

SERFF Tracking Number: RNIC-126705837 State: Arkansas  
Filing Company: Reserve National Insurance Company State Tracking Number: 46117  
Company Tracking Number:  
TOI: L071 Individual Life - Whole Sub-TOI: L071.111 Single Premium - Single Life  
Product Name: SAF-1 Whole Life Policy  
Project Name/Number: SAF-1 Whole Life Policy/

## Filing at a Glance

Company: Reserve National Insurance Company

Product Name: SAF-1 Whole Life Policy SERFF Tr Num: RNIC-126705837 State: Arkansas  
TOI: L071 Individual Life - Whole SERFF Status: Closed-Approved- State Tr Num: 46117  
Closed

Sub-TOI: L071.111 Single Premium - Single Life Co Tr Num: State Status: Approved-Closed  
Filing Type: Form Reviewer(s): Linda Bird  
Disposition Date: 07/07/2010  
Authors: Kyle Conrad, Brenda  
Ingram, Misty Anglin  
Date Submitted: 07/02/2010 Disposition Status: Approved-  
Closed

Implementation Date Requested: On Approval

State Filing Description:

## General Information

Project Name: SAF-1 Whole Life Policy  
Project Number:  
Requested Filing Mode: Review & Approval  
Explanation for Combination/Other:  
Submission Type: New Submission  
Overall Rate Impact:  
Filing Status Changed: 07/07/2010

Deemer Date:  
Submitted By: Brenda Ingram  
Filing Description:  
July 2, 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: 07/07/2010  
Created By: Brenda Ingram  
Corresponding Filing Tracking Number:

Ms. Rosalind D. Minor  
Certified Rate and Form Analyst  
Life and Health Division  
Arkansas Insurance Department  
1200 West Third Street  
Little Rock, AR 72201-1904

SERFF Tracking Number: RNIC-126705837 State: Arkansas  
Filing Company: Reserve National Insurance Company State Tracking Number: 46117  
Company Tracking Number:  
TOI: L071 Individual Life - Whole Sub-TOI: L071.111 Single Premium - Single Life  
Product Name: SAF-1 Whole Life Policy  
Project Name/Number: SAF-1 Whole Life Policy/

RE: Reserve National Insurance Company - NAIC # 68462; FEIN# 73-0661453  
Form SAF-1 – Whole Life Policy  
Form APP-SAF-1 AR (7/10) – Child Whole Life Application  
Form C-SAF-1006-A-AR – Enrollment for Child Whole Life Insurance  
Form SAF-SUMM-2500 (7/10) – Statement of Policy Cost and Benefit Information  
Form SAF-SUMM-5000 (7/10) – Statement of Policy Cost and Benefit Information  
Form SAF-SUMM-10000 (7/10) – Statement of Policy Cost and Benefit Information

Dear Ms. Minor:

We are submitting the above-referenced forms and an actuarial demonstration, which we request you consider for approval. This is a new filing not previously submitted.

Form SAF-1 is an individual whole life policy, which will have face amount options of \$2,500, \$5,000 or \$10,000. This policy will be issued to individuals under age 23. This policy will not be issued in replacement of any existing life insurance.

Application Form APP-SAF-1 AR (7/10) is the application to be used with Form SAF-1 when this policy is sold by our agents. Enrollment for Child Whole Life Insurance Form C-SAF-1006-A- AR will be used as the application for Form SAF-1 when this policy is sold by direct mail. Forms SAF-SUMM-2500 (7/10), SAF-SUMM-5000 (7/10) and SAF-SUMM-10000 (7/10) are the disclosure statements that will be used with this policy.

If this filing meets with your approval, please furnish us with evidence thereof.

Thank you for your consideration in this matter. If there are any questions, you may contact me by telephone at (800) 874-1431, by fax at (405) 840-3426 or by e-mail at [kconrad@unitrin.com](mailto:kconrad@unitrin.com).

Sincerely,

Kyle D. Conrad  
Senior Vice President  
and Associate Corporate Counsel

SERFF Tracking Number: RNIC-126705837 State: Arkansas  
 Filing Company: Reserve National Insurance Company State Tracking Number: 46117  
 Company Tracking Number:  
 TOI: L071 Individual Life - Whole Sub-TOI: L071.111 Single Premium - Single Life  
 Product Name: SAF-1 Whole Life Policy  
 Project Name/Number: SAF-1 Whole Life Policy/

## Company and Contact

### Filing Contact Information

Kyle Conrad, Vice President & Associate kconrad@unitrin.com  
 Corporate Counsel  
 6100 N. W. Grand Blvd 800-874-1431 [Phone] 549 [Ext]  
 Oklahoma City, OK 73118

### Filing Company Information

Reserve National Insurance Company CoCode: 68462 State of Domicile: Oklahoma  
 6100 N.W. Grand Boulevard Group Code: 215 Company Type: Life and Health  
 Oklahoma City, OK 73118 Group Name: Reserve National State ID Number:  
 (405) 848-7931 ext. 549[Phone] FEIN Number: 73-0661453

-----

## Filing Fees

Fee Required? Yes  
 Fee Amount: \$0.00  
 Retaliatory? No  
 Fee Explanation: 6 forms @\$50.00  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Reserve National Insurance Company	\$300.00	07/02/2010	37721147

SERFF Tracking Number: RNIC-126705837 State: Arkansas  
 Filing Company: Reserve National Insurance Company State Tracking Number: 46117  
 Company Tracking Number:  
 TOI: L071 Individual Life - Whole Sub-TOI: L071.111 Single Premium - Single Life  
 Product Name: SAF-1 Whole Life Policy  
 Project Name/Number: SAF-1 Whole Life Policy/

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	07/07/2010	07/07/2010

### 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	07/06/2010	07/06/2010	Brenda Ingram	07/07/2010	07/07/2010

*SERFF Tracking Number:*      *RNIC-126705837*                      *State:*                      *Arkansas*  
*Filing Company:*              *Reserve National Insurance Company*              *State Tracking Number:*      *46117*  
*Company Tracking Number:*  
*TOI:*                      *L071 Individual Life - Whole*                      *Sub-TOI:*                      *L071.111 Single Premium - Single Life*  
*Product Name:*              *SAF-1 Whole Life Policy*  
*Project Name/Number:*      *SAF-1 Whole Life Policy/*

## **Disposition**

Disposition Date: 07/07/2010

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: RNIC-126705837 State: Arkansas  
 Filing Company: Reserve National Insurance Company State Tracking Number: 46117  
 Company Tracking Number:  
 TOI: L071 Individual Life - Whole Sub-TOI: L071.111 Single Premium - Single Life  
 Product Name: SAF-1 Whole Life Policy  
 Project Name/Number: SAF-1 Whole Life Policy/

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		Yes
Supporting Document	Life & Annuity - Actuarial Memo		No
Supporting Document	AR-INP (11/09) - Important Notice		Yes
Supporting Document	DISC-AR-3 - Limitations and Exclusions		Yes
Supporting Document	Certification		Yes
Form	Whole Life Policy		Yes
Form	Child Whole Life Application		Yes
Form	Enrollment for Child Whole Life Insurance		Yes
Form	Statement of Policy Cost and Benefit Information		Yes
Form	Statement of Policy Cost and Benefit Information		Yes
Form	Statement of Policy Cost and Benefit Information		Yes
Rate	SAF-1 Formulas and Example Calculations		Yes

SERFF Tracking Number: RNIC-126705837 State: Arkansas  
Filing Company: Reserve National Insurance Company State Tracking Number: 46117  
Company Tracking Number:  
TOI: L071 Individual Life - Whole Sub-TOI: L071.111 Single Premium - Single Life  
Product Name: SAF-1 Whole Life Policy  
Project Name/Number: SAF-1 Whole Life Policy/

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 07/06/2010  
Submitted Date 07/06/2010  
Respond By Date 08/06/2010

Dear Kyle Conrad,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Ark. Code Ann. 23-79-138 requires that certain information accompany every policy. Bulletin 15-2009 further address this issue. Please review your issue procedures and assure us that you are in compliance with Ark. Code Ann. 23-79-138.

Regulation 49 requires that a Life and Health guaranty notice be given to each policy owner. Please review your issue procedures and assure us that you are in compliance with Regulation 49.

Regulation 19s10B requires that all new or revised filings submitted must contain a certification that the submission meets the provisions of this rule as well as all applicable requirements of this Department.

Please feel free to contact me if you have questions.

Sincerely,

Linda Bird

SERFF Tracking Number: RNIC-126705837 State: Arkansas  
Filing Company: Reserve National Insurance Company State Tracking Number: 46117  
Company Tracking Number:  
TOI: L071 Individual Life - Whole Sub-TOI: L071.111 Single Premium - Single Life  
Product Name: SAF-1 Whole Life Policy  
Project Name/Number: SAF-1 Whole Life Policy/

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 07/07/2010  
Submitted Date 07/07/2010

Dear Linda Bird,

### Comments:

Per your request.

### Response 1

Comments: Attached are the forms that you requested.

#### Related Objection 1

Comment:

Ark. Code Ann. 23-79-138 requires that certain information accompany every policy. Bulletin 15-2009 further address this issue. Please review your issue procedures and assure us that you are in compliance with Ark. Code Ann. 23-79-138.

Regulation 49 requires that a Life and Health guaranty notice be given to each policy owner. Please review your issue procedures and assure us that you are in compliance with Regulation 49.

Regulation 19s10B requires that all new or revised filings submitted must contain a certification that the submission meets the provisions of this rule as well as all applicable requirements of this Department.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: AR-INP (11/09) - Important Notice

Comment:

Satisfied -Name: DISC-AR-3 - Limitations and Exclusions

Comment:

Satisfied -Name: Certification

Comment:

No Form Schedule items changed.



SERFF Tracking Number: RNIC-126705837 State: Arkansas  
 Filing Company: Reserve National Insurance Company State Tracking Number: 46117  
 Company Tracking Number:  
 TOI: L071 Individual Life - Whole Sub-TOI: L071.111 Single Premium - Single Life  
 Product Name: SAF-1 Whole Life Policy  
 Project Name/Number: SAF-1 Whole Life Policy/

## Form Schedule

### Lead Form Number:

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	SAF-1	Policy/Cont	Whole Life Policy ract/Fratern al Certificate	Initial		88.240	SAF-1_POLICY_AR.pdf
	APP-SAF-1 AR (7/10)	Application/Child Enrollment	Whole Life Application Form	Initial			APP-SAF-1 AR 7 10.pdf
	C-SAF-1006-A-AR	Application/Enrollment Enrollment	for Child Whole Life Insurance Form	Initial			C-SAF-1006-A-AR.pdf
	SAF-SUMM-2500 (7/10)	Other	Statement of Policy Cost and Benefit Information	Initial			SAF-SUMM-2500_7.10_.pdf
	SAF-SUMM-5000 (7/10)	Other	Statement of Policy Cost and Benefit Information	Initial			SAF-SUMM-5000_7.10_.pdf
	SAF-SUMM-10000 (7/10)	Other	Statement of Policy Cost and Benefit Information	Initial			SAF-SUMM-10000_7.10_.pdf



601 East Britton Road • Oklahoma City, OK 73114

*In this policy "you", "your" and "yours" refer to the Owner of this policy and the "Company", "us", "we" and "our" refer to Reserve National Insurance Company.*

## INSURING AGREEMENT

WE WILL PAY the benefits provided in this policy, subject to the provisions on this and the following pages, all of which are part of this policy.

If the Insured named in the Insured Schedule on **Page 2** dies while this policy is in force, we will pay the Death Benefit to the beneficiary when we receive proof of the Insured's death.

In consideration of the payment of the premium in advance and in reliance upon the statements in your application, a copy of which is attached to and made a part of this policy, we hereby insure the person named in the Insured Schedule, commencing at 12:01 A.M., Standard Time, at the place where you reside, on the Effective Date shown in the Insured Schedule.

## **READ YOUR POLICY CAREFULLY. IF YOU ARE NOT SATISFIED, RETURN THE POLICY WITHIN THIRTY (30) DAYS OF ITS RECEIPT FOR A FULL PREMIUM REFUND.**

You are granted a period of thirty days from the date of delivery of this policy to examine it, and if not satisfied for any reason, this policy may be returned within said thirty days to us at our Home Office or to the writing agent. Then we shall refund the premium paid, and the policy shall be void from its beginning, and you and the Company shall be in the same position as if it had never been issued.

## IMPORTANT NOTICE

Please read the copy of the application attached to this policy. Omissions or misstatements in the application could cause an otherwise valid claim to be denied. Carefully check the application and write to the Company at 601 East Britton Road, Oklahoma City, Oklahoma 73114-7710, within 30 days, if any information shown on it is not correct and complete, or if any past medical history has been left out of the application. The application is part of the policy, which was issued on the basis that the answers to all questions and the information shown are correct and complete.

IN WITNESS WHEREOF, the Company has caused this Policy to be issued as of the effective date, and to be executed by its President and Secretary at its Home Office at 601 East Britton Road, Oklahoma City, Oklahoma.

  
Secretary

  
President

**Whole Life – Single Premium to Attained Age 23 – Guaranteed Option to Purchase Additional Insurance During the 60-Day Period Commencing on the Policy Anniversary Date After the Insured's 23rd Birthday – Non-Participating**

## TABLE OF CONTENTS

Assignment.....	Page 4
Automatic Premium Loans.....	Page 5
Basis of our Calculations .....	Page 5
Beneficiary .....	Page 4
Cash Value.....	Page 4
Change of Beneficiary .....	Page 4
Claims of Creditors .....	Page 4
Contract.....	Page 3
Grace Period.....	Page 3
Incorrect Age or Sex .....	Page 4
Important Notice.....	Page 1
Incontestability .....	Page 3
Insured Schedule .....	Page 2
Insuring Agreement .....	Page 1
Nonforfeiture Provision .....	Page 4
Notice of Thirty Day Right to Examine Policy .....	Page 1
Ownership.....	Page 3
Policy Dates.....	Page 3
Policy Loans .....	Page 5
Premiums.....	Page 3
Reinstatement.....	Page 3
Settlement Option Provision .....	Pages 7 & 8
Suicide.....	Page 4
Table of Values.....	Page 6

## INSURED SCHEDULE

**Death Benefit:**

**Face Amount of Insurance:** [\$2,500.00] [\$5,000.00] [\$10,000.00]

**Policy Number:**

**Effective Date:**

**The Insured:**

**Age At Issue:**

**Sex:**

**Date of Birth:**

**The Owner:**

**The Beneficiary:**

**Initial Premium:** Payable one time for the period from the Effective Date to the Policy Anniversary Date after the Insured's 23rd birthday: [\$99.00] [\$189.00] [\$349.00]

**Subsequent Annual Premiums:** Payable commencing on the Policy Anniversary Date after the Insured's 23rd birthday and annually thereafter until the Policy Anniversary Date after the Insured's 65th birthday or until prior death: [\$99.00] [\$189.00] [\$349.00]

**Guaranteed Option to Purchase Additional Life Insurance:** Subject to the conditions of this Policy, upon written application, during the 60-day period commencing on the anniversary date after the Insured's 23rd birthday, without evidence of the Insured's insurability, the Company guarantees its consent to endorse this Policy to increase the Face Amount of this Policy to:

[\$5,000.00], [\$10,000.00], [\$15,000.00], [\$20,000.00] or [\$25,000.00].

The premium charged on such additional insurance shall be determined in accordance with the Company's rates then in effect.

**CONTRACT:** This policy, the application and any riders and endorsements constitute the complete agreement between you and the Company. We have issued this policy in consideration of the information provided in the application and payment of the first premium. All of the statements in the application, in the absence of fraud, are considered representations and not warranties. This policy cannot be changed or any of its provisions waived except by a written agreement signed by our President or a Vice-President.

**INCONTESTABILITY:** This policy shall be incontestable after it has been in force, while the Insured is living, for two years after the Effective Date. However, we can contest the policy anytime if you do not pay all of the premiums due.

**PREMIUMS:** The first premium is due on the Effective Date of this policy. Subsequent premiums are due and payable during the Insured's lifetime for the period specified on **Page 2**. The due date of each subsequent premium is the starting date of its premium interval.

Premiums after the first premium are payable at our Home Office or to an authorized agent in exchange for a receipt signed by our President or Secretary and countersigned by the person receiving the payment.

Premiums may be made payable at one-month, three-month, six-month or twelve-month intervals at our rates in effect on the Effective Date. A change in premium interval will take effect when we accept the premium for the new interval.

**POLICY DATES:** Policy months, years and anniversaries are measured from the Effective Date shown on **Page 2**. The Policy Anniversary Date is each anniversary following the Effective Date as long as this Policy remains in force by payment of all applicable premiums.

**GRACE PERIOD:** A grace period of thirty-one days will be allowed for the payment without interest of any premium after the first premium. During the grace period the policy will remain in force. However, if the Insured dies on a premium due date or during the grace period we will deduct any unpaid premium due from any payment we make.

If the premium is not paid during its grace period we will use the cash value to pay the premium if (i) there is enough net cash value to pay the premium due, and (ii) the Automatic Premium Loans provision is in effect. If there is not enough cash value or if the Automatic Premium Loans provision is not in effect we will apply the Nonforfeiture Provision. If there is no cash value the policy will cease to be in force effective on the due date of the unpaid premium.

You cannot pay an unpaid premium after the end of the grace period except as the Reinstatement provision or the Automatic Premium Loans provision may allow.

**REINSTATEMENT:** You may reinstate the policy anytime within three years after a grace period ends if it has not been surrendered for its cash value. To reinstate the policy you must:

- (i) give us a written application for reinstatement;
- (ii) give us satisfactory evidence the Insured is still insurable;
- (iii) repay or reinstate any policy debt which was in effect when the policy ceased to be in force with 6% interest compounded annually; and
- (iv) pay all overdue premiums and compound interest at 6% per year from their due dates.

**OWNERSHIP:** The owner of this policy on the Effective Date is shown on **Page 2**. You can transfer ownership to a new owner by filing a written request for change with the Company. The change of ownership will take effect as of the date the request was signed but without any liability to us on account of any payment we made or action we took before the request was received by us at our Home Office.

We are not responsible for the validity of a transfer of ownership.

A new owner takes the policy subject to all existing policy debt, interest accruing after the date of transfer and the interest of any assignee of record.

While the Insured is living the owner may exercise any rights and receive all benefits described in the policy. If the owner has given up the right to change a beneficiary any such irrevocable beneficiary must give consent in the exercise of any of the owner's rights.

The owner may designate a survivor owner to whom ownership will be transferred automatically at the death of the owner if the Insured is living at that time.

**OWNERSHIP (continued):** While the owner is living, a survivor owner has no rights or entitlement to benefits as owner.

If at the death of the owner there is no survivor owner and the Insured is not named owner, the Insured shall become the owner of the policy.

**BENEFICIARY:** The name of the beneficiary is shown on **Page 2** unless it has been changed.

**CHANGE OF BENEFICIARY:** If you have not given up the right to do so, you may change the beneficiary while the Insured is living by filing a written request for change with the Company. The Company may require the return of the policy for endorsement. The change will take effect as of the date the request was signed, subject to any payment we made or action we took before receipt of the request.

**CLAIMS OF CREDITORS:** Any amount payable to a beneficiary will be free from the claims of creditors to the extent allowed by law.

**SUICIDE:** If the Insured's death is caused by suicide within two years after the Effective Date of the policy, the amount payable because of such death shall be an amount equal to the premiums paid.

**INCORRECT AGE OR SEX:** If the age or sex of the Insured is not correct, any amount we pay will be adjusted to reflect the correct age and sex.

**ASSIGNMENT:** You may assign the policy as collateral security by filing a written notice of assignment with the Company. We assume no responsibility as to the validity or effect of any assignment and no assignment is binding on the Company until we receive written notice of the assignment. A collateral assignment is not a change of ownership and the assignee does not have ownership rights. However, your right to the cash value and the rights of any beneficiary to receive benefits will be subject to the interest of any assignee.

**CASH VALUE:** You may receive the net cash value if you surrender this policy any time after the policy first has a cash value and while the Insured is living. The net cash value is the cash value less any policy debt. All the insurance will cease when you surrender the policy. If no premium is unpaid, the cash value is determined from the Table of Values for the age of the Insured while living.

**NONFORFEITURE PROVISION:** If any premium is unpaid at the end of the grace period and there is no cash value, the policy will cease to be in force effective on the due date of that premium. If there is a cash value and the Automatic Premium Loans provision is in effect, we will make a loan to pay the premium according to the terms of that provision.

If any premium is unpaid at the end of the grace period and there is a cash value but the Automatic Premium Loans provision is not in effect, then within sixty days from the due date of the unpaid premium, you may select one of the following nonforfeiture options:

\*Cash Withdrawal. You may surrender the policy according to the terms of the Cash Value provision. If the policy is surrendered within sixty days after the due date of the unpaid premium, the cash value will not be less than the cash value on the due date.

\*Extended Term Insurance. The net cash value on the due date of the unpaid premium is used as a net single premium to purchase extended term insurance for a limited period for the Insured. The amount of extended term insurance is the amount of insurance which would have been in force during each policy year if no premium due were unpaid, less the amount of any policy loan. No further premiums are payable.

If you do not select one of the nonforfeiture options within sixty days from the due date of an unpaid premium, we will automatically continue the insurance under the Extended Term Insurance option.

If the policy is continued under the nonforfeiture option you may surrender it at any time for its remaining net cash value. The net cash value is the net single premium for all remaining benefits at the Insured's attained age less any policy debt continued. If the surrender is made within thirty days after a policy anniversary, the cash value will not be less than the cash value on that anniversary.

**BASIS OF OUR CALCULATIONS:** All policy values meet the standard nonforfeiture law requirements. Cash values are computed by the standard nonforfeiture method.

A detailed statement of our computation method for all values and reserves has been filed with the insurance department of the state where this policy is delivered. All values and reserves are equal to or greater than those required by the laws of that state.

The 2001 Commissioners' Standard Ordinary Mortality Table (age last birthday, gender blended) is used to calculate cash values and single premiums for extended term insurance. All deaths under these tables during a policy year are assumed to occur at the end of that year. All cash values and single premiums are based on the interest rate shown at the bottom of the Table of Values.

**POLICY LOANS:** While the policy is in force, except with regard to any insurance continued as extended term insurance, and after the policy year for which cash values are first shown in the Table of Values, we will make cash loans to you upon your written request. We may defer making a loan, other than a loan to pay premiums, for up to six months.

When a loan is made, interest for a period not beyond the end of the policy year must be paid in advance. For each policy year the loan continues, interest for a period not beyond the end of that policy year is due in advance. If the interest is not paid when due, it will be added to the policy debt and bear interest at the same rate.

"Policy debt" means the total outstanding loans with interest. Policy debt must not exceed the cash value of the policy. If policy debt ever equals or exceeds the cash value, the policy will cease thirty-one days after we have mailed written notice to your last known address and to the address of any collateral assignee of the policy as shown by our records.

The interest rate charged on policy debt is 6% per year compounded annually.

A policy loan may be for any amount which does not exceed the cash value on the next premium due date or the next policy anniversary, if sooner, minus interest in advance to the end of the current policy year, any premium due that is unpaid and any policy debt.

You may repay all or any part of policy debt at any time. Any policy debt will be deducted from the amount payable if you surrender the policy, from any amount applied to a settlement option or from the amount payable by reason of the Insured's death.

**AUTOMATIC PREMIUM LOANS:** If this provision is in effect by written request, we will automatically loan enough to pay any premium unpaid at the end of a grace period if the limit on policy debt is not exceeded. If making a loan for the entire premium due causes the limit on policy debt to be exceeded, we will make a loan only for the premium for as many days as the limit on policy debt will permit. You may revoke this provision with respect to future premiums becoming due by written request.

**REFUND OF UNEARNED PREMIUM; INTEREST:** Following our receipt of due written proof of your death, any proceeds payable to your designated beneficiary shall include premiums paid for any period beyond the end of the policy month in which your death occurs. In addition, any such proceeds or refund of premium payable which is not paid within a reasonable period of time after receipt of such written proof of your death shall include interest payable at the rate of 8% per year. For purposes of this provision, a reasonable period of time shall be that period of time sufficient to complete an investigation of your cause of death and to process the claim. In no case, however, shall this period exceed 30 days from the date of our receipt of due written proof of your death.

## TABLE OF VALUES

This table shows cash values and other values as of the end of the policy years shown with respect to the insurance for the Insured named on **Page 2**.

No cash value or other value is provided by this policy before the end of a policy year for which a cash value is first shown.

The values in this table assume there is no policy debt and that premiums have been paid to the end of the policy year.

Values during a policy year will reflect the portion of the year for which the premium has been paid.

Values not shown in the table below will be furnished on request.

Attained Age	Cash Value	Extended Term Insurance	
		Years	Days
26	\$5.00	2	177
27	\$18.00	9	202
28	\$30.00	15	72
29	\$44.00	19	340
30	\$58.00	23	115
31	\$73.00	25	311
32	\$88.00	27	241
33	\$104.00	29	64
34	\$121.00	30	150
35	\$139.00	31	163
36	\$157.00	32	79
37	\$176.00	32	323
38	\$196.00	33	165
39	\$217.00	33	333
40	\$239.00	34	101
41	\$262.00	34	205
42	\$285.00	34	253
43	\$310.00	34	311
44	\$335.00	34	320
45	\$361.00	34	314

**Interest Rate 5.00%**

**SETTLEMENT OPTION PROVISION:** While the Insured is living, you may choose the settlement option under which to apply any amount becoming payable because of the surrender of the policy. While the Insured is living you may choose the settlement option under which the beneficiary will receive any amount payable by reason of the death of the Insured. If no settlement option has been chosen when an amount is payable because of the death of the Insured, the beneficiary may choose a settlement option.

**\*Option 1.** We will pay the amount payable in one sum to the beneficiary.

**\*Option 2.** We will pay the annual, semi-annual, quarterly or monthly installments specified by the person making the choice until the amount payable together with interest is exhausted. The interest rate will be a rate declared by the Company but not less than 3 ½% per year compounded annually.

**\*Option 3.** We will pay the amount payable in equal installments for a period not longer than thirty years as specified by the person making the choice from the following table:

**MONTHLY INSTALLMENTS PER \$1,000 OF AMOUNT PAYABLE**

No. of Years	Monthly Installment	No. of Years	Monthly Installment	No. of Years	Monthly Installment
1	\$84.65	11	\$9.09	21	\$5.56
2	\$43.05	12	\$8.46	22	\$5.39
3	\$29.19	13	\$7.94	23	\$5.24
4	\$22.27	14	\$7.49	24	\$5.09
5	\$18.12	15	\$7.10	25	\$4.96
6	\$15.35	16	\$6.76	26	\$4.84
7	\$13.38	17	\$6.47	27	\$4.73
8	\$11.90	18	\$6.20	28	\$4.63
9	\$10.75	19	\$5.97	29	\$4.53
10	\$9.83	20	\$5.75	30	\$4.45

If the recipient dies before receiving the number of installments specified, the remaining installments will be computed and paid in one sum to the estate of the recipient. The interest rate used in computing the installments will be 3 ½% per year compounded annually.

**\*Option 4.** We will pay the amount payable in monthly installments for the remaining lifetime of the recipient but for not less than 120, 180 or 240 monthly installments.

**MONTHLY INSTALLMENTS FOR LIFETIME OF RECIPIENT PER \$1,000 OF AMOUNT PAYABLE**

		120	180	240			120	180	240			120	180	240
M	F	Mos	Mos	Mos	M	F	Mos	Mos	Mos	M	F	Mos	Mos	Mos
	45	4.34	4.29	4.21	55	60	5.57	5.31	5.00	70	75	7.58	6.53	5.63
	46	4.40	4.34	4.26	56	61	5.67	5.39	5.05	71	76	7.73	6.60	5.65
	47	4.47	4.40	4.30	57	62	5.79	5.47	5.10	72	77	7.88	6.66	5.67
	48	4.53	4.46	4.35	58	63	5.91	5.56	5.16	73	78	8.03	6.72	5.69
	49	4.60	4.52	4.40	59	64	6.03	5.64	5.32	74	79	8.18	6.77	5.70
45	50	4.67	4.58	4.45	60	65	6.15	5.73	5.26	75	80	8.33	6.82	5.71
46	51	4.75	4.64	4.51	61	66	6.28	5.81	5.31	76		8.47	6.86	5.72
47	52	4.82	4.71	4.56	62	67	6.41	5.90	5.35	77		8.60	6.90	5.73
48	53	4.90	4.78	4.61	63	68	6.55	5.98	5.40	78		8.73	6.94	5.74
49	54	4.99	4.85	4.67	64	69	6.69	6.07	5.44	79		8.86	6.97	5.74
50	55	5.07	4.92	4.72	65	70	6.83	6.15	5.48	80		8.98	6.99	5.75
51	56	5.17	4.99	4.78	66	71	6.98	6.23	5.51					
52	57	5.26	5.07	4.83	67	72	7.13	6.31	5.55					
53	58	5.36	5.15	4.89	68	73	7.28	6.39	5.58					
54	59	5.46	5.23	4.94	69	74	7.43	6.46	5.60					

The ages appearing in the table above headed "M" (Male) or "F" (Female) refer to the age of the recipient on the date of first payment under **Option 4.**

**\*Option 5.** We will hold the amount payable for the lifetime of the recipient or for a specified period. We will pay interest on the amount held at a rate we will determine but not less than 3 ½% per year compounded annually. Interest payments may be made each month, each three months, each six months or each twelve months. At the death of the recipient or the end of the specified period we will pay the amount held together with any accrued interest to the recipient, if living, otherwise to the estate of the recipient.

We pay all amounts payable under this policy at our Home Office in Oklahoma City, Oklahoma.

Before making any payments we may ask for the return of this policy.

We will make payments under settlement **options 2, 3, 4** or **5** only to a natural person in that person's own right.

Payments under **options 2, 3** and **4** are made at the beginning of each period they are to cover. Interest payments under **option 5** are made at the end of each period over which the interest is earned.

If any installment under a settlement option would be less than \$25, we reserve the right to change the frequency of payments or to pay the entire balance we hold in one sum.

The election of a settlement option, except **option 1**, must have our consent if the policy is assigned or if the amount applied for the benefit of any one payee would be less than \$2,500.

**THE PHOTOCOPY OF THE APPLICATION ATTACHED  
HERETO CONSTITUTES PART OF THE CONTRACT**

**THIS SPACE INTENTIONALLY LEFT BLANK**



**Whole Life – Single Premium to Attained Age 23 – Guaranteed Option to Purchase Additional Insurance During the 60-Day Period Commencing on the Policy Anniversary Date After the Insured’s 23rd Birthday – Non-Participating**

Form SAF-1



**Reserve National**  
INSURANCE COMPANY  
OKLAHOMA CITY, OKLAHOMA  
**CHILD WHOLE LIFE APPLICATION**

For Home Office Use Only			
POLICY NUMBER		EFFECTIVE DATE	
		Month	Day
			Year
AGENT CODE _____		MGR. CODE _____	

I wish to apply to: RESERVE NATIONAL INSURANCE COMPANY, 601 E. Britton Road, Okla. City, OK 73114  
 FOR:  \$10,000  \$5,000  \$2,500 Child Whole Life Insurance

<b>PROPOSED INSURED'S NAME (Child under 23 years of age)</b>			
First	Middle	Last	
<b>ADDRESS</b>			
Street # / Rural Route		City	State
			Zip Code
<b>AGE</b>	<b>BIRTHDAY</b>	<b>SEX</b>	<b>PHONE NUMBER</b>
Last Birthday	Month Day Year	<input type="checkbox"/> Male <input type="checkbox"/> Female	(Area Code)
<b>BENEFICIARY'S NAME</b>		<b>BENEFICIARY'S RELATIONSHIP TO PROPOSED INSURED</b>	
First	Middle	Last	
<b>APPLICANT'S NAME</b>		<b>RELATIONSHIP TO PROPOSED INSURED</b>	
First	Middle	Last	
<b>APPLICANTS ADDRESS</b>			<b>PHONE NUMBER</b>
Street # / Rural Route			(Area Code)
City			State
			Zip Code

<b>FOR HOME OFFICE USE</b>
----------------------------

Will this insurance replace in whole or in part any other insurance?... Yes  No  
**This policy is not designed to replace existing coverage.**  
 I have paid to Reserve National Insurance Company the sum of \$ \_\_\_\_\_ which is a one-time premium (and includes a one-time policy fee), and I hold receipt for the same and consent to the terms thereof.  
 I understand this policy will not become effective until the premium is paid and the policy is issued during the lifetime of the insured.  
 Send Policy to Applicant     Send Policy to Insured     Agent to Deliver

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

X \_\_\_\_\_  
 Signature Date

The undersigned agent (a) represents Reserve National Insurance Company in connection with the insurance applied for; (b) will receive compensation from the Company if coverage is issued; and (c) may provide services to policyholders on behalf of the Company, subject to the Company's approval. The agent does not have authority to bind the Company.

I certify to the best of my knowledge that the policy applied for  will not  will replace in whole or in part any other insurance. X \_\_\_\_\_  
 Agent's Signature

Amount of Insurance:  \$2,500     \$5,000     \$10,000  
**One-time Premium:**    \$99    \$189    \$349  
*(Guaranteed continuous coverage until the age of 23!)*



**1. Children under 23 years of age to be insured: (PLEASE PRINT)**

FIRST NAME	LAST NAME	MIDDLE INITIAL	SEX	DATE OF BIRTH
				MM/DD/YY
				MM/DD/YY
				MM/DD/YY

**2. YOUR INFORMATION:**

FIRST NAME \_\_\_\_\_ LAST NAME \_\_\_\_\_ MIDDLE INITIAL \_\_\_\_\_  
 ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_  
 PHONE \_\_\_\_\_ DATE OF BIRTH (MM/DD/YY) \_\_\_\_\_

**Relationship to Child: (CHECK ONE)**

Parent     Grandparent     Legal Guardian     Other \_\_\_\_\_

**3. BENEFICIARY:** You will be the beneficiary unless you indicate someone else below.

FIRST NAME \_\_\_\_\_ LAST NAME \_\_\_\_\_ MIDDLE INITIAL \_\_\_\_\_  
 RELATIONSHIP TO CHILD \_\_\_\_\_

**4. EXISTING POLICY:** Are there any Life Insurance or Annuity policies in force on the life of the child?

Yes     No    **If Yes:** Child's Name \_\_\_\_\_ Insurance Company \_\_\_\_\_

Will this policy replace a Life Insurance or Annuity policy currently in force?     Yes     No

**This policy is not designed to replace existing coverage.**

**5. METHOD OF PAYMENT:**  Check; Amount enclosed \$ \_\_\_\_\_     Credit Card; Amount \$ \_\_\_\_\_

**Card Type:**  Visa     MasterCard     Discover    Expiration Date \_\_\_\_\_

Card# \_\_\_\_\_ Name on Card \_\_\_\_\_

I am enclosing a premium (  Check or  Credit Card) for each proposed insured child and understand that coverage will begin when the policy is issued by Reserve National Insurance Company.

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

Your Signature \_\_\_\_\_ Date \_\_\_\_\_

**(RETURN IN POSTAGE-PAID ENVELOPE)**



THE FOLLOWING DATA IS FOR A POLICY ISSUED TO A MALE AND TO A FEMALE AT AGE 12:

MALE

POLICY YEAR	ANNUAL PREMIUM	DEATH BENEFIT FIRST OF YEAR	CASH VALUE END OF YEAR
1	<u>\$149</u>	<u>\$2,500</u>	<u>- 0 -</u>
2	<u>- 0 -</u>	<u>\$2,500</u>	<u>- 0-</u>
3	<u>- 0 -</u>	<u>\$2,500</u>	<u>- 0-</u>
4	<u>- 0 -</u>	<u>\$2,500</u>	<u>- 0-</u>
5	<u>- 0 -</u>	<u>\$2,500</u>	<u>- 0-</u>
10	<u>- 0 -</u>	<u>\$2,500</u>	<u>- 0-</u>
20	<u>\$99</u>	<u>\$2,500</u>	<u>\$88</u>

	10 YEARS	20 YEARS	AN EXPLANATION OF THE INTENDED USE OF THESE INDEXES IS GIVEN IN THE "LIFE INSURANCE BUYER'S GUIDE."
SURRENDER COST INDEX	<u>7.35</u>	<u>16.75</u>	
NET PAYMENT COST INDEX	<u>7.35</u>	<u>17.76</u>	

FEMALE

POLICY YEAR	ANNUAL PREMIUM	DEATH BENEFIT FIRST OF YEAR	CASH VALUE END OF YEAR
1	<u>\$149</u>	<u>\$2,500</u>	<u>- 0 -</u>
2	<u>- 0 -</u>	<u>\$2,500</u>	<u>- 0-</u>
3	<u>- 0 -</u>	<u>\$2,500</u>	<u>- 0-</u>
4	<u>- 0 -</u>	<u>\$2,500</u>	<u>- 0-</u>
5	<u>- 0 -</u>	<u>\$2,500</u>	<u>- 0-</u>
10	<u>- 0 -</u>	<u>\$2,500</u>	<u>- 0-</u>
20	<u>\$99</u>	<u>\$2,500</u>	<u>\$88</u>

	10 YEARS	20 YEARS	AN EXPLANATION OF THE INTENDED USE OF THESE INDEXES IS GIVEN IN THE "LIFE INSURANCE BUYER'S GUIDE."
SURRENDER COST INDEX	<u>7.35</u>	<u>16.75</u>	
NET PAYMENT COST INDEX	<u>7.35</u>	<u>17.76</u>	



THE FOLLOWING DATA IS FOR A POLICY ISSUED TO A MALE AND TO A FEMALE AT AGE 12:

MALE

POLICY YEAR	ANNUAL PREMIUM	DEATH BENEFIT FIRST OF YEAR	CASH VALUE END OF YEAR
1	<u>\$239</u>	<u>\$5,000</u>	<u>- 0 -</u>
2	<u>- 0 -</u>	<u>\$5,000</u>	<u>- 0-</u>
3	<u>- 0 -</u>	<u>\$5,000</u>	<u>- 0-</u>
4	<u>- 0 -</u>	<u>\$5,000</u>	<u>- 0-</u>
5	<u>- 0 -</u>	<u>\$5,000</u>	<u>- 0-</u>
10	<u>- 0 -</u>	<u>\$5,000</u>	<u>- 0-</u>
20	<u>\$189</u>	<u>\$5,000</u>	<u>\$176</u>

	10 YEARS	20 YEARS	AN EXPLANATION OF THE INTENDED USE OF THESE INDEXES IS GIVEN IN THE "LIFE INSURANCE BUYER'S GUIDE."
SURRENDER COST INDEX	<u>5.90</u>	<u>15.24</u>	
NET PAYMENT COST INDEX	<u>5.90</u>	<u>16.26</u>	

FEMALE

POLICY YEAR	ANNUAL PREMIUM	DEATH BENEFIT FIRST OF YEAR	CASH VALUE END OF YEAR
1	<u>\$239</u>	<u>\$5,000</u>	<u>- 0 -</u>
2	<u>- 0 -</u>	<u>\$5,000</u>	<u>- 0-</u>
3	<u>- 0 -</u>	<u>\$5,000</u>	<u>- 0-</u>
4	<u>- 0 -</u>	<u>\$5,000</u>	<u>- 0-</u>
5	<u>- 0 -</u>	<u>\$5,000</u>	<u>- 0-</u>
10	<u>- 0 -</u>	<u>\$5,000</u>	<u>- 0-</u>
20	<u>\$189</u>	<u>\$5,000</u>	<u>\$176</u>

	10 YEARS	20 YEARS	AN EXPLANATION OF THE INTENDED USE OF THESE INDEXES IS GIVEN IN THE "LIFE INSURANCE BUYER'S GUIDE."
SURRENDER COST INDEX	<u>5.90</u>	<u>15.24</u>	
NET PAYMENT COST INDEX	<u>5.90</u>	<u>16.26</u>	



THE FOLLOWING DATA IS FOR A POLICY ISSUED TO A MALE AND TO A FEMALE AT AGE 12:

MALE

POLICY YEAR	ANNUAL PREMIUM	DEATH BENEFIT FIRST OF YEAR	CASH VALUE END OF YEAR
1	<u>\$399</u>	<u>\$10,000</u>	<u>- 0 -</u>
2	<u>- 0 -</u>	<u>\$10,000</u>	<u>- 0-</u>
3	<u>- 0 -</u>	<u>\$10,000</u>	<u>- 0-</u>
4	<u>- 0 -</u>	<u>\$10,000</u>	<u>- 0-</u>
5	<u>- 0 -</u>	<u>\$10,000</u>	<u>- 0-</u>
10	<u>- 0 -</u>	<u>\$10,000</u>	<u>- 0-</u>
20	<u>\$349</u>	<u>\$10,000</u>	<u>\$351</u>

	10 YEARS	20 YEARS	AN EXPLANATION OF THE INTENDED USE OF THESE INDEXES IS GIVEN IN THE "LIFE INSURANCE BUYER'S GUIDE."
SURRENDER COST INDEX	<u>4.92</u>	<u>13.68</u>	
NET PAYMENT COST INDEX	<u>4.92</u>	<u>14.69</u>	

FEMALE

POLICY YEAR	ANNUAL PREMIUM	DEATH BENEFIT FIRST OF YEAR	CASH VALUE END OF YEAR
1	<u>\$399</u>	<u>\$10,000</u>	<u>- 0 -</u>
2	<u>- 0 -</u>	<u>\$10,000</u>	<u>- 0-</u>
3	<u>- 0 -</u>	<u>\$10,000</u>	<u>- 0-</u>
4	<u>- 0 -</u>	<u>\$10,000</u>	<u>- 0-</u>
5	<u>- 0 -</u>	<u>\$10,000</u>	<u>- 0-</u>
10	<u>- 0 -</u>	<u>\$10,000</u>	<u>- 0-</u>
20	<u>\$349</u>	<u>\$10,000</u>	<u>\$351</u>

	10 YEARS	20 YEARS	AN EXPLANATION OF THE INTENDED USE OF THESE INDEXES IS GIVEN IN THE "LIFE INSURANCE BUYER'S GUIDE."
SURRENDER COST INDEX	<u>4.92</u>	<u>13.68</u>	
NET PAYMENT COST INDEX	<u>4.92</u>	<u>14.69</u>	

SERFF Tracking Number: RNIC-126705837 State: Arkansas  
 Filing Company: Reserve National Insurance Company State Tracking Number: 46117  
 Company Tracking Number:  
 TOI: L071 Individual Life - Whole Sub-TOI: L071.111 Single Premium - Single Life  
 Product Name: SAF-1 Whole Life Policy  
 Project Name/Number: SAF-1 Whole Life Policy/

## Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
	SAF-1 Formulas and Example Calculations	SAF-1	New		SAF-1 Formulas and Example Calculations.xls

*SERFF Tracking Number:*      *RNIC-126705837*                      *State:*                      *Arkansas*  
*Filing Company:*              *Reserve National Insurance Company*              *State Tracking Number:*      *46117*  
*Company Tracking Number:*  
*TOI:*                      *L071 Individual Life - Whole*                      *Sub-TOI:*                      *L071.111 Single Premium - Single Life*  
*Product Name:*              *SAF-1 Whole Life Policy*  
*Project Name/Number:*      *SAF-1 Whole Life Policy/*

**Attachment "SAF-1 Formulas and Example Calculations.xls" is not a PDF document and cannot be reproduced here.**

SERFF Tracking Number: RNIC-126705837 State: Arkansas  
 Filing Company: Reserve National Insurance Company State Tracking Number: 46117  
 Company Tracking Number:  
 TOI: L071 Individual Life - Whole Sub-TOI: L071.111 Single Premium - Single Life  
 Product Name: SAF-1 Whole Life Policy  
 Project Name/Number: SAF-1 Whole Life Policy/

## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Flesch Certification		
<b>Comments:</b>		
<b>Attachment:</b> SAF-1 Policy Readability Certificate.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Application		
<b>Comments:</b> The application is attached to the Form Schedule for approval.		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> AR-INP (11/09) - Important Notice		
<b>Comments:</b>		
<b>Attachment:</b> AR-INP _11-09_.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> DISC-AR-3 - Limitations and Exclusions		
<b>Comments:</b>		
<b>Attachment:</b> DISC-AR-3.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Certification		
<b>Comments:</b>		

*SERFF Tracking Number:* RNIC-126705837      *State:* Arkansas  
*Filing Company:* Reserve National Insurance Company      *State Tracking Number:* 46117  
*Company Tracking Number:*  
*TOI:* L071 Individual Life - Whole      *Sub-TOI:* L071.111 Single Premium - Single Life  
*Product Name:* SAF-1 Whole Life Policy  
*Project Name/Number:* SAF-1 Whole Life Policy/

**Attachment:**

AR - Certification.pdf



## READABILITY CERTIFICATION

### FORM NUMBER: SAF-1 – Whole Life Policy

The words, sentences, and syllables of Form: **SAF-1** was counted to be used in the Flesch Readability Formula in order to determine the readability score of the form. Formal names, medical terms and words defined (implicitly or explicitly) in the policy/rider/endorsement were not counted.

WORDS: 2,231

SENTENCES: 141

SYLLABLES: 2,703

This resulted in a Flesch Readability score of **88.24**.

---

KYLE D. CONRAD  
Senior Vice President  
and Associate Corporate Counsel

## **IMPORTANT NOTICE**

### **Customer Service Department of Reserve National Insurance Company:**

601 East Britton Road  
Oklahoma City, OK 73114-7710  
Telephone # 1-800-654-9106.

If we at Reserve National Insurance Company fail to provide you with reasonable and adequate service, you should feel free to contact:

### **Arkansas Insurance Department**

Consumer Services Division  
1200 West Third Street  
Little Rock, Arkansas 72201-1904  
Telephone (501) 371-2600

## **Limitations and Exclusions under the Arkansas Life and Disability Insurance Guaranty Association Act**

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

### **DISCLAIMER**

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

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

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

The Arkansas Life and Health Insurance Guaranty Association  
C/o The Liquidation Division  
1023 West Capitol  
Little Rock, Arkansas 72201

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

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

### **COVERAGE**

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

## **EXCLUSIONS FROM COVERAGE**

However, persons holding such policies are NOT protected by the Guaranty Association if:

- \* They are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- \* The insurer was not authorized to do business in this state;
- \* Their policy or contract was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does NOT provide coverage for:

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

## **LIMITS ON AMOUNT OF COVERAGE**

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

# State of Arkansas

## Certification

Carrier: Reserve National Insurance Company

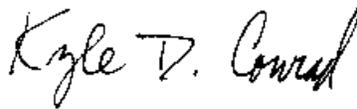
Submission: Whole Life Policy, Application, Enrollment and Statement of Policy Cost

Form Number(s): SAF-1, APP-SAF-1 AR (7/10), C-SAF-1006-A-AR, SAF-SUMM-2500 (7/10), SAF-SUMM-5000 (7/10), SAF-SUMM-10000 (7/10)

The company has reviewed the above referenced form(s) and certifies that, to the best of its knowledge and belief, each form submitted is consistent and complies with the requirements of Arkansas Rule and Regulation 19, as well as all applicable requirements of the Arkansas Insurance Department.

7/07/2010

Date



KYLE D. CONRAD  
Senior Vice President and  
Associate Corporate Counsel