

SERFF Tracking Number: MGCC-126418917 State: Arkansas
 Filing Company: The Chesapeake Life Insurance Company State Tracking Number: 44335
 Company Tracking Number: CH-26113-IP (01/10) AR
 TOI: H07I Individual Health - Specified Disease - Sub-TOI: H07I.002 Dread Disease
 Limited Benefit
 Product Name: CH-26113-IP (01/10)
 Project Name/Number: Direct Benefit Series/

Filing at a Glance

Company: The Chesapeake Life Insurance Company

Product Name: CH-26113-IP (01/10) SERFF Tr Num: MGCC-126418917 State: Arkansas
 TOI: H07I Individual Health - Specified Disease SERFF Status: Closed-Approved- State Tr Num: 44335
 - Limited Benefit Closed
 Sub-TOI: H07I.002 Dread Disease Co Tr Num: CH-26113-IP (01/10) State Status: Approved-Closed
 AR
 Filing Type: Form/Rate Reviewer(s): Rosalind Minor
 Authors: Kathleen Allen, Jaime Butler, Kim Perkins Disposition Date: 01/15/2010
 Date Submitted: 12/14/2009 Disposition Status: Approved-Closed
 Implementation Date Requested: On Approval Implementation Date:
 State Filing Description:

General Information

Project Name: Direct Benefit Series Status of Filing in Domicile:
 Project Number: Date Approved in Domicile:
 Requested Filing Mode: Review & Approval Domicile Status Comments:
 Explanation for Combination/Other: Market Type: Individual
 Submission Type: New Submission Group Market Size:
 Overall Rate Impact: Group Market Type:
 Filing Status Changed: 01/15/2010 Explanation for Other Group Market Type:
 State Status Changed: 01/15/2010
 Deemer Date: Created By: Kathleen Allen
 Submitted By: Kathleen Allen Corresponding Filing Tracking Number:
 Filing Description:
 Please refer to cover letter.

Company and Contact

Filing Contact Information

Kathleen Allen, Senior Compliance Analyst kathleen.allen@healthmarkets.com

SERFF Tracking Number: MGCC-126418917 State: Arkansas
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 Project Name/Number: Direct Benefit Series/

9151 Boulevard 26 817-255-3590 [Phone]
 North Richland Hills, TX 76180 817-255-8153 [FAX]

Filing Company Information

The Chesapeake Life Insurance Company CoCode: 61832 State of Domicile: Oklahoma
 9151 Boulevard 26 Group Code: 264 Company Type: Health
 North Richland Hills, TX 76180 Group Name: State ID Number:
 (817) 255-3100 ext. [Phone] FEIN Number: 52-0676509

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: \$50.00 policy fee + \$50.00 rate filing=\$100.00 total filing fee
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
The Chesapeake Life Insurance Company	\$100.00	12/14/2009	32765375

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	01/15/2010	01/15/2010

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Rosalind Minor	12/16/2009	12/16/2009	Kathleen Allen	01/13/2010	01/13/2010

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Approved-Closed	Yes
Supporting Document	Application	Approved-Closed	Yes
Supporting Document	Health - Actuarial Justification	Approved-Closed	No
Supporting Document	Outline of Coverage	Approved-Closed	Yes
Supporting Document	Cover letter	Approved-Closed	Yes
Form (revised)	SPECIFIED DISEASE/CONDITION AND MAJOR ORGAN TRANSPLANT POLICY	Approved-Closed	Yes
Form	SPECIFIED DISEASE/CONDITION AND MAJOR ORGAN TRANSPLANT POLICY	Approved-Closed	Yes
Rate	Rates	Approved-Closed	Yes

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Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 12/16/2009

Submitted Date 12/16/2009

Respond By Date

Dear Kathleen Allen,

This will acknowledge receipt of the captioned filing.

Objection 1

- SPECIFIED DISEASE/CONDITION AND MAJOR ORGAN TRANSPLANT POLICY, CH-26113-IP (01/10) AR
(Form)

Comment:

The policy and actuarial memorandum states that the policy is guaranteed renewable to age 75. The policy must be guaranteed renewable for life. Refer to Rule and Regulation 18, APPENDIX A(4).

Objection 2

- SPECIFIED DISEASE/CONDITION AND MAJOR ORGAN TRANSPLANT POLICY, CH-26113-IP (01/10) AR
(Form)

Comment:

With respect to handicapped dependents, there can be no time limit set for furnishing proof of incapacity and the premium must remain at the child rate. Refer to ACA 23-85-131(b) and Bulletin 14-81.

Please feel free to contact me if you have questions.

Sincerely,

Rosalind Minor

Response Letter

Response Letter Status Submitted to State

Response Letter Date 01/13/2010

Submitted Date 01/13/2010

Dear Rosalind Minor,

SERFF Tracking Number: MGCC-126418917 State: Arkansas
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Limited Benefit
Product Name: CH-26113-IP (01/10)
Project Name/Number: Direct Benefit Series/

Comments:

Please refer to the following responses regarding the objections noted.

Response 1

Comments: Rosalind,

Thank you for taking the time to speak with me regarding this objection yesterday.

It is our understanding that most of our competitors do not have their like policies as guaranteed renewable for life, therefore we are respectfully asking for this objection to be reconsidered by your Department so that we are able to be at the same level as our competitors.

Rule and Regulation 18, APPENDIX A(4) states that a specified disease policy should be guaranteed renewable; however it does not state for life. Additionally, under Rule and Regulation 18 s 7 A. (3) - Accident and health minimum standards for benefits (which includes specified disease plans) states: "The terms "noncancellable" or "noncancellable and guaranteed renewable" may be used only in a policy which the insured has the right to continue in force by the timely payment of premiums set forth in the Policy until the age of sixty-five (65) or to eligibility for Medicare, during which period the insurer has no right to make unilaterally any change in any provision of the Policy while the Policy is in force....Except as provided above, the term "guaranteed renewable" may be used only in a Policy which the insured has the right to continue in force by the timely payment of premiums until the age of sixty-five (65) or to eligibility for Medicare, during which period the insurer has no right to make unilaterally any change in any provision of the Policy while the Policy is in force, except that the insurer may make changes in premium rates by classes."

In reading all that has been referenced, we are asking for this objection to be re-evaluated with the submission being approved as guaranteed renewable to age 75.

Related Objection 1

Applies To:

- SPECIFIED DISEASE/CONDITION AND MAJOR ORGAN TRANSPLANT POLICY, CH-26113-IP (01/10) AR (Form)

Comment:

The policy and actuarial memorandum states that the policy is guaranteed renewable to age 75. The policy must be guaranteed renewable for life. Refer to Rule and Regulation 18, APPENDIX A(4).

Changed Items:

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No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: The policy has been corrected to comply accordingly.

A revised policy is attached for your review.

Related Objection 1

Applies To:

- SPECIFIED DISEASE/CONDITION AND MAJOR ORGAN TRANSPLANT POLICY, CH-26113-IP (01/10) AR (Form)

Comment:

With respect to handicapped dependents, there can be no time limit set for furnishing proof of incapacity and the premium must remain at the child rate. Refer to ACA 23-85-131(b) and Bulletin 14-81.

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
SPECIFIED DISEASE/CONDITION AND MAJOR ORGAN TRANSPLANT POLICY AR	CH-26113-IP (01/10)		Policy/Contract/Fraternal Certificate	Initial			CH-26113-IP_0110_AR.pdf
Previous Version							
SPECIFIED	CH-		Policy/Contract/Fraternal	Initial			CH-

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DISEASE/CONDITION 26113-IP Certificate
AND MAJOR ORGAN (01/10)
TRANSPLANT POLICYAR

26113-IP
_0110_AR
.pdf

No Rate/Rule Schedule items changed.

We appreciate your consideration of our submission and look forward to hearing from you soon.

Thank you.

Sincerely,

Jaime Butler, Kathleen Allen, Kim Perkins

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Form Schedule

Lead Form Number:

Schedule Item	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved-Closed	CH-26113-IP (01/10)	Policy/Contract	SPECIFIED DISEASE/CONDITION AND MAJOR ORGAN TRANSPLANT POLICY	Initial			CH-26113-IP_0110_AR.pdf

THE CHESAPEAKE LIFE INSURANCE COMPANY

A Stock Company

(Hereinafter called: the Company, We, Our or Us)

Home Office: Oklahoma City, Oklahoma
Administrative Office: P.O. Box 982010
North Richland Hills, Texas 76182-8010
Customer Service: 1-800-733-1110

SPECIFIED DISEASE/CONDITION AND MAJOR ORGAN TRANSPLANT POLICY

This Policy is effective from 12:01 A.M. standard time on the Policy Effective Date at Your place of residence. It shall continue in effect until terminated in the manner provided within this Policy.

IMPORTANT NOTICE ABOUT STATEMENTS IN THE APPLICATION

The attached application is a part of this Policy. Please read it and check it carefully. This Policy is issued on the basis that Your answers are correct and complete. If it is not complete or has an error, please let Us know within 10 days. **IF THE STATEMENTS OR REPRESENTATIONS ARE INCORRECT OR UNTRUE, WE HAVE THE RIGHT TO DENY BENEFITS, OR TO REFORM OR VOID THIS POLICY.** The best time to clear up any misunderstanding is now, before a claim arises!

10 DAY RIGHT TO EXAMINE THE POLICY

It is important to Us that You understand and are satisfied with the coverage being provided to You. If You are not satisfied that this coverage will meet Your insurance needs, You may return this Policy to Us at Our administrative office in North Richland Hills, Texas, within 10 days after You receive it. Upon receipt, We will cancel Your coverage as of the Policy Date, refund all premiums paid and treat the Policy as if it were never issued.

RENEWABILITY

This Policy is guaranteed renewable to age [75], subject to the Company's right to discontinue or terminate the coverage as provided in the TERMINATION OF COVERAGE section of this Policy. The Company reserves the right to change the applicable table of premium rates on a Class Basis. [The premium for the Policy may change in amount by reason of a change in occupation.]

NOTICE TO BUYER: THIS POLICY PROVIDES LIMITED BENEFITS. This Policy is designed to provide, to Insured Persons, restricted coverage paying benefits ONLY when certain losses First Occur as a result of a Qualifying Event as defined herein, and while coverage is in force under this Policy. This coverage is supplemental and should not be considered a substitute for basic hospital, basic medical-surgical, or major medical expense insurance coverage.

	
SECRETARY	PRESIDENT

This Policy is a legal contract between You and Us. **PLEASE READ YOUR POLICY CAREFULLY!**

THIS IS A LUMP SUM INDEMNITY POLICY THAT PAYS A FIRST OCCURRENCE BENEFIT FOR A QUALIFYING EVENT AS IDENTIFIED IN THIS POLICY. IT DOES NOT PAY BENEFITS FOR LOSS FROM INJURY/ACCIDENTS. PLEASE READ IT CAREFULLY.

THIS IS A SPECIFIED DISEASE/CONDITION AND MAJOR ORGAN TRANSPLANT ONLY POLICY AND IT DOES NOT PAY BENEFITS FOR LOSS FROM ANY OTHER CAUSE.

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POLICY SCHEDULE

PRIMARY INSURED: [John Doe, Sr.]

EFFECTIVE DATE OF COVERAGE: [01/02/09]

COVERED DEPENDENTS:

EFFECTIVE DATE OF COVERAGE:

[Johnette Doe]

[01/02/09]

[John Doe, Jr.]

[02/15/09]

[Johnita Doe]

[06/22/09]

POLICY NUMBER: [ABC1234567]

POLICY DATE: [01/02/07]

INITIAL PREMIUM: [\$0.00]

MODE OF PAYMENT: [Monthly]

SCHEDULE OF BENEFITS

LIFETIME MAXIMUM BENEFIT AMOUNT

Primary Insured:	[No Benefit] [\$5,000] [\$10,000] [\$15,000] [\$20,000] [\$25,000] [\$30,000] [\$40,000] [\$50,000] [\$60,000] [\$70,000] [\$80,000] [\$90,000] [\$100,000]
Dependent spouse:	[No Benefit] [\$5,000] [\$10,000] [\$15,000] [\$20,000] [\$25,000] [\$30,000] [\$40,000] [\$50,000] [\$60,000] [\$70,000] [\$80,000] [\$90,000] [\$100,000]
Dependent child(ren):	[No Benefit] [\$5,000] [\$10,000]

WAITING PERIOD: [30 days] from the Effective Date of Coverage.

QUALIFYING EVENT

FIRST OCCURRENCE BENEFIT PERCENTAGE

Advanced Alzheimer's Disease

[100%*] of Lifetime Maximum
Benefit Amount

Amyotrophic Lateral Sclerosis

[100%*] of Lifetime Maximum
Benefit Amount

Benign Brain Tumor

[25%*] of Lifetime Maximum
Benefit Amount

Cancer In Situ

[25%*] of Lifetime Maximum
Benefit Amount

Coronary By-Pass

[25%*] of Lifetime Maximum
Benefit Amount

***THE FIRST OCCURRENCE BENEFIT PERCENTAGE WILL BE REDUCED BY ONE-HALF ON THE DATE AN INSURED PERSON REACHES AGE [70].**

**POLICY SCHEDULE
SCHEDULE OF BENEFITS (Continued)**

<u>QUALIFYING EVENT</u>	<u>FIRST OCCURRENCE BENEFIT PERCENTAGE</u>
End Stage Renal Failure	[100%*] of Lifetime Maximum Benefit Amount
Heart Attack	[100%*] of Lifetime Maximum Benefit Amount
Illness Induced Coma	[100%*] of Lifetime Maximum Benefit Amount
Life-Threatening Cancer	[100%*] of Lifetime Maximum Benefit Amount
Major Organ Transplant	[100%*] of Lifetime Maximum Benefit Amount
Stroke	[100%*] of Lifetime Maximum Benefit Amount

***THE FIRST OCCURRENCE BENEFIT PERCENTAGE WILL BE REDUCED BY ONE-HALF ON THE DATE AN INSURED PERSON REACHES AGE [70].**

DEFINITIONS

Class Basis means the classification by which each Insured Person's rates are determined. We will not and cannot change the rates on this Policy unless rates are changed on all Policies issued on the same Class Basis.

Covered Dependent means an Eligible Dependent whose coverage has become effective and has not terminated.

Diagnosis means the definitive establishment of the Qualifying Event through the use of clinical and/or laboratory findings. The Diagnosis must be made by a Legally Qualified Physician who is also a board certified specialist where required under this Policy.

In the case of Coronary Bypass Surgery, the Diagnosis includes the performance of the surgical treatment as defined in this Policy.

Effective Date of Coverage means the date coverage becomes effective under this Policy with respect to a particular Insured Person.

Eligible Dependent means Your lawful spouse and Your unmarried natural and adopted and step children who reside in Your home for more than 6 months in a year, who are under 19 years of age (the Limiting Age.) The Limiting Age is extended from the child's 19th birthday to the child's [24th] birthday if the child is enrolled as a full-time student and attends classes regularly at an accredited college or university.

First Occurrence Benefit Percentage means the percentage of the Lifetime Maximum Benefit Amount payable for a Qualifying Event. The First Occurrence Benefit Percentage shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS will be reduced by one-half on the date an Insured Person reaches age [70].

First Occurs, First Occurred or First Occurrence means any Diagnosis, treatment, surgery or advice by a Legally Qualified Physician having initially occurred for the first time in the Insured Person's lifetime and while this Policy is in force for the Insured Person.

Illness means a disease or sickness.

Immediate Family means the spouse, parent, son, daughter, brother or sister of the Insured Person.

Injury means bodily harm caused by an accident resulting in unforeseen trauma requiring immediate medical attention and is not contributed to, directly or indirectly, by an Illness.

Insured Person means You or a Covered Dependent under this Policy.

Legally Qualified Physician means a person, other than the Insured Person, a member of the Insured Person's Immediate Family, or a business associate of the Insured Person, who is duly licensed and practicing medicine in the United States, and who is legally qualified to diagnose and treat sickness and injuries. He or she must be providing services within the scope of his or her license, and must be a board certified specialist where required under this Policy.

Lifetime Maximum Benefit Amount means the maximum total amount We will pay per lifetime for each Insured Person while coverage under this Policy remains in effect.

Major Organ means any of the following organs: 1) heart; 2) lung or lungs; 3) liver; 4) kidney; 5) pancreas; 6) heart/lung combined; or 7) bone marrow.

Policy means this written description of coverage provided to You by Us.

Qualifying Event means one of the diseases, conditions or procedures listed below which First Occurs while this Policy is in force and for which positive Diagnosis is made by a Legally Qualified Physician based on diagnostic criteria generally accepted by the medical profession.

Advanced Alzheimer's Disease means a progressive degenerative disease of the brain. In order to meet the definition of Alzheimer's Disease, the Diagnosis must be supported by medical evidence that the Insured Person exhibits the loss of intellectual capacity resulting in impairment in mental and social functioning, such that the Insured Person requires permanent daily personal supervision and is unable to perform independently in three or more of the following activities of daily living: transferring (moving in or out of a bed or chair), dressing, bathing, feeding, toileting, and continence. No other dementing organic brain disorders or psychiatric illness shall meet the definition of Alzheimer's Disease, nor will they be considered a Qualifying Event. In order for Alzheimer's Disease to be covered under this Policy, the Legally Qualified Physician making the Diagnosis of Alzheimer's Disease must be a board certified neurologist.

Amyotrophic Lateral Sclerosis (Lou Gehrig's Disease) means a progressive neurodegenerative disease that affects nerve cells in the brain and spinal cord in which there are both upper and lower motor neuron signs. In order for Amyotrophic Lateral Sclerosis to be covered under this Policy: 1) the Legally Qualified Physician making the Diagnosis of Amyotrophic Lateral Sclerosis must be a board certified neurologist; and 2) clinical findings must have measurable limitations and be present for more than 30 days.

Benign Brain Tumor means a non-malignant mass present within the substance of the brain tissue resulting in permanent deficit to the neurological system.

Benign Brain Tumor does not include cysts, granulomas, meningiomas, malformations of the intracranial arteries or veins and tumors of the cranial nerves, pituitary or spinal cord, unless documented by a Legally Qualified Physician as causing damage to surrounding neurological tissue.

Cancer In Situ means a diagnosis of cancer wherein the tumor cells still lie within the tissue of origin without having invaded neighboring tissue, except as specifically excluded below. As used herein, stage 0 transitional carcinoma of urinary bladder and early prostate cancer requiring medical treatment shall be considered Cancer In Situ.

Cancer In Situ does not include: 1) premalignant lesions, tumors or polyps; 2) benign tumors or polyps; or 3) skin cancer.

Coronary By-Pass means coronary artery revascularization surgery to correct narrowing or blockage of one or more coronary arteries with bypass grafts, performed by a Legally Qualified Physician who is a board certified cardiothoracic surgeon.

End Stage Renal Failure means end stage renal disease which results in an irreversible failure of both kidneys to function. When this happens, periodic and ongoing peritoneal dialysis, periodic and ongoing renal dialysis or kidney transplant is required in order to live. In order for End Stage Renal Failure to be covered under this Policy, the Diagnosis of End Stage Renal Failure must be made by a Legally Qualified Physician who is a board certified nephrologist.

We may require medical records and appropriate test results showing that the Diagnosis of End Stage Renal Failure was based on, but not limited to, renal function studies (BUN and creatinine tests), and abnormal results on a renal scan.

Heart Attack means irreversible Injury and death of a portion of the myocardium or heart muscle caused by either: 1) coronary thrombosis (complete occlusion of a coronary artery); or 2) severe stenosis or narrowing of a coronary artery causing an occlusion of a coronary artery; which is first positively diagnosed by a legally licensed Legally Qualified Physician. We may require medical records and appropriate test results to show that the onset of such acute myocardial infarction is confirmed by: (a) significant abnormal electrocardiographic findings; and/or (b) clinical findings and cardiac blood enzyme abnormalities.

Illness Induced Coma means loss of consciousness due to Illness for a continuous 96 hour period in which external stimulation produces only primitive avoidance reflexes, except as specifically excluded below.

Illness Induced Coma does not include: 1) deliberately induced Comas for medical reasons; or 2) Comas resulting from an Injury.

Life Threatening Cancer means only those types of cancer manifested by the presence of a malignant neoplasm characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue, except as specifically excluded below. As used herein, Leukemia and Hodgkin's Disease shall be considered Life Threatening Cancer.

Life Threatening Cancer does not include: 1) premalignant lesions, tumors or polyps; 2) cancer in situ; 3) Stage 0 transitional carcinoma of urinary bladder; 4) early prostate cancer; 5) benign tumors or polyps; or 6) any skin cancer other than invasive malignant melanoma in the dermis or deeper, or skin malignancies that have become Life Threatening Cancers.

Major Organ Transplant means clinical evidence of Major Organ(s) failure which requires the malfunctioning Major Organ(s) or tissue of the Insured Person to be replaced with the Major Organ(s) or tissue from a suitable human donor under generally accepted medical procedures. In order for a Major Organ Transplant to be covered under this Policy, the Insured Person must be registered by the United Network of Organ Sharing (UNOS).

Stroke means any acute cerebrovascular incident producing neurological impairment and resulting in paralysis or other measurable objective neurological deficit persisting for at least 96 hours and expected to be permanent, except as specifically excluded below. In order for Stroke to be covered under this Policy, the Stroke must be positively diagnosed by a Legally Qualified Physician based upon generally accepted diagnostic criteria.

Stroke does not include: 1) head injury by any external force; 2) transient ischemic attack (TIA) (i.e. mini stroke); or 3) indications or symptoms related to chronic cerebrovascular insufficiency.

Waiting Period means the consecutive period of time beginning from the Effective Date of Coverage in which an Insured Person must be insured under this Policy before a Qualifying Event First Occurs.

We, Us, and Our means The Chesapeake Life Insurance Company.

You, Your, Yours means the primary insured named in the Policy Schedule whose coverage is effective.

EFFECTIVE DATE OF COVERAGE

Beginning of Coverage

Once We have approved Your application based upon the information You provided therein, the Effective Date of Coverage for You and those Eligible Dependents listed in the application and accepted by Us will be the Policy Date shown in the POLICY SCHEDULE.

Additional Dependents

You may add Eligible Dependents by providing evidence of eligibility and insurability satisfactory to Us and upon payment of any additional premium, if required.

The acceptance of a new Eligible Dependent will be shown by endorsement and the date of the endorsement will be the Effective Date of Coverage for the new Eligible Dependent.

PREMIUMS

Premium Due Date

Premiums are payable to Us at Our administrative office in North Richland Hills, Texas or any location as designated and communicated by Us. The premium is payable monthly, quarterly, semi-annually or annually, as indicated in the POLICY SCHEDULE. Payment of any premium will not maintain coverage in force beyond the next premium due date, except as provided by the Grace Period. Upon the payment of a claim under this Policy, any premium then due and unpaid or covered by any note or written order may be deducted therefrom.

Grace Period

There is a grace period of 31 days for the payment of any premiums due, except the first. At the end of the 31 day grace period, We may cancel the Policy without further notice. During the grace period, the contract will remain in force; however, the Company is not obligated to pay any claims incurred by Insured Persons during the grace period unless and until the premium due is received during the grace period.

Premium Changes

We reserve the right to change the table of premiums, on a Class Basis, becoming due under the Policy at any time and from time to time; provided, We have given You written notice of at least 31 days prior to the effective date of the new rates. Such change will be on a Class Basis. [The premium for the Policy may change in amount by reason of a change in occupation.]

Unearned Premiums Refund

Upon the death of an Insured Person, the proceeds payable to the Insured Person or his/her estate shall include premiums paid for insurance coverage for the period beyond the end of the month in which the death occurred. Unearned Premiums shall be paid in a lump sum payment no later than thirty (30) days after the proof of the Insured Person's death has been furnished to Us.

TERMINATION OF COVERAGE

You

Your coverage will terminate and no benefits will be payable under this Policy:

1. At the end of the month for which premium has been paid;
2. On the date You reach age [75];
3. On the date the Lifetime Maximum Benefit Amount has been reached;
4. At the end of the month following the date of Our receipt of Your request of termination;

5. On the date of fraud or material misrepresentation by You;
6. On the date We elect to discontinue this plan or type of coverage;
7. On the date We elect to discontinue all coverage in Your state; or
8. On the date an Insured Person is no longer a permanent resident of the United States.

Premium will only be refunded for any full months paid beyond the termination date.

Covered Dependents

Your Covered Dependent's coverage will terminate under this Policy on:

1. The date Your coverage terminates;
2. At the end of the month following the date such dependent ceases to be an Eligible Dependent;
3. At the end of the month following the date of Our receipt of Your request of termination;
4. On the date the Lifetime Maximum Benefit Amount has been reached with respect to an Insured Person; or
5. On the date the Covered Dependent:
 - a. performs an act or practice that constitutes fraud; or
 - b. has made an intentional misrepresentation of material fact, relating in any way to the coverage provided under the Policy, including claims for benefits under the Policy.

Premium will only be refunded for any full months paid beyond the termination date.

The attainment of the Limiting Age for an Eligible Dependent will not cause coverage to terminate while that person is and continues to be both:

1. Incapable of self-sustaining employment by reason of mental retardation or physical handicap; and
2. Chiefly Dependent on You for support and maintenance. For the purpose of this provision "Chiefly Dependent" means the Eligible Dependent receives the majority of his or her financial support from You.

We will require that You provide proof that the dependent is in fact a disabled and dependent person. In the absence of such proof, We may terminate the coverage of such person after the attainment of the Limiting Age.

Family Security Benefit

Beginning with the next premium due date following Our receipt of due proof of Your death, We will waive premiums for a period of 12 months for Your Covered Dependents. During this premium waiver period no increase in benefits or addition of Eligible Dependents, except newborns, will be considered. Provisions for termination of coverage for Covered Dependents will apply.

Reinstatement

If coverage under this Policy terminates due to non-payment of premium, We require an application for reinstatement. The reinstatement will not become effective unless We approve such application. We will advise You of the effective date of reinstatement by giving You written notice of the date, by issuing You a new Policy, subject to the rate then in effect for such Insured Person's age. In any case, the reinstated coverage provides benefits only for a Qualifying Event occurring after the effective date of reinstatement, subject to the Waiting Period.

BENEFITS

Upon receipt of proof of the First Occurrence of a Qualifying Event, We will pay the applicable First Occurrence Benefit Percentage of the Lifetime Maximum Benefit Amount, as shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS, provided that the Qualifying Event First Occurred after the Waiting Period set forth in the POLICY SCHEDULE – SCHEDULE OF BENEFITS.

The First Occurrence Benefit Percentage shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS, will be reduced by one-half on the date an Insured Person reaches age [70].

In no event will We pay more than the Lifetime Maximum Benefit Amount during an Insured Person's lifetime.

EXCLUSIONS AND LIMITATIONS

We will not provide any benefits for any loss caused by, resulting from or in connection with:

1. An Injury or accident;
2. Any care or benefits which are not specifically provided for in this Policy;
3. Any act of war, declared or undeclared;
4. Active military duty in the service of any country;
5. Participation in a riot, civil commotion or insurrection;
6. Suicide, attempted suicide, or any intentionally self-inflicted injury, while sane or insane;
7. Payment for care for military service connected disabilities for which the Insured Person is legally entitled to services and for which facilities are reasonably available to the Insured Person and payment for care for conditions that state or local law requires be treated in a public facility;
8. Experimental or investigational medicine;
9. Intentionally medically induced Qualifying Event, except in the case of Major Organ Transplant;
10. Cosmetic surgery;
11. Drug abuse or addiction including alcoholism, or overdose of drugs, narcotics, or hallucinogens, directly or indirectly;
12. An overdose of drugs, being intoxicated or under the influence of intoxicants, hallucinogens, narcotics or other drugs, directly or indirectly;
13. Directly or indirectly engaging in an illegal occupation or illegal activity or Your being incarcerated; or
14. Committing or trying to commit a felony.

Benefits will not be payable for:

1. A Qualifying Event, which First Occurs prior to an Insured Person's Effective Date of Coverage or within the Waiting Period as specified in the POLICY SCHEDULE – SCHEDULE OF BENEFITS;
2. Any Qualifying Event caused directly or indirectly by Acquired Immune Deficiency Syndrome (AIDS) or AIDS related complex;
3. Any condition that is not Diagnosed as a Qualifying Event, as defined herein;
4. Loss resulting from any other disease, sickness or incapacity, other than loss resulting from a Qualifying Event, as defined herein. This includes any other disease or incapacity which may have been complicated or directly or indirectly affected or caused by a Qualifying Event or as a result of treatment of a Qualifying Event; or
5. Any amounts in excess of the Lifetime Maximum Benefit Amount.

GENERAL PROVISIONS

Entire Contract

The Entire Contract consists of:

1. This Policy;
2. Any applications for the proposed insured individuals; and
3. Any endorsements, amendments or riders attached.

All statements made by You will, in the absence of fraud, be deemed representations and not warranties.

Only Our President, a Vice President or Secretary has the power on Our behalf to execute or amend the Policy. No other person will have the authority to bind Us in any manner. No agent may accept risks, alter or amend coverage or waive any provisions of the Policy. Any change in the Policy will be made by amendment and signed by Us. Changes made in the Policy that are mandated by state or federal law will not require the consent of any Insured Person.

Notice of Claim

Written notice of claim must be given to Us within 60 days, or as soon as possible. Written notice of claim given by or on behalf of the Insured Person to Us with information sufficient to identify such person will be considered notice to Us.

Claim Forms

When We receive the notice of claim, We will send the Insured Person forms for filing proof of loss. If these forms are not furnished within 15 days, the Insured Person will meet the proof of loss requirements by giving Us a written statement of the nature and extent of the loss within the time limit stated in the next provision.

Proof of Loss

Written proof of loss of a Qualifying Event must be furnished to Us at Our administrative office in North Richland Hills, Texas or any location as designated and communicated by Us, within 90 days after the date of the loss for which claim is made. Failure to furnish written proof of loss within that time will neither invalidate nor reduce any claim if it is shown that it was not reasonably possible to furnish written proof of loss within that time; provided such proof is furnished as soon as reasonably possible and in no event, in the absence of legal incapacity, later than one year from the time proof is otherwise required.

Time of Payment of Claims

Indemnities payable under this Policy for any loss other than loss for which this Policy provides any periodic payment will be paid upon receipt of proper written proof of loss. Subject to proper written proof of loss, all accrued indemnities for loss for which this Policy provides periodic payment will be paid monthly and any balance remaining unpaid upon the termination of liability will be paid upon receipt of proper written proof.

Payment of Claims

We will pay all benefits due under the Policy promptly upon receipt of proof of loss.

The First Occurrence Benefit Amount is payable to the Insured Person. Any accrued indemnities unpaid at the Insured Person's death may, at Our option, be paid to any beneficiary or to the estate of the Insured Person.

Physical Examination and Autopsy

We will, at Our own expense, have the right and opportunity to have the Insured Person whose Qualifying Event is the basis of a claim examined by a Legally Qualified Physician of Our choice when and as often as We may reasonably require during the pendency of a claim and to make an autopsy in case of death, unless prohibited by law.

Legal Action

No action at law or in equity will be brought to recover on the Policy prior to the expiration of 60 days after proof of loss has been filed as required by the Policy; nor will any action be brought after expiration of three years after the time written proof of loss is required to be furnished.

Age Misstatement

If the age of any Insured Person has been misstated, Our records will be changed to show the correct age. The benefits provided will not be affected if the Insured Person continues to be eligible for coverage at the correct age. However, premium adjustments, including collection of any premium due Us because of past underpayments, will be made so that We receive the premiums due at the correct age payable on the premium due date following Our notification of an age correction.

Incontestability

After 2 years from the effective date of an Insured Person's coverage, no misstatements, except fraudulent misstatements, made in the application will be used to void the coverage, or deny a claim unless loss was incurred during the first 2 years following such Insured Person's Effective Date of Coverage.

Other Insurance With Us

You may have only one Policy or certificate with Us providing lump sum indemnity benefits for a Specified Disease/Condition or a Major Organ Transplant. If through error, We issue more than one like Policy or certificate to You, only one Policy or certificate chosen by You or Your estate, as the case may be, will stay in force. We will return the money You paid for the other Policy(ies) or certificate(s).

Conformity

Any provision of this Policy which, on the Effective Date of Coverage, is in conflict with the statutes of the state in which You reside on such date, is hereby amended to conform to the minimum requirements of such statutes.

SERFF Tracking Number: MGCC-126418917 State: Arkansas
 Filing Company: The Chesapeake Life Insurance Company State Tracking Number: 44335
 Company Tracking Number: CH-26113-IP (01/10) AR
 TOI: H071 Individual Health - Specified Disease - Limited Benefit Sub-TOI: H071.002 Dread Disease
 Product Name: CH-26113-IP (01/10)
 Project Name/Number: Direct Benefit Series/

Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
Approved-Closed 01/15/2010	Rates	CH-26113-IP (01/10) AR	New		CH-26113-IP (0110) AR 20091203 Rates.pdf

The Chesapeake Life Insurance Company

Administration Office: P.O. Box 982010, North Richland Hills, TX 76182-8010

Specified Disease/Condition and Major Organ Transplant Policy

CH-26113-IP (01/10) AR

Formula
Round(AgeSex x Base x Inflation x Tobacco x Benefit ,2)

Multiply the Base Rate by 3 for quarterly rates, 6 for semi-annual, and 12 for annual premium rates.

Inflation
1.000000000

A billing fee of up to \$5 may be charged on direct bill modes. A one-time application fee of up to \$30 may be applicable.

Base	Factor
Base	9.340

Based on underwriting results, final rates may range from 50% to the maximum percentage allowed by your state of the calculated rates.

Benefit Options	Factor
Benefit 2,500	0.250000
Benefit 5,000	0.625000
Benefit 7,500	0.750000
Benefit 10,000	1.000000
Benefit 15,000	1.500000
Benefit 20,000	2.000000
Benefit 25,000	2.500000
Benefit 30,000	3.000000
Benefit 40,000	4.000000
Benefit 50,000	5.000000
Benefit 60,000	6.000000
Benefit 70,000	7.000000
Benefit 80,000	8.000000
Benefit 90,000	9.000000
Benefit 100,000	10.000000

Other benefit factors can be obtained by formula: (Benefit / 2500) x 0.250000

Demographic	Value	Factor
Tobacco	No	1.000
Tobacco	Yes	2.000

Age	Factor	Gender	Adult/Dep
00	0.1800	FEMALE	Adult
01	0.1800	FEMALE	Adult
02	0.1800	FEMALE	Adult
03	0.1800	FEMALE	Adult
04	0.1800	FEMALE	Adult
05	0.1800	FEMALE	Adult
06	0.1800	FEMALE	Adult
07	0.1800	FEMALE	Adult
08	0.1800	FEMALE	Adult
09	0.1800	FEMALE	Adult

Age	Factor	Gender	Adult/Dep
10	0.1800	FEMALE	Adult
11	0.1800	FEMALE	Adult
12	0.1800	FEMALE	Adult
13	0.1800	FEMALE	Adult
14	0.1800	FEMALE	Adult
15	0.1800	FEMALE	Adult
16	0.1800	FEMALE	Adult
17	0.1800	FEMALE	Adult
18	0.1800	FEMALE	Adult
19	0.1900	FEMALE	Adult
20	0.2000	FEMALE	Adult
21	0.2200	FEMALE	Adult
22	0.2400	FEMALE	Adult
23	0.2500	FEMALE	Adult
24	0.2600	FEMALE	Adult
25	0.2600	FEMALE	Adult
26	0.2800	FEMALE	Adult
27	0.3000	FEMALE	Adult
28	0.3200	FEMALE	Adult
29	0.3500	FEMALE	Adult
30	0.3700	FEMALE	Adult
31	0.3900	FEMALE	Adult
32	0.4100	FEMALE	Adult
33	0.4300	FEMALE	Adult
34	0.4500	FEMALE	Adult
35	0.4700	FEMALE	Adult
36	0.5200	FEMALE	Adult
37	0.5600	FEMALE	Adult
38	0.6100	FEMALE	Adult
39	0.6500	FEMALE	Adult
40	0.7000	FEMALE	Adult
41	0.7500	FEMALE	Adult
42	0.7900	FEMALE	Adult
43	0.8400	FEMALE	Adult
44	0.8900	FEMALE	Adult
45	0.9300	FEMALE	Adult
46	0.9700	FEMALE	Adult
47	1.0100	FEMALE	Adult
48	1.0500	FEMALE	Adult
49	1.0900	FEMALE	Adult
50	1.1300	FEMALE	Adult
51	1.1700	FEMALE	Adult
52	1.2100	FEMALE	Adult
53	1.2400	FEMALE	Adult
54	1.2800	FEMALE	Adult
55	1.3200	FEMALE	Adult
00	0.2200	MALE	Adult
01	0.2200	MALE	Adult
02	0.2200	MALE	Adult
03	0.2200	MALE	Adult
04	0.2200	MALE	Adult
05	0.2200	MALE	Adult

Age	Factor	Gender	Adult/Dep
06	0.2200	MALE	Adult
07	0.2200	MALE	Adult
08	0.2200	MALE	Adult
09	0.2200	MALE	Adult
10	0.2200	MALE	Adult
11	0.2200	MALE	Adult
12	0.2200	MALE	Adult
13	0.2200	MALE	Adult
14	0.2200	MALE	Adult
15	0.2200	MALE	Adult
16	0.2200	MALE	Adult
17	0.2200	MALE	Adult
18	0.2200	MALE	Adult
19	0.2400	MALE	Adult
20	0.2500	MALE	Adult
21	0.2700	MALE	Adult
22	0.2900	MALE	Adult
23	0.2900	MALE	Adult
24	0.2900	MALE	Adult
25	0.2900	MALE	Adult
26	0.3300	MALE	Adult
27	0.3800	MALE	Adult
28	0.4000	MALE	Adult
29	0.4500	MALE	Adult
30	0.4800	MALE	Adult
31	0.5200	MALE	Adult
32	0.5600	MALE	Adult
33	0.6100	MALE	Adult
34	0.6500	MALE	Adult
35	0.7000	MALE	Adult
36	0.7600	MALE	Adult
37	0.8200	MALE	Adult
38	0.8800	MALE	Adult
39	0.9400	MALE	Adult
40	1.0000	MALE	Adult
41	1.0600	MALE	Adult
42	1.1300	MALE	Adult
43	1.1900	MALE	Adult
44	1.2500	MALE	Adult
45	1.3100	MALE	Adult
46	1.3900	MALE	Adult
47	1.4700	MALE	Adult
48	1.5400	MALE	Adult
49	1.6200	MALE	Adult
50	1.6900	MALE	Adult
51	1.7700	MALE	Adult
52	1.8600	MALE	Adult
53	1.9400	MALE	Adult
54	2.0200	MALE	Adult
55	2.1100	MALE	Adult
-	0.1500	FEMALE	Dep Child
-	0.1300	MALE	Dep Child

SERFF Tracking Number: MGCC-126418917 State: Arkansas
 Filing Company: The Chesapeake Life Insurance Company State Tracking Number: 44335
 Company Tracking Number: CH-26113-IP (01/10) AR
 TOI: H071 Individual Health - Specified Disease - Sub-TOI: H071.002 Dread Disease
 Limited Benefit
 Product Name: CH-26113-IP (01/10)
 Project Name/Number: Direct Benefit Series/

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Flesch Certification Comments: Please refer to attached. Attachments: ARGA 0104.pdf Cert Compl Rule-Reg19 -AR.pdf Cert Compliance AR-Readability.pdf	Approved-Closed	01/15/2010

	Item Status:	Status Date:
Bypassed - Item: Application Bypass Reason: The application will be filed under separate cover. Comments:	Approved-Closed	01/15/2010

	Item Status:	Status Date:
Satisfied - Item: Outline of Coverage Comments: Please refer to attached. Attachment: CH-26113_0110_-IP OC .pdf	Approved-Closed	01/15/2010

	Item Status:	Status Date:
Satisfied - Item: Cover letter Comments: Please refer to attached. Attachment: DRAFT LTR CH-26113-IP _0110_ [Indiv].pdf	Approved-Closed	01/15/2010

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

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

DISCLAIMER

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

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

Insurance companies or their agents are required by law to provide you with this notice.

**The Arkansas Life and Health Insurance Guaranty Association
C/O The Liquidation Division
1023 West Capitol, Suite 2
Little Rock, Arkansas 72201**

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

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

COVERAGE

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

EXCLUSIONS FROM COVERAGE

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

- They are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose Guaranty Association protects insureds who live outside that state);
- The insurer was not authorized to do business in this state;

- Their policy or contract was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to suture assessments, or by an insurance exchange.

The Association also does NOT provide coverage for:

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

LIMITS ON AMOUNT OF COVERAGE

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

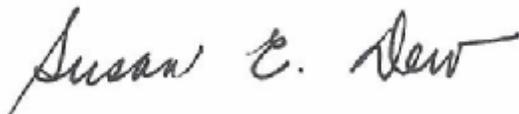
**Certificate of Compliance with
Arkansas Rule and Regulation 19**

Insurer: The Chesapeake Life Insurance Company

Form Number(s):

CH-26113-IP (01/10) AR

I hereby certify that the filing above meets all applicable Arkansas requirements including the requirements of Rule and Regulation 19.



Signature of Company Officer

Susan Dew

Name

Senior Vice President, Associate General Counsel and Chief Compliance Officer

Title

December 14, 2009

Date

Certificate of Compliance for Arkansas

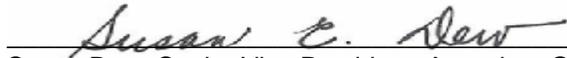
This is to certify the attached form has achieved the Flesch Reading Ease Score given below and complies with the requirements of Arkansas Stat. Ann, 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language simplification Act.

Form Numbers and Form Names:

CH-26113-IP (01/10) AR - Specified Disease/Condition and Major Organ Transplant Policy

Flesch Reading Score:

52.8



Susan Dew, Senior Vice President, Associate General Counsel and Chief Compliance Officer

December 14, 2009

Date

THE CHESAPEAKE LIFE INSURANCE COMPANY

A Stock Company

(Hereinafter called: the Company, We, Our or Us)

Home Office: Oklahoma City, Oklahoma
Administrative Office: P.O. Box 982010
North Richland Hills, Texas 76182-8010
Customer Service: [1-800-733-1110]

SPECIFIED DISEASE/CONDITION AND MAJOR ORGAN TRANSPLANT POLICY OUTLINE OF COVERAGE FOR POLICY FORM CH-26113-IP (01/10) AR

1. The coverage is designed only as a supplement to a comprehensive health insurance Policy and should not be purchased unless You have this underlying coverage.
2. **READ YOUR POLICY CAREFULLY!** This Outline of Coverage provides a very brief description of some of the important features of Your Policy. This is not the insurance contract and only the actual Policy provisions will control. The Policy itself sets forth, in detail, the rights and obligations of both You and Us. It is, therefore, important that You **READ YOUR POLICY CAREFULLY.**
3. **SPECIFIED DISEASE/CONDITION AND MAJOR ORGAN TRANSPLANT POLICY** – Specified disease coverage is designed to provide restricted coverage paying benefits **ONLY** when certain losses First Occur as a result of a Qualifying Event. **Coverage is NOT provided for basic hospital, basic medical-surgical, or major medical expenses or loss from Injury or accident.**
4. **SCHEDULE OF BENEFITS –**

LIFETIME MAXIMUM BENEFIT AMOUNT

Primary Insured: No Benefit \$5,000 \$10,000 \$15,000 \$20,000 \$25,000
 \$30,000 \$40,000 \$50,000 \$60,000 \$70,000 \$80,000 \$90,000 \$100,000

Dependent spouse: No Benefit \$5,000 \$10,000 \$15,000 \$20,000 \$25,000
 \$30,000 \$40,000 \$50,000 \$60,000 \$70,000 \$80,000 \$90,000 \$100,000

Dependent child(ren): No Benefit \$5,000 \$10,000

WAITING PERIOD: [30 days] from the Effective Date of Coverage.

QUALIFYING EVENT

FIRST OCCURRENCE BENEFIT PERCENTAGE

Advanced Alzheimer's Disease

[100%*] of Lifetime Maximum
Benefit Amount

Amyotrophic Lateral Sclerosis

[100%*] of Lifetime Maximum
Benefit Amount

Benign Brain Tumor

[25%*] of Lifetime Maximum
Benefit Amount

Cancer In Situ

[25%*] of Lifetime Maximum
Benefit Amount

Coronary By-Pass

[25%*] of Lifetime Maximum
Benefit Amount

***THE FIRST OCCURRENCE BENEFIT PERCENTAGE WILL BE REDUCED BY
ONE-HALF ON THE DATE AN INSURED PERSON REACHES AGE [70].**

QUALIFYING EVENT

**FIRST OCCURRENCE
BENEFIT PERCENTAGE**

End Stage Renal Failure

[100%*] of Lifetime Maximum
Benefit Amount

Heart Attack

[100%*] of Lifetime Maximum
Benefit Amount

Illness Induced Coma

[100%*] of Lifetime Maximum
Benefit Amount

Life-Threatening Cancer

[100%*] of Lifetime Maximum
Benefit Amount

Major Organ Transplant

[100%*] of Lifetime Maximum
Benefit Amount

Stroke

[100%*] of Lifetime Maximum
Benefit Amount

***THE FIRST OCCURRENCE BENEFIT PERCENTAGE WILL BE REDUCED BY ONE-HALF ON THE DATE AN INSURED PERSON REACHES AGE [70].**

- 5. BENEFITS** - Upon receipt of proof of the First Occurrence of a Qualifying Event, We will pay the First Occurrence Benefit Percentage of the Lifetime Maximum Benefit Amount, as shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS provided that the Qualifying Event First Occurred after the Waiting Period set forth in the POLICY SCHEDULE – SCHEDULE OF BENEFITS.

The First Occurrence Benefit Percentage shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS, will be reduced by one-half on the date an Insured Person reaches age [70].

In no event will We pay more than the Lifetime Maximum Benefit Amount during an Insured Person's lifetime.

- 6. EXCLUSIONS AND LIMITATIONS** – We will not provide any benefits for any loss caused by, resulting from or in connection with:

1. An Injury or accident;
2. Any care or benefits which are not specifically provided for in the Policy;
3. Any act of war, declared or undeclared;
4. Active military duty in the service of any country;
5. Participation in a riot, civil commotion or insurrection;
6. Suicide, attempted suicide, or any intentionally self-inflicted injury, while sane or insane;
7. Payment for care for military service connected disabilities for which the Insured Person is legally entitled to services and for which facilities are reasonably available to the Insured Person and payment for care for conditions that state or local law requires be treated in a public facility;
8. Experimental or investigational medicine;
9. Intentionally medically induced Qualifying Event, except in the case of Major Organ Transplant;
10. Cosmetic surgery;
11. Drug abuse or addiction including alcoholism, or overdose of drugs, narcotics, or hallucinogens, directly or indirectly;
12. An overdose of drugs, being intoxicated or under the influence of intoxicants, hallucinogens, narcotics or other drugs, directly or indirectly;
13. Directly or indirectly engaging in an illegal occupation or illegal activity or Your being incarcerated; or
14. Committing or trying to commit a felony.

Benefits will not be payable for:

1. A Qualifying Event, which First Occurs prior to an Insured Person's Effective Date of Coverage or within the Waiting Period as specified in the POLICY SCHEDULE – SCHEDULE OF BENEFITS;
 2. Any Qualifying Event caused directly or indirectly by Acquired Immune Deficiency Syndrome (AIDS) or AIDS related complex;
 3. Any condition that is not Diagnosed as a Qualifying Event, as defined herein;
 4. Loss resulting from any other disease, sickness or incapacity, other than loss resulting from a Qualifying Event, as defined herein. This includes any other disease or incapacity which may have been complicated or directly or indirectly affected or caused by a Qualifying Event or as a result of treatment of a Qualifying Event; or
 5. Any amounts in excess of the Lifetime Maximum Benefit Amount.
7. **RENEWAL CONDITIONS.** The Policy is guaranteed renewable to age [75], subject to the Company's right to discontinue or terminate the coverage as provided in the TERMINATION OF COVERAGE section of the Policy. The Company reserves the right to change the applicable table of premium rates on the Class Basis. [The premium for the Policy may change in amount by reason of a change in occupation.]
8. **PREMIUMS.** We reserve the right to change the table of premiums, on a Class Basis, becoming due under the Policy at any time and from time to time; provided, We have given You written notice of a least 31 days prior to the effective date of the new rates. Such change will be on a Class Basis. [The premium for the Policy may change in amount by reason of a change in occupation.]



**The Chesapeake
Life Insurance Company**
Home Office: Oklahoma City, OK

9151 Boulevard 26
North Richland Hills, TX 76180

December 14, 2009

Arkansas Insurance Department
Life and Health Division
1200 W 3rd Street
Little Rock, AR 72201-1904
Attn.: Life & Health Division, A&H Form Filing Section

RE: SERFF Tracking Number: MGCC-126418917
The Chesapeake Life Insurance Company
NAIC#: 264-61832 / FEIN#: 52-0676509

NEW FORMS

CH-26113-IP (01/10) AR
CH-26113-IP (01/10) OC

DESCRIPTION

Specified Disease/Condition and Major Organ Transplant Policy
Outline of Coverage

Dear Examiner:

The above referenced forms are submitted for your review and approval. These forms are new and not intended to replace any forms previously approved by your Department.

Policy Form **CH-26113-IP (01/10) AR** provides lump sum specified disease/condition and major organ transplant coverage for the First Occurrence of a Qualifying Event, payable at the First Occurrence Benefit Amount shown in the Policy Schedule. All benefits are subject to the Waiting Period shown in the Policy Schedule, the Lifetime Maximum Benefit Amount shown in the Policy Schedule, the Exclusions and Limitations, and all other provisions of the Policy.

The Policy will be marketed as supplemental health insurance and not as a substitute for hospital or medical expense insurance or major medical expense insurance.

Please note the bracketed items are intended as variable information, and the information enclosed in brackets is our standard for your state. At no time will this bracketed information be arranged in such a way to violate the laws of your state.

We intend to use application form CH-26109-APP (01/10) AR, which will be submitted under separate cover, to solicit this product.

To the best of our knowledge, information and belief, the forms submitted herewith are in compliance in all respects with the provisions of the insurance laws, rules and regulations of your state.

The required certifications are included along with the Actuarial Memorandum and rates for this submission.

If you have any questions or if anything further is needed to expedite the review of this filing, please call me collect at (817) 255-3590. Your assistance in this matter is greatly appreciated.

Respectfully submitted,

Kathleen Allen
Senior Compliance Analyst

SERFF Tracking Number: MGCC-126418917 State: Arkansas
 Filing Company: The Chesapeake Life Insurance Company State Tracking Number: 44335
 Company Tracking Number: CH-26113-IP (01/10) AR
 TOI: H071 Individual Health - Specified Disease - Limited Benefit Sub-TOI: H071.002 Dread Disease
 Product Name: CH-26113-IP (01/10)
 Project Name/Number: Direct Benefit Series/

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.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
12/14/2009	Form	SPECIFIED DISEASE/CONDITION AND MAJOR ORGAN TRANSPLANT POLICY	01/13/2010	CH-26113-IP _0110_AR.pdf (Superseded)

THE CHESAPEAKE LIFE INSURANCE COMPANY

A Stock Company

(Hereinafter called: the Company, We, Our or Us)

Home Office: Oklahoma City, Oklahoma
Administrative Office: P.O. Box 982010
North Richland Hills, Texas 76182-8010
Customer Service: 1-800-733-1110

SPECIFIED DISEASE/CONDITION AND MAJOR ORGAN TRANSPLANT POLICY

This Policy is effective from 12:01 A.M. standard time on the Policy Effective Date at Your place of residence. It shall continue in effect until terminated in the manner provided within this Policy.

IMPORTANT NOTICE ABOUT STATEMENTS IN THE APPLICATION

The attached application is a part of this Policy. Please read it and check it carefully. This Policy is issued on the basis that Your answers are correct and complete. If it is not complete or has an error, please let Us know within 10 days. **IF THE STATEMENTS OR REPRESENTATIONS ARE INCORRECT OR UNTRUE, WE HAVE THE RIGHT TO DENY BENEFITS, OR TO REFORM OR VOID THIS POLICY.** The best time to clear up any misunderstanding is now, before a claim arises!

10 DAY RIGHT TO EXAMINE THE POLICY

It is important to Us that You understand and are satisfied with the coverage being provided to You. If You are not satisfied that this coverage will meet Your insurance needs, You may return this Policy to Us at Our administrative office in North Richland Hills, Texas, within 10 days after You receive it. Upon receipt, We will cancel Your coverage as of the Policy Date, refund all premiums paid and treat the Policy as if it were never issued.

RENEWABILITY

This Policy is guaranteed renewable to age [75], subject to the Company's right to discontinue or terminate the coverage as provided in the TERMINATION OF COVERAGE section of this Policy. The Company reserves the right to change the applicable table of premium rates on a Class Basis. [The premium for the Policy may change in amount by reason of a change in occupation.]

NOTICE TO BUYER: THIS POLICY PROVIDES LIMITED BENEFITS. This Policy is designed to provide, to Insured Persons, restricted coverage paying benefits ONLY when certain losses First Occur as a result of a Qualifying Event as defined herein, and while coverage is in force under this Policy. This coverage is supplemental and should not be considered a substitute for basic hospital, basic medical-surgical, or major medical expense insurance coverage.

	
SECRETARY	PRESIDENT

This Policy is a legal contract between You and Us. **PLEASE READ YOUR POLICY CAREFULLY!**

THIS IS A LUMP SUM INDEMNITY POLICY THAT PAYS A FIRST OCCURRENCE BENEFIT FOR A QUALIFYING EVENT AS IDENTIFIED IN THIS POLICY. IT DOES NOT PAY BENEFITS FOR LOSS FROM INJURY/ACCIDENTS. PLEASE READ IT CAREFULLY.

THIS IS A SPECIFIED DISEASE/CONDITION AND MAJOR ORGAN TRANSPLANT ONLY POLICY AND IT DOES NOT PAY BENEFITS FOR LOSS FROM ANY OTHER CAUSE.

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POLICY SCHEDULE

PRIMARY INSURED: [John Doe, Sr.]	EFFECTIVE DATE OF COVERAGE: [01/02/09]
COVERED DEPENDENTS:	EFFECTIVE DATE OF COVERAGE:
[Johnette Doe]	[01/02/09]
[John Doe, Jr.]	[02/15/09]
[Johnita Doe]	[06/22/09]
POLICY NUMBER: [ABC1234567]	POLICY DATE: [01/02/07]
INITIAL PREMIUM: [\$0.00]	MODE OF PAYMENT: [Monthly]

SCHEDULE OF BENEFITS

LIFETIME MAXIMUM BENEFIT AMOUNT

Primary Insured:	[No Benefit] [\$5,000] [\$10,000] [\$15,000] [\$20,000] [\$25,000] [\$30,000] [\$40,000] [\$50,000] [\$60,000] [\$70,000] [\$80,000] [\$90,000] [\$100,000]
Dependent spouse:	[No Benefit] [\$5,000] [\$10,000] [\$15,000] [\$20,000] [\$25,000] [\$30,000] [\$40,000] [\$50,000] [\$60,000] [\$70,000] [\$80,000] [\$90,000] [\$100,000]
Dependent child(ren):	[No Benefit] [\$5,000] [\$10,000]

WAITING PERIOD: [30 days] from the Effective Date of Coverage.

QUALIFYING EVENT

FIRST OCCURRENCE BENEFIT PERCENTAGE

Advanced Alzheimer's Disease	[100%*] of Lifetime Maximum Benefit Amount
Amyotrophic Lateral Sclerosis	[100%*] of Lifetime Maximum Benefit Amount
Benign Brain Tumor	[25%*] of Lifetime Maximum Benefit Amount
Cancer In Situ	[25%*] of Lifetime Maximum Benefit Amount
Coronary By-Pass	[25%*] of Lifetime Maximum Benefit Amount

***THE FIRST OCCURRENCE BENEFIT PERCENTAGE WILL BE REDUCED BY ONE-HALF ON THE DATE AN INSURED PERSON REACHES AGE [70].**

**POLICY SCHEDULE
SCHEDULE OF BENEFITS (Continued)**

<u>QUALIFYING EVENT</u>	<u>FIRST OCCURRENCE BENEFIT PERCENTAGE</u>
End Stage Renal Failure	[100%*] of Lifetime Maximum Benefit Amount
Heart Attack	[100%*] of Lifetime Maximum Benefit Amount
Illness Induced Coma	[100%*] of Lifetime Maximum Benefit Amount
Life-Threatening Cancer	[100%*] of Lifetime Maximum Benefit Amount
Major Organ Transplant	[100%*] of Lifetime Maximum Benefit Amount
Stroke	[100%*] of Lifetime Maximum Benefit Amount

***THE FIRST OCCURRENCE BENEFIT PERCENTAGE WILL BE REDUCED BY ONE-HALF ON THE DATE AN INSURED PERSON REACHES AGE [70].**

DEFINITIONS

Class Basis means the classification by which each Insured Person's rates are determined. We will not and cannot change the rates on this Policy unless rates are changed on all Policies issued on the same Class Basis.

Covered Dependent means an Eligible Dependent whose coverage has become effective and has not terminated.

Diagnosis means the definitive establishment of the Qualifying Event through the use of clinical and/or laboratory findings. The Diagnosis must be made by a Legally Qualified Physician who is also a board certified specialist where required under this Policy.

In the case of Coronary Bypass Surgery, the Diagnosis includes the performance of the surgical treatment as defined in this Policy.

Effective Date of Coverage means the date coverage becomes effective under this Policy with respect to a particular Insured Person.

Eligible Dependent means Your lawful spouse and Your unmarried natural and adopted and step children who reside in Your home for more than 6 months in a year, who are under 19 years of age (the Limiting Age.) The Limiting Age is extended from the child's 19th birthday to the child's [24th] birthday if the child is enrolled as a full-time student and attends classes regularly at an accredited college or university.

First Occurrence Benefit Percentage means the percentage of the Lifetime Maximum Benefit Amount payable for a Qualifying Event. The First Occurrence Benefit Percentage shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS will be reduced by one-half on the date an Insured Person reaches age [70].

First Occurs, First Occurred or First Occurrence means any Diagnosis, treatment, surgery or advice by a Legally Qualified Physician having initially occurred for the first time in the Insured Person's lifetime and while this Policy is in force for the Insured Person.

Illness means a disease or sickness.

Immediate Family means the spouse, parent, son, daughter, brother or sister of the Insured Person.

Injury means bodily harm caused by an accident resulting in unforeseen trauma requiring immediate medical attention and is not contributed to, directly or indirectly, by an Illness.

Insured Person means You or a Covered Dependent under this Policy.

Legally Qualified Physician means a person, other than the Insured Person, a member of the Insured Person's Immediate Family, or a business associate of the Insured Person, who is duly licensed and practicing medicine in the United States, and who is legally qualified to diagnose and treat sickness and injuries. He or she must be providing services within the scope of his or her license, and must be a board certified specialist where required under this Policy.

Lifetime Maximum Benefit Amount means the maximum total amount We will pay per lifetime for each Insured Person while coverage under this Policy remains in effect.

Major Organ means any of the following organs: 1) heart; 2) lung or lungs; 3) liver; 4) kidney; 5) pancreas; 6) heart/lung combined; or 7) bone marrow.

Policy means this written description of coverage provided to You by Us.

Qualifying Event means one of the diseases, conditions or procedures listed below which First Occurs while this Policy is in force and for which positive Diagnosis is made by a Legally Qualified Physician based on diagnostic criteria generally accepted by the medical profession.

Advanced Alzheimer's Disease means a progressive degenerative disease of the brain. In order to meet the definition of Alzheimer's Disease, the Diagnosis must be supported by medical evidence that the Insured Person exhibits the loss of intellectual capacity resulting in impairment in mental and social functioning, such that the Insured Person requires permanent daily personal supervision and is unable to perform independently in three or more of the following activities of daily living: transferring (moving in or out of a bed or chair), dressing, bathing, feeding, toileting, and continence. No other dementing organic brain disorders or psychiatric illness shall meet the definition of Alzheimer's Disease, nor will they be considered a Qualifying Event. In order for Alzheimer's Disease to be covered under this Policy, the Legally Qualified Physician making the Diagnosis of Alzheimer's Disease must be a board certified neurologist.

Amyotrophic Lateral Sclerosis (Lou Gehrig's Disease) means a progressive neurodegenerative disease that affects nerve cells in the brain and spinal cord in which there are both upper and lower motor neuron signs. In order for Amyotrophic Lateral Sclerosis to be covered under this Policy: 1) the Legally Qualified Physician making the Diagnosis of Amyotrophic Lateral Sclerosis must be a board certified neurologist; and 2) clinical findings must have measurable limitations and be present for more than 30 days.

Benign Brain Tumor means a non-malignant mass present within the substance of the brain tissue resulting in permanent deficit to the neurological system.

Benign Brain Tumor does not include cysts, granulomas, meningiomas, malformations of the intracranial arteries or veins and tumors of the cranial nerves, pituitary or spinal cord, unless documented by a Legally Qualified Physician as causing damage to surrounding neurological tissue.

Cancer In Situ means a diagnosis of cancer wherein the tumor cells still lie within the tissue of origin without having invaded neighboring tissue, except as specifically excluded below. As used herein, stage 0 transitional carcinoma of urinary bladder and early prostate cancer requiring medical treatment shall be considered Cancer In Situ.

Cancer In Situ does not include: 1) premalignant lesions, tumors or polyps; 2) benign tumors or polyps; or 3) skin cancer.

Coronary By-Pass means coronary artery revascularization surgery to correct narrowing or blockage of one or more coronary arteries with bypass grafts, performed by a Legally Qualified Physician who is a board certified cardiothoracic surgeon.

End Stage Renal Failure means end stage renal disease which results in an irreversible failure of both kidneys to function. When this happens, periodic and ongoing peritoneal dialysis, periodic and ongoing renal dialysis or kidney transplant is required in order to live. In order for End Stage Renal Failure to be covered under this Policy, the Diagnosis of End Stage Renal Failure must be made by a Legally Qualified Physician who is a board certified nephrologist.

We may require medical records and appropriate test results showing that the Diagnosis of End Stage Renal Failure was based on, but not limited to, renal function studies (BUN and creatinine tests), and abnormal results on a renal scan.

Heart Attack means irreversible Injury and death of a portion of the myocardium or heart muscle caused by either: 1) coronary thrombosis (complete occlusion of a coronary artery); or 2) severe stenosis or narrowing of a coronary artery causing an occlusion of a coronary artery; which is first positively diagnosed by a legally licensed Legally Qualified Physician. We may require medical records and appropriate test results to show that the onset of such acute myocardial infarction is confirmed by: (a) significant abnormal electrocardiographic findings; and/or (b) clinical findings and cardiac blood enzyme abnormalities.

Illness Induced Coma means loss of consciousness due to Illness for a continuous 96 hour period in which external stimulation produces only primitive avoidance reflexes, except as specifically excluded below.

Illness Induced Coma does not include: 1) deliberately induced Comas for medical reasons; or 2) Comas resulting from an Injury.

Life Threatening Cancer means only those types of cancer manifested by the presence of a malignant neoplasm characterized by the uncontrolled growth and spread of malignant cells and the invasion of tissue, except as specifically excluded below. As used herein, Leukemia and Hodgkin's Disease shall be considered Life Threatening Cancer.

Life Threatening Cancer does not include: 1) premalignant lesions, tumors or polyps; 2) cancer in situ; 3) Stage 0 transitional carcinoma of urinary bladder; 4) early prostate cancer; 5) benign tumors or polyps; or 6) any skin cancer other than invasive malignant melanoma in the dermis or deeper, or skin malignancies that have become Life Threatening Cancers.

Major Organ Transplant means clinical evidence of Major Organ(s) failure which requires the malfunctioning Major Organ(s) or tissue of the Insured Person to be replaced with the Major Organ(s) or tissue from a suitable human donor under generally accepted medical procedures. In order for a Major Organ Transplant to be covered under this Policy, the Insured Person must be registered by the United Network of Organ Sharing (UNOS).

Stroke means any acute cerebrovascular incident producing neurological impairment and resulting in paralysis or other measurable objective neurological deficit persisting for at least 96 hours and expected to be permanent, except as specifically excluded below. In order for Stroke to be covered under this Policy, the Stroke must be positively diagnosed by a Legally Qualified Physician based upon generally accepted diagnostic criteria.

Stroke does not include: 1) head injury by any external force; 2) transient ischemic attack (TIA) (i.e. mini stroke); or 3) indications or symptoms related to chronic cerebrovascular insufficiency.

Waiting Period means the consecutive period of time beginning from the Effective Date of Coverage in which an Insured Person must be insured under this Policy before a Qualifying Event First Occurs.

We, Us, and Our means The Chesapeake Life Insurance Company.

You, Your, Yours means the primary insured named in the Policy Schedule whose coverage is effective.

EFFECTIVE DATE OF COVERAGE

Beginning of Coverage

Once We have approved Your application based upon the information You provided therein, the Effective Date of Coverage for You and those Eligible Dependents listed in the application and accepted by Us will be the Policy Date shown in the POLICY SCHEDULE.

Additional Dependents

You may add Eligible Dependents by providing evidence of eligibility and insurability satisfactory to Us and upon payment of any additional premium, if required.

The acceptance of a new Eligible Dependent will be shown by endorsement and the date of the endorsement will be the Effective Date of Coverage for the new Eligible Dependent.

PREMIUMS

Premium Due Date

Premiums are payable to Us at Our administrative office in North Richland Hills, Texas or any location as designated and communicated by Us. The premium is payable monthly, quarterly, semi-annually or annually, as indicated in the POLICY SCHEDULE. Payment of any premium will not maintain coverage in force beyond the next premium due date, except as provided by the Grace Period. Upon the payment of a claim under this Policy, any premium then due and unpaid or covered by any note or written order may be deducted therefrom.

Grace Period

There is a grace period of 31 days for the payment of any premiums due, except the first. At the end of the 31 day grace period, We may cancel the Policy without further notice. During the grace period, the contract will remain in force; however, the Company is not obligated to pay any claims incurred by Insured Persons during the grace period unless and until the premium due is received during the grace period.

Premium Changes

We reserve the right to change the table of premiums, on a Class Basis, becoming due under the Policy at any time and from time to time; provided, We have given You written notice of at least 31 days prior to the effective date of the new rates. Such change will be on a Class Basis. [The premium for the Policy may change in amount by reason of a change in occupation.]

Unearned Premiums Refund

Upon the death of an Insured Person, the proceeds payable to the Insured Person or his/her estate shall include premiums paid for insurance coverage for the period beyond the end of the month in which the death occurred. Unearned Premiums shall be paid in a lump sum payment no later than thirty (30) days after the proof of the Insured Person's death has been furnished to Us.

TERMINATION OF COVERAGE

You

Your coverage will terminate and no benefits will be payable under this Policy:

1. At the end of the month for which premium has been paid;
2. On the date You reach age [75];
3. On the date the Lifetime Maximum Benefit Amount has been reached;
4. At the end of the month following the date of Our receipt of Your request of termination;

5. On the date of fraud or material misrepresentation by You;
6. On the date We elect to discontinue this plan or type of coverage;
7. On the date We elect to discontinue all coverage in Your state; or
8. On the date an Insured Person is no longer a permanent resident of the United States.

Premium will only be refunded for any full months paid beyond the termination date.

Covered Dependents

Your Covered Dependent's coverage will terminate under this Policy on:

1. The date Your coverage terminates;
2. At the end of the month following the date such dependent ceases to be an Eligible Dependent;
3. At the end of the month following the date of Our receipt of Your request of termination;
4. On the date the Lifetime Maximum Benefit Amount has been reached with respect to an Insured Person; or
5. On the date the Covered Dependent:
 - a. performs an act or practice that constitutes fraud; or
 - b. has made an intentional misrepresentation of material fact, relating in any way to the coverage provided under the Policy, including claims for benefits under the Policy.

Premium will only be refunded for any full months paid beyond the termination date.

The attainment of the Limiting Age for an Eligible Dependent will not cause coverage to terminate while that person is and continues to be both:

1. Incapable of self-sustaining employment by reason of mental retardation or physical handicap; and
2. Chiefly Dependent on You for support and maintenance. For the purpose of this provision "Chiefly Dependent" means the Eligible Dependent receives the majority of his or her financial support from You.

We will require that You provide written proof that the dependent is in fact a disabled and dependent person within 31 days after his or her attainment of the Limiting Age.

Family Security Benefit

Beginning with the next premium due date following Our receipt of due proof of Your death, We will waive premiums for a period of 12 months for Your Covered Dependents. During this premium waiver period no increase in benefits or addition of Eligible Dependents, except newborns, will be considered. Provisions for termination of coverage for Covered Dependents will apply.

Reinstatement

If coverage under this Policy terminates due to non-payment of premium, We require an application for reinstatement. The reinstatement will not become effective unless We approve such application. We will advise You of the effective date of reinstatement by giving You written notice of the date, by issuing You a new Policy, subject to the rate then in effect for such Insured Person's age. In any case, the reinstated coverage provides benefits only for a Qualifying Event occurring after the effective date of reinstatement, subject to the Waiting Period.

BENEFITS

Upon receipt of proof of the First Occurrence of a Qualifying Event, We will pay the applicable First Occurrence Benefit Percentage of the Lifetime Maximum Benefit Amount, as shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS, provided that the Qualifying Event First Occurred after the Waiting Period set forth in the POLICY SCHEDULE – SCHEDULE OF BENEFITS.

The First Occurrence Benefit Percentage shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS, will be reduced by one-half on the date an Insured Person reaches age [70].

In no event will We pay more than the Lifetime Maximum Benefit Amount during an Insured Person's lifetime.

EXCLUSIONS AND LIMITATIONS

We will not provide any benefits for any loss caused by, resulting from or in connection with:

1. An Injury or accident;
2. Any care or benefits which are not specifically provided for in this Policy;
3. Any act of war, declared or undeclared;
4. Active military duty in the service of any country;
5. Participation in a riot, civil commotion or insurrection;
6. Suicide, attempted suicide, or any intentionally self-inflicted injury, while sane or insane;
7. Payment for care for military service connected disabilities for which the Insured Person is legally entitled to services and for which facilities are reasonably available to the Insured Person and payment for care for conditions that state or local law requires be treated in a public facility;
8. Experimental or investigational medicine;
9. Intentionally medically induced Qualifying Event, except in the case of Major Organ Transplant;
10. Cosmetic surgery;
11. Drug abuse or addiction including alcoholism, or overdose of drugs, narcotics, or hallucinogens, directly or indirectly;
12. An overdose of drugs, being intoxicated or under the influence of intoxicants, hallucinogens, narcotics or other drugs, directly or indirectly;
13. Directly or indirectly engaging in an illegal occupation or illegal activity or Your being incarcerated; or
14. Committing or trying to commit a felony.

Benefits will not be payable for:

1. A Qualifying Event, which First Occurs prior to an Insured Person's Effective Date of Coverage or within the Waiting Period as specified in the POLICY SCHEDULE – SCHEDULE OF BENEFITS;
2. Any Qualifying Event caused directly or indirectly by Acquired Immune Deficiency Syndrome (AIDS) or AIDS related complex;
3. Any condition that is not Diagnosed as a Qualifying Event, as defined herein;
4. Loss resulting from any other disease, sickness or incapacity, other than loss resulting from a Qualifying Event, as defined herein. This includes any other disease or incapacity which may have been complicated or directly or indirectly affected or caused by a Qualifying Event or as a result of treatment of a Qualifying Event; or
5. Any amounts in excess of the Lifetime Maximum Benefit Amount.

GENERAL PROVISIONS

Entire Contract

The Entire Contract consists of:

1. This Policy;
2. Any applications for the proposed insured individuals; and
3. Any endorsements, amendments or riders attached.

All statements made by You will, in the absence of fraud, be deemed representations and not warranties.

Only Our President, a Vice President or Secretary has the power on Our behalf to execute or amend the Policy. No other person will have the authority to bind Us in any manner. No agent may accept risks, alter or amend coverage or waive any provisions of the Policy. Any change in the Policy will be made by amendment and signed by Us. Changes made in the Policy that are mandated by state or federal law will not require the consent of any Insured Person.

Notice of Claim

Written notice of claim must be given to Us within 60 days, or as soon as possible. Written notice of claim given by or on behalf of the Insured Person to Us with information sufficient to identify such person will be considered notice to Us.

Claim Forms

When We receive the notice of claim, We will send the Insured Person forms for filing proof of loss. If these forms are not furnished within 15 days, the Insured Person will meet the proof of loss requirements by giving Us a written statement of the nature and extent of the loss within the time limit stated in the next provision.

Proof of Loss

Written proof of loss of a Qualifying Event must be furnished to Us at Our administrative office in North Richland Hills, Texas or any location as designated and communicated by Us, within 90 days after the date of the loss for which claim is made. Failure to furnish written proof of loss within that time will neither invalidate nor reduce any claim if it is shown that it was not reasonably possible to furnish written proof of loss within that time; provided such proof is furnished as soon as reasonably possible and in no event, in the absence of legal incapacity, later than one year from the time proof is otherwise required.

Time of Payment of Claims

Indemnities payable under this Policy for any loss other than loss for which this Policy provides any periodic payment will be paid upon receipt of proper written proof of loss. Subject to proper written proof of loss, all accrued indemnities for loss for which this Policy provides periodic payment will be paid monthly and any balance remaining unpaid upon the termination of liability will be paid upon receipt of proper written proof.

Payment of Claims

We will pay all benefits due under the Policy promptly upon receipt of proof of loss.

The First Occurrence Benefit Amount is payable to the Insured Person. Any accrued indemnities unpaid at the Insured Person's death may, at Our option, be paid to any beneficiary or to the estate of the Insured Person.

Physical Examination and Autopsy

We will, at Our own expense, have the right and opportunity to have the Insured Person whose Qualifying Event is the basis of a claim examined by a Legally Qualified Physician of Our choice when and as often as We may reasonably require during the pendency of a claim and to make an autopsy in case of death, unless prohibited by law.

Legal Action

No action at law or in equity will be brought to recover on the Policy prior to the expiration of 60 days after proof of loss has been filed as required by the Policy; nor will any action be brought after expiration of three years after the time written proof of loss is required to be furnished.

Age Misstatement

If the age of any Insured Person has been misstated, Our records will be changed to show the correct age. The benefits provided will not be affected if the Insured Person continues to be eligible for coverage at the correct age. However, premium adjustments, including collection of any premium due Us because of past underpayments, will be made so that We receive the premiums due at the correct age payable on the premium due date following Our notification of an age correction.

Incontestability

After 2 years from the effective date of an Insured Person's coverage, no misstatements, except fraudulent misstatements, made in the application will be used to void the coverage, or deny a claim unless loss was incurred during the first 2 years following such Insured Person's Effective Date of Coverage.

Other Insurance With Us

You may have only one Policy or certificate with Us providing lump sum indemnity benefits for a Specified Disease/Condition or a Major Organ Transplant. If through error, We issue more than one like Policy or certificate to You, only one Policy or certificate chosen by You or Your estate, as the case may be, will stay in force. We will return the money You paid for the other Policy(ies) or certificate(s).

Conformity

Any provision of this Policy which, on the Effective Date of Coverage, is in conflict with the statutes of the state in which You reside on such date, is hereby amended to conform to the minimum requirements of such statutes.