

SERFF Tracking Number: BENE-126019375 State: Arkansas  
 Filing Company: Beneficial Life Insurance Company State Tracking Number: 41730  
 Company Tracking Number: 09-A400-01  
 TOI: A02I Individual Annuities- Deferred Non- Sub-TOI: A02I.002 Flexible Premium  
 Variable  
 Product Name: 09-A400-01  
 Project Name/Number: 09-A400-01/09-A400-01

## Filing at a Glance

Company: Beneficial Life Insurance Company

Product Name: 09-A400-01

TOI: A02I Individual Annuities- Deferred Non-  
Variable

Sub-TOI: A02I.002 Flexible Premium

Filing Type: Form

SERFF Tr Num: BENE-126019375 State: Arkansas

SERFF Status: Closed-Approved- State Tr Num: 41730  
Closed

Co Tr Num: 09-A400-01

State Status: Approved-Closed

Reviewer(s): Linda Bird

Author:

Disposition Date: 06/11/2009

Date Submitted: 03/05/2009

Disposition Status: Approved-  
Closed

Implementation Date Requested: 02/28/2009

Implementation Date:

State Filing Description:

## General Information

Project Name: 09-A400-01

Project Number: 09-A400-01

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 06/11/2009

Status of Filing in Domicile: Authorized

Date Approved in Domicile: 02/19/2009

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Explanation for Other Group Market Type:

State Status Changed: 03/09/2009

Created By: Shauna Burnett

Corresponding Filing Tracking Number: 09-  
A400-01

Deemer Date:

Submitted By: Shauna Burnett

Filing Description:

Beneficial Life is submitting the above form for filing and state approval. This form is similar to form 9-903-03, which was previously approved.

In addition to the standard policy provisions, we have added a few new provisions that are designed to assist with common customer service issues that occur. A marked copy of the form has been included to easily identify the new provisions.

The form is submitted in final printed format except for slight font and formatting variations that may occur due to Beneficial production printers. Beneficial takes care to assure that printer-based

SERFF Tracking Number: BENE-126019375 State: Arkansas  
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 Variable  
 Product Name: 09-A400-01  
 Project Name/Number: 09-A400-01/09-A400-01

variations are minimized; however, should changes occur, such changes will not alter the content or meaning of any approved form.

This product is intended to be marketed to the general public through our normal agent distribution channel. To the best of our knowledge, this form conforms to all state insurance statutes and departmental requirements and contains no provision previously disapproved by your department. Also, please make note that Beneficial's Corporate Secretary is changing from Ted E. Lewis to J. David Pearce effective November 17th 2008, so the second signature on all policy forms will change accordingly.

Upon your approval of this form, please notify us via the SERFF electronic filing system.

## Company and Contact

### Filing Contact Information

Shauna Burnett, shauna.burnett@benfinancial.com  
 150 Social Hall Avenue, 5th Floor 801-933-1334 [Phone]  
 Salt Lake City, UT 84136 801-531-3383 [FAX]

### Filing Company Information

Beneficial Life Insurance Company CoCode: 61395 State of Domicile: Utah  
 150 Social Hall Avenue, 5th Floor Group Code: 615 Company Type: Life & Health  
 Salt Lake City, UT 84136 Group Name: State ID Number:  
 (801) 933-1335 ext. [Phone] FEIN Number: 87-0115120

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## Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Beneficial Life Insurance Company	\$50.00	03/05/2009	26156425

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 Variable  
 Product Name: 09-A400-01  
 Project Name/Number: 09-A400-01/09-A400-01

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	06/11/2009	06/11/2009
Approved-Closed	Linda Bird	03/09/2009	03/09/2009

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Form	09-A400-01	Shauna Burnett	06/10/2009	06/10/2009

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
reopen	Note To Filer	Linda Bird	05/27/2009	05/27/2009
reopen	Note To Filer	Linda Bird	04/17/2009	04/17/2009
reopen	Note To Reviewer	Shauna Burnett	04/16/2009	04/16/2009

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Variable  
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## **Disposition**

Disposition Date: 06/11/2009

Implementation Date:

Status: Approved-Closed

Comment: Company has made changes to the MVA section of the original submission.

Rate data does NOT apply to filing.

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 Variable  
 Product Name: 09-A400-01  
 Project Name/Number: 09-A400-01/09-A400-01

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		Yes
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	VARIABILITY		Yes
Supporting Document	ACTUARIAL MEM		No
Supporting Document	MARKED COPY		Yes
Form ( <i>revised</i> )	09-A400-01		Yes
Form	09-A400-01	Replaced	Yes

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## **Disposition**

Disposition Date: 03/09/2009

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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**Note To Filer**

**Created By:**

Linda Bird on 05/27/2009 03:27 PM

**Last Edited By:**

Linda Bird

**Submitted On:**

05/27/2009 03:27 PM

**Subject:**

reopen

**Comments:**

Filing was reopened on 4/17/09 in order for you to make changes. It has come to our attention that you have not made the changes to the original submission. Please advise the Department if the company would like to withdraw the request for changes or if additional time is needed to correct filing.

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**Note To Filer**

**Created By:**

Linda Bird on 04/17/2009 08:56 AM

**Last Edited By:**

Linda Bird

**Submitted On:**

04/17/2009 08:56 AM

**Subject:**

reopen

**Comments:**

The filing has been reopened in order for changes to be made to original submission.

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**Note To Reviewer**

**Created By:**

Shauna Burnett on 04/16/2009 04:03 PM

**Last Edited By:**

Shauna Burnett

**Submitted On:**

04/16/2009 04:03 PM

**Subject:**

reopen

**Comments:**

We need to make a couple of changes to this product and wondered if you could reopen or withdraw this filing?





## BENEFICIAL LIFE INSURANCE CO.

[Home Office, P.O. Box 45654, 150 Social Hall Avenue, Suite 170, Salt Lake City, UT 84145-0654 · (800) 233-7979 · (801) 933-1100]

This is a legal contract between the Beneficial Life Insurance Company and the owner of this policy.

The terms "we", "our", and "us" refer to Beneficial Life. The terms "you" and "your" refer to the owner of the policy.

We will pay the benefits provided by this policy subject to its terms and conditions.

### **Ten-Day Right To Examine**

You may cancel this policy within ten days after you receive it by delivering or mailing it, together with a written statement that you want it canceled, to our agent or to our Home Office. If this is a replacement policy, the examination period is extended an additional ten days. Upon our receipt of your notice, the policy will be void, as if it had never been issued. We will promptly refund any premiums you may have paid.

The benefits, provisions, and conditions on the following pages are a part of the policy. Please read your policy carefully so you may better use its many benefits. An index is provided on page 3 for your convenience.

  
President

  
Secretary

SINGLE PREMIUM DEFERRED ANNUITY POLICY - NOT TAX QUALIFIED  
MONTHLY INCOME PAYABLE WHEN ELECTED - NOT ELIGIBLE FOR DIVIDENDS  
ANNUITY ACCUMULATION VALUE PAYABLE AT DEATH OF ANNUITANT  
NONFORFEITURE VALUES MAY INCREASE OR DECREASE  
BASED ON THE MARKET VALUE ADJUSTMENT FORMULA



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Page 6 .....	Death of Annuitant, Beneficiary
Page 7 .....	General Provisions
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Note: Riders for any additional benefits and a copy of applications follow page 12.

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## THE CONTRACT

This Policy and the attached riders, endorsements, and applications (including amendments and supplemental applications) form the entire contract. All statements made in an application will be deemed representations and not warranties. We will not contest the validity of this Policy.

This Policy will take effect only after it has been delivered to you and you have paid the premium.

### Policy Date

Coverage starts on the Policy Date, which is shown on page 2, or when the premium is paid, whichever is later. Policy months, years and anniversaries are measured from the Policy Date.

### Ownership Rights

The **Owner** is named on page 2. As Owner, you may exercise all rights and receive all benefits under this Policy while the Annuitant is living and before the Maturity Date. Your rights may, however, be subject to the rights of a Beneficiary you name irrevocably or to any rights you assign.

You may transfer ownership of this Policy to another person. To do so, send us a signed Notice of the change on a form satisfactory to us. When we receive your Notice, the change will take effect as of the date you sign it. Such change will not affect any actions we take before receiving and recording your Notice at our Home Office.

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## PREMIUM PAYMENT

The benefits provided by this Policy are granted in exchange for your single premium payment. The

premium is due on the Policy Date and is payable in advance to us at our Home Office or to our authorized agent.

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## ANNUITY BENEFIT

### **Maturity Date**

The Maturity Date means the date we begin paying proceeds under a Settlement Option. The Maturity Date of this policy is shown on page 2. You may elect an earlier Maturity Date by sending us a signed Notice of the earlier Maturity Date on a form satisfactory to us. When we receive your Notice, the earlier Maturity Date will be effective as of the date you sign it, subject to any actions we take before receiving and recording your Notice at our Home Office.

If this Policy is in force and the Annuitant named on page 2 is living on the Maturity Date, we will pay an annuity to you, or another person you designate, under the Settlement Option you elect.

If you have not elected a Settlement Option before the Maturity Date, we will make payment under Settlement Option 5 with a 10 year guarantee period.

The amount of proceeds applied under a Settlement Option will be equal to the Cash Value, less any applicable premium tax. We will waive any Withdrawal Charge if the Settlement Option elected provides for payments for at least the longer of the time remaining until the end of the Withdrawal Charge Period and 5 years.

We will also waive any Withdrawal Charge if the Settlement Option is elected after your death and provides for at least 5 years of payments.

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## POLICY VALUES

### **ACCUMULATION VALUE**

The **Accumulation Value** at any time is equal to the sum of all premiums paid, less any applicable premium tax, plus credited interest and less any partial withdrawals taken.

Compound interest will accrue daily, from the day we receive your premium payment. During the Initial Guarantee Period, compounding will be at the annual effective rate(s) shown on page 2. After the Initial Guarantee Period, the interest rate will be reset annually and will be no less than the Nonforfeiture Interest Rate. Excess interest may be applied in the calculation of the Accumulation Value at such rate and in such manner as we determine.

### **Nonforfeiture Interest Rate**

During the Withdrawal Charge Period, the Nonforfeiture Interest Rate is the average of the five-year Constant Maturity Treasury Rate for each day that it is reported by the Federal Reserve during the month of October of the calendar year preceding the Policy Date, rounded to the nearest 0.05%, less 1.25%. On each policy anniversary following the Withdrawal Charge Period, the Nonforfeiture Rate will be reset equal to the average of the five-year Constant Maturity Treasury Rate for each day that it is reported by the Federal Reserve during the month of October of the calendar year preceding such anniversary, rounded to the nearest 0.05%, less 1.25%. However, in no case will the Nonforfeiture Interest Rate be less than 1% or greater than 3%.

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## CASH VALUE

The Cash Value at any time is equal to the greater of (1) the sum of: Accumulation Value and the Market Value Adjustment, less any applicable Withdrawal Charge and (2) the minimum value required by the law of the state in which this Policy is delivered. In no event will the Cash Value be less than the accumulation of 87.5% of the premiums paid at the Nonforfeiture Interest Rate, less any withdrawals also accumulated at the Nonforfeiture Interest Rate.

A detailed statement of the method of computing cash values and reserves has been filed with the insurance supervisory official of the state in which this Policy is delivered.

### **Withdrawal Charge**

The Withdrawal Charge applicable to this Policy is a percentage of the Accumulation Value withdrawn depending upon how long the Policy has been in effect. The Withdrawal Charge Percentages are shown on page 2.

As stated in the section entitled "Annuity Benefit," Withdrawal Charges may be waived under a Settlement Option.

"Withdrawal Charge Period" means the continuous time, starting at issue, during which you cannot surrender the policy without a withdrawal charge.

### **Market Value Adjustment**

The amount subject to a Market Value Adjustment is the lesser of: (1) the Accumulation Value being withdrawn and (2) the total Accumulation Value withdrawn during the policy year in excess of the amount indicated on page 2 under Free Partial Withdrawal.

The Market Value Adjustment is calculated as follows:

The amount subject to a Market Value Adjustment multiplied by  $[(1+j)^n / (1+k)^n - 1]$  where:

(j) is the Guaranteed Interest Rate for the second year of this policy. If we no longer issue this policy form, (j) is the Treasury Constant Maturity Series rate at the time the annuity is issued (published by the Federal Reserve) for a security with the shortest time to maturity equal to or greater than the Initial Guarantee Period shown on page 2;

(k) is the Guaranteed Interest Rate for the second year of a newly issued policy on this form, plus 0.25%. If we no longer issue this policy form, (k) is 0.25% plus the Treasury Constant Maturity Series rate at the time of withdrawal (published by the Federal Reserve) for a security with the shortest time to maturity equal to or greater than the Initial Guarantee Period shown on page 2; and

(n) is the number of days from the date of withdrawal to the end of the Initial Guarantee Period divided by 365.

### **Limitations on MVA**

The MVA can never be less than  $p - q$  or more than  $q - p$  where:

(p) is the accumulation of 87.5% of the premiums paid at the Nonforfeiture Interest Rate, less any withdrawals also accumulated at those rates; and

(q) is the Accumulation Value less any applicable Withdrawal Charge.

Applying the Market Value Adjustment may result in an increase or decrease to the Cash Value.

### **Withdrawal of Cash Value**

You may withdraw all or part of the Cash Value at any time during the Annuitant's lifetime before the Maturity Date. During the Initial Guarantee Period shown on page 2, amounts withdrawn in excess of the amount indicated on page 2 under Free Partial Withdrawal will be subject to a Market Value Adjustment and a Withdrawal Charge. There is no Market Value Adjustment or Withdrawal Charge for withdrawals after the Initial Guarantee Period shown on page 2.

If you make more than one partial withdrawal in a policy year, we may charge \$3 for each additional withdrawal.

### **Deferral of Payment**

We reserve the right to defer payment for the period permitted by law, but not for more than six months, contingent upon written approval by the insurance supervisory official in the jurisdiction in which this Policy is delivered. If we defer such payment, we will credit interest at an annual rate of at least the guaranteed interest rate on the amount to be paid.

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## **DEATH OF OWNER**

### **Distribution at Death of Owner before Maturity Date**

Current Internal Revenue Service regulations require that if you die before the annuity payment starting date, the entire interest in the policy must be distributed within five (5) years of your death. We will pay a death benefit equal to the cash surrender value.

In order for us to distribute the interest in the policy within the required distribution period, we must receive due proof of death, and surrender of the policy. Upon your death, distributions will be made in the following order: (1) primary or secondary Beneficiary; or; (2) the Annuitant.

### **Joint Owners**

If joint owners are named, the required distribution must commence upon the death of the first joint owner. Any surviving joint owner(s) will automatically become the sole primary Beneficiary(ies) to supersede all other Beneficiaries. If the Owner's surviving spouse becomes a vested Beneficiary, the surviving spouse may elect to assume ownership of their portion of this policy and continue this policy instead of receiving the death benefit.

### **Spousal Beneficiary- Assumption of Policy**

A surviving spouse who is a vested primary Beneficiary may elect to assume ownership of their portion of this policy and continue this policy instead of receiving the death benefit. Any death benefit (including any optional death benefits) that would have been payable to the Beneficiary will become the new accumulation value as of the date we receive due proof of death and any required proof of a surviving spousal relationship.

As of the date the assumption is effective, the surviving spouse will have all the rights and benefits that would be available under the policy to a new purchaser of the same attained age.

For purposes of determining any future death benefit for the surviving spouse, the new accumulation value will be considered as the first premium.

Your spouse cannot elect this exception if a joint or contingent Owner is entitled to the proceeds.

**Distribution at death of Owner after Maturity Date**

If you die after the annuity payment starting date and before the entire interest in the policy has been distributed, the remaining portion of your interest in the policy must be distributed at least as rapidly as under the method of distribution being used as of the date of your death.

If any portion of your interest in the policy is payable to (or for the benefit of) any Beneficiary, such portion may be distributed over the life of the Beneficiary, or over a period of years not extending beyond the life expectancy of the Beneficiary. Such distribution must

begin no later than one year after your death. A joint or Contingent Owner may also exercise this option.

**Exceptions**

There may be exceptions to the required distribution in the Internal Revenue Code. If an exception applies, at your request, we will distribute the benefits according to the exceptions. Consult your tax advisor.

**If The Owner Is Not An Individual**

If the Owner is not an individual, "You/Your" refers to the Annuitant. In this case, any change of Annuitant will be treated the same as the death of the Owner. Distribution must therefore occur as provided in the section above entitled "Distribution At Death of Owner."

**DEATH OF ANNUITANT****Distribution at Death of Annuitant before Maturity Date**

If the Annuitant dies before the Maturity Date while this policy is in force, we will pay to the Beneficiary a death benefit equal to the Accumulation Value.

If you and the Annuitant die at the same time, the Beneficiary may elect payment under "Death of Owner" or "Death of Annuitant."

**Distribution at Death of Annuitant after Maturity Date**

If the Annuitant dies after the Maturity Date, any death

benefit payable will depend upon the terms of the Settlement Option elected.

If you and the Annuitant die at the same time, the Beneficiary may elect payment under "Death of Owner" or "Death of Annuitant."

We will make settlement within 15 days of receiving due proof of death and surrender of the policy. We will pay interest on death benefits payable under this policy from the date of death to the date of settlement at a rate not less than that required by law.

**BENEFICIARY**

The Beneficiary is the person you name to receive payment upon your death or upon the death of the Annuitant. Provided no joint owner is living, the Beneficiary also becomes the Owner on your death.

If joint owners are named the surviving joint owner(s) will automatically become the sole primary Beneficiary(ies) to supersede all other beneficiaries. The Beneficiary is as named in the application for this policy unless later changed. The interest of any Beneficiary is subject to the rights of any Assignee of record.

**Changing The Beneficiary**

You can change a Beneficiary unless named irrevocably. To make a Beneficiary change, send us a signed Notice of the change on a form satisfactory to us. When we receive your Notice, the change will take effect as of the date you sign it, subject to any payments we make or other actions we take before we receive and record the change at our Home Office.

**Death Of Beneficiary**

Unless you state otherwise, all rights of a Beneficiary will end if he or she dies before you or the Annuitant. If no Beneficiary survives the Annuitant, at the Annuitant's death, all rights to the proceeds pass to

you. If you are the Annuitant and there is no named Beneficiary living at the time of your death, the death benefit proceeds shall be paid to one of the following classes of persons, to the exclusion of other classes, in the following order: to your (a) surviving spouse, (b) surviving children, including adopted children, (c) surviving grandchildren, (d) surviving parents, (e) surviving brothers and sisters, or (f) estate. Payments to a class of more than one person will be made in equal shares. Unless stated otherwise in the policy or in your signed Notice which is in effect at the time of your death, if any Beneficiary dies at the same time as you, or within 15 days after your death, we will pay the proceeds as though that Beneficiary died first. If you are the Beneficiary and there is no joint or contingent Owner or secondary Beneficiary living at the time of your death, the death benefit proceeds shall be paid to the Annuitant.

**Protection Of Proceeds**

Unless you and we agree, no one entitled to receive benefits under this policy may commute, pledge, sell or assign any part of the benefits. Except as required by law, the benefits shall not be subject to the claims of any Payee's creditors or to legal process against any Payee.

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## GENERAL PROVISIONS

### Termination Of Policy

This policy terminates when any of the following occur:

- (a) you make request in writing on a form satisfactory to us to surrender this policy,
- (b) you die before the Maturity Date, or
- (c) the Annuitant dies before the Maturity Date, or
- (d) we fulfill the terms of the Settlement Option elected.

### Exchange

After the Withdrawal Charge Period, you may exchange this policy for a new deferred annuity offered by us. The new annuity will be credited with the full Accumulation Value exchanged. New Withdrawal Charges will apply. If the Withdrawal Charge Period of the new contract is at least 5 years, we will credit a bonus to the Accumulation Value exchanged. The bonus will be at least 1%.

### Assignment Of Policy

During the Annuitant's life, you may assign this policy. To assign this policy, send us a signed Notice of the assignment on a form satisfactory to us. When we receive your Notice, the assignment will take effect as of the date you sign it, subject to any payments we make or other actions we take before we receive and record it at our Home Office. We are not responsible for the validity of any assignment.

### Notice

"Notice" is signed instructions received at our Home Office in a form satisfactory to us. Notice from us to you will be in writing mailed to your address in our records.

### Nonparticipation

This policy is nonparticipating. This means that it does not share in our earnings and you will not receive dividends.

### Annual Report

We will send you a statement once a year or anytime upon request at no cost showing:

- the current Accumulation Value and Cash Value;
- premiums, charges, interest, and partial withdrawals recorded since the last statement; and
- other information required by law.

### Modification Of The Contract

Any change to your policy must be approved by an officer of our company. An approved change must be endorsed on or attached to this policy.

### Misdirected Mail

The address(es) you provide in the application or in the most recent address notification change sent to us will be the address(es) we use for policy-related correspondence. You are responsible to update Policy contact information whenever necessary by submitting a change request on a form acceptable to us. We are not responsible for lost mail, returned mail, misdirected payments, lapse, or other policy-related problems caused by incorrect or obsolete contact information provided by you or any third person.

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## SETTLEMENT OPTIONS

You may elect to have us pay the proceeds of this policy in cash or under any one of the Options shown below. You may change your choice of Option for the Beneficiary at any time before the death of the Annuitant, and for the Annuitant at any time before the Maturity Date. To make such a change, notify us in writing on a form acceptable to us at our Home Office. If you do not elect an Option for the Beneficiary, he or she may choose an Option if proceeds of at least \$5,000 are payable. You may also elect one of these Options if you surrender this policy or make a partial withdrawal of Cash Value and the amount payable is at least \$5,000.

When a settlement option is selected, the elector will designate:

**An Annuitant.** This is the life upon which payments under Options 4, 5, 6, or 7 are contingent. This may be the same person originally designated as Annuitant or a different person. Two Annuitants will be designated for Option 7. There is no annuitant under options 1, 2, or 3.

**A Payee.** This is the person designed to receive payments. More than one payee and the distribution of payments among Payees may be designated. If any Payee is not a natural person receiving payments in his or her own right, an option other than Option 1 may be used only with our prior written consent.

**A Beneficiary.** This is the person designed to receive payments upon death of the Owner or Annuitant depending upon the specifications of the Option selected. This may be the same person originally designated as Beneficiary or a different person. More than one Beneficiary and the distribution of payments among Beneficiaries may be designated.

The amount of each payment under Options 4, 5, 6 and 7 is based on the adjusted age of the Annuitant or Annuitants. Adjusted ages are calculated on the day the first payment is due by increasing or decreasing each Annuitant's age on that date as follows:

<u>Payment Year</u>	<u>Adjustment</u>
2010 & Earlier	+1
2011 to 2018	0
2019 to 2025	-1
2026 to 2032	-2

To find the age reduction for years after 2032, subtract 2012 from the year in which the first payment is due, divide by seven and drop any remainder.

The annuity factors on which the payment amounts are calculated use 2% interest and the Annuity 2000 Table

projected 30 years plus the number of years from the first payment using Scale G. Options 4, 5, and 6 are calculated using female mortality and Option 7 is calculated using female mortality for one Annuitant and male mortality for the other.

We may require proof of an Annuitant's age. We may also require evidence that an Annuitant is alive at the time any payment is due. These Options may be used only if the income payments will be \$200 or more. Under Option 7, the initial payment must be at least \$200. We will make payments monthly unless we agree otherwise.

We may suspend Annuity payments to anyone at any time if we send out two Notices to the address of record and fail to receive reasonable assurance within 30 days that an Annuitant is still alive. If reasonable assurance is eventually received prior to escheatment, we will immediately pay all funds held along with any additional interest that may be required by law.

**Option 1 - Left at Interest.** We will make periodic payments of the interest earned on the amount of proceeds left on deposit with us. The interest paid will be at the rate we determine but will never be less than 2% per year. You, the Owner, may also withdraw amounts of \$100 or more and may elect another Option within 5 years after the proceeds are first left on deposit. At your death, we will pay the unpaid proceeds plus interest accrued to the date of death in a single sum to the Beneficiary.

**Option 2 - Installment Payments for a Fixed Period of Years.** We will make equal periodic payments of the amount shown in the table for this Option. We may, at our sole discretion, increase the payment amount by paying excess interest. At your death, we will pay the unpaid income payments, discounted at 2% per year in a single sum to the Beneficiary.

**Option 3 - Installment Payments for a Fixed Amount.** We will make equal periodic payments of the amount selected until all of the proceeds and accrued interest have been paid. Payments in each year must be at least 4% of the original proceeds. We will add interest to the unpaid balance at a rate we determine, but never less than 2% per year. At your death, we will pay the unpaid balance in a single sum to the Beneficiary.

**Option 4 - Lifetime Income.** We will make equal periodic payments to the Payee for as long as the Annuitant lives. Each payment will be for the amount shown in the table for this Option. At the Annuitant's death, payments will cease and we will have no further liability.

**Option 5 - Lifetime Income with Payments Guaranteed for a Fixed Period.** We will make equal periodic payments to the Payee for as long as the Annuitant lives. Each payment will be for the amount shown in the table for this Option. At the Annuitant's death before the end of the guarantee period, we will pay the unpaid guaranteed payments, discounted at 2% per year, in a single sum to the Beneficiary. During the guaranteed period, we may, at our sole discretion, increase the payment by paying excess interest. At the Annuitant's death after the guarantee period, payments will cease and we will have no further liability.

**Option 6 - Lifetime Income with Cash Refund.** We will make equal periodic payments to the Payee for as long as the Annuitant lives. Each payment will be for the amount shown in the table for this Option. At the Annuitant's death before the sum of the payments made equals the amount of the original proceeds, we will pay the difference in a single sum to the Beneficiary. At the Annuitant's death after the sum of the payments made equals the amount of the original proceeds, payments will cease and we will have no further liability.

**Option 7 - Lifetime Income for Two Lives.** We will make equal periodic payments as long as both of two Annuitants are alive. Each payment will be for the amount shown in the table for this Option. After the death of one Annuitant, we will continue payments to the Payee in an amount equal to 2/3 of the periodic payment we paid while both Annuitants

were living. At the death of the surviving Annuitant, payments will cease and we will have no further liability.

**Alternate Options.** We may from time to time establish alternate annuity rates for Options 4 through 7. If, at the time of settlement, the rate for the Option you select is less than the corresponding alternate annuity, we will make periodic payments based on the more favorable alternate annuity rates.

The rate(s) used to discount unpaid guaranteed payments will be the rate(s) used in determining these alternate annuity rates. Such alternate annuity rates are non-participating and do not share in excess interest or dividends.

**Rate Tables.** Tables of rates for selected ages are shown below. Rates for other ages are available from our Home Office upon request.

**Misstatement Of Age Or Sex**

If the age or sex of an Annuitant has been misstated, the amount of the annuity benefit will be that which would have been purchased by the proceeds at the correct age and sex. If the misstatement results in an overpayment, we will reduce or discontinue future payments until the overpayment, accumulated at the rate upon which the payment was derived has been recaptured. If the misstatement results in an underpayment, we will pay the amount of the underpayment, accumulated at the rate(s) upon which the payment was derived in one sum to the Owner, if living, otherwise to the Beneficiary.

## SETTLEMENT OPTION TABLES

### OPTION 2 TABLE - FIXED PERIOD INSTALLMENTS FOR EACH \$1,000 OF PROCEEDS

Period of Years	Monthly Payment										
1	\$84.09	6	\$14.72	11	\$8.42	16	\$6.07	21	\$4.85	26	\$4.10
2	42.46	7	12.74	12	7.80	17	5.77	22	4.67	27	3.98
3	28.59	8	11.25	13	7.26	18	5.50	23	4.51	28	3.87
4	21.65	9	10.10	14	6.81	19	5.26	24	4.36	29	3.77
5	17.49	10	9.18	15	6.42	20	5.04	25	4.22	30	3.68

For installments payable other than monthly, multiply the monthly payment by 11.892 for annual, by 5.975 for semi-annual, or by 2.995 for quarterly installments.

### OPTION 4, 5, AND 6 TABLE - ONE LIFE - LIFETIME MONTHLY INCOME FOR EACH \$1,000 OF PROCEEDS

Adjusted Age of Payee	OPTION 4 Life Only	OPTION 5 10 Years Certain	OPTION 5 20 Years Certain	OPTION 6 Life With Cash Refund	Adjusted Age of Payee	OPTION 4 Life Only	OPTION 5 10 Years Certain	OPTION 5 20 Years Certain	OPTION 6 Life With Cash Refund
10	2.02	2.02	2.02	2.01	50	2.88	2.88	2.86	2.81
11	2.03	2.03	2.03	2.02	51	2.93	2.92	2.90	2.85
12	2.04	2.04	2.04	2.03	52	2.98	2.97	2.95	2.89
13	2.05	2.05	2.05	2.04	53	3.03	3.02	3.00	2.94
14	2.06	2.06	2.06	2.05	54	3.08	3.07	3.05	2.98
15	2.07	2.07	2.07	2.06	55	3.14	3.13	3.10	3.03
16	2.08	2.08	2.08	2.07	56	3.20	3.19	3.15	3.08
17	2.09	2.09	2.09	2.09	57	3.26	3.25	3.21	3.13
18	2.11	2.10	2.10	2.10	58	3.33	3.32	3.27	3.19
19	2.12	2.12	2.12	2.11	59	3.40	3.38	3.33	3.24
20	2.13	2.13	2.13	2.12	60	3.48	3.46	3.39	3.30
21	2.14	2.14	2.14	2.14	61	3.55	3.53	3.46	3.36
22	2.16	2.16	2.16	2.15	62	3.64	3.62	3.53	3.43
23	2.17	2.17	2.17	2.16	63	3.73	3.70	3.60	3.50
24	2.19	2.19	2.18	2.18	64	3.82	3.79	3.67	3.57
25	2.20	2.20	2.20	2.19	65	3.93	3.89	3.75	3.65
26	2.22	2.22	2.22	2.21	66	4.03	3.99	3.82	3.72
27	2.23	2.23	2.23	2.22	67	4.15	4.10	3.90	3.81
28	2.25	2.25	2.25	2.24	68	4.28	4.22	3.98	3.90
29	2.27	2.27	2.27	2.26	69	4.41	4.34	4.07	3.99
30	2.29	2.29	2.28	2.27	70	4.55	4.47	4.15	4.09
31	2.31	2.31	2.30	2.29	71	4.71	4.61	4.23	4.19
32	2.33	2.33	2.32	2.31	72	4.87	4.75	4.31	4.30
33	2.35	2.35	2.34	2.33	73	5.05	4.91	4.39	4.41
34	2.37	2.37	2.37	2.35	74	5.25	5.07	4.47	4.53
35	2.39	2.39	2.39	2.37	75	5.46	5.24	4.55	4.66
36	2.42	2.41	2.41	2.40	76	5.68	5.42	4.62	4.79
37	2.44	2.44	2.44	2.42	77	5.92	5.61	4.69	4.93
38	2.47	2.46	2.46	2.44	78	6.19	5.80	4.75	5.08
39	2.49	2.49	2.49	2.47	79	6.47	6.00	4.81	5.24
40	2.52	2.52	2.51	2.49	80	6.78	6.21	4.86	5.41
41	2.55	2.55	2.54	2.52	81	7.11	6.43	4.90	5.59
42	2.58	2.58	2.57	2.55	82	7.47	6.64	4.94	5.78
43	2.61	2.61	2.60	2.58	83	7.87	6.86	4.97	5.98
44	2.65	2.64	2.64	2.61	84	8.30	7.08	4.99	6.20
45	2.68	2.68	2.67	2.64	85+	8.76	7.30	5.01	6.43
46	2.72	2.71	2.70	2.67					
47	2.76	2.75	2.74	2.70					
48	2.80	2.79	2.78	2.74					
49	2.84	2.83	2.82	2.78					

**OPTION 7 TABLE - JOINT LIFE INCOME WITH TWO-THIRDS TO SURVIVOR -  
MONTHLY PAYMENTS FOR EACH \$1,000 OF PROCEEDS**

Adjusted Age of Co-Payee									
		<b>10</b>	<b>15</b>	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>	<b>40</b>	<b>45</b>
<b>10</b>		2.02	2.04	2.07	2.09	2.12	2.15	2.19	2.23
<b>15</b>		2.04	2.07	2.10	2.13	2.16	2.19	2.23	2.27
<b>20</b>		2.07	2.10	2.13	2.16	2.20	2.24	2.28	2.32
<b>25</b>		2.09	2.12	2.16	2.20	2.24	2.28	2.33	2.38
<b>30</b>		2.12	2.15	2.19	2.24	2.28	2.33	2.39	2.44
<b>35</b>		2.15	2.19	2.23	2.28	2.33	2.39	2.45	2.51
<b>40</b>		2.19	2.23	2.27	2.32	2.38	2.45	2.52	2.59
<b>45</b>		2.23	2.27	2.32	2.37	2.44	2.51	2.59	2.67
<b>50</b>		2.28	2.32	2.37	2.43	2.49	2.57	2.66	2.76
<b>55</b>		2.33	2.38	2.43	2.49	2.56	2.64	2.74	2.85
<b>60</b>		2.39	2.44	2.49	2.56	2.63	2.72	2.83	2.95
<b>65</b>		2.45	2.51	2.56	2.63	2.71	2.81	2.92	3.06
<b>70</b>		2.53	2.58	2.64	2.71	2.80	2.90	3.03	3.17
<b>75</b>		2.60	2.65	2.72	2.80	2.89	3.00	3.13	3.29
<b>80</b>		2.67	2.73	2.80	2.88	2.98	3.10	3.24	3.41
<b>85+</b>		2.74	2.80	2.88	2.96	3.07	3.19	3.34	3.53

Adjusted Age of Co-Payee									
		<b>50</b>	<b>55</b>	<b>60</b>	<b>65</b>	<b>70</b>	<b>75</b>	<b>80</b>	<b>85+</b>
<b>10</b>		2.28	2.33	2.39	2.45	2.52	2.60	2.69	2.77
<b>15</b>		2.32	2.38	2.44	2.50	2.58	2.67	2.75	2.84
<b>20</b>		2.37	2.43	2.50	2.57	2.65	2.74	2.83	2.92
<b>25</b>		2.43	2.50	2.56	2.64	2.73	2.82	2.92	3.02
<b>30</b>		2.50	2.57	2.64	2.73	2.82	2.92	3.03	3.13
<b>35</b>		2.58	2.66	2.74	2.83	2.93	3.04	3.16	3.27
<b>40</b>		2.67	2.76	2.85	2.95	3.06	3.19	3.32	3.45
<b>45</b>		2.77	2.87	2.98	3.10	3.22	3.36	3.51	3.66
<b>50</b>		2.87	2.99	3.12	3.26	3.41	3.58	3.75	3.92
<b>55</b>		2.98	3.12	3.28	3.45	3.63	3.83	4.03	4.24
<b>60</b>		3.10	3.26	3.45	3.66	3.88	4.13	4.38	4.64
<b>65</b>		3.22	3.41	3.63	3.89	4.17	4.49	4.81	5.14
<b>70</b>		3.35	3.57	3.83	4.13	4.49	4.90	5.33	5.77
<b>75</b>		3.49	3.73	4.02	4.38	4.82	5.33	5.91	6.51
<b>80</b>		3.62	3.89	4.21	4.63	5.14	5.78	6.53	7.37
<b>85+</b>		3.76	4.04	4.40	4.86	5.46	6.23	7.18	8.30

## Glossary of Terms

**Accumulation Value** is the value of this contract before withdrawal charges.

**Annuitant** means the person upon whose life payments are contingent.

**Annuity Contract (the Contract)** means the legal agreement that specifies the terms and conditions of this annuity.

**Assignment** means a legal and valid transfer of all or part of an Owner's validly-held interests or rights in a Policy.

**Beneficiary** is the person designated to receive payment upon death.

**Cash Value** is the value of this contract after withdrawal charges.

**Claimant** is a person(s) who asserts a right to proceeds under the Policy as a Beneficiary, Payee, new Owner or in some other capacity.

**Contingent Owner** means a person who assumes ownership rights of the Policy upon the Owner's death.

**Joint Owner** means a person who shares the Policy ownership right equally with the other Joint Owner.

**Maturity Date** is the date payments are scheduled to begin under a Settlement Option.

**Minimum Interest Rate** means the rate or rates of interest used to determine minimum cash values.

**Owner** means the person who may exercise all rights and receive all benefits under this Policy while the Annuitant is living and before the Maturity Date subject to the rights of a Beneficiary you name irrevocably or to any rights you assign.

**Payee** is the person designated to receive payments under a Settlement Option.

**Policy** means the collection of legal rights and duties created by the Contract.

**Policy Date** is the date shown on page 2. Policy years and Policy anniversaries are measured from the Policy Date.

**Settlement Options** are arrangements under which payments are available under this policy.

**Surviving Spouse** means a person who is in a current and legally valid marriage with the Owner on the date of the Owner's death, regardless of separation or impending divorce proceedings.

SINGLE PREMIUM DEFERRED ANNUITY POLICY



*SERFF Tracking Number:* BENE-126019375      *State:* Arkansas  
*Filing Company:* Beneficial Life Insurance Company      *State Tracking Number:* 41730  
*Company Tracking Number:* 09-A400-01  
*TOI:* A021 Individual Annuities- Deferred Non-      *Sub-TOI:* A021.002 Flexible Premium  
Variable  
*Product Name:* 09-A400-01  
*Project Name/Number:* 09-A400-01/09-A400-01

UTGC7 marked copy.pdf

## **CERTIFICATION**

I hereby certify that the following policy form(s) filed for approval by Beneficial Life Insurance Company meets the requirements of the "Flesch Reading Ease Test" as follows:

<u>Form</u>	<u>Test Scores</u>
09-A400-01	50.06

Dated this 17th day of November, 2008.

**Beneficial Life Insurance Company**

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Hardi Jenkins  
Sr. Vice President – Product Management

## Explanation of Variability for form 09-A400-01

Page	Variable Field	Range of Variability
2	Marketing Name	See list below for variations *
2	Initial Premium	Set by policyowner
2	Policy Number	Company's policy identification number
2	Owner	Name of owner
2	Annuitant	Name of Annuitant
2	Policy Date	Date of issue
2	Sex and Issue Age	Varies by annuitant
2	Maturity Date	Date when annuitant reaches age 110. May be modified upon request

\* Form 09-A400-01 can be issued with 10 variations in length of time for withdrawal charge percentages and first year bonuses. The Maximum Issue Age = age 100 with age 90 for the Guaranteed Step Up product.

### **Schedule of Benefits and Premiums Form Number, Marketing Name and Description**

#### **9-A400-01GA, Guaranteed Advantage**

\$5000.00 minimum single premium to \$250,000 without approval and \$500,000 with approval by a company officer, 6-year withdrawal charge (8.32,7.65,6.73,5.79,4.85,3.90,0.00%).

#### **9-A400-01GC5, Guaranteed Choice 5**

\$5000.00 minimum single premium to \$250,000 without approval and \$500,000 with approval by a company officer, 5-year withdrawal charge.

<u>Year</u>	<u>5 Yrs 0%</u>	<u>5 Yrs *</u>	<u>5 Yrs 10%</u>	<u>5 Yrs 20%</u>
1	6.30%	6.30%	7.00%	7.50%
2	6.30%	6.49%	7.00%	7.50%
3	6.30%	6.49%	7.00%	7.50%
4	5.40%	5.57%	6.00%	6.50%
5	4.50%	4.64%	5.00%	5.50%
6	0.00%	0.00%	0.00%	0.00%
7	0.00%	0.00%	0.00%	0.00%
8	0.00%	0.00%	0.00%	0.00%
9	0.00%	0.00%	0.00%	0.00%
10	0.00%	0.00%	0.00%	0.00%

\* A percentage of the Accumulation Value not less than 3% (indicated on the specifications page of the contract) may be withdrawn each policy year after the first without a Market Value Adjustment or Withdrawal Charge.

#### **9-A400-01GC7, Guaranteed Choice 7**

\$5000.00 minimum single premium to \$250,000 without approval and \$500,000 with approval by a company officer, 7-year withdrawal charge .

<u>Year</u>	<u>7 Yrs 0%</u>	<u>7 Yrs *</u>	<u>7 Yrs 10%</u>	<u>7 Yrs 20%</u>
1	6.30%	6.30%	7.00%	7.50%
2	6.30%	6.49%	7.00%	7.50%
3	6.30%	6.49%	7.00%	7.50%
4	5.40%	5.57%	6.00%	6.50%
5	4.50%	4.64%	5.00%	5.50%
6	3.60%	3.71%	4.00%	4.50%
7	2.70%	2.78%	3.00%	3.25%
8	0.00%	0.00%	0.00%	0.00%
9	0.00%	0.00%	0.00%	0.00%
10	0.00%	0.00%	0.00%	0.00%

\* A percentage of the Accumulation Value not less than 3% (indicated on the specifications page of the contract) may be withdrawn each policy year after the first without a Market Value Adjustment or Withdrawal Charge.

**9-A400-01GSTEP, Guaranteed Step Up**

\$5000.00 minimum single premium to \$250,000 without approval and \$500,000 with approval by a company officer, 5-year withdrawal charge (7.0,7.0,7.0,6.0,5.0,0.0%).

<i>SERFF Tracking Number:</i>	<i>BENE-126019375</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Beneficial Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>41730</i>
<i>Company Tracking Number:</i>	<i>09-A400-01</i>		
<i>TOI:</i>	<i>A021 Individual Annuities- Deferred Non-Variable</i>	<i>Sub-TOI:</i>	<i>A021.002 Flexible Premium</i>
<i>Product Name:</i>	<i>09-A400-01</i>		
<i>Project Name/Number:</i>	<i>09-A400-01/09-A400-01</i>		

## Superseded Schedule Items

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

<b>Creation Date:</b>	<b>Schedule</b>	<b>Schedule Item Name</b>	<b>Replacement Creation Date</b>	<b>Attached Document(s)</b>
03/05/2009	Form	09-A400-01	06/10/2009	ARGC7.pdf (Superceded)



## BENEFICIAL LIFE INSURANCE CO.

[Home Office, P.O. Box 45654, 150 Social Hall Avenue, Suite 170, Salt Lake City, UT 84145-0654 · (800) 233-7979 · (801) 933-1100]

This is a legal contract between the Beneficial Life Insurance Company and the owner of this policy.

The terms "we", "our", and "us" refer to Beneficial Life. The terms "you" and "your" refer to the owner of the policy.

We will pay the benefits provided by this policy subject to its terms and conditions.

### **Ten-Day Right To Examine**

You may cancel this policy within ten days after you receive it by delivering or mailing it, together with a written statement that you want it canceled, to our agent or to our Home Office. If this is a replacement policy, the examination period is extended an additional ten days. Upon our receipt of your notice, the policy will be void, as if it had never been issued. We will promptly refund any premiums you may have paid.

The benefits, provisions, and conditions on the following pages are a part of the policy. Please read your policy carefully so you may better use its many benefits. An index is provided on page 3 for your convenience.

  
President

  
Secretary

SINGLE PREMIUM DEFERRED ANNUITY POLICY - NOT TAX QUALIFIED  
MONTHLY INCOME PAYABLE WHEN ELECTED - NOT ELIGIBLE FOR DIVIDENDS  
ANNUITY ACCUMULATION VALUE PAYABLE AT DEATH OF ANNUITANT  
NONFORFEITURE VALUES MAY INCREASE OR DECREASE  
BASED ON THE MARKET VALUE ADJUSTMENT FORMULA

Specifications Page



BENEFICIAL LIFE INSURANCE CO.

[Home Office, P.O. Box 45654, 150 Social Hall Avenue, Suite 170, Salt Lake City, UT 84145-0654 · (800) 233-7979 · (801) 933-1100]

GUARANTEED CHOICE 7

SCHEDULE OF BENEFITS AND PREMIUMS

BASIC CONTRACT

SINGLE PREMIUM [\$50,000.00]
INITIAL GUARANTEE PERIOD 7 YEARS
INITIAL GUARANTEED INTEREST RATE: 4.45% POLICY YEAR 1
3.45% POLICY YEAR(S) 2 - 7

During the Initial Guarantee Period we will credit interest to the Accumulation Value at the annual effective rate(s) shown above. Thereafter, the rate will vary subject to the Minimum Interest rate described on page 4.

FREE PARTIAL WITHDRAWAL

In each policy year, you may withdraw an amount equal to the percentage indicated below, times the Accumulation Value as of the previous policy anniversary, without a Market Value Adjustment or Withdrawal Charge.

Table with 2 columns: Policy Year (1-7, 8+) and Percentage (10.00%, 100.00%)

WITHDRAWAL CHARGE PERCENTAGE

The Withdrawal Charge Percentages applicable to this Policy depends on how long the policy has been in effect according to the following schedule:

Table with 2 rows and 6 columns: Policy Anniversary (1-6, 7, 8+) and Percentage (7.00%, 7.00%, 7.00%, 6.00%, 5.00%, 4.00%, 3.00%, 0.00%)

POLICY DATA

POLICY NUMBER: [BLARGC7] POLICY DATE [FEB 01, 2009]
OWNER: [JOHN AR DOE] SEX AND ISSUE AGE [MALE 39]
ANNUITANT: [JOHN AR DOE] MATURITY DATE: FEB 01, 2080]

SINGLE PREMIUM DEFERRED ANNUITY POLICY - NOT TAX QUALIFIED
MONTHLY INCOME PAYABLE WHEN ELECTED - NOT ELIGIBLE FOR DIVIDENDS
ANNUITY ACCUMULATION VALUE PAYABLE AT DEATH OF ANNUITANT
NONFORFEITURE VALUES MAY INCREASE OR DECREASE
BASED ON THE MARKET VALUE ADJUSTMENT FORMULA

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## THE CONTRACT

This Policy and the attached riders, endorsements, and applications (including amendments and supplemental applications) form the entire contract. All statements made in an application will be deemed representations and not warranties. We will not contest the validity of this Policy.

This Policy will take effect only after it has been delivered to you and you have paid the premium.

### Policy Date

Coverage starts on the Policy Date, which is shown on page 2, or when the premium is paid, whichever is later. Policy months, years and anniversaries are measured from the Policy Date.

### Ownership Rights

The **Owner** is named on page 2. As Owner, you may exercise all rights and receive all benefits under this Policy while the Annuitant is living and before the Maturity Date. Your rights may, however, be subject to the rights of a Beneficiary you name irrevocably or to any rights you assign.

You may transfer ownership of this Policy to another person. To do so, send us a signed Notice of the change on a form satisfactory to us. When we receive your Notice, the change will take effect as of the date you sign it. Such change will not affect any actions we take before receiving and recording your Notice at our Home Office.

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## PREMIUM PAYMENT

The benefits provided by this Policy are granted in exchange for your single premium payment. The

premium is due on the Policy Date and is payable in advance to us at our Home Office or to our authorized agent.

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## ANNUITY BENEFIT

### **Maturity Date**

The Maturity Date means the date we begin paying proceeds under a Settlement Option. The Maturity Date of this policy is shown on page 2. You may elect an earlier Maturity Date by sending us a signed Notice of the earlier Maturity Date on a form satisfactory to us. When we receive your Notice, the earlier Maturity Date will be effective as of the date you sign it, subject to any actions we take before receiving and recording your Notice at our Home Office.

If this Policy is in force and the Annuitant named on page 2 is living on the Maturity Date, we will pay an annuity to you, or another person you designate, under the Settlement Option you elect.

If you have not elected a Settlement Option before the Maturity Date, we will make payment under Settlement Option 5 with a 10 year guarantee period.

The amount of proceeds applied under a Settlement Option will be equal to the Cash Value, less any applicable premium tax. We will waive any Withdrawal Charge if the Settlement Option elected provides for payments for at least the longer of the time remaining until the end of the Withdrawal Charge Period and 5 years.

We will also waive any Withdrawal Charge if the Settlement Option is elected after your death and provides for at least 5 years of payments.

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## POLICY VALUES

### **ACCUMULATION VALUE**

The **Accumulation Value** at any time is equal to the sum of all premiums paid, less any applicable premium tax, plus credited interest and less any partial withdrawals taken.

Compound interest will accrue daily, from the day we receive your premium payment. During the Initial Guarantee Period, compounding will be at the annual effective rate(s) shown on page 2. After the Initial Guarantee Period, the interest rate will be reset annually and will be no less than the Minimum Interest Rate applicable at that time. Excess interest may be applied in the calculation of the Accumulation Value at such rate and in such manner as we determine.

### **Minimum Interest Rate**

The Minimum Interest Rate during the Withdrawal Charge Period is equal to the average of the five-year Constant Maturity Treasury Rate for each day that it is reported by the Federal Reserve during the month of October of the calendar year preceding the Policy Date, rounded to the nearest 0.05%, less 1.25%. On each policy anniversary following the Withdrawal Charge Period the Minimum Interest Rate will be reset equal to the average of the five-year Constant Maturity Treasury Rate for each day that it is reported by the Federal Reserve during the month of October of the calendar year preceding such anniversary, rounded to the nearest 0.05%, less 1.25%. However, in no case will the Minimum Interest Rate be less than 1% or greater than 3%.

### **CASH VALUE**

The Cash Value at any time is equal to the greater of (1) the sum of: Accumulation Value and the Market Value Adjustment, less any applicable Withdrawal Charge and (2) the minimum value required by the law of the state in which this Policy is delivered. In no event will the Cash Value be less than the accumulation of 90% of the premiums paid at the Minimum Interest Rates, less any withdrawals also accumulated at the Minimum Interest Rates.

A detailed statement of the method of computing cash values and reserves has been filed with the insurance supervisory official of the state in which this Policy is delivered.

### **Withdrawal Charge**

The Withdrawal Charge applicable to this Policy is a percentage of the Accumulation Value withdrawn depending upon how long the Policy has been in effect. The Withdrawal Charge Percentages are shown on page 2.

As stated in the section entitled "Annuity Benefit," Withdrawal Charges may be waived under a Settlement Option.

"Withdrawal Charge Period" means the continuous time, starting at issue, during which you cannot surrender the policy without a withdrawal charge.

### **Market Value Adjustment**

The amount subject to a Market Value Adjustment is the lesser of: (1) the Accumulation Value being withdrawn and (2) the total Accumulation Value withdrawn during the policy year in excess of the amount indicated on page 2 under Free Partial Withdrawal.

The Market Value Adjustment is calculated as follows:

The amount subject to a Market Value Adjustment multiplied by  $[(1+j)^n / (1+k)^n - 1]$  where:

- (j) is the Treasury Constant Maturity Series rate at the time the annuity is issued (published by the Federal Reserve) for a security with the shortest time to maturity equal to or greater than the Initial Guarantee Period shown on page 2;
- (k) is the Treasury Constant Maturity Series rate at the time of withdrawal (published by the Federal Reserve) for a security with the shortest time to maturity equal to or greater than the remaining time in the Initial Guarantee Period shown on page 2; and
- (n) is the number of days from the date of withdrawal to the end of the Initial Guarantee Period divided by 365.

Applying the Market Value Adjustment may result in an increase or decrease to the Cash Value.

### **Withdrawal of Cash Value**

You may withdraw all or part of the Cash Value at any time during the Annuitant's lifetime before the Maturity Date. During the Initial Guarantee Period shown on page 2, amounts withdrawn in excess of the amount indicated on page 2 under Free Partial Withdrawal will be subject to a Market Value Adjustment and a Withdrawal Charge. There is no Market Value Adjustment or Withdrawal Charge for withdrawals after the Initial Guarantee Period shown on page 2. If you make more than one partial withdrawal in a policy year, we may charge \$3 for each additional withdrawal.

### **Deferral of Payment**

We reserve the right to defer payment for the period permitted by law, but not for more than six months, contingent upon written approval by the insurance supervisory official in the jurisdiction in which this Policy is issued. If we defer such payment, we will credit interest at an annual rate of at least the guaranteed interest rate on the amount to be paid.

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## **DEATH OF OWNER**

### **Distribution at Death of Owner before Maturity Date**

Current Internal Revenue Service regulations require that if you die before the annuity payment starting date, the entire interest in the policy must be distributed within five (5) years of your death. We will pay a death benefit equal to the cash surrender value.

In order for us to distribute the interest in the policy within the required distribution period, we must receive due proof of death, and surrender of the policy. Upon your death, distributions will be made in the following order: (1) primary or secondary Beneficiary; or; (2) the Annuitant.

### **Joint Owners**

If joint owners are named, the required distribution must commence upon the death of the first joint owner. Any surviving joint owner(s) will automatically become the sole primary Beneficiary(ies) to supersede all other Beneficiaries. If the Owner's surviving spouse becomes a vested Beneficiary, the surviving spouse may elect to assume ownership of their portion of this policy and continue this policy instead of receiving the death benefit.

### **Spousal Beneficiary- Assumption of Policy**

A surviving spouse who is a vested primary Beneficiary may elect to assume ownership of their portion of this policy and continue this policy instead of receiving the death benefit. Any death benefit

(including any optional death benefits) that would have been payable to the Beneficiary will become the new accumulation value as of the date we receive due proof of death and any required proof of a surviving spousal relationship.

As of the date the assumption is effective, the surviving spouse will have all the rights and benefits that would be available under the policy to a new purchaser of the same attained age.

For purposes of determining any future death benefit for the surviving spouse, the new accumulation value will be considered as the first premium. Your spouse cannot elect this exception if a joint or contingent Owner is entitled to the proceeds.

### **Distribution at Death of Owner after Maturity Date**

If you die after the annuity payment starting date and before the entire interest in the policy has been distributed, the remaining portion of your interest in the policy must be distributed at least as rapidly as under the method of distribution being used as of the date of your death.

If any portion of your interest in the policy is payable to (or for the benefit of) any Beneficiary, such portion may be distributed over the life of the Beneficiary, or over a period of years not extending beyond the life expectancy of the Beneficiary. Such distribution must

begin no later than one year after your death. A joint or Contingent Owner may also exercise this option.

### **Exceptions**

There may be exceptions to the required distribution in the Internal Revenue Code. If an exception applies, at your request, we will distribute the benefits according to the exceptions. Consult your tax advisor.

### **If The Owner Is Not An Individual**

If the Owner is not an individual, "You/Your" refers to the Annuitant. In this case, any change of Annuitant will be treated the same as the death of the Owner. Distribution must therefore occur as provided in the section above entitled "Distribution At Death of Owner."

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## **DEATH OF ANNUITANT**

### **Distribution at Death of Annuitant before Maturity Date**

If the Annuitant dies before the Maturity Date while this policy is in force, we will pay to the Beneficiary a death benefit equal to the Accumulation Value.

If you and the Annuitant die at the same time, the Beneficiary may elect payment under "Death of Owner" or "Death of Annuitant."

### **Distribution at Death of Annuitant after Maturity Date**

If the Annuitant dies after the Maturity Date, any death

benefit payable will depend upon the terms of the Settlement Option elected.

If you and the Annuitant die at the same time, the Beneficiary may elect payment under "Death of Owner" or "Death of Annuitant."

We will make settlement within 15 days of receiving due proof of death and surrender of the policy. We will pay interest on death benefits payable under this policy from the date of death to the date of settlement at a rate not less than that required by law.

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## **BENEFICIARY**

The Beneficiary is the person you name to receive payment upon your death or upon the death of the Annuitant. Provided no joint owner is living, the Beneficiary also becomes the Owner on your death.

If joint owners are named the surviving joint owner(s) will automatically become the sole primary Beneficiary(ies) to supersede all other beneficiaries. The Beneficiary is as named in the application for this policy unless later changed. The interest of any Beneficiary is subject to the rights of any Assignee of record.

### **Changing The Beneficiary**

You can change a Beneficiary unless named irrevocably. To make a Beneficiary change, send us a signed Notice of the change on a form satisfactory to us. When we receive your Notice, the change will take effect as of the date you sign it, subject to any payments we make or other actions we take before we receive and record the change at our Home Office.

### **Death Of Beneficiary**

Unless you state otherwise, all rights of a Beneficiary will end if he or she dies before you or the Annuitant. If no Beneficiary survives the Annuitant, at the Annuitant's death, all rights to the proceeds pass to

you. If you are the Annuitant and there is no named Beneficiary living at the time of your death, the death benefit proceeds shall be paid to one of the following classes of persons, to the exclusion of other classes, in the following order: to your (a) surviving spouse, (b) surviving children, including adopted children, (c) surviving grandchildren, (d) surviving parents, (e) surviving brothers and sisters, or (f) estate. Payments to a class of more than one person will be made in equal shares. Unless stated otherwise in the policy or in your signed Notice which is in effect at the time of your death, if any Beneficiary dies at the same time as you, or within 15 days after your death, we will pay the proceeds as though that Beneficiary died first. If you are the Beneficiary and there is no joint or contingent Owner or secondary Beneficiary living at the time of your death, the death benefit proceeds shall be paid to the Annuitant.

### **Protection Of Proceeds**

Unless you and we agree, no one entitled to receive benefits under this policy may commute, pledge, sell or assign any part of the benefits. Except as required by law, the benefits shall not be subject to the claims of any Payee's creditors or to legal process against any Payee.

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## GENERAL PROVISIONS

### Termination Of Policy

This policy terminates when any of the following occur:

- (a) you make request in writing on a form satisfactory to us to surrender this policy,
- (b) you die before the Maturity Date, or
- (c) the Annuitant dies before the Maturity Date, or
- (d) we fulfill the terms of the Settlement Option elected.

### Exchange

After the Withdrawal Charge Period, you may exchange this policy for a new deferred annuity offered by us. The new annuity will be credited with the full Accumulation Value exchanged. New Withdrawal Charges will apply. If the Withdrawal Charge Period of the new contract is at least 5 years, we will credit a bonus to the Accumulation Value exchanged. The bonus will be at least 1%.

### Assignment Of Policy

During the Annuitant's life, you may assign this policy. To assign this policy, send us a signed Notice of the assignment on a form satisfactory to us. When we receive your Notice, the assignment will take effect as of the date you sign it, subject to any payments we make or other actions we take before we receive and record it at our Home Office. We are not responsible for the validity of any assignment.

### Notice

"Notice" is signed instructions received at our Home Office in a form satisfactory to us. Notice from us to you will be in writing mailed to your address in our records.

### Nonparticipation

This policy is nonparticipating. This means that it does not share in our earnings and you will not receive dividends.

### Annual Report

We will send you a statement once a year or anytime upon request at no cost showing:

- the current Accumulation Value and Cash Value;
- premiums, charges, interest, and partial withdrawals recorded since the last statement; and
- other information required by law.

### Modification Of The Contract

Any change to your policy must be approved by an officer of our company. An approved change must be endorsed on or attached to this policy.

### Misdirected Mail

The address(es) you provide in the application or in the most recent address notification change sent to us will be the address(es) we use for policy-related correspondence. You are responsible to update Policy contact information whenever necessary by submitting a change request on a form acceptable to us. We are not responsible for lost mail, returned mail, misdirected payments, lapse, or other policy-related problems caused by incorrect or obsolete contact information provided by you or any third person.

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## SETTLEMENT OPTIONS

You may elect to have us pay the proceeds of this policy in cash or under any one of the Options shown below. You may change your choice of Option for the Beneficiary at any time before the death of the Annuitant, and for the Annuitant at any time before the Maturity Date. To make such a change, notify us in writing on a form acceptable to us at our Home Office. If you do not elect an Option for the Beneficiary, he or she may choose an Option if proceeds of at least \$5,000 are payable. You may also elect one of these Options if you surrender this policy or make a partial withdrawal of Cash Value and the amount payable is at least \$5,000.

When a settlement option is selected, the elector will designate:

**An Annuitant.** This is the life upon which payments under Options 4, 5, 6, or 7 are contingent. This may be the same person originally designated as Annuitant or a different person. Two Annuitants will be designated for Option 7. There is no annuitant under options 1, 2, or 3.

**A Payee.** This is the person designed to receive payments. More than one payee and the distribution of payments among Payees may be designated. If any Payee is not a natural person receiving payments in his or her own right, an option other than Option 1 may be used only with our prior written consent.

**A Beneficiary.** This is the person designed to receive payments upon death of the Owner or Annuitant depending upon the specifications of the Option selected. This may be the same person originally designated as Beneficiary or a different person. More than one Beneficiary and the distribution of payments among Beneficiaries may be designated.

The amount of each payment under Options 4, 5, 6 and 7 is based on the adjusted age of the Annuitant or Annuitants. Adjusted ages are calculated on the day the first payment is due by increasing or decreasing each Annuitant's age on that date as follows:

<u>Payment Year</u>	<u>Adjustment</u>
2010 & Earlier	+1
2011 to 2018	0
2019 to 2025	-1
2026 to 2032	-2

To find the age reduction for years after 2032, subtract 2012 from the year in which the first payment is due, divide by seven and drop any remainder.

The annuity factors on which the payment amounts are calculated use 2% interest and the Annuity 2000 Table

projected 30 years plus the number of years from the first payment using Scale G. Options 4, 5, and 6 are calculated using female mortality and Option 7 is calculated using female mortality for one Annuitant and male mortality for the other.

We may require proof of an Annuitant's age. We may also require evidence that an Annuitant is alive at the time any payment is due. These Options may be used only if the income payments will be \$200 or more. Under Option 7, the initial payment must be at least \$200. We will make payments monthly unless we agree otherwise.

We may suspend Annuity payments to anyone at any time if we send out two Notices to the address of record and fail to receive reasonable assurance within 30 days that an Annuitant is still alive. If reasonable assurance is eventually received prior to escheatment, we will immediately pay all funds held along with any additional interest that may be required by law.

**Option 1 - Left at Interest.** We will make periodic payments of the interest earned on the amount of proceeds left on deposit with us. The interest paid will be at the rate we determine but will never be less than 2% per year. You, the Owner, may also withdraw amounts of \$100 or more and may elect another Option within 5 years after the proceeds are first left on deposit. At your death, we will pay the unpaid proceeds plus interest accrued to the date of death in a single sum to the Beneficiary.

**Option 2 - Installment Payments for a Fixed Period of Years.** We will make equal periodic payments of the amount shown in the table for this Option. We may, at our sole discretion, increase the payment amount by paying excess interest. At your death, we will pay the unpaid income payments, discounted at 2% per year in a single sum to the Beneficiary.

**Option 3 - Installment Payments for a Fixed Amount.** We will make equal periodic payments of the amount selected until all of the proceeds and accrued interest have been paid. Payments in each year must be at least 4% of the original proceeds. We will add interest to the unpaid balance at a rate we determine, but never less than 2% per year. At your death, we will pay the unpaid balance in a single sum to the Beneficiary.

**Option 4 - Lifetime Income.** We will make equal periodic payments to the Payee for as long as the Annuitant lives. Each payment will be for the amount shown in the table for this Option. At the Annuitant's death, payments will cease and we will have no further liability.

**Option 5 - Lifetime Income with Payments Guaranteed for a Fixed Period.** We will make equal periodic payments to the Payee for as long as the Annuitant lives. Each payment will be for the amount shown in the table for this Option. At the Annuitant's death before the end of the guarantee period, we will pay the unpaid guaranteed payments, discounted at 2% per year, in a single sum to the Beneficiary. During the guaranteed period, we may, at our sole discretion, increase the payment by paying excess interest. At the Annuitant's death after the guarantee period, payments will cease and we will have no further liability.

**Option 6 - Lifetime Income with Cash Refund.** We will make equal periodic payments to the Payee for as long as the Annuitant lives. Each payment will be for the amount shown in the table for this Option. At the Annuitant's death before the sum of the payments made equals the amount of the original proceeds, we will pay the difference in a single sum to the Beneficiary. At the Annuitant's death after the sum of the payments made equals the amount of the original proceeds, payments will cease and we will have no further liability.

**Option 7 - Lifetime Income for Two Lives.** We will make equal periodic payments as long as both of two Annuitants are alive. Each payment will be for the amount shown in the table for this Option. After the death of one Annuitant, we will continue payments to the Payee in an amount equal to 2/3 of the periodic payment we paid while both Annuitants

were living. At the death of the surviving Annuitant, payments will cease and we will have no further liability.

**Alternate Options.** We may from time to time establish alternate annuity rates for Options 4 through 7. If, at the time of settlement, the rate for the Option you select is less than the corresponding alternate annuity, we will make periodic payments based on the more favorable alternate annuity rates. The rate(s) used to discount unpaid guaranteed payments will be the rate(s) used in determining these alternate annuity rates. Such alternate annuity rates are non-participating and do not share in excess interest or dividends.

**Rate Tables.** Tables of rates for selected ages are shown below. Rates for other ages are available from our Home Office upon request.

**Misstatement Of Age Or Sex**

If the age or sex of an Annuitant has been misstated, the amount of the annuity benefit will be that which would have been purchased by the proceeds at the correct age and sex. If the misstatement results in an overpayment, we will reduce or discontinue future payments until the overpayment, accumulated at the rate upon which the payment was derived has been recaptured. If the misstatement results in an underpayment, we will pay the amount of the underpayment, accumulated at the rate(s) upon which the payment was derived in one sum to the Owner, if living, otherwise to the Beneficiary.

## SETTLEMENT OPTION TABLES

### OPTION 2 TABLE - FIXED PERIOD INSTALLMENTS FOR EACH \$1,000 OF PROCEEDS

Period of Years	Monthly Payment										
1	\$84.09	6	\$14.72	11	\$8.42	16	\$6.07	21	\$4.85	26	\$4.10
2	42.46	7	12.74	12	7.80	17	5.77	22	4.67	27	3.98
3	28.59	8	11.25	13	7.26	18	5.50	23	4.51	28	3.87
4	21.65	9	10.10	14	6.81	19	5.26	24	4.36	29	3.77
5	17.49	10	9.18	15	6.42	20	5.04	25	4.22	30	3.68

For installments payable other than monthly, multiply the monthly payment by 11.892 for annual, by 5.975 for semi-annual, or by 2.995 for quarterly installments.

### OPTION 4, 5, AND 6 TABLE - ONE LIFE - LIFETIME MONTHLY INCOME FOR EACH \$1,000 OF PROCEEDS

Adjusted Age of Payee	OPTION 4 Life Only	OPTION 5 10 Years Certain	OPTION 5 20 Years Certain	OPTION 6 Life With Cash Refund	Adjusted Age of Payee	OPTION 4 Life Only	OPTION 5 10 Years Certain	OPTION 5 20 Years Certain	OPTION 6 Life With Cash Refund
10	2.02	2.02	2.02	2.01	50	2.88	2.88	2.86	2.81
11	2.03	2.03	2.03	2.02	51	2.93	2.92	2.90	2.85
12	2.04	2.04	2.04	2.03	52	2.98	2.97	2.95	2.89
13	2.05	2.05	2.05	2.04	53	3.03	3.02	3.00	2.94
14	2.06	2.06	2.06	2.05	54	3.08	3.07	3.05	2.98
15	2.07	2.07	2.07	2.06	55	3.14	3.13	3.10	3.03
16	2.08	2.08	2.08	2.07	56	3.20	3.19	3.15	3.08
17	2.09	2.09	2.09	2.09	57	3.26	3.25	3.21	3.13
18	2.11	2.10	2.10	2.10	58	3.33	3.32	3.27	3.19
19	2.12	2.12	2.12	2.11	59	3.40	3.38	3.33	3.24
20	2.13	2.13	2.13	2.12	60	3.48	3.46	3.39	3.30
21	2.14	2.14	2.14	2.14	61	3.55	3.53	3.46	3.36
22	2.16	2.16	2.16	2.15	62	3.64	3.62	3.53	3.43
23	2.17	2.17	2.17	2.16	63	3.73	3.70	3.60	3.50
24	2.19	2.19	2.18	2.18	64	3.82	3.79	3.67	3.57
25	2.20	2.20	2.20	2.19	65	3.93	3.89	3.75	3.65
26	2.22	2.22	2.22	2.21	66	4.03	3.99	3.82	3.72
27	2.23	2.23	2.23	2.22	67	4.15	4.10	3.90	3.81
28	2.25	2.25	2.25	2.24	68	4.28	4.22	3.98	3.90
29	2.27	2.27	2.27	2.26	69	4.41	4.34	4.07	3.99
30	2.29	2.29	2.28	2.27	70	4.55	4.47	4.15	4.09
31	2.31	2.31	2.30	2.29	71	4.71	4.61	4.23	4.19
32	2.33	2.33	2.32	2.31	72	4.87	4.75	4.31	4.30
33	2.35	2.35	2.34	2.33	73	5.05	4.91	4.39	4.41
34	2.37	2.37	2.37	2.35	74	5.25	5.07	4.47	4.53
35	2.39	2.39	2.39	2.37	75	5.46	5.24	4.55	4.66
36	2.42	2.41	2.41	2.40	76	5.68	5.42	4.62	4.79
37	2.44	2.44	2.44	2.42	77	5.92	5.61	4.69	4.93
38	2.47	2.46	2.46	2.44	78	6.19	5.80	4.75	5.08
39	2.49	2.49	2.49	2.47	79	6.47	6.00	4.81	5.24
40	2.52	2.52	2.51	2.49	80	6.78	6.21	4.86	5.41
41	2.55	2.55	2.54	2.52	81	7.11	6.43	4.90	5.59
42	2.58	2.58	2.57	2.55	82	7.47	6.64	4.94	5.78
43	2.61	2.61	2.60	2.58	83	7.87	6.86	4.97	5.98
44	2.65	2.64	2.64	2.61	84	8.30	7.08	4.99	6.20
45	2.68	2.68	2.67	2.64	85+	8.76	7.30	5.01	6.43
46	2.72	2.71	2.70	2.67					
47	2.76	2.75	2.74	2.70					
48	2.80	2.79	2.78	2.74					
49	2.84	2.83	2.82	2.78					

**OPTION 7 TABLE - JOINT LIFE INCOME WITH TWO-THIRDS TO SURVIVOR -  
MONTHLY PAYMENTS FOR EACH \$1,000 OF PROCEEDS**

Adjusted Age of Co-Payee									
		<b>10</b>	<b>15</b>	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>	<b>40</b>	<b>45</b>
<b>10</b>		2.02	2.04	2.07	2.09	2.12	2.15	2.19	2.23
<b>15</b>		2.04	2.07	2.10	2.13	2.16	2.19	2.23	2.27
<b>20</b>		2.07	2.10	2.13	2.16	2.20	2.24	2.28	2.32
<b>25</b>		2.09	2.12	2.16	2.20	2.24	2.28	2.33	2.38
<b>30</b>		2.12	2.15	2.19	2.24	2.28	2.33	2.39	2.44
<b>35</b>		2.15	2.19	2.23	2.28	2.33	2.39	2.45	2.51
<b>40</b>		2.19	2.23	2.27	2.32	2.38	2.45	2.52	2.59
<b>45</b>		2.23	2.27	2.32	2.37	2.44	2.51	2.59	2.67
<b>50</b>		2.28	2.32	2.37	2.43	2.49	2.57	2.66	2.76
<b>55</b>		2.33	2.38	2.43	2.49	2.56	2.64	2.74	2.85
<b>60</b>		2.39	2.44	2.49	2.56	2.63	2.72	2.83	2.95
<b>65</b>		2.45	2.51	2.56	2.63	2.71	2.81	2.92	3.06
<b>70</b>		2.53	2.58	2.64	2.71	2.80	2.90	3.03	3.17
<b>75</b>		2.60	2.65	2.72	2.80	2.89	3.00	3.13	3.29
<b>80</b>		2.67	2.73	2.80	2.88	2.98	3.10	3.24	3.41
<b>85+</b>		2.74	2.80	2.88	2.96	3.07	3.19	3.34	3.53

Adjusted Age of Co-Payee									
		<b>50</b>	<b>55</b>	<b>60</b>	<b>65</b>	<b>70</b>	<b>75</b>	<b>80</b>	<b>85+</b>
<b>10</b>		2.28	2.33	2.39	2.45	2.52	2.60	2.69	2.77
<b>15</b>		2.32	2.38	2.44	2.50	2.58	2.67	2.75	2.84
<b>20</b>		2.37	2.43	2.50	2.57	2.65	2.74	2.83	2.92
<b>25</b>		2.43	2.50	2.56	2.64	2.73	2.82	2.92	3.02
<b>30</b>		2.50	2.57	2.64	2.73	2.82	2.92	3.03	3.13
<b>35</b>		2.58	2.66	2.74	2.83	2.93	3.04	3.16	3.27
<b>40</b>		2.67	2.76	2.85	2.95	3.06	3.19	3.32	3.45
<b>45</b>		2.77	2.87	2.98	3.10	3.22	3.36	3.51	3.66
<b>50</b>		2.87	2.99	3.12	3.26	3.41	3.58	3.75	3.92
<b>55</b>		2.98	3.12	3.28	3.45	3.63	3.83	4.03	4.24
<b>60</b>		3.10	3.26	3.45	3.66	3.88	4.13	4.38	4.64
<b>65</b>		3.22	3.41	3.63	3.89	4.17	4.49	4.81	5.14
<b>70</b>		3.35	3.57	3.83	4.13	4.49	4.90	5.33	5.77
<b>75</b>		3.49	3.73	4.02	4.38	4.82	5.33	5.91	6.51
<b>80</b>		3.62	3.89	4.21	4.63	5.14	5.78	6.53	7.37
<b>85+</b>		3.76	4.04	4.40	4.86	5.46	6.23	7.18	8.30

## Glossary of Terms

**Accumulation Value** is the value of this contract before withdrawal charges.

**Annuitant** means the person upon whose life payments are contingent.

**Annuity Contract (the Contract)** means the legal agreement that specifies the terms and conditions of this annuity.

**Assignment** means a legal and valid transfer of all or part of an Owner's validly-held interests or rights in a Policy.

**Beneficiary** is the person designated to receive payment upon death.

**Cash Value** is the value of this contract after withdrawal charges.

**Claimant** is a person(s) who asserts a right to proceeds under the Policy as a Beneficiary, Payee, new Owner or in some other capacity.

**Contingent Owner** means a person who assumes ownership rights of the Policy upon the Owner's death.

**Joint Owner** means a person who shares the Policy ownership right equally with the other Joint Owner.

**Maturity Date** is the date payments are scheduled to begin under a Settlement Option.

**Minimum Interest Rate** means the rate or rates of interest used to determine minimum cash values.

**Owner** means the person who may exercise all rights and receive all benefits under this Policy while the Annuitant is living and before the Maturity Date subject to the rights of a Beneficiary you name irrevocably or to any rights you assign.

**Payee** is the person designated to receive payments under a Settlement Option.

**Policy** means the collection of legal rights and duties created by the Contract.

**Policy Date** is the date shown on page 2. Policy years and Policy anniversaries are measured from the Policy Date.

**Settlement Options** are arrangements under which payments are available under this policy.

**Surviving Spouse** means a person who is in a current and legally valid marriage with the Owner on the date of the Owner's death, regardless of separation or impending divorce proceedings.

FLEXIBLE PREMIUM DEFERRED ANNUITY POLICY



## BENEFICIAL LIFE INSURANCE CO.

[Home Office, P.O. Box 45654, 150 Social Hall Avenue, Suite 170, Salt Lake City, UT 84145-0654 · (800) 233-7979 · (801) 933-1100]

This is a legal contract between the Beneficial Life Insurance Company and the owner of this policy.

The terms "we", "our", and "us" refer to Beneficial Life. The terms "you" and "your" refer to the owner of the policy.

We will pay the benefits provided by this policy subject to its terms and conditions.

### **Ten-Day Right To Examine**

You may cancel this policy within ten days after you receive it by delivering or mailing it, together with a written statement that you want it canceled, to our agent or to our Home Office. If this is a replacement policy, the examination period is extended an additional twenty days. Upon our receipt of your notice, the policy will be void, as if it had never been issued. We will promptly refund any premiums you may have paid.

The benefits, provisions, and conditions on the following pages are a part of the policy. Please read your policy carefully so you may better use its many benefits. An index is provided on page 3 for your convenience.

President

Secretary

SINGLE PREMIUM DEFERRED ANNUITY POLICY - NOT TAX QUALIFIED  
MONTHLY INCOME PAYABLE WHEN ELECTED - NOT ELIGIBLE FOR DIVIDENDS  
ANNUITY ACCUMULATION VALUE PAYABLE AT DEATH OF ANNUITANT  
NONFORFEITURE VALUES MAY INCREASE OR DECREASE  
BASED ON THE MARKET VALUE ADJUSTMENT FORMULA

Specifications Page



BENEFICIAL LIFE INSURANCE CO.

Home Office, P.O. Box 45654, 150 Social Hall Avenue, Suite 170, Salt Lake City, UT 84145-0654 · (800) 233-7979 · (801) 933-1100

GUARANTEED CHOICE 7

SCHEDULE OF BENEFITS AND PREMIUMS

BASIC CONTRACT

SINGLE PREMIUM \$50,000.00
INITIAL GUARANTEE PERIOD 7 YEARS
INITIAL GUARANTEED INTEREST RATE: 5.35% POLICY YEAR 1
4.35% POLICY YEAR(S) 2 - 7

During the Initial Guarantee Period we will credit interest to the Accumulation Value at the annual effective rate(s) shown above. Thereafter, the rate will vary subject to the Minimum Interest rate described on page 4.

FREE PARTIAL WITHDRAWAL

In each policy year, you may withdraw an amount equal to the percentage indicated below, times the Accumulation Value as of the previous policy anniversary, without a Market Value Adjustment or Withdrawal Charge.

Table with 2 columns: Policy Year (1-7, 8+) and Percentage (10.00%, 100.00%)

WITHDRAWAL CHARGE PERCENTAGE

The Withdrawal Charge Percentages applicable to this Policy depends on how long the policy has been in effect according to the following schedule:

Table with 2 columns: Policy Anniversary (1-8+) and Percentage (7.00%, 3.00%, 0.00%)

POLICY DATA

POLICY NUMBER: BLUTGC7 POLICY DATE NOV 01, 2008
OWNER: JOHN UT DOE SEX AND ISSUE AGE MALE 35
ANNUITANT: JOHN UT DOE MATURITY DATE: NOV 01, 2083

SINGLE PREMIUM DEFERRED ANNUITY POLICY - NOT TAX QUALIFIED
MONTHLY INCOME PAYABLE WHEN ELECTED - NOT ELIGIBLE FOR DIVIDENDS
ANNUITY ACCUMULATION VALUE PAYABLE AT DEATH OF ANNUITANT
NONFORFEITURE VALUES MAY INCREASE OR DECREASE
BASED ON THE MARKET VALUE ADJUSTMENT FORMULA

## GENERAL CONTENTS

Page 1 .....	Face Page
Page 2 .....	Policy Specifications
Page 3 .....	General Contents, Index and Contract
Page 4 .....	Premium Payment Annuity Benefit, Policy Values
Page 5 .....	Death of Owner
Page 6 .....	Death of Annuitant, Beneficiary
Page 7 .....	General Provisions
Page 8-9 .....	Settlement Options
Page 10-11 .....	Settlement Option Tables
Page 12 .....	Glossary of Terms

Note: Riders for any additional benefits and a copy of applications follow page 12.

## ALPHABETICAL INDEX TO POLICY PROVISIONS

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Annuitant .....	2	Exchanges .....	7
Annuity Benefit .....	4	General Provisions .....	7
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Deferral of Payment .....	5	Withdrawal Charge .....	4

## THE CONTRACT

This Policy and the attached riders, endorsements, and applications (including amendments and supplemental applications) form the entire contract. All statements made in an application will be deemed representations and not warranties. We will not contest the validity of this Policy.

This Policy will take effect only after it has been delivered to you and you have paid the premium.

### Policy Date

Coverage starts on the Policy Date, which is shown on page 2, or when the premium is paid, whichever is later. Policy months, years and anniversaries are measured from the Policy Date.

### Ownership Rights

The **Owner** is named on page 2. As Owner, you may exercise all rights and receive all benefits under this Policy while the Annuitant is living and before the Maturity Date. Your rights may, however, be subject to the rights of a Beneficiary you name irrevocably or to any rights you assign.

You may transfer ownership of this Policy to another person. To do so, send us a signed Notice of the change on a form satisfactory to us. When we receive your Notice, the change will take effect as of the date you sign it. Such change will not affect any actions we take before receiving and recording your Notice at our Home Office.

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## PREMIUM PAYMENT

The benefits provided by this Policy are granted in exchange for your single premium payment. The

premium is due on the Policy Date and is payable in advance to us at our Home Office or to our authorized agent.

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## ANNUITY BENEFIT

### Maturity Date

The Maturity Date means the date we begin paying proceeds under a Settlement Option. The Maturity Date of this policy is shown on page 2. You may elect an earlier Maturity Date by sending us a signed Notice of the earlier Maturity Date on a form satisfactory to us. When we receive your Notice, the earlier Maturity Date will be effective as of the date you sign it, subject to any actions we take before receiving and recording your Notice at our Home Office.

If this Policy is in force and the Annuitant named on page 2 is living on the Maturity Date, we will pay an annuity to you, or another person you designate, under the Settlement Option you elect.

If you have not elected a Settlement Option before the Maturity Date, we will make payment under Settlement Option 5 with a 10 year guarantee period.

The amount of proceeds applied under a Settlement Option will be equal to the Cash Value, less any applicable premium tax. We will waive any Withdrawal Charge if the Settlement Option elected provides for payments for at least the longer of the time remaining until the end of the Withdrawal Charge Period and 5 years.

We will also waive any Withdrawal Charge if the Settlement Option is elected after your death and provides for at least 5 years of payments.

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## POLICY VALUES

### ACCUMULATION VALUE

The **Accumulation Value** at any time is equal to the single premium sum of all premiums paid, less any applicable premium tax, plus credited interest and less any partial withdrawals taken.

Compound interest will accrue daily, from the day we receive your premium payment. During the Initial Guarantee Period, compounding will be at the annual effective rate(s) shown on page 2. After the Initial Guarantee Period, the interest rate will be reset annually and will be no less than the Guaranteed Interest Rate Minimum Interest Rate applicable at that time. Excess interest may be applied in the calculation of the Accumulation Value at such rate and in such manner as we determine.

~~You may withdraw all or part of the Accumulation Value at any time during the Annuitant's lifetime before the Maturity Date. Charges may apply against your withdrawal.~~

~~If the total amount withdrawn during the policy year is not more than the allowable Free Partial Withdrawal shown on page 2, there will be no Market Value Adjustment or Withdrawal Charge. If the total amount withdrawn during the policy year exceeds the amount allowable under the Free Partial Withdrawal a Market Value Adjustment and Withdrawal Charge will apply. If there has been a previous partial withdrawal in the same policy year, we will deduct \$3 for each additional withdrawal.~~

~~During the Initial Guarantee Period shown on page 2, amounts withdrawn in excess of the amount indicated~~

~~on page 2 under Free Partial Withdrawal will be subject to a Market Value Adjustment and a Withdrawal Charge.~~

There is no Market Value Adjustment or Withdrawal Charge for withdrawals after the Initial Guarantee Period shown on page 2.

### Minimum Interest Rate

The Minimum Interest Rate during the Withdrawal Charge Period is equal to the average of the five-year Constant Maturity Treasury Rate for each day that it is reported by the Federal Reserve during the month of October of the calendar year preceding the Policy Date, rounded to the nearest 0.05%, less 1.25%. On each policy anniversary following the Withdrawal Charge Period the Minimum Interest Rate will be reset equal to the average of the five-year Constant Maturity Treasury Rate for each day that it is reported by the Federal Reserve during the month of October of the calendar year preceding such anniversary, rounded to the nearest 0.05%, less 1.25%. However, in no case will the Minimum Interest Rate be less than 1% or greater than 3%.

## CASH VALUE

The Cash Value at any time is equal to the greater of (1) the sum of: Accumulation Value and the Market Value Adjustment, less any applicable Withdrawal Charge and (2) the minimum value required by the law of the state in which this Policy is delivered. In no event will the Cash Value be less than the accumulation of 90% of the premiums paid ~~at 3% annual interest, the Minimum Interest Rates, less any withdrawals also accumulated at the Minimum Interest Rates.~~

A detailed statement of the method of computing cash values and reserves has been filed with the insurance supervisory official of the state in which this Policy is delivered.

### Market Value Adjustment

The amount subject to a Market Value Adjustment is the lesser of: (1) the Accumulation Value being withdrawn and (2) the total Accumulation Value withdrawn during the policy year in excess of the amount indicated on page 2 under Free Partial Withdrawal.

The Market Value Adjustment is calculated as follows:

The amount subject to a Market Value Adjustment multiplied by  $[(1+j)^n / (1+k)^n - 1]$  where:

- (j) is the Treasury Constant Maturity Series rate at the time the annuity is issued (published by the Federal Reserve) for a security with the shortest time to maturity equal to or greater than the Initial Guarantee Period shown on page 2;
- (k) is the Treasury Constant Maturity Series rate at the time of withdrawal (published by the Federal Reserve) for a security with the shortest time to maturity equal to or greater than the remaining time in the Initial Guarantee Period shown on page 2; and
- (n) is the number of days from the date of withdrawal to the end of the Initial Guarantee Period divided by 365.

### Withdrawal Charge

The Withdrawal Charge applicable to this Policy is ~~the~~ a percentage of the Accumulation Value withdrawn depending upon how long the Policy has been in effect. The Withdrawal Charge Percentages are shown on page 2.

As stated in the section entitled "Annuity Benefit," Withdrawal Charges may be waived under a Settlement Option.

"Withdrawal Charge Period" means the continuous time, starting at issue, during which you cannot surrender the policy without a withdrawal charge.

Applying the Market Value Adjustment may result in an increase or decrease to the Cash Value.

### Withdrawal of Cash Value

You may withdraw all or part of the Cash Value at any time during the Annuitant's lifetime before the Maturity Date. During the Initial Guarantee Period shown on page 2, amounts withdrawn in excess of the amount indicated on page 2 under Free Partial Withdrawal will be subject to a Market Value Adjustment and a Withdrawal Charge. There is no Market Value Adjustment or Withdrawal Charge for withdrawals after the Initial Guarantee Period shown on page 2. If you make more than one partial withdrawal in a policy year, we may charge \$3 for each additional withdrawal.

### Deferral of Payment

We reserve the right to defer payment for the period permitted by law, but not for more than six months, contingent upon written approval by the insurance supervisory official in the jurisdiction in which this Policy is issued. If we defer such payment, we will credit interest at an annual rate of at least the guaranteed interest rate on the amount to be paid.

## DEATH OF OWNER

### **Distribution at Death of Owner before Maturity Date**

~~If you die before the annuity payment starting date, current Internal Revenue Service regulations require that the entire interest in the policy must be distributed within five (5) years of your death. In order for us to distribute the interest in the policy within the required distribution period, we must receive due proof of death, and surrender of the policy. Upon your death, distributions will be made in the following order: (1) joint or contingent owner, if any; (2) primary or secondary Beneficiary; or (3) the Annuitant. If joint owners are named, the required distribution must commence upon the death of the first joint owner.~~

~~If you die after the annuity payment starting date and before the entire interest in the policy has been distributed, the remaining portion of your interest in the policy must be distributed to the Payee at least as rapidly as under the method of distribution being used as of the date of your death.~~

~~If any portion of your interest in the policy is payable to (or for the benefit of) any Beneficiary, such portion may be distributed over the life of the Beneficiary, or over a period of years not extending beyond the life expectancy of the Beneficiary. Such distribution must begin no later than one year after your death. A joint or contingent owner named as Beneficiary may also exercise this option.~~

### **Special Exception For Surviving Spouse**

~~If your spouse is the Beneficiary of the policy, or any portion thereof, at your death, your spouse becomes the owner of the policy, or the applicable portion thereof, and your spouse may elect to continue the policy, or portion thereof, as owner. Your spouse cannot elect this exception if a joint or contingent owner is entitled to the proceeds.~~

### **Exceptions**

~~There may be exceptions to the required distribution in the Internal Revenue Code. If an exception applies, at your request, we will distribute the benefits according to the exceptions. Consult your tax advisor.~~

### **If The Owner Is Not An Individual**

~~If the Owner is not an individual, "You/Your" refers to the Annuitant. In this case, any change of annuitant will be treated the same as the death of the Owner. Distribution must therefore occur as provided in the section above entitled "Distribution At Death Of~~

Current Internal Revenue Service regulations require that if you die before the annuity payment starting date, the entire interest in the policy must be distributed within five (5) years of your death. We will pay a death benefit equal to the cash surrender value.

In order for us to distribute the interest in the policy within the required distribution period, we must receive due proof of death, and surrender of the policy. Upon your death, distributions will be made in the following

order: (1) primary or secondary Beneficiary; or; (2) the Annuitant.

### **Joint Owners**

If joint owners are named, the required distribution must commence upon the death of the first joint owner. Any surviving joint owner(s) will automatically become the sole primary Beneficiary(ies) to supersede all other Beneficiaries. If the Owner's surviving spouse becomes a vested Beneficiary, the surviving spouse may elect to assume ownership of their portion of this policy and continue this policy instead of receiving the death benefit.

### **Spousal Beneficiary- Assumption of Policy**

A surviving spouse who is a vested primary Beneficiary may elect to assume ownership of their portion of this policy and continue this policy instead of receiving the death benefit. Any death benefit (including any optional death benefits) that would have been payable to the Beneficiary will become the new accumulation value as of the date we receive due proof of death and any required proof of a surviving spousal relationship.

As of the date the assumption is effective, the surviving spouse will have all the rights and benefits that would be available under the policy to a new purchaser of the same attained age.

For purposes of determining any future death benefit for the surviving spouse, the new accumulation value will be considered as the first premium. Your spouse cannot elect this exception if a joint or contingent Owner is entitled to the proceeds.

### **Distribution at Death of Owner after Maturity Date**

If you die after the annuity payment starting date and before the entire interest in the policy has been distributed, the remaining portion of your interest in the policy must be distributed at least as rapidly as under the method of distribution being used as of the date of your death.

If any portion of your interest in the policy is payable to (or for the benefit of) any Beneficiary, such portion may be distributed over the life of the Beneficiary, or over a period of years not extending beyond the life expectancy of the Beneficiary. Such distribution must

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## DEATH OF ANNUITANT

~~If the Annuitant dies before the Maturity Date while this policy is in force, we will pay to the Beneficiary a death benefit equal to the Accumulation Value. If the Annuitant dies after the Maturity Date, any death benefit payable will depend upon the terms of the Settlement Option elected. If you and the Annuitant die at the same time, the joint or contingent owner, or beneficiary, in that order, may elect payment under "Death of Owner" or "Death of Annuitant." We will make settlement upon receipt of due proof of death and surrender of the policy. We will pay interest on death benefits payable under this policy from the date of death to the date of settlement at a rate not less than that required by law.~~  
**Distribution at Death of Annuitant before Maturity Date**

If the Annuitant dies before the Maturity Date while this policy is in force, we will pay to the Beneficiary a death benefit equal to the Accumulation Value.

If you and the Annuitant die at the same time, the Beneficiary may elect payment under "Death of Owner" or "Death of Annuitant."

### **Distribution at Death of Annuitant after Maturity Date**

If the Annuitant dies after the Maturity Date, any death benefit payable will depend upon the terms of the Settlement Option elected.

If you and the Annuitant die at the same time, the Beneficiary may elect payment under "Death of Owner" or "Death of Annuitant."

We will make settlement within 15 days of receiving due proof of death and surrender of the policy. We will pay interest on death benefits payable under this policy from the date of death to the date of settlement at a rate not less than that required by law.

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## BENEFICIARY

The Beneficiary is the person you name to receive payment upon your death or upon the death of the Annuitant. Provided no joint owner is living, the Beneficiary also becomes the Owner on your death.

If joint owners are named the surviving joint owner(s) will automatically become the sole primary Beneficiary(ies) to supersede all other beneficiaries. The Beneficiary is as named in the application for this policy unless later changed. The interest of any Beneficiary is subject to the rights of any Assignee of record.

### **Changing The Beneficiary**

You can change a Beneficiary unless named irrevocably. To make a Beneficiary change, send us a signed Notice of the change on a form satisfactory to us. When we receive your Notice, the change will take effect as of the date you sign it, subject to any payments we make or other actions we take before we receive and record the change at our Home Office.

### **Death Of Beneficiary**

Unless you state otherwise, all rights of a Beneficiary will end if he or she dies before you or the Annuitant. If no Beneficiary survives the Annuitant, at the Annuitant's death, all rights to the proceeds pass to

you. If you are the Annuitant and there is no named Beneficiary living at the time of your death, the death benefit proceeds shall be paid to one of the following classes of persons, to the exclusion of other classes, in the following order: to your (a) surviving spouse, (b) surviving children, including adopted children, (c) surviving grandchildren, (d) surviving parents, (e) surviving brothers and sisters, or (f) estate. Payments to a class of more than one person will be made in equal shares. Unless stated otherwise in the policy or in your signed Notice which is in effect at the time of your death, if any Beneficiary dies at the same time as you, or within 15 days after your death, we will pay the proceeds as though that Beneficiary died first. If you are the Beneficiary and there is no joint or contingent Owner or secondary Beneficiary living at the time of your death, the death benefit proceeds shall be paid to the Annuitant.

### **Protection Of Proceeds**

Unless you and we agree, no one entitled to receive benefits under this policy may commute, pledge, sell or assign any part of the benefits. Except as required by law, the benefits shall not be subject to the claims of any Payee's creditors or to legal process against any Payee.

---

## GENERAL PROVISIONS

### Termination Of Policy

This policy terminates when any of the following occur:

- (a) you make request in writing on a form satisfactory to us to surrender this policy,
- (b) you die before the Maturity Date, or
- (c) the Annuitant dies before the Maturity Date, or
- (d) we fulfill the terms of the Settlement Option elected.

### Exchange

After the Withdrawal Charge Period, you may exchange this policy for a new deferred annuity offered by us. The new annuity will be credited with the full Accumulation Value exchanged. New Withdrawal Charges will apply. If the Withdrawal Charge Period of the new contract is at least 5 years, we will credit a bonus to the Accumulation Value exchanged. The bonus will be at least 1%.

### Assignment Of Policy

During the Annuitant's life, you may assign this policy. To assign this policy, send us a signed Notice of the assignment on a form satisfactory to us. When we receive your Notice, the assignment will take effect as of the date you sign it, subject to any payments we make or other actions we take before we receive and record it at our Home Office. We are not responsible for the validity of any assignment.

### Notice

"Notice" is signed instructions received at our Home Office in a form satisfactory to us. Notice from us to you will be in writing mailed to your address in our records.

### Nonparticipation

This policy is nonparticipating. This means that it does not share in our earnings and you will not receive dividends.

### Annual Report

We will send you a statement once a year or anytime upon request at no cost showing:

- the current Accumulation Value and Cash Value;
- premiums, charges, interest, and partial withdrawals recorded since the last statement; and
- other information required by law.

### Modification Of The Contract

Any change to your policy must be approved by an officer of our company. An approved change must be endorsed on or attached to this policy.

### Misdirected Mail

The address(es) you provide in the application or in the most recent address notification change sent to us will be the address(es) we use for policy-related correspondence. You are responsible to update Policy contact information whenever necessary by submitting a change request on a form acceptable to us. We are not responsible for lost mail, returned mail, misdirected payments, lapse, or other policy-related problems caused by incorrect or obsolete contact information provided by you or any third person.

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## SETTLEMENT OPTIONS

You may elect to have us pay the proceeds of this policy in cash or under any one of the Options shown below. You may change your choice of Option for the Beneficiary at any time before the death of the Annuitant, and for the Annuitant at any time before the Maturity Date. To make such a change, notify us in writing on a form acceptable to us at our Home Office. If you do not elect an Option for the Beneficiary, he or she may choose an Option if proceeds of at least \$5,000 are payable. You may also elect one of these Options if you surrender this policy or make a partial withdrawal of Cash Value and the amount payable is at least \$5,000.

When a settlement option is selected, the elector will designate:

**An Annuitant.** This is the life upon which payments under Options 4, 5, 6, or 7 are contingent. This may be the same person originally designated as Annuitant or a different person. Two Annuitants will be designated for Option 7. There is no annuitant under options 1, 2, or 3.

**A Payee.** This is the person designed to receive payments. More than one payee and the distribution of payments among Payees may be designated. If any Payee is not a natural person receiving payments in his or her own right, an option other than Option 1 may be used only with our prior written consent.

**A Beneficiary.** This is the person designed to receive payments upon death of the Owner or Annuitant depending upon the specifications of the Option selected. This may be the same person originally designated as Beneficiary or a different person. More than one Beneficiary and the distribution of payments among Beneficiaries may be designated.

The amount of each payment under Options 4, 5, 6 and 7 is based on the adjusted age of the Annuitant or Annuitants. Adjusted ages are calculated on the day the first payment is due by increasing or decreasing each Annuitant's age on that date as follows:

Payment Year	Adjustment
2010 & Earlier	+1
2011 to 2018	0
2019 to 2025	-1
2026 to 2032	-2

To find the age reduction for years after 2032, subtract 2012 from the year in which the first payment is due, divide by seven and drop any remainder.

The annuity factors on which the payment amounts are calculated use 2% interest and the Annuity 2000 Table

projected 30 years plus the number of years from the first payment using Scale G. Options 4, 5, and 6 are calculated using female mortality and Option 7 is calculated using female mortality for one Annuitant and male mortality for the other.

We may require proof of an Annuitant's age. We may also require evidence that an Annuitant is alive at the time any payment is due. These Options may be used only if the income payments will be \$200 or more. Under Option 7, the initial payment must be at least \$200. We will make payments monthly unless we agree otherwise.

We may suspend Annuity payments to anyone at any time if we send out two Notices to the address of record and fail to receive reasonable assurance within 30 days that an Annuitant is still alive. If reasonable assurance is eventually received prior to escheatment, we will immediately pay all funds held along with any additional interest that may be required by law.

**Option 1 - Left at Interest.** We will make periodic payments of the interest earned on the amount of proceeds left on deposit with us. The interest paid will be at the rate we determine but will never be less than 2% per year. You, the Owner, may also withdraw amounts of \$100 or more and may elect another Option within 5 years after the proceeds are first left on deposit. At your death, we will pay the unpaid proceeds plus interest accrued to the date of death in a single sum to the Beneficiary.

**Option 2 - Installment Payments for a Fixed Period of Years.** We will make equal periodic payments of the amount shown in the table for this Option. We may, at our sole discretion, increase the payment amount by paying excess interest. At your death, we will pay the unpaid income payments, discounted at 2% per year in a single sum to the Beneficiary.

**Option 3 - Installment Payments for a Fixed Amount.** We will make equal periodic payments of the amount selected until all of the proceeds and accrued interest have been paid. Payments in each year must be at least 4% of the original proceeds. We will add interest to the unpaid balance at a rate we determine, but never less than 2% per year. At your death, we will pay the unpaid balance in a single sum to the Beneficiary.

**Option 4 - Lifetime Income.** We will make equal periodic payments to the Payee for as long as the Annuitant lives. Each payment will be for the amount shown in the table for this Option. At the Annuitant's death, payments will cease and we will have no further liability.

**Option 5 - Lifetime Income with Payments Guaranteed for a Fixed Period.** We will make equal periodic payments to the Payee for as long as the Annuitant lives. Each payment will be for the amount shown in the table for this Option. At the Annuitant's death before the end of the guarantee period, we will pay the unpaid guaranteed payments, discounted at 2% per year, in a single sum to the Beneficiary. During the guaranteed period, we may, at our sole discretion, increase the payment by paying excess interest. At the Annuitant's death after the guarantee period, payments will cease and we will have no further liability.

**Option 6 - Lifetime Income with Cash Refund.** We will make equal periodic payments to the Payee for as long as the Annuitant lives. Each payment will be for the amount shown in the table for this Option. At the Annuitant's death before the sum of the payments made equals the amount of the original proceeds, we will pay the difference in a single sum to the Beneficiary. At the Annuitant's death after the sum of the payments made equals the amount of the original proceeds, payments will cease and we will have no further liability.

**Option 7 - Lifetime Income for Two Lives.** We will make equal periodic payments as long as both of two Annuitants are alive. Each payment will be for the amount shown in the table for this Option. After the death of one Annuitant, we will continue payments to the Payee in an amount equal to 2/3 of the periodic payment we paid while both Annuitants

were living. At the death of the surviving Annuitant, payments will cease and we will have no further liability.

**Alternate Options.** We may from time to time establish alternate annuity rates for Options 4 through 7. If, at the time of settlement, the rate for the Option you select is less than the corresponding alternate annuity, we will make periodic payments based on the more favorable alternate annuity rates. The rate(s) used to discount unpaid guaranteed payments will be the rate(s) used in determining these alternate annuity rates. Such alternate annuity rates are non-participating and do not share in excess interest or dividends.

**Rate Tables.** Tables of rates for selected ages are shown below. Rates for other ages are available from our Home Office upon request.

**Misstatement Of Age Or Sex**

If the age or sex of an Annuitant has been misstated, the amount of the annuity benefit will be that which would have been purchased by the proceeds at the correct age and sex. If the misstatement results in an overpayment, we will reduce or discontinue future payments until the overpayment, accumulated at the rate upon which the payment was derived has been recaptured. If the misstatement results in an underpayment, we will pay the amount of the underpayment, accumulated at the rate(s) upon which the payment was derived in one sum to the Owner, if living, otherwise to the Beneficiary.

## SETTLEMENT OPTION TABLES

### OPTION 2 TABLE - FIXED PERIOD INSTALLMENTS FOR EACH \$1,000 OF PROCEEDS

Period of Years	Monthly Payment										
1	\$84.09	6	\$14.72	11	\$8.42	16	\$6.07	21	\$4.85	26	\$4.10
2	42.46	7	12.74	12	7.80	17	5.77	22	4.67	27	3.98
3	28.59	8	11.25	13	7.26	18	5.50	23	4.51	28	3.87
4	21.65	9	10.10	14	6.81	19	5.26	24	4.36	29	3.77
5	17.49	10	9.18	15	6.42	20	5.04	25	4.22	30	3.68

For installments payable other than monthly, multiply the monthly payment by 11.892 for annual, by 5.975 for semi-annual, or by 2.995 for quarterly installments.

### OPTION 4, 5, AND 6 TABLE - ONE LIFE - LIFETIME MONTHLY INCOME FOR EACH \$1,000 OF PROCEEDS

Adjusted Age of Payee	OPTION 4 Life Only	OPTION 5 10 Years Certain	OPTION 5 20 Years Certain	OPTION 6 Life With Cash Refund	Adjusted Age of Payee	OPTION 4 Life Only	OPTION 5 10 Years Certain	OPTION 5 20 Years Certain	OPTION 6 Life With Cash Refund
10	2.02	2.02	2.02	2.01	50	2.88	2.88	2.86	2.81
11	2.03	2.03	2.03	2.02	51	2.93	2.92	2.90	2.85
12	2.04	2.04	2.04	2.03	52	2.98	2.97	2.95	2.89
13	2.05	2.05	2.05	2.04	53	3.03	3.02	3.00	2.94
14	2.06	2.06	2.06	2.05	54	3.08	3.07	3.05	2.98
15	2.07	2.07	2.07	2.06	55	3.14	3.13	3.10	3.03
16	2.08	2.08	2.08	2.07	56	3.20	3.19	3.15	3.08
17	2.09	2.09	2.09	2.09	57	3.26	3.25	3.21	3.13
18	2.11	2.10	2.10	2.10	58	3.33	3.32	3.27	3.19
19	2.12	2.12	2.12	2.11	59	3.40	3.38	3.33	3.24
20	2.13	2.13	2.13	2.12	60	3.48	3.46	3.39	3.30
21	2.14	2.14	2.14	2.14	61	3.55	3.53	3.46	3.36
22	2.16	2.16	2.16	2.15	62	3.64	3.62	3.53	3.43
23	2.17	2.17	2.17	2.16	63	3.73	3.70	3.60	3.50
24	2.19	2.19	2.18	2.18	64	3.82	3.79	3.67	3.57
25	2.20	2.20	2.20	2.19	65	3.93	3.89	3.75	3.65
26	2.22	2.22	2.22	2.21	66	4.03	3.99	3.82	3.72
27	2.23	2.23	2.23	2.22	67	4.15	4.10	3.90	3.81
28	2.25	2.25	2.25	2.24	68	4.28	4.22	3.98	3.90
29	2.27	2.27	2.27	2.26	69	4.41	4.34	4.07	3.99
30	2.29	2.29	2.28	2.27	70	4.55	4.47	4.15	4.09
31	2.31	2.31	2.30	2.29	71	4.71	4.61	4.23	4.19
32	2.33	2.33	2.32	2.31	72	4.87	4.75	4.31	4.30
33	2.35	2.35	2.34	2.33	73	5.05	4.91	4.39	4.41
34	2.37	2.37	2.37	2.35	74	5.25	5.07	4.47	4.53
35	2.39	2.39	2.39	2.37	75	5.46	5.24	4.55	4.66
36	2.42	2.41	2.41	2.40	76	5.68	5.42	4.62	4.79
37	2.44	2.44	2.44	2.42	77	5.92	5.61	4.69	4.93
38	2.47	2.46	2.46	2.44	78	6.19	5.80	4.75	5.08
39	2.49	2.49	2.49	2.47	79	6.47	6.00	4.81	5.24
40	2.52	2.52	2.51	2.49	80	6.78	6.21	4.86	5.41
41	2.55	2.55	2.54	2.52	81	7.11	6.43	4.90	5.59
42	2.58	2.58	2.57	2.55	82	7.47	6.64	4.94	5.78
43	2.61	2.61	2.60	2.58	83	7.87	6.86	4.97	5.98
44	2.65	2.64	2.64	2.61	84	8.30	7.08	4.99	6.20
45	2.68	2.68	2.67	2.64	85+	8.76	7.30	5.01	6.43
46	2.72	2.71	2.70	2.67					
47	2.76	2.75	2.74	2.70					
48	2.80	2.79	2.78	2.74					
49	2.84	2.83	2.82	2.78					

**OPTION 7 TABLE - JOINT LIFE INCOME WITH TWO-THIRDS TO SURVIVOR -  
MONTHLY PAYMENTS FOR EACH \$1,000 OF PROCEEDS**

Adjusted Age of Co-Payee		10	15	20	25	30	35	40	45
10		2.02	2.04	2.07	2.09	2.12	2.15	2.19	2.23
15		2.04	2.07	2.10	2.13	2.16	2.19	2.23	2.27
20		2.07	2.10	2.13	2.16	2.20	2.24	2.28	2.32
25		2.09	2.12	2.16	2.20	2.24	2.28	2.33	2.38
30		2.12	2.15	2.19	2.24	2.28	2.33	2.39	2.44
35		2.15	2.19	2.23	2.28	2.33	2.39	2.45	2.51
40		2.19	2.23	2.27	2.32	2.38	2.45	2.52	2.59
45		2.23	2.27	2.32	2.37	2.44	2.51	2.59	2.67
50		2.28	2.32	2.37	2.43	2.49	2.57	2.66	2.76
55		2.33	2.38	2.43	2.49	2.56	2.64	2.74	2.85
60		2.39	2.44	2.49	2.56	2.63	2.72	2.83	2.95
65		2.45	2.51	2.56	2.63	2.71	2.81	2.92	3.06
70		2.53	2.58	2.64	2.71	2.80	2.90	3.03	3.17
75		2.60	2.65	2.72	2.80	2.89	3.00	3.13	3.29
80		2.67	2.73	2.80	2.88	2.98	3.10	3.24	3.41
85+		2.74	2.80	2.88	2.96	3.07	3.19	3.34	3.53

Adjusted Age of Co-Payee		50	55	60	65	70	75	80	85+
10		2.28	2.33	2.39	2.45	2.52	2.60	2.69	2.77
15		2.32	2.38	2.44	2.50	2.58	2.67	2.75	2.84
20		2.37	2.43	2.50	2.57	2.65	2.74	2.83	2.92
25		2.43	2.50	2.56	2.64	2.73	2.82	2.92	3.02
30		2.50	2.57	2.64	2.73	2.82	2.92	3.03	3.13
35		2.58	2.66	2.74	2.83	2.93	3.04	3.16	3.27
40		2.67	2.76	2.85	2.95	3.06	3.19	3.32	3.45
45		2.77	2.87	2.98	3.10	3.22	3.36	3.51	3.66
50		2.87	2.99	3.12	3.26	3.41	3.58	3.75	3.92
55		2.98	3.12	3.28	3.45	3.63	3.83	4.03	4.24
60		3.10	3.26	3.45	3.66	3.88	4.13	4.38	4.64
65		3.22	3.41	3.63	3.89	4.17	4.49	4.81	5.14
70		3.35	3.57	3.83	4.13	4.49	4.90	5.33	5.77
75		3.49	3.73	4.02	4.38	4.82	5.33	5.91	6.51
80		3.62	3.89	4.21	4.63	5.14	5.78	6.53	7.37
85+		3.76	4.04	4.40	4.86	5.46	6.23	7.18	8.30

## Glossary of Terms

**Accumulation Value** is the value of this contract before withdrawal charges.

**Annuitant** means the person upon whose life payments are contingent.

**Annuity Contract (the Contract)** means the legal agreement that specifies the terms and conditions of this annuity.

**Assignment** means a legal and valid transfer of all or part of an Owner's validly-held interests or rights in a Policy.

**Beneficiary** is the person designated to receive payment upon death.

**Cash Value** is the value of this contract after withdrawal charges.

**Claimant** is a person(s) who asserts a right to proceeds under the Policy as a Beneficiary, Payee, new Owner or in some other capacity.

**Contingent Owner** means a person who assumes ownership rights of the Policy upon the Owner's death.

**Joint Owner** means a person who shares the Policy ownership right equally with the other Joint Owner.

**Maturity Date** is the date payments are scheduled to begin under a Settlement Option.

**Minimum Interest Rate** means the rate or rates of interest used to determine minimum cash values.

**Owner** means the person who may exercise all rights and receive all benefits under this Policy while the Annuitant is living and before the Maturity Date subject to the rights of a Beneficiary you name irrevocably or to any rights you assign.

**Payee** is the person designated to receive payments under a Settlement Option.

**Policy** means the collection of legal rights and duties created by the Contract.

**Policy Date** is the date shown on page 2. Policy years and Policy anniversaries are measured from the Policy Date.

**Settlement Options** are arrangements under which payments are available under this policy.

**Surviving Spouse** means a person who is in a current and legally valid marriage with the Owner on the date of the Owner's death, regardless of separation or impending divorce proceedings.

FLEXIBLE PREMIUM DEFERRED ANNUITY POLICY