

SERFF Tracking Number:	FEMC-126679982	State:	Arkansas
Filing Company:	Federated Life Insurance Company	State Tracking Number:	46001
Company Tracking Number:	L-541(06-10)		
TOI:	A02I Individual Annuities- Deferred Non-Variable	Sub-TOI:	A02I.002 Flexible Premium
Product Name:	NQ Rider		
Project Name/Number:	NQ Rider/L-541		

Filing at a Glance

Company: Federated Life Insurance Company

Product Name: NQ Rider

TOI: A02I Individual Annuities- Deferred Non-Variable

Sub-TOI: A02I.002 Flexible Premium

Filing Type: Form

SERFF Tr Num: FEMC-126679982 State: Arkansas

SERFF Status: Closed-Approved- Closed State Tr Num: 46001

Co Tr Num: L-541(06-10)

State Status: Approved-Closed

Author: Carolyn Kanne

Date Submitted: 06/21/2010

Reviewer(s): Linda Bird

Disposition Date: 06/23/2010

Disposition Status: Approved-Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

General Information

Project Name: NQ Rider

Project Number: L-541

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 06/23/2010

Status of Filing in Domicile: Pending

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Explanation for Other Group Market Type:

State Status Changed: 06/23/2010

Created By: Carolyn Kanne

Corresponding Filing Tracking Number:

Deemer Date:

Submitted By: Carolyn Kanne

Filing Description:

Form L-541 (06-10) is a non-qualified annuity endorsement that explains distribution upon the contractholder's death. This form will replace form L-541 Ed. 1-85, previously approved by your department on 1/17/85.

It has been printed in 10-point type with language to comply with the readability regulations of various states. The Flesch Scale analysis readability score is 50 when scored with the policy.

Company and Contact

SERFF Tracking Number: FEMC-126679982 State: Arkansas
Filing Company: Federated Life Insurance Company State Tracking Number: 46001
Company Tracking Number: L-541(06-10)
TOI: A021 Individual Annuities- Deferred Non- Sub-TOI: A021.002 Flexible Premium
Variable
Product Name: NQ Rider
Project Name/Number: NQ Rider/L-541

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved- Closed	Linda Bird	06/23/2010	06/23/2010

SERFF Tracking Number: FEMC-126679982 *State:* Arkansas
Filing Company: Federated Life Insurance Company *State Tracking Number:* 46001
Company Tracking Number: L-541(06-10)
TOI: A021 Individual Annuities- Deferred Non- *Sub-TOI:* A021.002 Flexible Premium
Variable
Product Name: NQ Rider
Project Name/Number: NQ Rider/L-541

Disposition

Disposition Date: 06/23/2010

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: FEMC-126679982 State: Arkansas
 Filing Company: Federated Life Insurance Company State Tracking Number: 46001
 Company Tracking Number: L-541(06-10)
 TOI: A021 Individual Annuities- Deferred Non- Sub-TOI: A021.002 Flexible Premium
 Variable
 Product Name: NQ Rider
 Project Name/Number: NQ Rider/L-541

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		No
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	Cover Letter		Yes
Form	Non-Qualified Annuity Endorsement		Yes

SERFF Tracking Number: FEMC-126679982 State: Arkansas
 Filing Company: Federated Life Insurance Company State Tracking Number: 46001
 Company Tracking Number: L-541(06-10)
 TOI: A021 Individual Annuities- Deferred Non- Sub-TOI: A021.002 Flexible Premium
 Variable
 Product Name: NQ Rider
 Project Name/Number: NQ Rider/L-541

Form Schedule

Lead Form Number: L-541 (06-10)

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	L-541 (06-10)	Policy/Cont Non-Qualified ract/Fratern Annuity Endorsement al Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial		50.000	L-541 (0610).pdf

NON-QUALIFIED ANNUITY ENDORSEMENT

Distributions where the Owner/Annuitant dies before the entire interest is distributed from the Contract.

A. Before the contract is Annuitized

If the Owner/Annuitant dies before the starting date for Annuity Payments, the Beneficiary will be paid the accumulated value of the Contract. The entire interest in the Contract must be distributed no later than December 31 of the year containing the fifth (5th) anniversary of the Owner/Annuitant's death unless another option (discussed below) is available to the Beneficiary.

The gain, if any, in the Contract is taxable as ordinary income to the Beneficiary. The gain is determined by subtracting the total premiums paid to the Contract from the total accumulated Contract value.

B. Other Options - Important Timing of Notification to Begin Periodic Payments from the Contract

The Beneficiary may elect, **within 60 days after the Annuitant's death**, to receive the annuity Death Benefit over his/her lifetime or an installment option if **all** of the following conditions are met:

1. The Annuitant dies before the Maturity Date of the Contract;
2. No settlement option has been elected by the Owner;
3. No proceeds from the Death Benefit have been paid to the Beneficiary; and
4. The first payment must be received **within one year** of the Owner/Annuitant's death.

The Internal Revenue Code Sections 72(s)(2) and 72(h) and Treasury Regulation Section 1.72-12 require that, if the designated Beneficiary in the Contract is eligible to elect an annuity periodic payment option, notification of this election must be made in writing to Federated Life Insurance Company within **60 days** after the Owner/Annuitant's death. Failure to notify within **60 days** after the Owner/Annuitant's death eliminates this form of payout option from use.

C. Individuals Designated as Beneficiary

Spouse as Sole Primary Beneficiary

Assume Ownership: If the surviving spouse of the Owner is the designated sole primary Beneficiary, then the surviving spouse has the right to continue the Contract as the new Owner, request a lump sum distribution, use the 5-Year Rule or request annuity periodic payments for life or installment options as agreed upon.

Spouse as one of Multiple Primary Beneficiaries

The surviving spouse cannot step in as Owner of the entire account. If the surviving spouse of the Owner is one of multiple Primary Beneficiaries, then the Contract total accumulated value will be divided as specified in the designated Beneficiary listing currently on file and held in separate accounts for each Beneficiary. The surviving spouse will be required to select either a lump sum distribution, 5-Year distribution rule or Annuity Payments as listed below.

Non-Spouse as Beneficiary

Multiple Beneficiaries have the right to elect one of the three settlement methods listed below for the inherited annuity.

Lump Sum Distribution: Distribute the entire eligible amount of the Contract as a lump sum distribution or

5-Year Distribution Rule: The Beneficiary must distribute their eligible part of the Contract by no later than 12/31 of the year containing the 5th anniversary after the Owner's death.

Annuity Payments: A benefit may be payable to you in the form of annuity periodic payments for life or an installment option as agreed upon, so that the taxation of the gains will be pro-rated over the annuity payment option selected.

D. Non-Natural Person Beneficiaries

Trust Beneficiary

A review of the trust documentation by Federated Insurance Company is required to determine the Beneficiary rights and distribution methods allowed by law. Failure to provide trust documentation to Federated will restrict the distribution option.

If a trust is Beneficiary and if the surviving spouse is also the sole surviving grantor, trustee, and Beneficiary of the trust, then the surviving spouse may be deemed to be a designated Beneficiary with complete control and dominion of the trust assets.

Charitable Beneficiary

If a charitable Beneficiary is listed, the option offered is a lump sum distribution.

E. After the Contract is Annuitized

Required distributions where the holder dies on or after the annuity starting date and before the entire Annuity Payment option is distributed, the remaining eligible payments will continue under the distribution method used at the date of death of the insured to the Beneficiary or Beneficiaries on the designated Beneficiary form on file.

If the distribution method used at the date of death of the insured is an interest income or a "held at interest" Contract, then the value of the Contract will be distributed in a lump sum to the Beneficiaries on the designated Beneficiary form on file.

Federated Life Insurance Company



SECRETARY

SERFF Tracking Number: FEMC-126679982 State: Arkansas
Filing Company: Federated Life Insurance Company State Tracking Number: 46001
Company Tracking Number: L-541(06-10)
TOI: A021 Individual Annuities- Deferred Non- Sub-TOI: A021.002 Flexible Premium
Variable
Product Name: NQ Rider
Project Name/Number: NQ Rider/L-541

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Flesch Certification		
Comments:		
Attachments:		
AR cert for rule 19.pdf		
CO-60.pdf		

	Item Status:	Status Date:
Satisfied - Item: Cover Letter		
Comments:		
Attachment:		
AR Letter.pdf		

FEDERATED LIFE INSURANCE COMPANY

Owatonna, Minnesota

June 21, 2010

CERTIFICATE OF COMPLIANCE

Arkansas

L-541(06-10) Non-Qualified Annuity Endorsement

This submission meets the provisions of Rule and Regulation 19, as well as all applicable requirements of the Arkansas Insurance Department.

A handwritten signature in black ink, reading "Allan E. Meyer". The signature is written in a cursive style with a horizontal line under the name.

Allan E. Meyer
Vice President

FEDERATED LIFE INSURANCE COMPANY

Owatonna, Minnesota

CERTIFICATE OF COMPLIANCE

Arkansas

Flesch Score

This is to certify that the attached Individual Life Forms No. (listed above) have achieved a Flesch Reading Ease Score of (shown above) and comply with the requirements of Arkansas Stat. Ann. § 66-3251, cited as the Life and Disability Insurance Policy Language Simplification Act.

The guidelines of Bulletin 11-83 have been reviewed and this submission is in compliance with these guidelines.



121 East Park Square
P.O. Box 328 • Owatonna, MN 555060
Phone: (507) 455-5200 • 800-533-0472

June 21, 2010

Mr. Dan Honey
Compliance – Life & Health
Department of Insurance
1200 West Third St.
Little Rock, AR 72201-1904

INDIVIDUAL ANNUITY FILING:
L-541(06-10) NON-QUALIFIED ANNUITY ENDORSEMENT

Dear Mr. Honey:

Enclosed is the above listed form, submitted for your review and approval for use. This form will replace form L-541 Ed. 1-85, previously approved by your department on 1/15/85.

This form is a nonqualified annuity endorsement that explains distribution upon the contractholder's death. It has been printed in 10-point type with language to comply with the readability regulations of various states. The Flesch Scale analysis readability score for form L-541(06-10) is 50 when scored with the policy.

We respectfully request your review and approval of this form.

Sincerely,

A handwritten signature in cursive script that reads "Carolyn Kanne".

Carolyn Kanne, FLMI, ACS, AIRC
Life Product Compliance Specialist
(800) 533-0472, ext. 5214
Federated Life Insurance Company
Email: crkane@fedins.com
NAIC: #007-63258