

SERFF Tracking Number: BANN-126745774 State: Arkansas  
Filing Company: Banner Life Insurance Company State Tracking Number: 46547  
Company Tracking Number:  
TOI: L08 Life - Other Sub-TOI: L08.000 Life - Other  
Product Name: Accelerated Death Benefit Rider  
Project Name/Number: Accelerated Death Benefit Rider/ADB (06-10)

## Filing at a Glance

Company: Banner Life Insurance Company

Product Name: Accelerated Death Benefit Rider SERFF Tr Num: BANN-126745774 State: Arkansas

TOI: L08 Life - Other SERFF Status: Closed-Approved- State Tr Num: 46547  
Closed

Sub-TOI: L08.000 Life - Other Co Tr Num: State Status: Approved-Closed

Filing Type: Form Reviewer(s): Linda Bird

Author: Ada Miller Disposition Date: 08/24/2010

Date Submitted: 08/19/2010 Disposition Status: Approved-  
Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name: Accelerated Death Benefit Rider

Project Number: ADB (06-10)

Requested Filing Mode: Review & Approval

Status of Filing in Domicile: Authorized

Date Approved in Domicile: 08/11/2010

Domicile Status Comments: Maryland, our state  
of domicile, is part of the IIPRC.

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact:

Group Market Type:

Filing Status Changed: 08/24/2010

Explanation for Other Group Market Type:

State Status Changed: 08/24/2010

Deemer Date:

Created By: Ada Miller

Submitted By: Ada Miller

Corresponding Filing Tracking Number:

Filing Description:

The above-referenced form is being submitted for your review and approval. Upon approval, ADB (06-10), if elected, will be attached to our term and universal life products. The term product, RT-97, was approved by your department on 10/22/97 for the 10, 15, & 20 year term; and 11/20/97 for the 30 year term. Our universal products were approved as follows: UL-09 AR approved on 1/21/10, and U2010 AR approved on 7/16/10.

Implementation date for this rider is August 31, 2010.

The Accelerated Death Benefit Rider provides for the advance payment of some or all of the death proceeds payable

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under a life insurance policy upon the occurrence of a qualifying event. An Actuarial Memorandum and Certification are included. A sample of policy schedule page 3 is also attached and will be used if this rider is elected.

To the best of our knowledge, information, and belief, this form complies with the rules and regulations of your department.

## Company and Contact

### Filing Contact Information

Nancy January, Vice President, Product Development  
 1701 Research Boulevard  
 Rockville, MD 20850  
 njanuary@lgamerica.com  
 301-279-4868 [Phone]  
 301-294-6964 [FAX]

### Filing Company Information

Banner Life Insurance Company  
 1701 Research Boulevard  
 Rockville, MD 20850  
 (301) 279-4809 ext. [Phone]  
 CoCode: 94250  
 Group Code: 872  
 Group Name:  
 FEIN Number: 52-1236145  
 State of Domicile: Maryland  
 Company Type: Life Insurance  
 State ID Number:

## Filing Fees

Fee Required? Yes  
 Fee Amount: \$125.00  
 Retaliatory? Yes  
 Fee Explanation: 1 form x \$125  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Banner Life Insurance Company	\$125.00	08/19/2010	38881180

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	08/24/2010	08/24/2010

### 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	08/23/2010	08/23/2010	Ada Miller	08/24/2010	08/24/2010

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## Disposition

Disposition Date: 08/24/2010

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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<b>Schedule</b>	<b>Schedule Item</b>	<b>Schedule Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Flesch Certification		Yes
<b>Supporting Document</b>	Application		No
<b>Supporting Document</b>	Actuarial Memorandum		No
<b>Supporting Document</b>	Sample Policy Schedule Pages		Yes
<b>Supporting Document</b>	Disclosure Statement		Yes
<b>Form</b>	Accelerated Death Benefit Rider		Yes

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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 08/23/2010  
Submitted Date 08/23/2010  
Respond By Date 09/23/2010

Dear Nancy January,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: The Accelerated Benefit Rider issued with life insurance policies require a disclosure statement as outlined in Rule and Regulation 60s8.

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 08/24/2010  
Submitted Date 08/24/2010

Dear Linda Bird,

### Comments:

Thank you for your response.

### Response 1

Comments: We have attached a disclosure statement under the Supporting Documentation.

#### Related Objection 1

Comment:

The Accelerated Benefit Rider issued with life insurance policies require a disclosure statement as outlined in Rule and Regulation 60s8.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Disclosure Statement

Comment: Sample disclosure statement is attached.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

thank you for your further review.

Sincerely,  
Ada Miller

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## Form Schedule

### Lead Form Number: ADB (06-10)

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	ADB (06-10)	Policy/Cont ract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	Initial		66.200	ADB (06-10).pdf

**ACCELERATED DEATH BENEFIT RIDER**

**This rider provides for an accelerated death benefit payment to the Owner of the policy during the lifetime of the Insured subject to eligibility requirements. An accelerated death benefit payment, hereafter referred to as an ADB, will reduce the policy's death benefit proceeds otherwise payable and limit the availability of any policy cash surrender value and/or any available loan value. This rider is not intended or designed to provide health, nursing home, or long-term care. There are no restrictions on the use of an ADB.**

**The policy owner should seek assistance from a tax advisor regarding the tax status of any ADB payment.**

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In this Benefit Rider, Banner Life Insurance Company will be referred to as "we," "our" or "us" or "company". The "policy" is the policy to which this rider is attached. Coverage pursuant to this rider begins on the same date as the coverage for the policy. This rider is subject to all terms and conditions of the policy, except as provided in this rider. The rider is made part of the policy on the policy issue date. For purposes of this rider, the insured is as defined in the policy.

**BENEFIT**

We will make an accelerated death payment subject to the provisions of this rider. An ADB payment will require:

1. The Owner's written request, sent to our home office, for an ADB payment.
2. Proof that is acceptable to us that the Owner is eligible for receipt of an ADB payment.
3. A signed acknowledgement of concurrence for payment from all irrevocable beneficiaries and any assignee on the policy. If the company paying the ADB is itself the assignee under the policy, no signed acknowledgement is required.
4. A full release of any collateral assignment of the policy with the exception of collateral assignment to the company.
5. That, if the policy is a term insurance, it cannot have less than twelve months remaining until the maturity date on the date that payment is to be made.
6. That the policy has not been voided and is not being contested.

The ADB will be paid to the Owner or Owner's estate while the insured is living, unless the benefit has been otherwise assigned or designated by the Owner. The payment of the accelerated death benefit is due immediately upon receipt of the due written proof sufficient by the company to confirm eligibility for the ADB.

We will not make an ADB if the policy is being continued as extended term insurance or reduced paid-up insurance on the date payment is to be made.

**BENEFIT LIMITS**

The maximum accelerated death benefit is the lesser of:

1. 75% of the policy's primary death benefit as determined on the date that the company approves payment of the ADB; and
2. \$500,000.

This amount is further reduced by any outstanding policy loan, with accrued interest, on the date of payment of the ADB.

**ADB ELIGIBILITY REQUIREMENTS**

To be eligible for an ADB payment the Owner must provide to us:

1. evidence acceptable to us that the Insured is living and has a medical condition that is reasonably expected to result in a life expectancy of twelve months or less; this evidence must include, but is not limited to, certification by a physician that we approve who is licensed to practice medicine in the United States or Canada and is acting within the scope of that license.

2. evidence that election of this benefit is voluntary and without coercion on the part of any third party, including any creditor or government agency.
3. evidence that only one of the Insureds is living, if the policy is a last survivor policy.

Additionally, the company has the right to require a second or third medical opinion to confirm benefit eligibility. Such second and third opinions are at the company's expense. The second medical opinion may include a physical examination by a physician designated by the company. In the case of conflicting opinions, eligibility for benefits shall be determined by a third medical opinion that is provided by a physician that is mutually acceptable to the Owner and the Company.

#### **EFFECT OF THE ACCELERATED DEATH BENEFIT**

The ADB will be treated as a lien against the policy's death benefit. Such lien will limit the availability of any surrender benefit and any future policy loans, policy withdrawals or policy surrenders.

Prior to, and concurrent with, the election to receive an ADB, the owner and irrevocable beneficiary will be given a statement demonstrating the effect of an ADB on the policy's cash surrender values, death benefit, and policy loans.

The lien amount will at any time equal:

1. the amount of the ADB payment to the owner; plus
2. the administrative fee; plus
3. the amount of any premium required to remove the policy from the grace period; plus
4. any unpaid required premiums added to the lien as described below; plus
5. accrued lien interest charges as described below.

For the amount of the lien equal to the policy's cash surrender value at the time the lien is in effect, interest will be charged at the policy loan interest rate stated in the policy. For the amount of the lien in excess of such cash surrender value, interest will be charged at a rate that is no greater than the greater of:

1. the current yield on a 90-day treasury bill on the date of the ADB payment; and
2. the current maximum adjustable policy loan interest rate allowed by law on the date of payment in the state in which the policy was delivered.

After the company makes an ADB payment, the Owner will be liable for premium payments required to keep the policy, and applicable riders, in force through the date of death of the Insured. Any such premium payments, if not paid to the company, will be added to the lien. Cost of insurance charges, if applicable, will continue to be charged against the policy (unless being waived because of a waiver of monthly deduction benefit that is in effect). Waiver of premium benefits, if in effect following payment of an ADB, will continue to apply.

Subsequent to payment of an ADB, upon the death of the insured the proceeds payable will equal the death benefit proceeds, as defined in the policy, less the total lien in effect at the date death.

If the policy has an accidental death benefit provision, that provision shall not be affected by the payment of the accelerated death benefit.

#### **ADDITIONAL PROVISIONS**

There is no premium or cost of insurance charge for this rider. However, an administrative fee that will not exceed \$250 will apply at the time the ADB is paid and it will be added to the lien.

The policy's primary death benefit is the death benefit provided by the policy. It does not include any accidental death benefits, the death benefit provided by any riders, or death benefits payable due to the death of anyone other than the Insured. If the policy does not provide for policy loans, the loan value is defined as zero. If the policy does not provide cash surrender values, the cash surrender value is defined as zero.

#### **INCONTESTABILITY**

The policy's incontestability provision will apply to this rider.

#### **PAYMENT OPTIONS**

The ADB will be payable to the Owner as a lump sum payment.

If the policy has a cash surrender value, the available ADB will be at least 75% of any such cash surrender value, where such cash surrender value reflects the deduction of any outstanding policy indebtedness.

If the insured dies after the owner elects to receive an ADB, but before the Owner receives such benefits, the election is cancelled and the death benefit is paid pursuant to the policy.

#### **REINSTATEMENT**

The policy's reinstatement provision will apply to this rider.

#### **TERMINATION**

This rider will terminate on the earliest of:

1. the date of maturity or termination of the policy;
2. when a nonforfeiture option has become effective under the policy; or
3. at the date the Owner's written request for termination is signed; this request must be received in our home office.

If at any time the total lien amount equals or exceeds the policy's death benefit proceeds as defined in the policy, the policy will terminate. Termination will occur 31 days after the company has mailed a notice of termination to the last known address of the Owner, unless all or part of the lien amount is repaid with 31 days after the noticed is mailed. We will accept a partial repayment only if the death benefit proceeds of the policy would exceed the lien amount after the partial repayment is applied.

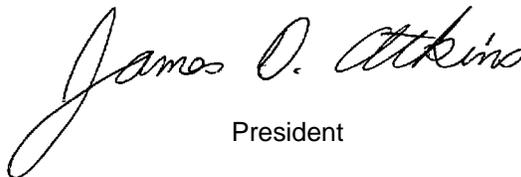
Termination shall not prejudice the payment of benefits if the insured became eligible for an ADB while the policy was in force.

This rider is subject to the conditions of this policy. Where a conflict between the rider and the policy exists, the conditions of the rider will control.

The issue date of this benefit is the policy date, or a later date if shown here.

Signed for us at our home office in Rockville, Maryland.

  
Secretary

  
President

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## Supporting Document Schedules

**Item Status:** **Status**  
**Date:**

**Satisfied - Item:** Flesch Certification

**Comments:**

Flesch certification attached.

**Attachment:**

ADB Readability Certification.pdf

**Item Status:** **Status**  
**Date:**

**Satisfied - Item:** Sample Policy Schedule Pages

**Comments:**

Sample policy schedule pages if rider is elected.

**Attachment:**

UL09 ADB PSP.pdf

**Item Status:** **Status**  
**Date:**

**Satisfied - Item:** Disclosure Statement

**Comments:**

Sample disclosure statement is attached.

**Attachment:**

ADB DISC.pdf

Readability Certification  
ICC10 ADB Accelerated Death Benefit

This is to certify that the form in this filing has been tested and meets the minimum required Flesch reading ease score.

Accelerated Death Benefit Rider, Form ICC10 ADB, yielded a score of 66.2.

It is not in less than 10-point type, one-point leaded.

The style, arrangement, and overall appearance of the policy gives no undue prominence to any portion of the text of the policy or to any endorsements or riders



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*Nancy C. January, FSA, MAAA  
Vice President, Product Development  
Banner Life Insurance Company*

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*June 2, 2010  
Date*

**POLICY SCHEDULE**

Policy Number: 010000000

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Insured:	JOHN DOE	Planned Annual Premium:	\$1,000.00
Issue Age/Sex	35 Male	Issue Date:	MAR 1, 2008
Owner:	JOHN DOE	Policy Date:	MAR 1, 2008
Premiums Payable	TO AGE 121	Maturity Date:	MAR 1, 2094

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SCHEDULE OF BENEFITS

<u>FORM NUMBER</u>	<u>TYPE OF COVERAGE</u>	<u>AMOUNT</u>	<u>ANNUAL PREMIUM</u>	<u>RATING CLASSIFICATION</u>
UL09	FLEXIBLE PREMIUM ADJUSTABLE LIFE	\$100,000.00	\$1,000.00	STANDARD NON-TOBACCO
ADB (06-10)	ACCELERATED DEATH BENEFIT			

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**Note:**  
Due to the flexible nature of this Flexible Premium Adjustable Life policy, it is possible that coverage will terminate before the maturity date. This can occur if no premiums are paid after payment of the initial premium or if subsequent premiums are too infrequent or insufficient to provide continued coverage to the maturity date.

**POLICY SCHEDULE**

Policy Number: 010000000

---

Insured:	JOHN DOE	Planned Annual Premium:	\$1,000.00
Issue Age/Sex	35 Male	Issue Date:	MAR 1, 2008
Owner:	JOHN DOE	Policy Date:	MAR 1, 2008
Premiums Payable	TO AGE 121	Maturity Date:	MAR 1, 2094

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<u>FORM NUMBER</u>	<u>TYPE OF COVERAGE</u>	<u>AMOUNT</u>	<u>ANNUAL PREMIUM</u>	<u>RATING CLASSIFICATION</u>
UL09	FLEXIBLE PREMIUM ADJUSTABLE LIFE	\$100,000.00	\$1,000.00	STANDARD NON-TOBACCO RATED TABLE 4 200%
ADB (06-10)	ACCELERATED DEATH BENEFIT			

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**Note:**  
Due to the flexible nature of this Flexible Premium Adjustable Life policy, it is possible that coverage will terminate before the maturity date. This can occur if no premiums are paid after payment of the initial premium or if subsequent premiums are too infrequent or insufficient to provide continued coverage to the maturity date.

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SCHEDULE OF BENEFITS

<u>FORM NUMBER</u>	<u>TYPE OF COVERAGE</u>	<u>AMOUNT</u>	<u>ANNUAL PREMIUM</u>	<u>RATING CLASSIFICATION</u>
UL09	FLEXIBLE PREMIUM ADJUSTABLE LIFE  TEMPORARY FLAT EXTRA \$5.00 PER 1000 FOR 2 YEARS	\$100,000.00	\$1,000.00	STANDARD NON-TOBACCO RATED
ADB (06-10)	ACCELERATED DEATH BENEFIT			

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**Note:**  
Due to the flexible nature of this Flexible Premium Adjustable Life policy, it is possible that coverage will terminate before the maturity date. This can occur if no premiums are paid after payment of the initial premium or if subsequent premiums are too infrequent or insufficient to provide continued coverage to the maturity date.

**DISCLOSURE REGARDING ACCELERATED DEATH BENEFIT RIDER**

- a) This rider provides for an accelerated death benefit [ADB] payment to the policy owner of the policy during the lifetime of the Insured, subject to eligibility requirements. To be eligible for an ADB payment, the Owner must provide to the company:
  - 1) evidence acceptable that the Insured is living and, has a medical condition that reasonably results in a life expectancy of twelve months or less, and
  - 2) evidence that election of this benefit is voluntary and without coercion on the part of any third party, including any creditor or government agency.

Receipt of an accelerated death benefit will:

- 1) reduce the policy's death benefit,
  - 2) not affect the accumulation values,
  - 3) limit future partial and cash surrender values,
  - 4) not affect future required premium payments,
  - 5) not affect future cost of insurance rates and values, and
  - 6) not affect future loan interest charges.
- b) There is a maximum \$250 administrative fee which is applied when an accelerated death benefit payment is made. This fee is used to cover the costs of issuing and processing of ADB benefit.
  - c) The portion of the lien amount which is less than or equal to the cash surrender value at the time of the ADB payment will be charged interest at the policy loan interest rate.

The portion of the lien amount which is in excess to the cash surrender value at the time of the ADB payment will be charged the greater of:

- i) the current yield on a 90-day treasury bill on the date of the ADB payment; and
  - ii) the current maximum adjustable policy loan interest rate allowed by law in the state in which the policy was delivered on the date of the ADB payment.
- d) The maximum accelerated death benefit is the lesser of:
    - i) \$500,000.00 and
    - ii) 75% of the death benefit,less any outstanding loan balance.

Premium requirements are unaffected by the presence of an ADB.

Upon the death of the insured, the death benefits payable are reduced by the total accelerated death benefit lien.

The accelerated death benefit feature is subject to state variations; it may not be available in all states. Review your policy and the Accelerated Death Benefit Rider for complete limitations, terms, and conditions.

**Receipt of accelerated death benefits may be taxable. Consult your tax advisor regarding possible tax consequences of an accelerated death benefit.**

\_\_\_\_\_  
Owner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Agent Signature

\_\_\_\_\_  
Date