

SERFF Tracking Number: PRTA-126434706 State: Arkansas  
 Filing Company: Protective Life Insurance Company State Tracking Number: 44422  
 Company Tracking Number: VICKIE-SG-MGA-P  
 TOI: A03I Individual Annuities - Deferred Variable Sub-TOI: A03I.002 Flexible Premium  
 Product Name: SG-MGA-P  
 Project Name/Number: SG-MGA-P/SG-MGA-P

## Filing at a Glance

Company: Protective Life Insurance Company

Product Name: SG-MGA-P

TOI: A03I Individual Annuities - Deferred Variable

Sub-TOI: A03I.002 Flexible Premium

Filing Type: Form

SERFF Tr Num: PRTA-126434706 State: Arkansas

SERFF Status: Closed-Approved-Closed State Tr Num: 44422

Co Tr Num: VICKIE-SG-MGA-P

State Status: Approved-Closed

Reviewer(s): Linda Bird

Author: Vickie Jerkins

Disposition Date: 01/06/2010

Date Submitted: 12/29/2009

Disposition Status: Approved-Closed

Implementation Date:

Implementation Date Requested: 03/01/2010

State Filing Description:

## General Information

Project Name: SG-MGA-P

Project Number: SG-MGA-P

Requested Filing Mode: Review & Approval

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments: A substantially similar filing has been submitted to our domiciliary state of Tennessee as an IIPRC Compact Filing.

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact:

Group Market Type:

Filing Status Changed: 01/06/2010

Explanation for Other Group Market Type:

State Status Changed: 01/06/2010

Deemer Date:

Created By: Vickie Jerkins

Submitted By: Vickie Jerkins

Corresponding Filing Tracking Number:

Filing Description:

FORM NUMBER.....FORM TITLE

SG-MGA-P-1003..... Application for Modified Guaranteed Annuity Contract

SG-MGA-P-2003C..... Contract Cover Pages for Contract

SG-MGA-P-2003..... Individual Modified Guaranteed Annuity Contract

SG-MGA-P-2003SR-01.....Schedule Insert

SG-MGA-P-2003SR-02.....Schedule Insert



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death benefit equal to the adjusted contract value if an owner dies prior to the annuity date.

#### Schedule Insert Information:

Two versions of the Schedule Insert are submitted (SG-MGA-P-2003SR-01 and SG-MGA-P-2003SR-02). The difference can be found on Page B within the Withdrawal Charge Table. ONLY ONE SCHEDULE INSERT WILL BE PROVIDED FOR EACH CONTRACT ISSUED.

#### Mix and Match Information:

The only existing form currently planned for use with this product is the optional Lifetime Guaranteed Minimum Withdrawal Benefit Rider (form number IPD-2130). This rider filing was submit nationwide beginning December 21, 2009.

Required Filing Fees have been calculated and submitted via EFT.

If you are in need of further information to complete the review of this filing, I can be contacted via SERFF Notes, email at Vickie.Jerkins@protective.com or tollfree at 1-800-866-3555 ext. 5514.

## Company and Contact

### Filing Contact Information

Vickie Jerkins, Policy Contract Filing Specialist vickie.jerkins@protective.com  
2801 Highway 280 South 800-866-3555 [Phone] 5514 [Ext]  
Birmingham, AL 35223 205-268-3401 [FAX]

### Filing Company Information

Protective Life Insurance Company CoCode: 68136 State of Domicile: Tennessee  
2801 Highway 280 Group Code: 458 Company Type:  
Birmingham, AL 35223 Group Name: State ID Number:  
(800) 866-3555 ext. [Phone] FEIN Number: 63-0169720

## Filing Fees

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

SERFF Tracking Number: PRTA-126434706 State: Arkansas  
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TOI: A031 Individual Annuities - Deferred Variable Sub-TOI: A031.002 Flexible Premium  
Product Name: SG-MGA-P  
Project Name/Number: SG-MGA-P/SG-MGA-P

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Protective Life Insurance Company	\$50.00	12/29/2009	33156048

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	01/06/2010	01/06/2010

### 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	Linda Bird	01/05/2010	01/05/2010	Vickie Jerkins	01/06/2010	01/06/2010

*SERFF Tracking Number:*      *PRTA-126434706*                      *State:*                      *Arkansas*  
*Filing Company:*              *Protective Life Insurance Company*              *State Tracking Number:*      *44422*  
*Company Tracking Number:*      *VICKIE-SG-MGA-P*  
*TOI:*                      *A03I Individual Annuities - Deferred Variable*      *Sub-TOI:*                      *A03I.002 Flexible Premium*  
*Product Name:*              *SG-MGA-P*  
*Project Name/Number:*      *SG-MGA-P/SG-MGA-P*

## **Disposition**

Disposition Date: 01/06/2010

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: PRTA-126434706 State: Arkansas  
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 TOI: A031 Individual Annuities - Deferred Variable Sub-TOI: A031.002 Flexible Premium  
 Product Name: SG-MGA-P  
 Project Name/Number: SG-MGA-P/SG-MGA-P

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		No
Supporting Document	Life & Annuity - Actuarial Memo		No
Supporting Document	Statement of Variability		Yes
Supporting Document	Regulation 59 Certification		Yes
Form	Application for Modified Guaranteed Annuity Contract		Yes
Form	Contract Cover Pages for Individual Modified Guaranteed Annuity		Yes
Form	Individual Modified Guaranteed Annuity Contract		Yes
Form	Schedule Insert		Yes
Form	Schedule Insert		Yes

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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 01/05/2010  
Submitted Date 01/05/2010  
Respond By Date 02/05/2010

Dear Vickie Jerkins,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Filings of variable contracts must be accompanied by a certification that Regulation 33, in particular Articles VI, VII, IX and XI, has been reviewed and that the company is in compliance. Although Regulation 33 is specifically addressed to variable life, many of the same concerns affect variable annuities and the regulation should be satisfied in as far as it applies to annuities.

Please feel free to contact me if you have questions.

Sincerely,

Linda Bird

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## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 01/06/2010  
Submitted Date 01/06/2010

Dear Linda Bird,

### Comments:

Thank you for your time in the initial processing / review of the referenced filing.

### Response 1

Comments: We appreciate the Department's position regarding an appropriate certification of compliance with Arkansas law. Please note our enclosed "Certification of Compliance" with Arkansas Rule and Regulation 59, relating to modified guaranteed annuities as our proposed response to your most recent request.

### Related Objection 1

Comment:

Filings of variable contracts must be accompanied by a certification that Regulation 33, in particular Articles VI, VII, IX and XI, has been reviewed and that the company is in compliance. Although Regulation 33 is specifically addressed to variable life, many of the same concerns affect variable annuities and the regulation should be satisfied in as far as it applies to annuities.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Regulation 59 Certification

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

If you are in need of additional information, please do not hesitate to contact me.

Thank you.

Vickie Jerkins

Email: Vickie.Jerkins@protective.com

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*Product Name:*              *SG-MGA-P*  
*Project Name/Number:*      *SG-MGA-P/SG-MGA-P*  
**Tollfree: 1-800-866-3555 x 5514**

Sincerely,  
Vickie Jerkins

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## Form Schedule

### Lead Form Number: SG-MGA-P-1003

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	SG-MGA-P-1003	Application/ Enrollment Form	Application for Modified Guaranteed Annuity Contract	Initial		0.000	SG-MGA-P-1003 (Application).pdf
	SG-MGA-P-2003C	Policy Jacket	Contract Cover Pages for Individual Modified Guaranteed Annuity	Initial		0.000	SG-MGA-P-2003C (Cover Pages).pdf
	SG-MGA-P-2003	Policy/Contract Certificate: Amendment, Insert Page, Endorsement or Rider	Individual Modified Guaranteed Annuity Contract	Initial		0.000	SG-MGA-P-2003 (Contract Pages).pdf
	SG-MGA-P-2003SR-01	Schedule Pages	Schedule Insert	Initial		0.000	SG-MGA-P-2003SR-01 (Schedule).pdf
	SG-MGA-P-2003SR-02	Schedule Pages	Schedule Insert	Initial		0.000	SG-MGA-P-2003SR-02 (Schedule).pdf



[ **Contract Options - Not Required. Select the options to be included in your Contract. ]**

[  **SecurePay Lifetime Guaranteed Minimum Withdrawal Benefit** ]

**Replacement**

Do you currently have an annuity contract or life insurance policy?  Yes  No

Will this annuity change or replace an existing annuity contract or life insurance policy?  Yes  No

*(If yes, please provide the company name and contract or policy number below.)*

Company 1 \_\_\_\_\_ Contract or Policy # \_\_\_\_\_

Company 2 \_\_\_\_\_ Contract or Policy # \_\_\_\_\_

Company 3 \_\_\_\_\_ Contract or Policy # \_\_\_\_\_

**Special Remarks**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Signatures**

I understand this application will be part of the annuity Contract. The information I provide is true and correct to the best of my knowledge and belief. The Company will treat my statements as representations and not warranties. The Company may accept instructions from any Owner on behalf of all Owners. If this application is declined, the Company shall have no liability except to return my Purchase Payments. **I understand the Contract includes a market value adjustment, which may increase or decrease its surrender value.**

***Annuities involve risk, including the possible loss of principal.***

Application signed at: (City & State) \_\_\_\_\_ on (Date) \_\_\_\_\_.

Owner 1: \_\_\_\_\_ Owner 2: \_\_\_\_\_ Annuitant: \_\_\_\_\_

***We may request or obtain additional information to establish or verify your identity.***

**[ IMPORTANT NOTICE**

Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law. ]

**Producer Report**

To the best of your knowledge and belief, does the applicant have any existing life insurance policy or annuity contract?  Yes  No

To the best of your knowledge and belief, does this annuity purchase change or replace any existing annuity or life insurance?  Yes  No

I have given a current prospectus to the applicant/owner prior to taking this application.  Yes  No

I determined the suitability of this annuity product to the applicant's financial objectives and situation by inquiring into the applicant's:

financial status  tax status  investment objectives  other relevant information

\* *Comments:* \_\_\_\_\_

Type of unexpired government-issued photo I.D used to verify the applicant's identity? \_\_\_\_\_ # \_\_\_\_\_

I certify that I have truly and accurately recorded the information provided to me by the applicant on this annuity application.

Sign Producer Name: \_\_\_\_\_ Print Producer Name: \_\_\_\_\_

Producer #: \_\_\_\_\_ Agency /Brokerage: \_\_\_\_\_

Producer Phone #: \_\_\_\_\_



**INDIVIDUAL MODIFIED GUARANTEED ANNUITY CONTRACT  
MARKET VALUE ADJUSTMENT  
(Non-Participating)**

Protective Life Insurance Company agrees to provide the benefits described in this Contract. The Contract alone governs the rights of the parties.

**THIS IS A MODIFIED GUARANTEED ANNUITY**

Withdrawals from a Sub-Account prior to its Maturity Date are subject to a market value adjustment that may decrease or increase the Withdrawal Value, or the amount applied to an Annuity Option on any date other than the Annuity Date. The market value adjustment will not apply to:

- ◆ Distribution of a Sub-Account's Maturity Value on, or within 30 days after its Maturity Date
- ◆ The Sub-Account's annual free withdrawal amount
- ◆ Withdrawals from a Liquidity Sub-Account
- ◆ Annuitization of the Contract Value on the Annuity Date

**GUARANTEE PERIODS**

Interest is credited to the Contract based, in part, on the Guarantee Periods to which your Contract Value is allocated. The availability of the Guarantee Periods is determined by the Company in its sole discretion. The Guarantee Periods shown on the application may be available only for the initial term.

**RIGHT TO CANCEL**

YOU HAVE THE RIGHT TO RETURN THIS CONTRACT. You may cancel this Contract within [ ten (10) ] days after you receive it by returning it to our administrative office, or to the agent who sold it to you, with a written request for cancellation. Return by mail is effective on being post-marked, properly addressed and postage pre-paid. Upon cancellation, we will promptly return the Contract's Adjusted Value.

[  ]  
[ President ]

[  ]  
[ Secretary ]

**THIS IS A LEGALLY BINDING CONTRACT - READ IT CAREFULLY**

**Administrative Office:**

PROTECTIVE LIFE INSURANCE COMPANY

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

[ 2801 Highway 280 South, Birmingham, Alabama 35223

P. O. Box 1928, Birmingham, Alabama 35282-8238

(800) 456-6330 ]

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Will be needed in production only if necessary to force  
"back page" text to the reverse in a two-sided print process.



Nashville, Tennessee  
(A Stock Insurance Company)

**INDIVIDUAL MODIFIED GUARANTEED ANNUITY CONTRACT  
MARKET VALUE ADJUSTMENT  
(Non-Participating)**

**THIS IS A LEGALLY BINDING CONTRACT - READ IT CAREFULLY**

***Administrative Office:***

PROTECTIVE LIFE INSURANCE COMPANY

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

[ 2801 Highway 280 South, Birmingham, Alabama 35223

P. O. Box 1928, Birmingham, Alabama 35282-8238

(800) 456-6330 ]

## DEFINITIONS

**Adjusted Value:** On or prior to the Annuity Date, the value of an amount distributed from the Contract after application of the market value adjustment and deduction of any applicable premium tax.

**Anniversary:** The same month and day as the Issue Date or an Effective Date each calendar year.

**Annuity Date:** The date as of which the Contract Value, less applicable premium tax, is applied to an Annuity Option.

**Annuity Option:** The payout option pursuant to which the Company makes annuity income payments.

**Constant Maturity Treasury Rates:** The yields resulting from the closing bids on actively traded U. S. Treasury securities in the over-the-counter market.

**Contract Value:** The sum of all the Sub-Account values on, or prior to the Annuity Date.

**Effective Date:** The date as of which a Sub-Account is established.

**Guarantee Period:** The duration of a declared interest rate guarantee.

**Issue Date:** The date as of which the initial Purchase Payment is credited to the Contract and the date the Contract takes effect. It is shown on the Schedule.

**Liquidity Sub-Account:** A Sub-Account with a 1-Year Guarantee Period, no withdrawal charges, and no market value adjustment.

**Maturity Date:** The last day of a Sub-Account's Guarantee Period and the date on which a declared interest rate guarantee expires.

**Maturity Value:** The value of a Sub-Account on its Maturity Date.

**Purchase Payment:** Amounts paid by the Owner and accepted by the Company as consideration for the Contract.

**Sub-Account:** A discrete subdivision of the Contract used to account for transactions associated with a specific allocation under the Contract.

**Sub-Account Year:** Any 12-month period beginning on the Sub-Account's Effective Date or a subsequent Sub-Account Anniversary.

**Withdrawal Value:** The amount we pay in response to a request for a withdrawal or surrender.

**Written Notice:** A request or instruction submitted in writing in a form satisfactory to the Company and received at the Company's administrative office.

## PARTIES TO THE CONTRACT

**Company** – Protective Life Insurance Company, also referred to as "Protective Life", "the Company", "we", "us" and "our".

**Owner** – The person or persons who own the Contract and are entitled to exercise all rights and privileges provided in the Contract. A Contract may be issued to no more than two Owners. Individuals as well as non-natural persons, such as corporations or trusts, may be Owners. If any Owner is not an individual, Contract provisions that refer to the Owner will apply to the Annuitant. The Owner is referred to as "you" and "your".

**Change of Owner** – The Owner may be changed by Written Notice provided the new Owner's 96<sup>th</sup> birthday is on or after the Annuity Date.

**Beneficiary** – The person or persons who may receive the benefits of this Contract upon the death of an Owner.

*Primary* - The Primary Beneficiary is the surviving Owner, if any. If there is no surviving Owner, the Primary Beneficiary is the person or persons designated by the Owner and named in our records.

*Contingent* - The Contingent Beneficiary is the person or persons designated by the Owner and named in our records to be Beneficiary if the Primary Beneficiary is not living.

If no Beneficiary designation is in effect or if no Beneficiary is living at the time of an Owner's death, the Beneficiary will be the estate of the deceased Owner. If an Owner dies on or after the Annuity Date, the Beneficiary will become the new Owner.

**Change of Beneficiary** – Unless designated irrevocably, you may change the Beneficiary by Written Notice prior to the death of any Owner. An irrevocable Beneficiary is one whose written consent is needed before you can change the Beneficiary designation or exercise certain other rights.

**Annuitant** – The person on whose life annuity income payments may be based. Owner 1 is the Annuitant unless you designate another person as the Annuitant.

**Change of Annuitant** – You may change the Annuitant by Written Notice prior to the Annuity Date. However, if any Owner is not an individual the Annuitant may not be changed. You may not designate an Annuitant whose 96<sup>th</sup> birthday is prior to the Annuity Date.

**Payee** – The person or persons designated by the Owner to receive the annuity income payments under the Contract. The Annuitant is the Payee unless you designate another party as the Payee. You may change the Payee at any time.

## GENERAL PROVISIONS

**Entire Contract** – This Contract and its attachments, including a copy of your application and any riders, endorsements and amendments, constitute the entire agreement between you and us. Statements in the application are considered representations and not warranties.

**Modification of the Contract** – No one is authorized to modify or waive any term or provision of this Contract unless we agree to the modification or waiver in writing and it is signed by our President, Vice-President or Secretary. We reserve the right to change or modify the provisions of this Contract to conform to any applicable laws, rules or regulations issued by a government agency or to assure continued qualification of the Contract as an annuity contract under the Internal Revenue Code. We will obtain all necessary regulatory approvals and will send you a copy of the endorsement that modifies the Contract.

**Non-Participating** – This Contract does not share in our surplus or profits, or pay dividends.

**Incontestability** – We will not contest this Contract after it is issued.

**Application of Law** – The provisions of the Contract are to be interpreted in accordance with the Internal Revenue Code.

**Form Approval** – This Contract was approved by the Insurance Regulatory authority of the state in which it is issued for delivery and its provisions conform to the requirements of that state.

**Assignment** – You have the right to assign your interest in this Contract. We do not assume responsibility for the assignment. Any claim made while the Contract is assigned is subject to proof of the nature and extent of the assignee's interest prior to payment.

**Protection of Proceeds** – To the extent permitted by law and except as provided by an assignment, no benefits payable under this Contract will be subject to the claims of creditors.

**Interest Rates** – We, in our sole discretion, establish the interest rates for the Contract but we will not declare a rate that is less than the non-forfeiture interest rate. When setting interest rates, we may recognize different classes of Sub-Accounts. We determine the class criteria equitably and apply them uniformly to the Contracts. Because interest rates vary from time to time, equal amounts allocated to Sub-Accounts of the same class and Guarantee Period at different times may earn interest at different rates.

**Minimum Values** – Values available under the Contract, including any paid-up annuity, withdrawal and death benefit, are at least equal to the minimum required by the laws of the state in which the Contract is issued for delivery.

**Reports** – At least annually prior to the Annuity Date, we will prepare a statement showing: the amount and derivation of the Contract and Withdrawal Values as of the statement beginning and end dates; the Sub-Account values as of those dates; a reconciliation of all transactions that occurred during the statement period; and, any other information required by law. We will send it to you, at the address contained in our records, not more than 31 days after the statement end date. Additional statements are available upon request at no charge.

**Error in Age or Gender** – When a Contract benefit, or any charge or fee is contingent upon any person's age or gender, we may require proof of such. We may suspend any payment due until proof is provided. When we receive satisfactory proof, we will make the payments that became due during the period of suspension.

If after proof of age and gender is provided, it is determined that the previous information you furnished was not correct, we will adjust the benefits, charges, or fees to those that would result based upon the correct information. If we have underpaid a benefit because of the error, we will make up the underpayment in a lump sum. If the error resulted in an overpayment, we will deduct the amount of the overpayment from the Contract Value or from any current or future payment due under the Contract. Underpayments and overpayments will bear interest at an annual effective interest rate of 3%.

Where the use of unisex mortality rates is required, we will not make any determination or adjustment based upon gender.

**Settlement** – Benefits due under this Contract are payable from our administrative office and may be applied to any option we offer for such payments at the time the election is made. Unless directed otherwise by Written Notice, we will make payments according to the instructions contained in our records at the time the payment is made. We shall be discharged from all liability for payment to the extent of any payments we make.

**Receipt of Payment** – If any Owner, Annuitant, Beneficiary or Payee is incapable of giving a valid receipt for any payment, we may make such payment to whomever has legally assumed her or his care and principal support. Any such payment shall fully discharge us to the extent of that payment.

**Premium Tax** – Premium tax will be deducted, if applicable. Premium tax may be deducted from a Purchase Payment when accepted, from the Withdrawal Value, from the death benefit, or from amounts applied to an Annuity Option.

**Written Notice** – All instructions regarding the Contract, and all requests to change or assign it, must be by Written Notice. The Written Notice is effective as of the date it was signed; however, we are not responsible for following any instruction or making any change or assignment before we actually receive the Written Notice.

## **PURCHASE PAYMENTS**

**Purchase Payments** – Purchase Payments are payable at our administrative office. They shall be made by check payable to the Company or by any other method we allow. Specific Purchase Payment limitations are shown in the "Contract Specifications and Limits" section of the Schedule. We reserve the right not to accept any Purchase Payment.

**Initial Purchase Payment** – A Purchase Payment associated with the application that is received at our administrative office within 60 days of the Issue Date.

**Allocation of Purchase Payments** – You allocate a Purchase Payment to one or more of the Guarantee Periods available at the time by including a Written Notice telling us the amount to allocate to each. You may not allocate to any Guarantee Period that extends beyond the Annuity Date then in effect. We allocated the Initial Purchase Payment received by the Issue Date according to the instructions on the application, as shown in the "Initial Purchase Payment Allocation" table on the Schedule.

**No Default** – You are not required to make any additional Purchase Payments.

## SUB-ACCOUNTS AND INTEREST CREDITING

**Establishing a Sub-Account** – We establish a separate Sub-Account for each allocation to a Guarantee Period. A Sub-Account may be established with a Purchase Payment, or with all or part of an existing Sub-Account's Maturity Value. We credit interest to each Sub-Account daily at a rate that when compounded yields an annual effective interest rate equal to its declared interest rate. The Sub-Account earns interest at that rate for the entire Guarantee Period, unless the Sub-Account is terminated earlier.

The minimum amount you must allocate to establish a Sub-Account is shown in the "Contract Specifications and Limits" section of the Schedule.

**Sub-Account Value** – Prior to the Annuity Date, the value of a Sub-Account is equal to:

- a) the amount allocated to the Sub-Account on its Effective Date; plus,
- b) interest credited to the Sub-Account; minus,
- c) withdrawals from the Sub-Account including associated withdrawal charges and premium tax, if any; plus or minus,
- d) the dollar amount of any market value adjustment associated with each withdrawal prior to the Sub-Account's Maturity Date.

**Sub-Account Maturity** – At least 15, but not more than 45 days before a Sub-Account matures, we will send you a maturity notice at the address contained in our records. The notice will indicate the Maturity Date and projected Maturity Value. It will request your instructions regarding the distribution of the Maturity Value.

Anytime on or during the 30-day period following the Sub-Account's Maturity Date, you may take all or part of its Maturity Value in a lump sum, or may allocate all or part of that amount to one or more of the renewal Guarantee Periods available at that time. You may not allocate to any Guarantee Period that extends beyond the Annuity Date then in effect.

In addition to the other renewal options that may be available, we will always offer a Liquidity Sub-Account exclusively for allocations of part or all of a Sub-Account's Maturity Value.

If we do not receive your instructions regarding the distribution of the Maturity Value by the end of the 30-day period following the Maturity Date, we will allocate the entire amount to the Default Renewal Guarantee Period shown in the "Contract Specifications and Limits" section of the Schedule, as of the Maturity Date.

**Transfers Among Sub-Accounts** – You may not transfer amounts among existing Sub-Accounts, but you may use all or a portion of the value in a Liquidity Sub-Account to establish one or more new Sub-Accounts.

**Terminating a Sub-Account** – A Sub-Account terminates on its Maturity Date, or earlier if the Sub-Account Value is equal to \$0 prior to that date.

## SURRENDERS AND WITHDRAWALS

**Surrenders** – You may surrender your Contract any time prior to the Annuity Date for its Withdrawal Value.

**Withdrawals** – You may request a withdrawal prior to the Annuity Date provided:

- a) the amount requested is at least equal to the minimum withdrawal amount;
- b) the Contract Value immediately after the withdrawal is at least equal to the minimum initial Purchase Payment; and,
- c) the value of each remaining Sub-Account is at least equal to the minimum allocation per Sub-Account;

all as shown in the "Contract Specifications and Limits" section of the Schedule.

Your Written Notice requesting a withdrawal must specify the Sub-Account(s) from which it is to be taken and any other information we need to complete the payment to you.

**Free Withdrawal Amount** – Anytime after a Sub-Account's first Anniversary, you may withdraw all or a portion of its free withdrawal amount each Sub-Account Year. The Sub-Account's annual free withdrawal amount is shown in the "Contract Specifications and Limits" section of the Schedule. No withdrawal charge or market value adjustment applies to aggregate annual withdrawals from a Sub-Account that do not exceed its free withdrawal amount.

**Interest Withdrawals** – Anytime before the Annuity Date, you may instruct us to automatically withdraw interest from one or more Sub-Accounts as it accrues on a monthly, quarterly, semi-annual or annual basis. Your Written Notice must specify the Sub-Account(s) from which interest withdrawals are to be taken, the withdrawal frequency, and all information necessary to complete the payments to you. No withdrawal charge or market value adjustment applies to automatic interest withdrawals from a Sub-Account before its first Anniversary or to any automatic interest withdrawals from a Sub-Account that, when aggregated with other withdrawals during the same Sub-Account Year, do not exceed its free withdrawal amount.

**Calculating the Withdrawal Charge** – A separate withdrawal charge applies to each Sub-Account from which a withdrawal is taken. We calculate the withdrawal charge by multiplying the applicable withdrawal charge percentage by the withdrawal requested, less the Sub-Account's available free withdrawal amount, if any. The withdrawal charge percentage is based on the number of complete years since the Sub-Account's Effective Date and is shown in the "Withdrawal Charge Table" on the Schedule. No withdrawal charges apply on, or during the 30-day period following the Sub-Account's Maturity Date; or to amounts withdrawn or transferred from a Liquidity Sub-Account, paid as the death benefit, or applied to an Annuity Option.

**Calculating the Market Value Adjustment** – A separate market value adjustment applies to each Sub-Account from which a withdrawal is taken. We calculate the market value adjustment by multiplying the applicable MVA percentage by the withdrawal amount requested, less the Sub-Account's available free withdrawal amount, if any. The MVA percentage is derived from the formula in the "Market Value Adjustment" section of the Schedule. No market value adjustment will apply: on, or during the 30-day period following the Sub-Account's Maturity Date; to amounts withdrawn or transferred from a Liquidity Sub-Account; or, to annuitization of the Contract Value on the Annuity Date.

**Withdrawal Value** – The amount we pay in response to a withdrawal request is equal to:

- a) the amount deducted from the Sub-Account value; minus,
- b) the applicable withdrawal charge and premium tax, if any; plus or minus,
- c) the dollar amount of any market value adjustment.

If the withdrawal request involves more than one Sub-Account, the total Withdrawal Value is the sum of the Withdrawal Values of all the Sub-Accounts from which the withdrawal request was processed.

**Suspension or Delay in Payment of Surrender or Withdrawal** - We may delay payment of a surrender or withdrawal request for up to six months where permitted or required. We will pay interest on the delayed payments only as required under applicable state law.

## **DEATH BENEFIT**

**Death of an Owner** – If an Owner dies before the Annuity Date while this Contract is in force, we will pay the death benefit to the Beneficiary. If an Owner dies on or after the Annuity Date, the Beneficiary will become the new Owner and remaining payments must be distributed at least as rapidly as under the Annuity Option in effect at the time of the Owner's death.

**Death of the Annuitant** – If the Annuitant is not an Owner and dies prior to the Annuity Date, Owner 1 will become the new Annuitant unless you designate otherwise. If any Owner is not an individual, we will treat the death of the Annuitant as the death of an Owner.

**Death Benefit** – The death benefit is the Contract's Adjusted Value as of the date we receive due proof of death. This may be more or less than the Contract Value on that date.

Only one death benefit is payable under this Contract, even though the Contract may, in some circumstances, continue beyond an Owner's death.

**Payment of the Death Benefit** – Unless an Owner has previously designated otherwise by Written Notice, the death benefit may be taken in one sum immediately and the Contract will terminate. If the death benefit is not taken in one sum immediately, the entire interest in the Contract must be distributed under one of the following options:

- a) the entire interest must be distributed over the life of the Beneficiary, or over a period not extending beyond the life expectancy of the Beneficiary, with distribution beginning within one year of the deceased Owner's death; or,
- b) the entire interest must be distributed within 5 years of the deceased Owner's death.

If there is more than one Beneficiary, the foregoing provisions apply to each Beneficiary individually.

If the Beneficiary is the deceased Owner's spouse, the surviving spouse may elect, in lieu of receiving the death benefit, to continue the Contract and become the new Owner provided the deceased Owner's spouse meets all the requirements in the "Change of Owner" provision. The surviving spouse may then select a new Beneficiary. Upon the surviving spouse's death, the Beneficiary may take the death benefit in one sum immediately and the Contract will terminate. If not taken in one sum immediately, the death benefit must be distributed to the Beneficiary according to either paragraph (a) or (b), above.

We will pay the death benefit as soon as administratively possible after we receive a claim in good order and due proof of death. We pay interest on the death benefit only as required under applicable state law.

Notwithstanding any other Contract provision to the contrary, the entire "DEATH BENEFIT" section of this Contract shall be interpreted to comply with the requirements of §72(s) of the Internal Revenue Code. We will endorse this Contract as necessary to conform to regulatory requirements. We will obtain all necessary regulatory approvals and will send you a copy of the endorsement.

## ANNUITIZATION

**Annuity Date** – On the Issue Date, the Annuity Date is the Contract Anniversary following the oldest Owner's or Annuitant's 95<sup>th</sup> birthday and is shown on the Schedule. The Owner may change the Annuity Date by Written Notice. The proposed Annuity Date must be at least 30 days beyond the date the request is received by the Company. You may not select an Annuity Date that occurs before the Maturity Date of any existing Sub-Account or after the Contract Anniversary following the oldest Owner's or Annuitant's 95<sup>th</sup> birthday without our consent.

If this Contract is in force on the Annuity Date, you may take the Contract Value, less any applicable premium tax, in a lump sum or apply that amount to the Annuity Option you select and establish annuity income payments.

When permitted under applicable law and within our administrative capacities to meet all regulatory requirements, and with our prior consent, you may apply any portion of Contract's Adjusted Value to an Annuity Option on any date other than the Annuity Date provided that date occurs after the Sub-Account's third Anniversary.

**Selection of Annuity Option** – You may select an Annuity Option, or change your selection by Written Notice received by the Company not later than 30 days before the Annuity Date. If you have not selected an Annuity Option by the end of the 30-day period following the Annuity Date, we will apply your Contract Value, less any applicable premium tax, under Option B - Life Income with Payments for a 10-Year Certain Period.

**Annuity Options** – You may select from among the following Annuity Options.

**OPTION A - PAYMENTS FOR A CERTAIN PERIOD:** We will make income payments for the period you select from among those available at the time you make your selection. No certain period may be less than 10 years without our consent. Payments under this Annuity Option do not depend on the life of an Annuitant.

**OPTION B - LIFE INCOME WITH OR WITHOUT A CERTAIN PERIOD:** Payments are based on the life of an Annuitant. We reserve the right to demand proof that the Annuitant is living prior to making any income payment.

If you include a certain period, we will make payments for the lifetime of the Annuitant, with payments guaranteed for the certain period you select. No certain period may be less than 10 years without our consent. Payments stop at the end of the selected certain period or when the Annuitant dies, whichever is later. If no certain period is selected, payments will stop upon the death of the Annuitant no matter how few or how many payments have been made.

**ADDITIONAL OPTION:** You may purchase any annuity option we offer on the date this option is elected.

**Minimum Amounts** – If your Contract Value on the Annuity Date is less than Minimum Initial Purchase Payment shown in the "Contract Specifications and Limits" section of the Schedule, we reserve the right to pay the Contract Value in one lump sum. If at any time your annuity income payments are less than \$20, we reserve the right to change their frequency to an interval that will result in a payment at least equal to that amount.

**Guaranteed Purchase Rates** – The guaranteed interest basis for fixed income payments is 1.00%. The mortality basis is 60% of the Annuity 2000 Mortality Table projected 9 years using the annual projection factors associated with the 1983 Individual Annuitant Mortality Table. One year will be deducted from the attained age of the Annuitant for every 3 completed years beyond the year 2009. Upon request, we will furnish you the guaranteed purchase rates for ages and periods not shown below. Annuity benefits available on the Annuity Date will not be less than those provided by the application of an equivalent amount to the purchase of a single premium immediate annuity contract offered by us on the Annuity Date to the same class of Annuitants for the same Annuity Option.

### FIXED ANNUITY TABLES

These tables illustrate the minimum fixed monthly annuity payment rates for each \$1,000 applied.

**OPTION A TABLE**

Payments for a  
Certain Period

**OPTION B TABLE**

Life Income with or without a  
Certain Period

<u>Years</u>	<u>Monthly Payment</u>	<u>Age of Annuitant</u>	<u>Life Only</u>		<u>Life with 10 Year Certain Period</u>	
			<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
10	8.76	60	2.99	2.75	2.97	2.74
15	5.98	65	3.44	3.14	3.40	3.12
20	4.60	70	4.05	3.67	3.94	3.61
25	3.77	75	4.85	4.40	4.62	4.27
30	3.21	80	5.95	5.44	5.43	5.10
		85	7.46	6.92	6.32	6.05
		90	9.52	8.98	7.19	6.99
		95	12.31	11.65	7.96	7.81

[ PRODUCT NAME ] SCHEDULE

CONTRACT NUMBER

ISSUE DATE

OWNER 1

BIRTH DATE OF OWNER 1

OWNER 2

BIRTH DATE OF OWNER 2

ANNUITANT

BIRTH DATE OF ANNUITANT

BENEFICIARY

As contained in our records

ANNUITY DATE

AGENT

[ Agent Name ]

[ Agency ]

[ Agent Address 1 ]

[ Agent Address 2 ]

[ C, S, Z ]

[ Phone # ]

INSURANCE REGULATORY AUTHORITY

[ State Department of Insurance ]

[ DOI phone number ]

[ DOI web address ]

TAX-QUALIFIED STATUS

[ Non-Qualified ]

INITIAL PURCHASE PAYMENT ALLOCATION AS OF THE ISSUE DATE

Initial Purchase Payment applied on the Issue Date: [ \$10,000 ]

<u>Sub-Account</u>	<u>Guarantee Period</u>	<u>Maturity Date</u>	<u>Amount Allocated</u>	<u>Declared Interest Rate</u>	<u>Initial MVA Rate</u>
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## CONTRACT SPECIFICATIONS AND LIMITS

<b>Purchase Payments:</b>	The assets supporting this contract are aggregated and managed in a non-unitized separate account that has been established to facilitate investment accounting. This separate account is subject to our general obligations and liabilities.
<b>Minimum Initial Purchase Payment:</b>	[ \$10,000 ]
<b>Additional Purchase Payments</b>	Not permitted on or after the oldest Owner's or Annuitant's 86 <sup>th</sup> birthday
<b>Minimum Additional Purchase Payment:</b>	[ \$10,000 ]
<b>Maximum Aggregate Purchase Payments:</b>	[ \$1,000,000 ]
<b>Minimum Allocation per Sub-Account:</b>	[ \$10,000 ]
<b>Default Renewal Guarantee Period:</b>	[ Liquidity Sub-Account ]
<b>Minimum Withdrawal Amount:</b>	[ \$100 ]
<b>Annual Sub-Account Free Withdrawal Amount:</b>	[ Interest Credited during the prior Sub-Account Year ]
<b>Non-Forfeiture Interest Rate on the Issue Date:</b>	[ 1.00% ]

This is the Non-Forfeiture Interest Rate for Sub-Accounts established on the Issue Date. For Sub-Accounts established after that date, the Non-Forfeiture Interest Rate will be identified each year by taking the 5-Year Constant Maturity Treasury Rate as of January 31, subtracting 1.25% and rounding the result to the nearest 0.05%, but will not be less than 1.00% nor more than 3.00%. The Non-Forfeiture Interest Rate thus identified is the Minimum Interest Rate for every Sub-Account established during the annual period beginning on May 1 of the calendar year in which the rate was identified and ending on April 30 of the following calendar year. Re-determination of the Non-Forfeiture Interest Rate has no effect on any existing Sub-Account.

## WITHDRAWAL CHARGE TABLE

<u>Number of Complete Years Elapsed Since the Sub-Account's Effective Date</u>	<u>Withdrawal Charge Percentage</u>
0	10%
1	9%
2	8%
3	7%
4	6%
5	5%
6	4%
7	3%
8	2%
9	1%
10+	0%

## **MARKET VALUE ADJUSTMENT**

The Market Value Adjustment Percentage ("MVA percentage") for each Sub-Account is  $(C - I) \times (N/365)$ , where:

- C** = the Sub-Account's current MVA Rate, which is the MVA Rate in effect on the withdrawal date.
- I** = the Sub-Account's initial MVA Rate, which is the MVA Rate in effect on the Sub-Account's effective date.
- N** = the number of days remaining from the withdrawal date until the end of the Withdrawal Charge Period.

If the current MVA Rate is *higher* than the initial MVA Rate, the market value adjustment will *reduce* the Withdrawal Value. If the current MVA Rate is *lower* than the initial MVA Rate, the market value adjustment will *increase* the Withdrawal Value.

The MVA Rates are calculated for each Sub-Account at the end of each business day. The MVA Rate for any Sub-Account is equal to the sum of:

- a. The Constant Maturity Treasury Rate for a duration equal to the Withdrawal Charge Period; plus,
- b. The Protective Life Option Adjusted Spread Index ("PLOAS Index") for the same duration. When calculating a Sub-Account's **initial** MVA Rate, the PLOAS Index will never exceed [ 3.00% ].

The PLOAS Index is a proprietary composite index based on the option adjusted spreads of eight fixed income indices determined by Barclays Capital Inc. We have the right to change the relative weightings used to calculate the PLOAS Index on a prospective basis. The change will be based on our actual or anticipated experience. Any such change will not affect the MVA Rate calculation for any Sub-Account established prior to the change.

**Discontinuation of or Substantial Change in a Component of the MVA Rate:** If Constant Maturity Treasury Rates or the Barclays Capital fixed income indices are no longer available to us, or if the manner in which they are determined is substantially changed, we will substitute equivalent rates or indices subject to prior approval by the IIPRC. We will send you a Contract endorsement describing the substitution prior to the date it becomes effective.

[ PRODUCT NAME ] SCHEDULE

CONTRACT NUMBER

ISSUE DATE

OWNER 1

BIRTH DATE OF OWNER 1

OWNER 2

BIRTH DATE OF OWNER 2

ANNUITANT

BIRTH DATE OF ANNUITANT

BENEFICIARY

As contained in our records

ANNUITY DATE

AGENT

[ Agent Name ]

[ Agency ]

[ Agent Address 1 ]

[ Agent Address 2 ]

[ C, S, Z ]

[ Phone # ]

INSURANCE REGULATORY AUTHORITY

[ State Department of Insurance ]

[ DOI phone number ]

[ DOI web address ]

TAX-QUALIFIED STATUS

[ Non-Qualified ]

INITIAL PURCHASE PAYMENT ALLOCATION AS OF THE ISSUE DATE

Initial Purchase Payment applied on the Issue Date: [ \$10,000 ]

<u>Sub-Account</u>	<u>Guarantee Period</u>	<u>Maturity Date</u>	<u>Amount Allocated</u>	<u>Declared Interest Rate</u>	<u>Initial MVA Rate</u>
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## CONTRACT SPECIFICATIONS AND LIMITS

<b>Purchase Payments:</b>	The assets supporting this contract are aggregated and managed in a non-unitized separate account that has been established to facilitate investment accounting. This separate account is subject to our general obligations and liabilities.
<b>Minimum Initial Purchase Payment:</b>	[ \$10,000 ]
<b>Additional Purchase Payments</b>	Not permitted on or after the oldest Owner's or Annuitant's 86 <sup>th</sup> birthday
<b>Minimum Additional Purchase Payment:</b>	[ \$10,000 ]
<b>Maximum Aggregate Purchase Payments:</b>	[ \$1,000,000 ]
<b>Minimum Allocation per Sub-Account:</b>	[ \$10,000 ]
<b>Default Renewal Guarantee Period:</b>	[ Liquidity Sub-Account ]
<b>Minimum Withdrawal Amount:</b>	[ \$100 ]
<b>Annual Sub-Account Free Withdrawal Amount:</b>	[ Interest Credited during the prior Sub-Account Year ]
<b>Non-Forfeiture Interest Rate on the Issue Date:</b>	[ 1.00% ]

This is the Non-Forfeiture Interest Rate for Sub-Accounts established on the Issue Date. For Sub-Accounts established after that date, the Non-Forfeiture Interest Rate will be identified each year by taking the 5-Year Constant Maturity Treasury Rate as of January 31, subtracting 1.25% and rounding the result to the nearest 0.05%, but will not be less than 1.00% nor more than 3.00%. The Non-Forfeiture Interest Rate thus identified is the Minimum Interest Rate for every Sub-Account established during the annual period beginning on May 1 of the calendar year in which the rate was identified and ending on April 30 of the following calendar year. Re-determination of the Non-Forfeiture Interest Rate has no effect on any existing Sub-Account.

## WITHDRAWAL CHARGE TABLE

<u>Number of Complete Years Elapsed Since the Sub-Account's Effective Date</u>	<u>Withdrawal Charge Percentage</u>
0	6%
1	6%
2	5%
3	4%
4	3%
5	2%
6	1%
7+	0%

## MARKET VALUE ADJUSTMENT

The Market Value Adjustment Percentage ("MVA percentage") for each Sub-Account is  $(C - I) \times (N/365)$ , where:

- C** = the Sub-Account's current MVA Rate, which is the MVA Rate in effect on the withdrawal date.
- I** = the Sub-Account's initial MVA Rate, which is the MVA Rate in effect on the Sub-Account's effective date.
- N** = the number of days remaining from the withdrawal date until the end of the Withdrawal Charge Period.

If the current MVA Rate is *higher* than the initial MVA Rate, the market value adjustment will *reduce* the Withdrawal Value. If the current MVA Rate is *lower* than the initial MVA Rate, the market value adjustment will *increase* the Withdrawal Value.

The MVA Rates are calculated for each Sub-Account at the end of each business day. The MVA Rate for any Sub-Account is equal to the sum of:

- a. The Constant Maturity Treasury Rate for a duration equal to the Withdrawal Charge Period; plus,
- b. The Protective Life Option Adjusted Spread Index ("PLOAS Index") for the same duration. When calculating a Sub-Account's **initial** MVA Rate, the PLOAS Index will never exceed [ 3.00% ].

The PLOAS Index is a proprietary composite index based on the option adjusted spreads of eight fixed income indices determined by Barclays Capital Inc. We have the right to change the relative weightings used to calculate the PLOAS Index on a prospective basis. The change will be based on our actual or anticipated experience. Any such change will not affect the MVA Rate calculation for any Sub-Account established prior to the change.

**Discontinuation of or Substantial Change in a Component of the MVA Rate:** If Constant Maturity Treasury Rates or the Barclays Capital fixed income indices are no longer available to us, or if the manner in which they are determined is substantially changed, we will substitute equivalent rates or indices subject to prior approval by the IIPRC. We will send you a Contract endorsement describing the substitution prior to the date it becomes effective.

SERFF Tracking Number: PRTA-126434706 State: Arkansas  
 Filing Company: Protective Life Insurance Company State Tracking Number: 44422  
 Company Tracking Number: VICKIE-SG-MGA-P  
 TOI: A03I Individual Annuities - Deferred Variable Sub-TOI: A03I.002 Flexible Premium  
 Product Name: SG-MGA-P  
 Project Name/Number: SG-MGA-P/SG-MGA-P

## Supporting Document Schedules

	Item Status:	Status Date:
<p><b>Satisfied - Item:</b> Flesch Certification  <b>Comments:</b>            Rule &amp; Regulation 19 - Certification Attached.</p> <p>Flesch Requirements - This product is a federally registered security (variable annuity) and as such is exempt from state readability requirements. The forms provided in this filing have been created using a font size of 10 point or greater.</p> <p><b>Attachment:</b>            AR Certification.pdf</p>		
<p><b>Bypassed - Item:</b> Application  <b>Bypass Reason:</b> New Application included with filing.  <b>Comments:</b></p>		
<p><b>Satisfied - Item:</b> Statement of Variability  <b>Comments:</b>  <b>Attachment:</b>            Statement of Variables.pdf</p>		
<p><b>Satisfied - Item:</b> Regulation 59 Certification  <b>Comments:</b>  <b>Attachments:</b>            AR MGA Certification.pdf            AR Reg 59.pdf</p>		

# PROTECTIVE LIFE INSURANCE COMPANY BIRMINGHAM, ALABAMA

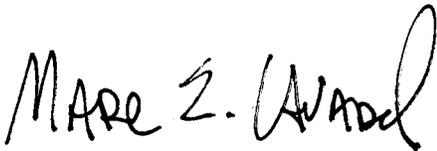
## CERTIFICATION OF COMPLIANCE

### Arkansas

#### Submission:

FORM NUMBER.....FORM TITLE  
SG-MGA-P-1003..... Application for Modified Guaranteed Annuity Contract  
SG-MGA-P-2003C..... Contract Cover Pages for Individual MGA Contract  
SG-MGA-P-2003..... Individual Modified Guaranteed Annuity Contract  
SG-MGA-P-2003SR-01.....Schedule Insert  
SG-MGA-P-2003SR-02.....Schedule Insert

This is to certify that the enclosed form(s) are in compliance with Rule and Regulation 19 of the State of Arkansas regarding the Unfair Sex Discrimination in the Sale of Insurance.



Marc E. Cavadel, J.D., FLMI, AAPA  
AVP – Product Development  
Protective Life Insurance Company  
December 29, 2009

## Statement of Variability

<b>FORM NUMBER</b>	<b>FORM TITLE</b>
SG-MGA-P-1003	Application for Modified Guaranteed Annuity Contract
SG-MGA-P-2003C	Cover Pages (Front and Back) for Contract
SG-MGA-P-2003	Individual Modified Guaranteed Annuity Contract
SG-MGA-P2003SR-01	Schedule Insert
SG-MGA-P2003SR-02	Schedule Insert

### General Variables

1. The appearance of the forms may vary in a non-material fashion depending upon factors including, but not limited to: changes in print vendor, software or hardware configurations; typeface, style and font attributes, but not font size; paper stock and weight; and, the presence or absence of color and shading.
2. Items customarily varied according to the specific plan of insurance. These are items appearing on the Schedule and include: Contract Number, Issue Date, Owner, Birth Date, Annuitant, and Annuity Date.
3. The page numbering scheme may be varied to adjust for revisions to the text.
4. Bracketed numbers within the text may be varied in accordance with applicable state statutory requirements and this Statement of Variability.
5. Benefit selection may vary by plan of insurance.
6. No variables will change with respect to in-force contracts without notification, appropriate regulatory approvals, and (where required) consent of the owner.

### Specific Variables

#### **Application SG-MGA-P-1003**

Marketing Name / Logo – *Will vary by product marketing name.*

Initial Purchase Payment - *Minimum purchase payment required for contract issue. Will not be less than \$10,000 nor more than \$25,000.*

Allocate to the Guarantee Periods – *Minimum to Allocate to the Guarantee Periods for contract issue. Will not be less than \$5,000 nor more than \$25,000.*

Contract Options – Secure Pay Lifetime Guaranteed Minimum Withdrawal Benefit – *Offered or Not Offered.*

Important Notice – *Current "fraud" language. Notices required by state law. Will only vary according to statutory changes. Specific wording of notices will be updated according to changes in law.*

## **Contract Cover Pages SG-MGA-P-2003C**

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

Company Administrative Office Address, Website, and Phone Number – *Will only be changed to accurately disclose the company's correct mailing address, internet address and phone number.*

Right to Cancel – "You may cancel this Contract within [ten (10)] days after you receive it...." : *Number of days granted for owner to cancel contract and have purchase payments returned. Varies based on state where contract issued for delivery, owner's age on issue date, and contract's replacement status. Will not be less than the minimum number of days required by state law.*

## **Schedule Inserts SG-MGA-P2003SR-01 and SG-MGA-P2003SR-02**

### **Page A Specific Information populated based on application for Owner and Annuitant:**

Product Name - *Will vary by product marketing name.*

Contract Number, Issue Date, Owner 1, Birth Date of Owner 1, Owner 2, Birth Date of Owner 2, Annuitant, Birth date of Annuitant, Annuity Date - *Information populated based on application for Owner and Annuitant.*

Agent information - *Information populated based on Agent soliciting application for Owner and Annuitant.*

Insurance Regulatory Authority - *Information populated based application / contract issued by state.*

Initial Purchase Payment applied on the Issue Date - *Information populated based on application.*

### **Page B Contract Specification and Limits:**

Minimum Initial Purchase Payment: *The minimum initial purchase payment required to issue a contract will vary by plan of insurance, but will not be less than \$10,000 nor more than \$25,000.*

Minimum Additional Purchase Payment: *Minimum amount of each additional purchase payment. If additional purchase payments are permitted will be not less than \$5,000 nor more than \$25,000; if not permitted, will be "N/A".*

Maximum Aggregate Purchase Payments: *The maximum aggregate purchase payment we will accept is \$1,000,000 per contract without prior home office approval.*

Minimum Allocation per Sub-Account: *Minimum Allocation per Sub-Account will not be less than \$5,000 nor more than \$25,000.*

Default Renewal Guarantee Period:

Minimum Withdrawal Amount: *Varies by plan of insurance; will be not less than \$50 nor more than \$500.*

Annual Sub-Account Free Withdrawal Amount: *Varies by plan of insurance. On an annual basis, it will not be less than interest credited to the sub-account during the prior sub-account year nor more than 10% of the sub-account value as of the prior sub-account anniversary.*

Non-Forfeiture Interest Rate on the Issue Date: *The non-forfeiture interest will not be less than 1.00% nor more than 3.00%.*

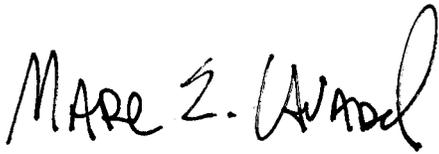
Page C Market Value Adjustment:

The MVA Rates item b. " PLOAS Index will never exceed [ 3.00% ]" *Varies by plan of insurance; will range from 2.00% to 5.00%.*

**CERTIFICATION**

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

Signed for the Company by:

A handwritten signature in black ink that reads "Marc E. Cavadel". The signature is written in a cursive style with a large, looping initial 'M'.

Marc E. Cavadel, J.D., FLMI, AAPA  
AVP – Product Development  
Protective Life Insurance Company  
December 29, 2009

Protective Life Insurance Company  
Post Office Box 2606  
Birmingham, Alabama 35282-9887

NAIC 458-68136  
FEIN 63-0169720

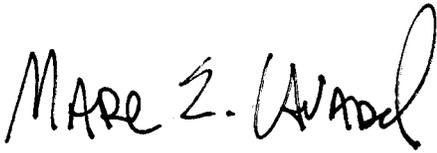
January 6, 2010

# CERTIFICATION OF COMPLIANCE

State: Arkansas

Regarding:	Form Number	Form Title
	SG-MGA-P-2003	Individual Modified Guaranteed Annuity Contract
	SG-MGA-P-2003C	Cover Pages for Individual Modified Guaranteed Annuity Contract

I hereby certify that, to the best of my knowledge and belief, the policy, contract form, certificate, enrollment form, application form, printed rider or endorsement form, or form of renewal certificate, as referenced above, complies with the applicable provisions of Arkansas Rule and Regulation 59 related to Modified Guaranteed Annuities.



\_\_\_\_\_  
SIGNATURE OF OFFICER

Marc E. Cavadel, J.D., FLMI  
\_\_\_\_\_  
NAME OF OFFICER

AVP – Product Development  
\_\_\_\_\_  
TITLE AND/OR BUSINESS AFFILIATION

**Westlaw Delivery Summary Report for CAVADEL,MARC**

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**ARKANSAS RULES AND REGULATIONS  
INSURANCE DEPARTMENT**

**RULE AND REGULATION 59. MODIFIED GUARANTEED ANNUITIES**

Current with amendments included in the Arkansas Register, Volume XXXIII, Number 4, dated October 2009 and the Code of Arkansas Rules dated December 2009.

**Rule and Regulation 59. Modified guaranteed annuities**

Section 1. Purpose

The purpose of this regulation is to provide rules for a modified guaranteed annuity, a variable annuity whose assets are placed in a separate account.

Section 2. Authority

This rule is issued pursuant to the authority vested in the Insurance Commissioner of the State of Arkansas under A.C.A. §§ 23-61-108 and 23- 81-405, and §§ 25-15-201, et seq.. This Rule will take effect on March 1, 1994.

Section 3. Applicability and scope

This Regulation shall apply to:

- A. The qualifications of agents who sell modified guaranteed annuity contracts in this State;
- B. The qualification of insurers who issue such contracts;
- C. The required contract form and provisions for issue of such coverage in this State; and
- D. The manner in which separate account assets, supporting such issued contracts, are to be maintained and reported.

Section 4. Definitions

As used in this regulation, the following terms and phrases shall mean:

- A. A "Modified Guaranteed Annuity" is a deferred annuity contract, the underlying assets of which are held in a separate account, and the values of which are guaranteed if held for specified periods. It contains nonforfeiture values that are based upon a market-value adjustment formula if held for shorter periods. The assets underlying the contract must be in a separate account during the period or periods when the contract holder can surrender the contract.

B "Interest Credits" means all interest that is credited to the contract.

C. "Separate Account" means a separate account established pursuant to [A.C.A. § 23-81-402](#), or pursuant to the corresponding section of the insurance laws of the state of domicile of a foreign or alien insurer authorized to sell variable products in this State.

D. "Commissioner" means the Insurance Commissioner of the State of Arkansas.

#### Section 5. Authority of insurers

The following requirements apply to all insurers either seeking or having authority to issue modified guaranteed annuities in this state.

##### A. Licensing and Approval to do Business.

(1) No insurer shall deliver or issue for delivery modified guaranteed annuities within this state unless it is licensed or organized or to do life insurance or annuity business in this State, and, further, authorized to deliver or issue for delivery variable contracts. The Commissioner must be satisfied that its condition or method of operation in connection with the issuance of such contracts will not render its operation hazardous to the public or its policyholders in this state. The Commissioner shall consider among other things the history and financial condition of the insurer; the character, responsibility and fitness of the officers and directors of the insurer; and the law and regulation under which the company is authorized in the state of domicile to issue such annuities.

(2) If the insurer is a subsidiary of an admitted life insurance company, or affiliated with such insurer by common management or ownership, it may, in the reasonable discretion of the commissioner, be deemed by him to have satisfied the provision of Paragraph (1) if either the subsidiary or the admitted life company satisfies the provisions of Paragraph (1). Insurers licensed and having a satisfactory record of doing business in this state for a period of at least three (3) years, and which also possess variable contract authority, may be deemed to have satisfied the Commissioner with respect to Paragraph (1) above.

(3) Before any insurer shall deliver or issue for delivery modified guaranteed annuities within this state, it shall submit to the Commissioner a general description of the kinds of annuities it intends to issue. The following shall be submitted:

(a) A copy of the current statutes and regulations of its state of domicile under which it is authorized to issue modified guaranteed annuities; and

(b) Biographical data with respect to officers and directors of the insurer on the NAIC uniform biographical data forms.

##### B. Use of Sales Materials.

(1) An insurer authorized to sell modified guaranteed annuities in this State shall not use any sales material, advertising material, or descriptive literature or other materials of any kind in connection with the sale of modified guaranteed annuities in this state which is false, misleading, deceptive or inaccurate.

(2) Illustrations of benefits payable under any modified guaranteed annuity shall not include projections of past investment experience into the future or attempted predictions of future investment experience; except that assumed interest credits that are clearly identified as *assumed* or *hypothetical* may be used to illustrate possible levels of benefits.

(3) Before any insurer shall deliver or issue for delivery any modified guaranteed annuity contract in this State, such insurer shall file a copy of any prospectus or other sales material to be used in connection with the marketing of the insurer's modified guaranteed annuity contract. The sales material must clearly illustrate that there can be both upward and downward adjustments due to the application of the market-value adjustment formula in determining nonforfeiture benefits.

#### C. Reports.

Any insurer authorized to transact the business of modified guaranteed annuities in this State shall submit to the Commissioner:

(1) A Separate account annual statement which shall include the business of its modified guaranteed annuities; and

(2) Such additional information concerning its modified guaranteed annuity operations or separate accounts as the Commissioner shall deem necessary.

#### D. Authority of Commissioner to Disapprove.

Any material required to be filed with and approved by the Commissioner shall be subject to disapproval if at any time it is found by the Commissioner not to comply with the standards established by this Regulation.

### Section 6. Filing of contracts

The filing requirements applicable to modified guaranteed annuities shall be those filing requirements otherwise applicable under existing statutes and regulations of this State with respect to individual and group life insurance and annuity contract form filings, to the extent appropriate. Filings shall include a demonstration in a form satisfactory to the Commissioner that the nonforfeiture provisions of the contract(s) comply with Section 7 (B) of this regulation.

### Section 7. Modified guaranteed annuity contract requirements

#### A. Mandatory Contract Benefit and Design Requirements.

(1) Any modified guaranteed annuity contract delivered or issued for delivery in this State shall contain a statement of the essential features of the procedures to be followed by the insurance company in determining the dollar amount of non-forfeiture benefits.

(2) No modified guaranteed annuity contract calling for the payment of periodic stipulated payments shall be delivered or issued for delivery in this State unless it contains in substance the following provisions:

(a) A provision that there shall be a grace period of thirty (30) days or one month during which the contract shall remain in force and, within which any payment due to the insurer other than the first may be made. The contract may include a statement of the basis for determining the date as of which any such payment received during the grace period shall be applied to produce the values under the contract.

(b) A provision that, at any time within one year from the date of default, the contract may be reinstated upon payment to the insurer of such overdue payments as required by contract, and of all indebtedness to the insurer on the contract, including interest. Reinstatement may not occur if the cash value has been paid. The contract may include a statement of the basis for determining the date as of which the amount to cover such overdue payments and indebtedness shall be applied to produce the values under the contract.

(3) The market-value adjustment formula, used in determining nonforfeiture benefits, must be stated in the contract and must be applicable for both upward and downward adjustments. When a contract is filed, it must be accompanied by a verified actuarial statement indicating the basis for the market-value adjustment formula and containing an assurance that the formula provides reasonable equity to both the contract holder and the insurance company.

B. Nonforfeiture Benefits.

(1) This section shall not apply to any of the following:

(a) Reinsurance;

(b) Group annuity contracts purchased in connection with one or more retirement plans or deferred compensation plans established or maintained by or for one or more employers (including partnerships or sole proprietorships), employee organizations, or any combination thereof, other than plans providing individual retirement accounts or individual retirement annuities under Section 408 of the Internal Revenue Code, as now or hereafter amended;

(c) Premium deposit fund;

(d) Immediate annuity;

(e) Deferred annuity contract after annuity payments have commenced;

(f) Reversionary annuity; or

(g) Any contract which is legally delivered or to be legally delivered outside this State by an agent or other representative of the company issuing the contract.

(2) No modified guaranteed annuity contract shall be delivered or issued for delivery in this State unless it contains in substance the following provisions:

(a) When premium payments cease under a contract, the insurer will grant a paid-up annuity benefit on a plan described in the contract that complies with Paragraph (5) below. The provision will include a statement of the mortality table, if any, and guaranteed or assumed interest rates used in calculating annuity payments.

(b) If a contract provides for a lump sum settlement at maturity or at any other time, upon surrender of the contract at or prior to the commencement of any annuity payments, the insurer will pay, in lieu of any paid-up annuity benefit, a cash surrender benefit as described in the contract that complies with Paragraph (6) below. The contract may provide that the insurer may defer payment of such cash surrender benefit for a period of six (6) months after demand.

(3) The minimum values, as specified in this section, of any paid-up annuity, cash surrender or death benefits available under a modified guaranteed annuity contract shall be based upon nonforfeiture amounts meeting the requirements of this paragraph. The Unadjusted Minimum Nonforfeiture Amount on any date prior to the annuity commencement date shall be an amount equal to the percentages of net considerations (as specified in Paragraph (4) below) increased by the interest credits defined in Section 4 allocated to the percentage of net considerations, which amount shall be reduced to reflect the effect of Subparagraphs (a), (b), (c), and (d) below:

(a) Any partial withdrawals from or partial surrender of the contract;

(b) The amount of any indebtedness on the contract, including interest due and accrued;

(c) An annual contract charge not less than zero and equal to (a) the lesser of thirty dollars (\$30.00) and 2% of the end of year contract value less (b) the amount of any annual contract charge deducted from any gross considerations credited to the contract during such contract year; and

(d) A transaction charge of ten dollars (\$10.00) for each transfer to another investment division within the same contract.

Guaranteed interest credits in each year for any period of time for which in-

terest credits are guaranteed shall be reasonably related to the average guaranteed interest credits over that period of time.

The Minimum Nonforfeiture Amount shall be the Unadjusted Minimum Nonforfeiture Amount adjusted by the market-value adjustment formula contained in the contract.

The annual contract charge of thirty dollars (\$30.00) and the transaction charge of ten dollars (\$10.00) referenced will be adjusted to reflect changes in the Consumer Price Index in accordance with paragraph (4) below.

(4) The percentage of net considerations used to define the Minimum Nonforfeiture Amount in Paragraph (3) above shall meet the requirements of this paragraph.

(a) With respect to contracts providing for periodic considerations, the net considerations for a given contract year used to define the Minimum Nonforfeiture Amount shall be an amount not less than zero and shall be equal to the corresponding gross considerations credited to the contract during the contract year less an annual contract charge of thirty dollars (\$30.00) and less a collection charge of one dollar and twenty-five cents (\$1.25) per consideration credited to the contract during the contract year and less any charges for premium taxes. The percentages of net considerations shall be sixty-five percent (65%) for the first contract year and eighty-seven and one-half percent (87 1/2%) for the second and later contract years. Notwithstanding the provisions of the preceding sentence, the percentage shall be sixty-five percent (65%) of the portion of the total net consideration for any renewal contract year which exceeds by not more than two times the sum of those portions of the net considerations in all prior contract years for which the percentage was sixty-five (65%).

(b) With respect to contracts providing for a single consideration, the net consideration used to define the minimum Nonforfeiture Amount shall be the gross consideration less a contract charge of seventy-five dollars (\$75.00) and less any charge for premium taxes. The percentage of the net consideration shall be ninety percent (90%).

The annual contract charge of thirty dollars (\$30.00), the collection charge of one dollar and seventy-five cents (\$1.75) per collection, and the single consideration contract charge of seventy-five dollars (\$75.00) referred to above, will be adjusted to reflect changes in the Consumer Price Index in accordance with Paragraph (c) below:

(c) The above contract charges shall be multiplied by the ratio of (a) the Consumer Price Index for June of the calendar year preceding the date of filing, to (b) the Consumer Price Index for June, 1979. As used herein, the Consumer Price Index means such Index for all urban consumers for all items as published by the Bureau of Labor Statistics of the United States Department of Labor or any successor agency. If publication of the Consumer Price Index ceases, or if such Index otherwise becomes unavailable or is altered in such a way as to be unusable, the

Commissioner will substitute an index the Commissioner deems suitable.

(5) Any paid-up annuity benefit available under a modified guaranteed annuity contract shall be such that its present value on the annuity commencement date is at least equal to the Minimum Nonforfeiture Amount on that date. Such present value shall be computed using the mortality table, if any, and the guaranteed or assumed interest rates used in calculating the annuity payments.

(6) For modified guaranteed annuity contracts which provide cash surrender benefits, the cash surrender benefit at any time prior to the annuity commencement date shall not be less than the Minimum Nonforfeiture Amount next computed after the request for surrender is received by the insurer. The death benefit under such contracts shall be at least equal to the cash surrender benefit.

(7) Any modified guaranteed annuity contract which does not provide cash surrender benefits, or does not provide death benefits at least equal to the Minimum Nonforfeiture Amount prior to the annuity commencement date shall include a statement in a prominent place in the contract that such benefits are not provided.

(8) Notwithstanding the requirements of this Section, a modified guaranteed annuity contract may provide under the situations specified in Subparagraphs (a) or (b) below that the insurer, at its option, may cancel the annuity and pay the contract holder the larger of the Unadjusted Minimum Nonforfeiture Amount and the Minimum Nonforfeiture Amount, and by such payment be released of any further obligation under the contract:

(a) If at the time the annuity becomes payable, the larger of the Unadjusted Minimum Nonforfeiture Amount and the Minimum Nonforfeiture Amount is less than \$2,000, or would provide an income the initial amount of which is less than \$20 per month; or

(b) If prior to the time the annuity becomes payable under a periodic payment contract no considerations have been received under the contract for a period of two (2) full years and both:

(i) The total considerations paid prior to such period, reduced to reflect any partial withdrawals from or partial surrenders of the contract, and

(ii) The larger of the Unadjusted Minimum Nonforfeiture Amount and the Minimum Nonforfeiture Amount is less than \$2,000.

(9) For any modified guaranteed annuity contract which provides, within the same contract by rider or supplemental contract provision, both annuity benefits and life insurance benefits that are in excess of the greater of cash surrender benefits or a return of the gross considerations with interest, the minimum nonforfeiture benefits shall be equal to the sum of the minimum nonforfeiture benefits for the annuity portion and the minimum nonforfeiture benefits, if any, for the

life insurance portion computed as if each portion were a separate contract. Despite the provisions of Paragraph (2) above, additional benefits payable

(a) In the event of total and permanent disability,

(b) As reversionary annuity or deferred reversionary annuity benefits, or

(c) As other policy benefits additional to life insurance, endowment, and annuity benefits, and considerations for all such additional benefits, shall be disregarded in ascertaining the minimum nonforfeiture amounts, paid-up annuity, cash surrender and death benefits that may be required by this section. The inclusion of such additional benefits shall not be required in any paid-up benefits, unless the additional benefits separately would require Minimum Nonforfeiture Amounts, paid-up annuity, cash surrender and death benefits.

#### C. The Application.

An application used for a modified guaranteed annuity shall prominently set forth language substantially stating that amounts payable under the contract are subject to a market value adjustment prior to a date or dates specified in the contract. The statement shall be placed immediately above the signature line on the application, and the application shall be made a part of the policy.

#### Section 8. Reserve liabilities

Reserve liabilities for modified guaranteed annuities shall be established in accordance with actuarial procedures that recognize:

A. The assets of the separate account are based on market values;

B. The variable nature of benefits provided; and

C. Any mortality guarantees.

As a minimum, the separate account liability will equal the surrender value based upon the market-value adjustment formula contained in the contract. If that liability is greater than the market value of the assets, a transfer of assets will be made into the separate account so that the market value of the assets at least equals that of the liabilities. Also, any additional reserve that is needed to cover future guaranteed benefits will also be set up by the valuation actuary.

The market-value adjustment formula, the interest guarantees, and the degree to which projected cash flow of assets and liabilities are matched must also be considered. Each year, the valuation actuary must provide an opinion on whether the assets in the separate account are adequate to provide all future benefits that are guaranteed.

#### Section 9. Separate accounts

The following requirements apply to the establishment and administration of modified guaranteed annuity separate accounts by any domestic insurer:

A. Establishment and Administration of Separate Accounts.

Any domestic insurer issuing modified guaranteed annuities shall establish one or more separate accounts pursuant to [A.C.A. § 23-81-402](#).

B. Amounts in the Separate Account.

The insurer shall maintain in each separate account assets with a market or other value comporting to standards set out in [A.C.A. § 23-81-402\(4\)](#) at least equal to the valuation reserves and other contract liabilities respecting such account.

C. Valuation of Separate Account Assets.

Investments of the separate account shall be valued at their market value on the date of valuation or pursuant to standards contained in [A.C.A. § 23-81-402\(4\)](#).

D. Investment Laws.

Unless otherwise approved by the Commissioner, separate accounts relating to modified guaranteed annuities will be subject to investment laws applicable to the insurer's general asset account, and [A.C.A. § 23-81-402\(2\)](#) shall not apply.

Section 10. Reports to policyholders

Companies will annually provide their contract holders with a report showing both the account value and the cash surrender value. The report shall clearly indicate that the account value is prior to the application of any surrender charges or market-value adjustment formula. It should also specify the surrender charge and market value adjustment used to determine the cash surrender value.

Section 11. Foreign companies

If the law or regulation in the place of domicile of a foreign company provides a degree of protection to the policyholders and the public which is substantially similar to that provided by these Regulations, the Commissioner to the extent deemed appropriate may consider compliance with such law or regulation as compliance with this Rule.

Section 12. Authorization of agents

No person, corporation, partnership, or other legal entity may sell or offer for sale in this State any modified guaranteed annuity contract unless licensed to sell variable annuities under the insurance laws of this State.

Section 13. Severability

If any provision of this Regulation or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the Regulation and the application of its provisions to other persons or circumstances shall not be affected.

**CREDIT(S)**

Filed 2-28-94, eff. 3-1-94  
**Insurance Product Line:** General, Life

**A-to-Z Index Terms:**

ADVERTISING  
ANNUITIES  
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CAPITAL AND SURPLUS REQUIREMENTS  
CAPITAL AND SURPLUS REQUIREMENTS - Reserves  
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