal Revenue Code.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 5305-RB is a model annuity endorsement that meets the requirements of section 408A and has been pre-approved by the IRS. A Roth individual retirement annuity (Roth IRA) is established after the contract, which includes this endorsement, is fully executed by both the individual (annuitant) and the issuer. The contract must be for the exclusive benefit of the annuitant and his or her beneficiaries.

Do not file Form 5305-RB with the IRS. Instead, keep it with your records.

Unlike contributions to traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the annuitant's gross income; and distributions after 5 years that are made when the annuitant is 59½ years of age or older **or** on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to $10,000), are not includible in gross income. For more information on Roth IRAs, including the required disclosures the issuer must give the annuitant, see **Pub. 590,** Individual Retirement Arrangements (IRAs).

Definitions

IRA Conversion Contributions. IRA Conversion Contributions are amounts rolled over, transferred, or considered transferred from a nonRoth IRA to a Roth IRA. A nonRoth IRA is an individual retirement account or annuity described in section 408(a) or 408(b), other than a Roth IRA.

Issuer. The issuer is the insurance company providing the annuity contract. The insurance company may use other terms besides "issuer" to refer to itself, such as, "company," "insurer," or "us."

Annuitant. The annuitant is the person who establishes the annuity contract. The insurance company may use other terms besides "annuitant" to refer to the person who establishes the annuity contract, such as, "owner," "applicant," "insured," or "you."

Specific Instructions

Article I. The annuitant may be subject to a 6% tax on excess contributions if **(1)** contributions to other individual retirement arrangements of the annuitant have been made for the same tax year, **(2)** the annuitant's adjusted gross income exceeds the applicable limits in Article II for the tax year, or **(3)** the annuitant's and spouse's compensation is less than the amount contributed by or on behalf of them for the tax year.

The annuitant should see the disclosure statement or Pub. 590 for more information.

Article V. This article describes how distributions will be made from the Roth IRA after the annuitant's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the annuitant's intent. Under paragraph 2 of Article V, the annuitant's spouse is treated as the owner of the Roth IRA upon the death of the annuitant, rather than as the beneficiary. If the spouse is to be treated as the beneficiary, and not the owner, an overriding provision should be added to Article IX.

Article IX. Article IX and any that follow it may incorporate additional provisions that are agreed to by the annuitant and issuer to complete the contract. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the issuer, issuer's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the annuitant, etc. Attach additional pages if necessary.

UNITED HERITAGE LIFE INSURANCE COMPANY

Meridian, Idaho

IRA DISCLOSURE STATEMENT

This is a Disclosure Statement as required by Section 408 of the Internal Revenue Code. This Disclosure Statement refers to the United Heritage Life Insurance Company deferred annuity policy that you have purchased as the funding vehicle for your Traditional IRA.

1. Establishing Your Account

(a) **THIRTY DAY RIGHT TO EXAMINE POLICY** - Please carefully examine the policy. You may return the policy for any reason within thirty days after you receive it by delivering it or mailing it to the insurer or to the agent through whom it was purchased at the addresses shown on your Policy Specification Page. If returned, the policy will be void from its beginning, and the premium we have received will be returned to you. If we do not return your premium within thirty days after you return the policy to the insurer or to the agent, we will add 10% to the amount due you.

(b) **Governing documents and laws.** Your individual retirement annuity is governed by the terms of your United Heritage Life Insurance Company annuity policy and the Individual Retirement Annuity Endorsement. The policy and endorsement will be construed, administered, and enforced in accordance with the laws of the State of Idaho and applicable federal law.

(c) **Trust.** United Heritage Life Insurance Company, as trustee, will hold your annuity in trust exclusively for your benefit while you are alive, and for the benefit of your beneficiary after your death. As a life insurance company, United Heritage Life Insurance Company is a permitted trustee under the Internal Revenue Code.

(d) **Nonforfeitability.** Your account is nonforfeitable at all times.

2. Contributing to Your Account

(a) **Form of contributions.** All contributions must be made in cash.

(b) **Regular and catch-up contributions.** You may contribute to your account from your own checking account, savings account or other cash assets. The maximum amount you may contribute for a year depends on your age and your compensation.

(i) **Maximum amount if under age 50.** You may contribute up to the following amounts for each of the following years before the year that contains your 50th birthday:
$4,000 - 2005 through 2007
$5,000 - 2008 and thereafter
These contributions are known as regular contributions.

(ii) **Maximum amount if age 50 or over.** For each of the following years after the year that contains your 49th birthday, you may contribute up to the following amounts in addition to your maximum regular contribution:
$1,000 - 2006 and thereafter
These additional contributions are known as catch-up contributions.

(iii) **Maximum if age 70½ or over.** You may not make regular contributions or catch-up contributions for the year in which you reach age 70½ (as described in Section 7(e) below) or any year thereafter.

(iv) **Maximum limited to compensation.** Regardless of your age, you may not make regular or catch-up contributions in excess of the amount of your compensation for a year. For this purpose, if you are married, file a joint federal income tax return, and earn less than your spouse, you may increase your own compensation by the amount of your spouse's compensation, less the amount of any regular or catch-up contributions to a Roth IRA or a traditional IRA that your spouse makes for the year.

Compensation generally includes wages, salaries, professional fees or other amounts derived from or received for personal service actually rendered (including commissions, tips and bonuses). Compensation also includes self-employment income (reduced by the amount of any deduction for contributions to a qualified employer plan) and all taxable alimony and separate maintenance payments under a divorce or separation instrument. Compensation does not include investment earnings or other earnings from property, or any amount you receive as a pension or annuity or as deferred compensation.

(v) **Contributions to other IRAs.** The limits described above apply to regular contributions and catch-up contributions to all traditional IRAs you own. As a result, the amount of regular contributions and catch-up contributions you make to your United Heritage IRA will reduce the amount that you are eligible to contribute to any other traditional IRA you own for that year. Similarly, regular contributions and catch-up contributions you make to other traditional IRAs you own for a year will reduce the amount of regular contributions you can make to your United Heritage IRA for that year.

(vi) **Year of contribution.** You should designate the year for which a regular contribution or a catch-up contribution is made. You may designate that a contribution is made for a year at any time from the first day of that year until the due date for your federal income tax return for that year (excluding extensions). If you do not designate the year for which a contribution is made, United Heritage Life Insurance Company will treat the contribution as having been made for the calendar year in which it is received.

(c) **Rollover contributions.** You may contribute a distribution from another retirement account as described below. These contributions are known as rollover contributions.

(i) **Rollover from an employer retirement plan.** You may contribute an eligible rollover distribution from a qualified employer retirement plan (such as a Section 401(k) plan), a Section 403(a) annuity plan, a Section 403(b) annuity contract or custodial account, and a Section 457 plan maintained by a governmental employer. An eligible rollover distribution is generally any distribution you receive from one of these plans, other than a required minimum distribution (similar to those described in Section 7(e) below) or an installment payment in a series that runs for ten years or more.

(ii) **Rollover from another IRA.** You may contribute a distribution (other than a required minimum distribution described in Section 7(e) below) from another traditional IRA, a simplified employee pension plan or a SIMPLE IRA that has been open for at least two years, so long as you have not made another rollover contribution to a traditional IRA, a simplified employee pension plan or a SIMPLE IRA (or a rollover contribution from a Roth IRA to another Roth IRA) in the preceding 12 months.

(iii) **Beneficiary distributions.** You may contribute a distribution described above that you receive as beneficiary of an account owned by your spouse. However, you may not contribute any distributions you receive as the beneficiary of someone other than your spouse.

(iv) **Nondeductible and after-tax employee contributions.** If a distribution you contribute contains nondeductible or after-tax employee contribution amounts, you are solely responsible for keeping records of those amounts for income tax reporting purposes. You may be required to report these amounts to the Internal Revenue Service by completing and filing Form 8606 with your Form 1040 or Form 1040A.

(v) **No maximum amount.** A rollover contribution can be any amount.

(vi) **Method.** A rollover contribution can be made in two ways. First, you can have the distribution you wish to contribute made payable directly to United Heritage Life Insurance Company. Under this "direct rollover" method, your distribution will not be subject to 20% mandatory federal income tax withholding that is applicable to distributions from various types of employer plans. Second, if a distribution has been made payable to you, you can cash the distribution check and contribute the proceeds. However, under this "indirect rollover" method, you must contribute the proceeds within 60 days of the date you receive the distribution. In addition, if your distribution is being made from an employer plan, it will be subject to 20% mandatory federal income tax withholding. Unless you also contribute the amount withheld within the same 60-day period, that amount will be treated as a taxable distribution to you.

(d) **Simplified employee pension contributions**. Your employer may contribute to your account under a simplified employee pension plan. In general, your employer may contribute up to 25% of your compensation (or $40,000 if less) for a year. If your employer's plan permits, a portion of these contributions may be made as salary reduction contributions ($15,500 in 2007 and 2008). You should ask your employer about the amount of any simplified employee pension contributions you are eligible to receive. Simplified employee pension contributions are not included in your income until they are distributed to you.

(e) **SIMPLE IRA contributions.** You may not contribute to your account under a SIMPLE IRA plan maintained by your employer.

(f) **Recharacterizing contributions**. You may recharacterize a contribution to your account as a contribution to another IRA by transferring the contribution and its earnings directly to the trustee of the other IRA by the deadline for filing your federal income tax return for the year for which the contribution was made (including any extensions). The amount recharacterized will not be includible in your gross income for federal income tax purposes. You must provide certain information to United Heritage Life Insurance Company to effect a recharacterization. You may not recharacterize a simplified employee pension contribution your employer made to your account.

3. Claiming a Tax Deduction for Your Contributions

(a) **Regular and catch-up contributions.** You may claim a federal income tax deduction for regular and catch-up contributions you make for a calendar year as described below.

(i) **Deductible amount.** The amount of a regular or catch-up contribution for which you may claim a deduction depends on whether you or your spouse are active participants in an employer retirement plan during the calendar year for which you make the contribution. For this purpose, an employer retirement plan includes a qualified employer retirement plan (such as a Section 401(k) plan), a Section 403(a) annuity plan, a Section 403(b) annuity contract or custodial account, a simplified employee pension plan, a SIMPLE IRA plan, and a governmental employer plan (other than a Section 457 eligible deferred compensation plan).

A person is considered to be an active participant for a calendar year if he receives an allocation of any contribution or forfeiture under an employer retirement plan during any part of a plan year ending within that calendar year. A plan year is the fiscal year on which the employer retirement plan operates. The Form W-2 provided by your (or your spouse's) employer should indicate whether you (or your spouse) were an active participant. You should consult your tax advisor if you are unsure about your or your spouse's status as an active participant.

(A) **Not an active participant**. If neither you nor your spouse is an active participant in an employer retirement plan for a calendar year, you may claim a federal income tax deduction for the full amount of your regular and catch-up contributions for that year.

(B) **Active participant.** If you are considered to be an active participant in an employer retirement plan for a calendar year, you may claim a federal income tax deduction for the full amount of your regular contributions and catch-up contributions if your modified adjusted gross income does not exceed the following amounts for the following years:

Year	Single/ Head of Household	Married Filing Jointly	Married Filing Separately
2007	$52,000	$83,000	$10,000
2008	$53,000	$85,000	$10,000

If you are not an active participant but your spouse is an active participant in an employer retirement plan for a calendar year, the dollar amount that applies to you (but not your spouse) in each of the years above is $150,000 if you and your spouse file a joint federal income tax return, or $0 if you are married and file a separate federal income tax return.

Your modified adjusted gross income is generally the adjusted gross income shown on your federal income tax return refigured without taking into account any of the following amounts: IRA deductions, student loan interest deductions, foreign earned income exclusions, foreign housing exclusions or deductions, exclusions of qualified savings bond interest shown on Form 8815, exclusions of employer-paid adoption expenses shown on Form 8839, and deductions for qualified tuition and related expenses. You are not treated as married if you live apart from your spouse for the entire taxable year and file a separate federal income tax return.

The deductible amount of your regular and catch-up contributions is phased-out if your modified adjusted gross income exceeds the dollar amounts above, and no amount of your regular and catch-up contributions is deductible if your modified adjusted gross income is at least $10,000 (or at least $20,000 beginning in 2007 for married taxpayers filing jointly) more than the amounts above. If your modified adjusted gross income exceeds the amounts above, you can calculate the deductible amount of your contributions by following these steps:

Step 1 - Subtract the amount in the chart above from your modified adjusted gross income.

Step 2 - Divide the result from Step 1 by $10,000 (or $20,000 beginning in 2007 for married taxpayers filing jointly).

Step 3 - Multiply the result from Step 2 by the maximum contribution amount for the year.

Step 4 - Subtract the result from Step 3 from the maximum contribution amount for the year.

When calculating the deductible amount of your regular and catch-up contributions, round down to the nearest $10. If the deductible amount is more than $0 but less than $200, you may claim a deduction for up to $200 of your regular and catch-up contributions.

(ii) **Nondeductible amount.** You are solely responsible for keeping records of the amount of any regular or catch-up contributions that are not deductible. You are required to report these amounts to the Internal Revenue Service by completing and filing Form 8606 with your Form 1040 or Form 1040A for the year in which they are contributed. A $100 penalty applies if you overstate the amount of nondeductible contributions, and a $50 penalty applies if you fail to file a Form 8606, unless in each case you can prove that the overstatement or failure was due to a reasonable cause.

(b) **Rollover contributions.** You may not claim a federal income tax deduction for rollover contributions made to your account.

(c) **Simplified employee pension contributions**. You may not claim a federal income tax deduction for simplified employee pension contributions made to your account.

4. Correcting Excess Contributions

(a) **Excess contributions.** An excess contribution is the portion of a regular or catch-up contribution that exceeds the maximum applicable amount described in Section 2(b) above or that is made in a form other than cash. For example, if you are under age 50, a regular contribution might be an excess contribution for 2007 because it exceeds $4,000, exceeds the amount of your compensation, or was contributed in the form of mutual fund shares. An excess contribution is subject to a 6% nondeductible penalty tax for the year for which it is made and each year thereafter, unless and until you correct the excess contribution as described below. You may be required to file Form 5329 with the Internal Revenue Service for a year if the penalty tax applies to you.

(b) **Correction by tax filing deadline.** You may avoid the 6% penalty tax entirely by not claiming a deduction for the amount of the excess contribution and by withdrawing it, together with its earnings, by the due date for filing your federal income tax return (including extensions) for the year for which the excess contribution was made. The amount of the excess contribution will not be includible in your income and will not be subject to the additional 10% tax described in Section 7(d) below. However, any earnings you withdraw will be includible in.your.income for the year in which the.excess contribution was made and might also be subject to the additional 10% tax described in Section 7(d) below.

(c) **Correction after tax filing deadline.** If you do not correct an excess contribution as described in Section 4(b) above, the 6% penalty tax will apply for the year for which the excess contribution was made. However, you can avoid the 6% penalty tax for a subsequent year by withdrawing the excess contribution in that year. The amount of the excess contribution you withdraw will be includible in your income for the year of withdrawal, except in certain limited circumstances. If you use this correction method, you are not required to withdraw any earnings on the excess contribution.

You can also eliminate an excess contribution, and thus avoid the 6% penalty tax for a subsequent year, by contributing less than the amount of regular and catch-up contributions you are otherwise permitted to make for that year. However, if you choose to eliminate an excess contribution in this way, you will be subject to the 6% penalty for the year for which you contributed the excess contribution, and for each subsequent year an excess amount remains in the account. For example, if you are age 35 and make an excess contribution of $500 in 2006, you can eliminate that excess contribution by making no more than $3,500 of regular contributions in 2007. In that case, you would owe the 6% penalty tax on the $500 excess contribution for 2006. However, no penalty tax would be due for 2007.

5. Designating a Beneficiary

(a) **Designation.** You may designate one or more beneficiaries to receive your account after you die. If you designate more than one beneficiary, you may also designate the portion of your account that is to be allocated to each beneficiary. Any designation must be in writing (or by or through any other acceptable medium) in a form acceptable to United Heritage Life Insurance Company. In addition, it must be received by United Heritage Life Insurance Company prior to your date of death, and it must be on file at the time any beneficiary requests a withdrawal. You may change or revoke any designation, provided the change or revocation also meets these requirements.

(b) **Tax treatment.** The designation of a beneficiary to receive all or a portion of your account at your death is not considered a transfer subject to federal gift taxes. However, amounts remaining in your account at the time of your death are includible in your gross estate for federal estate tax purposes.

(c) **Default designations.** Unless you designate otherwise, the following rules will apply. If you designate more than one primary beneficiary, your account will be divided among all your primary beneficiaries equally. If a primary beneficiary has predeceased you, then his portion of your account will be divided equally among any surviving primary beneficiaries. If no primary beneficiaries have survived you, then your account will be divided among any contingent beneficiaries equally. If a contingent beneficiary has predeceased you, then his portion of your account will be divided equally among any surviving contingent beneficiaries. If no primary or contingent beneficiaries have survived you, then your surviving spouse, or if none, your children (and, in certain cases, their children), or if none, your estate will be deemed your primary beneficiary(ies).

(d) **Minor or incapacitated beneficiaries.** If a beneficiary is a minor or otherwise lacks legal capacity under applicable state law, his parent or legal representative may direct his portion of your account.

(e) **Disputes.** If any dispute arises as to whether or not a person has been properly designated as a beneficiary of your account, United Heritage Life Insurance Company will not be required to make any distribution (or take any other action) unless and until all beneficiaries have been agreed upon in a written agreement or determined by a court of competent jurisdiction.

(f) **Designation by your beneficiary.** Your beneficiary may designate one or more persons to control investments in, and receive distributions from, his portion of your account after his death. If no person is designated, then the beneficiary's estate shall be entitled to control investments in, and to receive distributions from, his portion of your account after his death. Any person so designated by your beneficiary (or, if none, your beneficiary's estate) must withdraw the beneficiary's portion of your account at least as rapidly as would have been required of your beneficiary had he survived.

6. Funding Vehicle

(a) The funding vehicle for your Individual Retirement Annuity is a United Heritage Life Insurance Company deferred annuity.

(b) **Federal income tax deferral.** The interest earned on your annuity account balance will not be subject to federal income tax until withdrawn from the account.

7. Withdrawing Your Account

(a) **General.** You may withdraw all or any portion of your account at any time for any reason. At any time after your death, your beneficiary may withdraw all or any portion of his portion of your account for any reason. Since your account is invested in an annuity, payments to your beneficiary after your death will be governed by the terms of the annuity and will be in a form then available under the annuity.

(b) **Tax treatment.** In general, you must include amounts in your gross income for the year in which you withdraw them, unless you roll them over to an eligible retirement plan as described in Section 8 below. Withdrawals are taxed as ordinary income, which means they are taxed at your federal income tax rate (as opposed to, for example, the capital gains tax rate). In figuring your tax, you cannot use the 10-year tax option or capital gain treatment that applies to distributions from qualified employer plans.

If you have made nondeductible contributions to your account, or if you have made rollover contributions that include after-tax employee contributions, then you may exclude part of any amount you withdraw from your income and that part will not be subject to federal income tax. The amount that you may exclude from your income for a year is the portion of the total amount you withdraw that year that bears the same ratio to the total amount withdrawn as your total nondeductible contributions and after-tax employee contributions bear to the total balance of your account (plus the balance of any other traditional IRAs you own) at the end of the year (including the value of your withdrawals from any of your traditional IRAs for the year).

(c) **Federal income tax withholding.** Your withdrawals will be subject to federal income tax withholding at the rate of 10%, unless you elect not to have tax withheld. Any amounts withheld will be applied as a credit toward the federal income tax you owe for the year in which the withdrawal is made. If you elect no withholding, you are still liable for any income taxes due on the taxable portion of your withdrawal, and you could incur penalties if your withholding or estimated tax payments for the year are not enough.

(d) **Penalty for early withdrawals.** A nondeductible additional 10% tax on the taxable portion of any withdrawal not timely rolled over will apply unless:

(i) you are at least 59½ at the time of the withdrawal;

(ii) the withdrawal is made because of your permanent disability, where disability is defined according to IRC Sec. 72(m)(7);

(iii) the withdrawal is paid in installment payments in substantially equal amounts over a period that does not exceed your life expectancy or the life expectancy of you and your beneficiary;

(iv) the withdrawal is used to pay unreimbursed medical expenses during the taxable year that exceed 7.5% of your adjusted gross income;

(v) the withdrawal is used to pay health insurance premiums after you have received unemployment compensation for at least twelve weeks;

(vi) the withdrawal is used to pay certain higher education expenses; or

(vii) the withdrawal is used for a "first-time" home purchase (up to a lifetime maximum of $10,000 from all IRAs you own).

The nondeductible additional 10% tax will not apply to withdrawals made by your beneficiary after your death. You may be required to file Form 5329 with the Internal Revenue Service for a year if the additional 10% tax applies to you.

(e) **Required minimum distributions to you.** The law requires that you withdraw at least a minimum amount from your account for the calendar year in which you reach age 70½ and each calendar year thereafter. For this purpose, if your birthday is between January 1 and June 30, you will reach age 70½ in the calendar year containing your 70th birthday. If your birthday is between July 1 and December 31, you will reach age 70½ in the calendar year containing your 71st birthday. You must withdraw the minimum amount for the calendar year in which you reach age 70½ by April 1 of the following year. This is known as your Required Beginning Date. You must withdraw the minimum amount for each subsequent calendar year by December 31 of that year.

For each year a distribution is required, the minimum distribution amount is determined by dividing your account balance as of the preceding December 31 by a distribution period factor. You may be required to adjust the account balance to be used if you have made a rollover contribution or transfer to your account in the year following the year for which the distribution is required. You should consult your tax or financial advisor if you believe that you might be required to make these adjustments.

The distribution period factor is determined from the following chart, using your age as of your birthday in the year for which the minimum distribution is required:

Your Age	Distribution Period Factor	Your Age	Distribution Period Factor	Your Age	Distribution Period Factor
70	27.4	85	14.8	100	6.3
71	26.5	86	14.1	101	5.9
72	25.6	87	13.4	102	5.5
73	24.7	88	12.7	103	5.2
74	23.8	89	12.0	104	4.9
75	22.9	90	11.4	105	4.5
76	22.0	91	10.8	106	4.2
77	21.2	92	10.2	107	3.9
78	20.3	93	9.6	108	3.7
79	19.5	94	9.1	109	3.4
80	18.7	95	8.6	110	3.1
81	17.9	96	8.1	111	2.9
82	17.1	97	7.6	112	2.6
83	16.3	98	7.1	113	2.4
84	15.5	99	6.7	114	2.1
				115 and older	1.9

Alternatively, if your sole beneficiary for a year is your spouse and your spouse is more than ten years younger than you, your distribution period factor is equal to the joint life expectancy of you and your spouse (under life expectancy tables included in Internal Revenue Code regulations), using your ages as of your birthdays in the year for which the distribution is required. This distribution period factor will yield a smaller withdrawal amount for the year than the factor determined using the table above.

(f) **Required minimum distributions to your beneficiary.** You should make your beneficiary aware that he is subject to the required minimum distribution rules of the Internal Revenue Code, and it is his responsibility to make sure that the rules are met. Your beneficiary's required minimum distributions depend in part upon when you die.

(i) **Death on or after your Required Beginning Date.** If you die on or after the April 1 following the year in which you reach age 70½ , which is known as your Required Beginning Date, your beneficiary must withdraw at least a minimum amount of his portion of the account by December 31 of the year following the year of your death and each subsequent year. The minimum amount is determined by dividing the balance of your beneficiary's portion of your account as of December 31 of the preceding year by a distribution period factor calculated using life expectancy tables under Internal Revenue Code regulations. The distribution period factor for the first year following the year of your death will equal your beneficiary's life expectancy under IRS life expectancy tables using your beneficiary's age as of his birthday in that year. Alternatively, if your beneficiary is at least your age or is not a living person (for example, if your beneficiary is a trust), the distribution period factor for the first year is based on your age as of your birthday in the calendar year of your death.

For each subsequent year, your beneficiary generally should reduce the prior year's distribution period factor by one. However, if your beneficiary is your spouse, the distribution period factor may be recalculated for each subsequent year using your spouse's age as of his or her birthday in that year. For each year following the year of your spouse's death, the prior year's distribution period factor should be reduced by one.

You and your beneficiary should also be aware that a required minimum distribution calculated as described above in Section 7(e) is due for the year in which you die. If you have not withdrawn this minimum distribution prior to your death, your beneficiary must withdraw it by December 31 of the year in which you die.

(ii) **Death before your Required Beginning Date.** If you die before your Required Beginning Date, your beneficiary may elect to withdraw amounts using the method described above in Section 7(f)(i), except that your beneficiary may not use a distribution period factor based on your age. (This means that if your beneficiary is not a living person, your beneficiary cannot use the method described in Section 7(f)(i) above.) If your sole beneficiary is your spouse, he or she may also elect to postpone distributions until the end of the calendar year in which you would have reached age 70½ .

Alternatively, on or before December 31 of the year following the year of your death, your beneficiary may elect to withdraw his portion of the account at any time or times by the end of the calendar year containing the fifth anniversary of your death. If your beneficiary is not a living person, it must use this alternative.

(iii) **Special rules for multiple beneficiaries**. If more than one beneficiary maintains an interest in your account as of September 30 of the year following the year of your death, special rules apply. Each of those beneficiaries may use a distribution period factor based on his own life expectancy for purposes of Sections 7(f)(i) and 7(f)(ii) above for years following the year in which a separate account is established for his interest, so long as the separate account is established by December 31 of the year following the year of your death. Otherwise, all your beneficiaries must use a distribution period factor based on the life expectancy of the oldest beneficiary (or, if one or more of your beneficiaries is not a living person, all your beneficiaries must use the rules that apply to beneficiaries that are not living persons). Your beneficiaries must contact United Heritage Life Insurance Company to establish separate accounts for their interests under your account.

(iv) **Spouse's election to treat account as own.** If your spouse is the sole beneficiary of your account as of September 30 of the year following the year of your death and has an unlimited right to withdraw amounts from your account (for example, these requirements are not met if you have designated a trust as beneficiary of your account, even if your spouse is the sole beneficiary-of that trust), your spouse may elect at any time after your death to treat your account as your spouse's own traditional IRA. If your spouse makes this election in the year of your death, your spouse must withdraw any minimum distribution you would have been required to withdraw for that year (unless you have already done so). If your spouse makes this election in a year following the year of your death, your spouse must withdraw any minimum distribution for that year as owner of the account (and not as your beneficiary). In addition, if your spouse makes this election, your spouse may not treat subsequent withdrawals as having been made on account of your death for purposes of determining whether the withdrawal is subject to penalty as described in Section 7(d) above.

Your spouse may make this election by requesting United Heritage Life Insurance Company to register the account in your spouse's name. Alternatively, your spouse will be deemed to have made this election if your spouse fails to withdraw a required minimum distribution for a year or makes an additional contribution to the account.

(g) **Penalty for failure to make required minimum distributions.** If the amount withdrawn by you or your beneficiary during a taxable year is less than the minimum amount required to be distributed, you or your beneficiary will be subject to a penalty tax equal to 50% of the deficiency, unless you or your beneficiary can prove that the failure to receive the minimum distribution was due to reasonable cause and that reasonable steps are being taken to remedy the shortfall. You or your beneficiary may be required to file Form 5329 with the Internal Revenue Service for a year if the penalty tax applies.

8. **Rolling Over or Transferring Your Account**

(a) **Rolling over your account.**

(i) **General.** Except as described below, you may roll over a withdrawal from your account to an eligible retirement plan. An eligible retirement plan is another traditional IRA or a qualified employer plan (such as a Section 401(k) plan), a Section 403(a) annuity plan, a Section 403(b) annuity contract or custodial account or a Section 457 plan maintained by a governmental employer. If your beneficiary is your spouse, your beneficiary may also roll over a withdrawal to an eligible retirement plan following your death.

(ii) **Exceptions.** You (and your spouse beneficiary) may not roll over a required minimum distribution (as described in Section 7(e) and (f) above). Also, you (and your spouse beneficiary) may not roll over any portion of a withdrawal that consists of nondeductible contributions or after-tax employee contributions to an eligible retirement plan other than another traditional IRA. For this purpose, however, you (and your beneficiary spouse) are treated as withdrawing any nondeductible or after-tax contributions last. Thus, for example, if your account balance is $10,000 and contains $1,000 of nondeductible contributions, the first $9,000 you withdraw will not be treated as consisting of nondeductible contributions. Therefore, you could roll over the first $9,000 you withdraw (so long as your withdrawals are not required minimum distributions).

(iii) **Methods.** Unless your rollover is made directly payable to the eligible retirement plan, you must deposit your rollover in the eligible retirement plan within 60 days from the date you receive your withdrawal. If you roll over a withdrawal to another IRA, you may not make another roll over between IRAs for 12 months. Similarly, you may not roll over a withdrawal to another IRA if you have already done so in the previous 12 months. These limitations also apply to rollovers made by your spouse beneficiary.

(b) **Transferring your account.** You may directly transfer your account to a traditional IRA sponsored by another trustee or custodian. The transfer will not be treated as a rollover to the other traditional IRA, and thus will not affect the 12-month waiting period described in Section 8(a)(iii) above. The transfer will not be reported to the Internal Revenue Service, and you should not include the amount transferred in your gross income so long as you do not receive any part of it in connection with the transfer. Following your death, your beneficiary may also transfer his portion of your account as described above.

9. Prohibited Transactions

(a) **Prohibited transactions.** Loans from your United Heritage Traditional IRA are prohibited and will result in disqualification of the entire IRA. Disqualification causes constructive distribution of assets may be taxed to you as ordinary income. You may also have to pay an additional 10% tax on the taxable amount as described in Section 7(d) above.

(b) **No pledging of account as security.** You may not pledge your account as security for a loan. If you do, the amount pledged is considered by the Internal Revenue Service to have been distributed to you and may be taxed as ordinary income during the year in which you make the pledge. You may also have to pay an additional 10% tax on the taxable amount as described in Section 7(d) above.

(c) **Beneficiary.** The prohibitions above will apply to your beneficiary following your death.

10. Other Information

(a) **IRS approval.** The Internal Revenue Service has approved United Heritage Life Insurance Company's contracts for use with IRA plans. The IRS approval is a determination only as to the form of the account, contract or annuity, and does not represent a determination of the merits of investment in such account, contract or annuity.

(b) **Fees.** The only fees associated with your United Heritage Life Insurance Company Traditional IRA are the surrender charges described in the annuity policy.

(c) **Additional information.** For any further information regarding traditional IRAs and the conditions and requirements to which they are subject, you should contact your tax advisor or your local district office of the Internal Revenue Service.

(d) **Meaning of disabled.** An Individual shall be considered to be disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. An individual shall not be considered to be disabled unless he furnishes proof of the existence thereof in such form and manner as the Secretary of the Treasury may require. (IRC Sec. 72(m)(7))

UNITED HERITAGE LIFE INSURANCE COMPANY

Meridian, Idaho

Individual Retirement Annuity Endorsement

Notwithstanding anything in the policy to the contrary, it is hereby understood and agreed that the policy to which this endorsement is attached shall be modified in the following particulars:

1. The policy is established for the exclusive benefit of the annuitant or his or her beneficiaries.

2. The owner of the policy is the annuitant.

3. Contributions

   (a) Except in the case of a rollover contribution (as permitted by Internal Revenue Code §§402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3) and 457(e)(16)) or a contribution made in accordance with the terms of a Simplified Employee Pension (SEP) as described in §408(k), no contributions will be accepted unless they are in cash, and the total of such contributions shall not exceed:

      (1) $3,000 for any taxable year beginning in 2002 through 2004;

      (2) $4,000 for any taxable year beginning in 2005 through 2007; and

      (3) $5,000 for any taxable year beginning in 2008 and years thereafter.

   After 2008, the limit will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code §219(b)(5)(D). Such adjustments will be in multiples of $500.

   (b) In the case of an annuitant who is 50 or older, the annual cash contribution limit is increased by:

      (1) $500 for any taxable year beginning in 2002 through 2005; and

      (2) $1,000 for any taxable year beginning in 2006 and years thereafter.

   (c) In addition to the amounts described in paragraphs (a) and (b) above, an annuitant may make a repayment of a qualified reservist distribution described in Code §72(t)(2)(G) during the 2-year period beginning on the day after the end of the active duty period or by August 17, 2008, if later.

   (d) In addition to the amounts described in paragraphs (a) and (c) above, an annuitant who was a participant in a § 401(k) plan of a certain employer in bankruptcy described in Code §219(c)(5)(C) may contribute up to $3,000 for taxable years beginning after 2006 and before 2010 only. An annuitant who makes contributions under this paragraph (d) may not also make contributions under paragraph (b).

   (e) No contributions will be accepted under a SIMPLE IRA plan established by any employer pursuant to §408(p). Also, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA plan will be accepted from a SIMPLE IRA; that is, an IRA used in conjunction with a SIMPLE IRA plan, prior to the expiration of the 2-year period beginning on the date the annuitant first participated in that employer's SIMPLE IRA plan.

4. Distributions Before Death

   (a) Notwithstanding any provision of this IRA to the contrary, the distribution of the annuitant's interest in the IRA shall be made in accordance with the requirements of Code §408(b)(3) and the regulations thereunder, the provisions of which are herein incorporated by reference. If distributions are not made in the form of an annuity on an irrevocable basis (except for

(b) The entire interest of the annuitant for whose benefit the policy is maintained will commence to be distributed no later than the first day of April following the calendar year in which such annuitant attains age $70^1/_2$ (the "required beginning date") over (a) the life of such annuitant or the lives of such annuitant and his or her designated beneficiary or (b) a period certain not extending beyond the life expectancy of such annuitant or the joint and last survivor expectancy of such annuitant and his or her designated beneficiary. Payments must be made in periodic payments at intervals of no longer than 1 year and must be either non-increasing or they may increase only as provided in Q&As-1 and -4 of §1.401(a)(9)-6 of the Income Tax Regulations. In addition, any distribution must satisfy the incidental benefit requirements specified in Q&A-2 of §1.401(a)(9)-6.

(c) The distribution periods described in paragraph (b) above cannot exceed the periods specified in § 1.401(a)(9)-6 of the Income Tax Regulations.

(d) The first required payment can be made as late as April 1 of the year following the year the annuitant attains age $70^1/_2$ and must be the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval.

5. Distribution Upon Death

(a) Death On or After Required Distributions Commence. If the annuitant dies on or after required distributions commence, the remaining portion of his or her interest will continue to be distributed under the policy option chosen.

(b) Death Before Required Distributions Commence. If the annuitant dies before required distributions commence, his or her entire interest will be distributed at least as rapidly as follows:

(1) If the designated beneficiary is someone other than the annuitant's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the annuitant's death, over the remaining life expectancy of the designated beneficiary, with such life expectancy determined using the age of the beneficiary as of his or her birthday in the year following the year of the annuitant's death, or, if elected, in accordance with paragraph (b)(3) below.

(2) If the annuitant's sole designated beneficiary is the annuitant's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the annuitant's death (or by the end of the calendar year in which the annuitant would have attained age $70^1/_2$, if later), over such spouse's life, or, if elected, in accordance with paragraph (b)(3) below. If the surviving spouse dies before required distributions commence to him or her, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated beneficiary's remaining life expectancy determined using such beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with paragraph (b)(3) below. If the surviving spouse dies after required distributions commence to him or her, any remaining interest will continue to be distributed under the policy option chosen.

(3) If there is no designated beneficiary, or if applicable by operation of paragraph (b)(1) or (b)(2) above, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the annuitant's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under paragraph (b)(2) above).

(4) Life expectancy is determined using the Single Life Table in Q&A-1 of §1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole designated beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the beneficiary's age in the year specified in paragraph (b)(1) or (2) and reduced by 1 for each subsequent year.

(c) The "interest" in the IRA includes the amount of any outstanding rollover, transfer and recharacterization under Q&As-7 and -8 of §1.408-8 of the Income Tax Regulations and the actuarial value of any other benefits provided under the IRA, such as guaranteed death benefits.

(d) For purposes of paragraphs (a) and (b) above, required distributions are considered to commence on the annuitant's required beginning date or, if applicable, on the date distributions are required to begin to the surviving spouse under paragraph (b)(2) above. However, if distributions start prior to the applicable date in the preceding sentence, on an irrevocable basis (except for acceleration) under an annuity policy meeting the requirements of §1.401(a)(9)-6 of the Income Tax Regulations, then required distributions are considered to commence on the annuity starting date.

(e) If the sole designated beneficiary is the annuitant's surviving spouse, the spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take required distributions as a beneficiary.

6. The interest of the owner is nonforfeitable.

7. This policy is not transferable by the owner.

8. Any refund of premiums (other than those attributable to excess contributions) will be applied, before the close of the calendar year following the year of the refund, toward the payment of future premiums.

9. If premium payments are interrupted, the policy will be reinstated at any date prior to maturity upon payment of a premium to the company, and the minimum premium amount for reinstatement shall not exceed $50; however, the Company may at its option either accept additional future payments or terminate the policy by payment in cash of the then present value of the paid up benefit if no premiums have been received for two full consecutive policy years and the paid up annuity benefit at maturity would be less than $20 per month.

10. Annual calendar year reports concerning the status of the annuity and such information concerning required minimum distributions as prescribed by the Commissioner of Internal Revenue shall be furnished.

11. Compensation means wages, salaries, professional fees, or other amounts derived from or received for personal services actually rendered (including, but not limited to commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, and bonuses) and includes earned income, as defined in Code § 401(c)(2) (reduced by the deduction the self employed annuitant takes for contributions made to a self-employed retirement plan). For purposes of this definition, §401(c)(2) shall be applied as if the term trade or business for purposes of §1402 included service described in subsection (c)(6). Compensation does not include amounts derived from or received as earnings or profits from property (including but not limited to interest and dividends) or amounts not includible in gross income. Compensation also does not include any amount received as a pension or annuity or as deferred compensation. The term "compensation" shall include any amount includible in the annuitant's gross income under §71 with respect to a divorce or separation instrument described in subparagraph (A) of §71(b)(2).

12. Loans are not available under this policy.

13. We may amend this endorsement to conform to the provisions of the IRC, Treasury Regulations under IRC provisions, or Revenue Rulings issued by the Internal Revenue Service. We will send a copy of such amendment to the annuitant or the beneficiary. It will be mailed to the last post office address known to us.

Signed for the Company at Meridian, Idaho.

Marjorie A. Hopkins	Dennis L. Johnson
Secretary	President

ASSIGNMENT OF PROCEEDS

UNITED HERITAGE

I ____________________________ ("owner") hereby assign, transfer and set over to the sole right to collect
(Print Name of Owner)

from United Heritage Life Insurance Company ("the Company") the net proceeds of Policy Number ______________, when it
(Policy Number)

becomes a claim by death of the insured/annuitant to ____________________________, ("Funeral Establishment")

of ____________________________ for value to be received and services to be performed.
(City, State & Zip)

It is expressly understood that the Company is hereby authorized and directed to release and pay the net proceeds payable, as determined by the provisions of the above stated Policy, to the Funeral Establishment upon receipt of a properly certified Death Certificate, surrender of the above stated Policy and satisfactory proof of claim as deemed necessary by the Company.

CHECK ONE

❑ IRREVOCABLE

It is expressly understood that:

1. The Owner hereunder having so requested, it is agreed and understood that the Owner may not revoke or change the Assignment of Proceeds without the written consent of the Funeral Establishment. While said proceeds remain payable to the Funeral Establishment, the Owner, without the written consent of the Funeral Establishment, may not make loans on the cash value or exercise any other option, right or privilege provided in the Policy that may affect payment of the proceeds including, but not limited to, the right to elect any of the nonforfeiture provisions thereof or surrender the Policy. Paid-Up Additions must be kept intact.

2. The ownership rights of the Policy are reserved to the named Owner and are excluded from this Assignment and do not pass by virtue hereof.

3. This Assignment of Proceeds shall not become effective until 30 days after the effective date of the Policy.

❑ REVOCABLE

It is expressly understood that:

1. The named Owner of the Policy may cancel and revoke this Assignment of Proceeds at any time prior to the death of the insured/annuitant by filing proper written notice of cancellation with the Company. If the Assignment is canceled, the net proceeds referred to herein are to be paid in accordance with the Policy provisions unless a subsequent Assignee is designated.

2. The ownership rights of the Policy are reserved to the named Owner and are excluded from this Assignment and do not pass by virtue hereof.

3. In the event that this Assignment of Proceeds is canceled by the Owner prior to the death of the insured/annuitant or in the event cash values are withdrawn or surrendered, the Prepaid Funeral Benefits Contract funded by this Assignment shall, by virtue of its provisions, become null and void. In such event, at the death of the insured/annuitant all proceeds shall be payable in accordance with the provisions of the Policy.

IN WITNESS WHEREOF, this Assignment of Proceeds

is signed on this _______ day of ____________________, ________
(Month) (Year)

at ____________________, ____________________.
(City) (State)

FOR HOME OFFICE USE ONLY
Executed Date: _______________
By: ________________________
UNITED HERITAGE LIFE INSURANCE COMPANY

____
Policy Owner

____
Witness

Request/Authorization for Direct Rollover or Transfer Of Qualified Funds

United Heritage Life Insurance Company -- Individual Annuity Department

P.O. Box 7777, Meridian, ID 83680-7777 (800) 657-6351 www.unitedheritage.com

1.

To: ______________________________ Policy or Account Number: ______________
(Current Company, Custodian or Financial Institution)

Address: ______________________________ City: ____________ State: _____ Zip: ________

Name of Annuitant/Insured: ______________________________

Social Security/Tax ID: ______________________________ DOB: __________ Age: __________

Name of Owner *(if other than annuitant/insured)*: ______________________________

Social Security/Tax ID: ______________________________ DOB: __________ Age: __________

2. CHECK ONLY ONE OF THE FOLLOWING:

<u>Direct Transfers:</u>

- ❑ Traditional IRA to Traditional IRA
- ❑ 401(a) or 401(k) Trustee Plan Asset Transfer
- ❑ Roth IRA to Roth IRA
- ❑ Other ______________________________

<u>Direct Rollovers:</u>

- ❑ 401(a) Pension to IRA
- ❑ 401(k) to IRA
- ❑ TSA to IRA
- ❑ 403(b)(7) to IRA
- ❑ Conversion from a Traditional IRA to a Roth IRA
- ❑ Other ______________________________

3. IF ANNUITANT IS 70½ OR OLDER:

Has the Required Minimum Distribution for the current year been taken? ❑ Yes ❑ No If **NO**, the current carrier should: *(Elect One)*

- ❑ Distribute Required Minimum Distribution prior to Transfer/Rollover (please complete withholding election below)
- ❑ Not Distribute

Withholding Election For Distribution Prior to Transfer: *(Elect One)*

- ❑ Do not withhold federal or state income tax from my requested payment.
- ❑ Withhold federal income tax of _______% and state income tax of _______% of the gross amount.

4. AUTHORIZATION:

I authorize ______________________________ to
(*Current Company, Custodian, or Financial Institution*)

❑ Liquidate and transfer the entire account balance, or
❑ Partially liquidate the account and transfer $____________________ or ___________% of account value.

I authorize disclosure of information to United Heritage Life Insurance Company as necessary to complete this requested rollover/transfer.

(a) It is my intention that this payment shall not constitute actual or constructive receipt to me for income tax purposes. Please make a direct payment on my behalf **<u>by check</u>** to United Heritage Life Insurance Company. I request that my name not appear as a joint payee on the check nor shall my endorsement thereon be necessary for transfer or deposit.

(b) For the purposes of this transfer, United Heritage Life Insurance Company is authorized to endorse on my behalf any checks or negotiable instruments received by them for my benefit in purchasing or adding to a United Heritage Life Insurance Company annuity contract.

United Heritage Life Insurance Company is willing to accept the assets noted above. Your prompt attention to this matter is appreciated.

Signature: ______________________________ ______________________
Annuitant/Insured *Date*

Signature: ______________________________ ______________________
Owner (if other than annuitant/insured) *Date*

Mail Proceeds to: United Heritage Life Insurance Company
P.O. Box 7777
Meridian, ID 83680-7777

Make Payable to: United Heritage Life Insurance Company
FBO ______________________________
(Name of employee/IRA owner)

5. TO BE COMPLETED BY CURRENT PLAN CUSTODIAN : *(Please include these balances with check.)*

Required Information for Qualified Rollover/Transfers

Prior Year 12/31 balance $______________________

This will verify United Heritage Life Insurance Company's acceptance of the direct rollover/transfer as indicated above. Please process and forward the funds payable to United Heritage Life Insurance Company on behalf of the account holder as specified. United Heritage Life Insurance Company cannot assume responsibility for inaccurate, incorrect or missing balance information provided by either the present carrier, financial institution, the account holder, or the agent.

______________________________ ______________________ ______________
Authorized Officer of United Heritage Life Insurance Company Title Date

INSTRUCTIONS FOR COMPLETING THIS FORM

1. Complete section 1 to include name and address of current company, custodian or financial institution.

2. Multiple policies (plans) of the same type (IRA, HR10, TSA, or Pension) **and** issued by the same company may be listed on one form.

3. The Annuitant/Insured for plans being replaced must be the proposed Annuitant/Insured on the new United Heritage Life Insurance Company application.

4. Complete section 2 as applicable.

5. Complete sections 3 and 5 if annuitant/insured is 70 ½ or older.

6. Complete section 4 with name of current company, custodian or financial institution and indicate entire or partial direct rollover/transfer.

7. Obtain required signatures.

8. If the policy being replaced has an outstanding policy loan, which is not repaid before transfer, the amount of the loan will be considered a distribution. Such distribution is taxable as ordinary income. Therefore, policy loans should be repaid prior to policy transfer.

9. Distribution of copies:
   a) Send white and yellow copy to United Heritage Life Insurance Company.
   b) Give pink copy to owner.

If you have any questions concerning this form or Rollover/Transfer procedures,
call the Home Office at the following number:
1 (800) 657-6351

Supporting Document Schedules

Item Status: **Status Date:**

Satisfied - Item: Flesch Certification

Comments:

Attachment:

AR Readability Cert.pdf

Item Status: **Status Date:**

Bypassed - Item: Application

Bypass Reason: Not applicable. The application being filed is a replacement for 30-02DAAR(8/1998), filed with your Department 11/5/1998.

Comments:

UNITED HERITAGE®
Life Insurance Company
a United Heritage Financial Group Company

March 6, 2009

Arkansas Department of Insurance
Attn: Rates & Forms
1200 W. 3rd St
Little Rock, AR 72201-1904

CERTIFICATION OF READABILITY

I, Deborah Sloan, Senior V.P. & Chief Actuary, hereby certify that the following forms comply with Arkansas Code §§ 23-80-201 to 23-80-208 inclusive and meet the minimum Flesch score required:

30-02DA (2-2008), Deferred Annuity Application
20-2711 (1-2009), Assignment of Proceeds

Endorsement #101, Deferred Annuity Waiver of Withdrawal Charges has a Flesch Score of 37.4 due to the required medical terminology.

We respectfully request a readability exception on the forms listed below under Arkansas Code §§ 23-80-206 (b)(3)(B). The following forms were either written to comply with Federal guidelines or are duplicates of the actual Federal forms as may be required, therefore, they do not meet the standard minimum Flesch score. The language is limited to Federal government specifications in order to conform to Federal Law:

Form No. 9180 Roth (Rev.01-2009), Roth Individual Retirement Annuity Disclosure Statement
20-1459IRA (4-2003), Roth Individual Retirement Annuity Endorsement
Form No. 9100 IRA (Rev.3-2008), IRA Disclosure Statement
Endorsement #16, Individual Retirement Annuity Endorsement
20-05 (12-2008), Request/Authorization for Direct Rollover/Transfer of Funds

Deborah Sloan

Deborah Sloan

Senior Vice President & Chief Actuary