

SERFF Tracking Number: FIVE-127289037 State: Arkansas
Filing Company: 5 Star Life Insurance Company State Tracking Number: 49117
Company Tracking Number: 511
TOI: L04I Individual Life - Term Sub-TOI: L04I.003 Single Life - Single Premium
Product Name: Individual Silver Premiere - Graded Death
Project Name/Number: /

Filing at a Glance

Company: 5 Star Life Insurance Company

Product Name: Individual Silver Premiere - Graded Death SERFF Tr Num: FIVE-127289037 State: Arkansas

TOI: L04I Individual Life - Term SERFF Status: Closed-Approved-Closed State Tr Num: 49117

Sub-TOI: L04I.003 Single Life - Single Premium Co Tr Num: 511 State Status: Approved-Closed

Filing Type: Form Reviewer(s): Linda Bird

Authors: Mildred Hunt, Lourdes Hilbers Disposition Date: 06/28/2011

Date Submitted: 06/23/2011 Disposition Status: Approved-Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

General Information

Project Name:

Status of Filing in Domicile: Pending

Project Number:

Date Approved in Domicile:

Requested Filing Mode:

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type:

Overall Rate Impact:

Filing Status Changed: 06/28/2011

State Status Changed: 06/28/2011

Deemer Date:

Created By: Mildred Hunt

Submitted By: Mildred Hunt

Corresponding Filing Tracking Number:

Filing Description:

ICC11-ISP GDWL POLICY R511-AR: Graded Death Benefit Whole Life Insurance Policy

ICC11-ISP WL POLICY R0511-AR: Individual Whole Life Insurance Policy

ICC11-ISP WL App R511: Individual Silver Premier Whole Life Application

Company and Contact

Filing Contact Information

Mildred Hunt, Compliance Manager

mhunt@afba.com

SERFF Tracking Number: FIVE-127289037 State: Arkansas
 Filing Company: 5 Star Life Insurance Company State Tracking Number: 49117
 Company Tracking Number: 511
 TOI: L041 Individual Life - Term Sub-TOI: L041.003 Single Life - Single Premium
 Product Name: Individual Silver Premiere - Graded Death
 Project Name/Number: /

909 North Washington Street 703-706-5975 [Phone]
 Alexandria, VA 22314 703-224-0214 [FAX]

Filing Company Information

5 Star Life Insurance Company CoCode: 77879 State of Domicile: Louisiana
 909 North Washington Street Group Code: 77879 Company Type: Life Insurance
 Company
 Alexandria, VA 22314 Group Name: NAIC State ID Number:
 (703) 706-5975 ext. [Phone] FEIN Number: 54-1829709

Filing Fees

Fee Required? Yes
 Fee Amount: \$200.00
 Retaliatory? Yes
 Fee Explanation: \$100.00 per product x 2 = \$\$200.00
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
5 Star Life Insurance Company	\$200.00	06/23/2011	49027853

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	06/28/2011	06/28/2011

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	06/24/2011	06/24/2011	Mildred Hunt	06/28/2011	06/28/2011

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Disposition

Disposition Date: 06/28/2011

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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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	Statement of Variability		Yes
Supporting Document	Cover Letter		Yes
Supporting Document	GAA Notice and Notice of Complaint		Yes
Supporting Document	Certification		Yes
Form	Graded Death Benefit Whole Life Insurance Policy		Yes
Form	Individual Whole Life Insurance Policy		Yes
Form	Individual Silver Premier Whole Life Application		Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 06/24/2011
Submitted Date 06/24/2011
Respond By Date 07/25/2011

Dear Mildred Hunt,

This will acknowledge receipt of the captioned filing.

Objection 1

Comment: Ark. Code Ann. 23-79-138 requires that certain information accompany every policy. Bulletin 15-2009 further address this issue.

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

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Response Letter

Response Letter Status Submitted to State
Response Letter Date 06/28/2011
Submitted Date 06/28/2011

Dear Linda Bird,

Comments:

Thank you for your Letter Objection dated June 24, 2011.

Response 1

Comments: The GAA Notice and Complaint Notice is provided. Additionally, a Certification is also enclosed

Related Objection 1

Comment:

Ark. Code Ann. 23-79-138 requires that certain information accompany every policy. Bulletin 15-2009 further address this issue.

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: GAA Notice and Notice of Complaint

Comment:

Satisfied -Name: Certification

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

If additional information is required, please do not hesitate to contact me.

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Sincerely yours,

Mildred E. Hunt
Compliance Manager

Sincerely,
Lourdes Hilbers, Mildred Hunt

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Form Schedule

Lead Form Number: ICC11-ISP GDWL POLICY R511-AR

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	ICC11-ISP GDWL POLICY R511-AR	Policy/Cont ract/Fratern al	Graded Death Benefit Whole Life Insurance Policy Certificate	Initial			ICC11-ISP GDWL POLICY R511-AR.pdf
	ICC11-ISP WL POLICY R0511-AR	Policy/Cont ract/Fratern al	Individual Whole Life Insurance Policy Certificate	Initial			ICC11-ISP WL POLICY R0511-AR.pdf
	ICC11-ISP WL App R511	Application/ Enrollment Form	Individual Silver Premier Whole Life Application	Initial			ICC11 ISP WL App R511.pdf



Administrative Offices: 909 North Washington Street, Alexandria, VA 22314 • 800-776-2322 • www.afba.com
(a Baton Rouge, Louisiana Company)

GRADED DEATH BENEFIT WHOLE LIFE INSURANCE

This policy is issued in consideration of the application and of the payment of the first premium as provided herein. A copy of the application is attached and is made a part of this policy. All payments are subject to the terms of this policy. We will pay the Coverage Amount in a lump sum to the Beneficiary if we receive due proof that the Insured's death occurred while this policy was in force and prior to the Maturity Date.

Right to Cancel

Please Read This Notice Carefully - This policy is a legal contract between you, the Policy Owner, and 5 Star Life Insurance Company. You may cancel this policy by delivering or mailing a written notice to 5 Star Life Insurance Company at the administrative office noted above, or to the agent through whom you purchased this coverage, and by returning this policy before midnight of the 30th day after the date you receive this policy. Notice given by mail and return of this policy by mail are effective on being postmarked, properly addressed and postage applied. We will return all premiums made for this policy and this policy will be deemed void from the beginning.

Signed for 5 Star Life Insurance Company ("the Company") at its administrative office in Alexandria, Virginia.

Secretary

President

GRADED DEATH BENEFIT Whole Life Insurance – LIMITED DEATH BENEFIT FIRST TWO POLICY YEARS

This policy is non-participating and no dividends are payable

Whole Life policy with premiums payable to end of stated period or to Insured's death, if earlier
Coverage Amount payable at death or at Maturity Date
Premiums Payable as shown in Policy Specifications

YOU HAVE PURCHASED A LIFE INSURANCE POLICY. CAREFULLY REVIEW IT FOR LIMITATIONS.

POLICY PROVISIONS

	Page
Policy Specifications	PS-1
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Surrender Value	6
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POLICY SPECIFICATIONS

Plan: Individual Graded Death Benefit Whole Life
[7/1/2011]

Effective Date of Issue:

Insured: [John Doe]

Maturity Date: [7/1/2067]

SSN: [000-00-0000]

Date of Birth: [7/1/1946]

Policy ID: []

Issue Age: [65]

Premiums Payable to Age: 121

Rating Class: [Male]

Coverage Amount after first two years*: \$25,000

Annual Premium: [\$xxx.xx]

Owner and Beneficiary: As stated in the application for this policy unless changed in accordance with the section of your policy entitled "Owner and Beneficiary."

Plan Description: Traditional permanent whole life insurance. Premiums are fixed and are level for the whole of life. At the Maturity Date the insurance will terminate and the Insured will receive the Coverage Amount.

DEATH BENEFIT – WHERE CAUSE OF DEATH IS:
OTHER THAN ACCIDENT ACCIDENTAL DEATH

POLICY YEAR ONE: 30% OF THE COVERAGE AMOUNT 100% OF COVERAGE AMOUNT
POLICY YEAR TWO: 70% OF COVERAGE AMOUNT 100% OF COVERAGE AMOUNT
POLICY YEAR THREE
AND THEREAFTER: 100% OF COVERAGE AMOUNT 100% OF COVERAGE AMOUNT

<u>End of Policy Year</u>	<u>Attd Age</u>	<u>Coverage Amount</u>	<u>Cash Value</u>	<u>Extended Term Insurance Years</u>	<u>Extended Term Insurance Days</u>	<u>Paid Up Insurance Value</u>
1	66	\$17,500	\$0.00	0 Yrs	0 Days	\$0.00
2	67	\$25,000	\$495.00	1 Yr	26 Days	\$998.00
3	68	\$25,000	\$1,239.00	2 Yrs	158 Days	\$2,424.00
4	69	\$25,000	\$1,996.00	3 Yrs	193 Days	\$3,789.00
5	70	\$25,000	\$2,764.00	4 Yrs	141 Days	\$5,095.00
6	71	\$25,000	\$3,540.00	5 Yrs	26 Days	\$6,339.00
7	72	\$25,000	\$4,319.00	5 Yrs	225 Days	\$7,517.00
8	73	\$25,000	\$5,095.00	6 Yrs	11 Days	\$8,628.00
9	74	\$25,000	\$5,870.00	6 Yrs	120 Days	\$9,679.00
10	75	\$25,000	\$6,644.00	6 Yrs	197 Days	\$10,675.00
11	76	\$25,000	\$7,417.00	6 Yrs	247 Days	\$11,621.00
12	77	\$25,000	\$8,187.00	6 Yrs	276 Days	\$12,516.00
13	78	\$25,000	\$8,949.00	6 Yrs	288 Days	\$13,361.00
14	79	\$25,000	\$9,695.00	6 Yrs	284 Days	\$14,151.00
15	80	\$25,000	\$10,424.00	6 Yrs	267 Days	\$14,889.00
16	81	\$25,000	\$11,131.00	6 Yrs	239 Days	\$15,575.00
17	82	\$25,000	\$11,815.00	6 Yrs	201 Days	\$16,213.00
18	83	\$25,000	\$12,479.00	6 Yrs	156 Days	\$16,809.00
19	84	\$25,000	\$13,122.00	6 Yrs	104 Days	\$17,365.00
20	85	\$25,000	\$13,740.00	6 Yrs	46 Days	\$17,882.00
21	86	\$25,000	\$14,328.00	5 Yrs	353 Days	\$18,359.00
22	87	\$25,000	\$14,884.00	5 Yrs	302 Days	\$18,795.00
23	88	\$25,000	\$15,404.00	5 Yrs	249 Days	\$19,193.00
24	89	\$25,000	\$15,886.00	5 Yrs	193 Days	\$19,552.00

TABLE OF GUARANTEED VALUES -- Continued

<u>End of Policy Year</u>	<u>Attd Age</u>	<u>Coverage Amount</u>	<u>Cash Value</u>	<u>Extended Term Insurance Years</u>	<u>Extended Term Insurance Days</u>	<u>Paid Up Insurance Value</u>
25	90	\$25,000	\$16,332.00	5 Yrs	136 Days	\$19,876.00
26	91	\$25,000	\$16,746.00	5 Yrs	75 Days	\$20,171.00
27	92	\$25,000	\$17,138.00	5 Yrs	12 Days	\$20,445.00
28	93	\$25,000	\$17,507.00	4 Yrs	327 Days	\$20,698.00
29	94	\$25,000	\$17,853.00	4 Yrs	278 Days	\$20,930.00
30	95	\$25,000	\$18,172.00	4 Yrs	227 Days	\$21,142.00
31	96	\$25,000	\$18,470.00	4 Yrs	173 Days	\$21,337.00
32	97	\$25,000	\$18,756.00	4 Yrs	117 Days	\$21,521.00
33	98	\$25,000	\$19,027.00	4 Yrs	60 Days	\$21,693.00
34	99	\$25,000	\$19,280.00	3 Yrs	365 Days	\$21,851.00
35	100	\$25,000	\$19,506.00	3 Yrs	329 Days	\$21,992.00
36	101	\$25,000	\$19,712.00	3 Yrs	291 Days	\$22,118.00
37	102	\$25,000	\$19,913.00	3 Yrs	251 Days	\$22,241.00
38	103	\$25,000	\$20,110.00	3 Yrs	207 Days	\$22,359.00
39	104	\$25,000	\$20,302.00	3 Yrs	159 Days	\$22,474.00
40	105	\$25,000	\$20,489.00	3 Yrs	105 Days	\$22,585.00
41	106	\$25,000	\$20,671.00	3 Yrs	42 Days	\$22,692.00
42	107	\$25,000	\$20,848.00	2 Yrs	352 Days	\$22,795.00
43	108	\$25,000	\$21,021.00	2 Yrs	316 Days	\$22,895.00
44	109	\$25,000	\$21,188.00	2 Yrs	278 Days	\$22,991.00
45	110	\$25,000	\$21,351.00	2 Yrs	235 Days	\$23,084.00
46	111	\$25,000	\$21,508.00	2 Yrs	185 Days	\$23,173.00
47	112	\$25,000	\$21,660.00	2 Yrs	123 Days	\$23,258.00
48	113	\$25,000	\$21,807.00	2 Yrs	44 Days	\$23,340.00
49	114	\$25,000	\$21,949.00	1 Yr	350 Days	\$23,419.00
50	115	\$25,000	\$22,085.00	1 Yr	320 Days	\$23,494.00
51	116	\$25,000	\$22,217.00	1 Yr	286 Days	\$23,566.00
52	117	\$25,000	\$22,343.00	1 Yr	240 Days	\$23,635.00
53	118	\$25,000	\$22,464.00	1 Yr	167 Days	\$23,700.00
54	119	\$25,000	\$22,579.00	0 Yrs	364 Days	\$23,762.00
55	120	\$25,000	\$22,685.00	0 Yrs	348 Days	\$23,820.00
56	121	\$25,000	\$25,000.00			\$25,000.00

NONFORFEITURE FACTOR – 19.65280 FOR ALL YEARS]

DEFINITIONS

AGE means on any given date, the age of the Insured on his or her last birthday.

APPLICATION means the application for this policy attached to and made a part of this policy.

BENEFICIARY means the party(ies) named in the application to receive the Coverage Amount upon the death of the Insured while this Policy is in full force, unless later changed as provided in this Policy.

COVERAGE AMOUNT means the death benefit payable as shown in the Policy Specifications.

DUE PROOF means reasonable information as to the existence of fact or condition.

EFFECTIVE DATE OF ISSUE means the date shown in the Policy Specifications. The Suicide and Contestability provisions use this date.

IN FULL FORCE means that this policy has not lapsed in accordance with the Grace Period provision.

INDEBTEDNESS means all existing loans on the insurance under this Policy plus earned interest which has either accrued or been added.

INSURED means the person whose life is insured under this Policy as shown in the Policy Specification

MATURITY DATE means the Insured's 121st birthday. On the Maturity Date, the insurance will be terminated and the Insured will receive the Coverage Amount.

OWNER is the person/entity with the right to change beneficiary, assign the Policy, and exercise all other ownership rights (see Owner and Beneficiary section). The Owner is the Insured, unless otherwise changed as provided in this policy.

POLICY SPECIFICATIONS means the page(s) of this policy so titled which show your benefits, premiums and other information.

POLICY YEAR means a one-year period of time starting on successive coverage anniversaries, with the first policy year starting on the Effective Date of Issue.

PREMIUM means the amount to be paid for the insurance under this Policy as specified in the Policy Specifications.

RATING CLASS means the mortality classification (gender) assigned under this Policy, and shown in the Policy Specifications.

REQUEST means a request in writing on a form acceptable to Us, signed by the Policyholder and received by Us.

WE, OUR, OURS, US means 5 Star Life Insurance Company.

WRITTEN NOTICE means unless otherwise stated, a written notice filed at our administrative offices in Alexandria, Virginia.

YOU, YOUR, YOURS means the party(ies) named as Owner in the application unless later changed as provided in this policy.

COVERAGE AMOUNT

5 Star Life agrees, subject to the conditions and provisions of this policy to pay the Coverage Amount to the Beneficiary if the Insured's death occurs while this Policy is in full force, and to provide the other benefits, rights and privileges of this policy.

EMERGENCY DEATH BENEFIT

An Emergency Death Benefit equal to 50% of the death benefit will be payable upon our being notified of the Insured's death, unless the death is within the contestability period and/or under investigation. The Insured's death must occur while he or she is insured under this policy. The Emergency Death Benefit is payable in one sum only and shall be deducted from the Coverage Amount in force on the Insured at the date of death.

PROCEEDS

The proceeds are subject to adjustment under the Suicide provision (Section 18). The amount of proceeds as defined below is subject to all provisions of this Policy.

If the Insured dies while this Policy is in full force, the Proceeds will be determined by the policy year at the time of the Insured's death and the cause of the Insured's death as shown on the Benefit Description on the Policy Specifications of this Policy. Under no circumstance will the Proceeds payable exceed the coverage amount shown on the Benefit Description in the Policy Specifications.

The proceeds payable on the death of the Insured are equal to:

- (a) the Coverage Amount; plus
 - (b) any advanced premium deposits which are paid past the current payment period; less
 - (c) the amount of any Emergency Death Benefit; less
 - (d) any modal premium needed as set forth in the Grace Period provision.
- I. Interest shall accrue and be payable from the date of death. Interest shall accrue at the rate applicable to the policy for funds left on deposit or, if no such rate is in effect, at the Two Year Treasury Constant Maturity Rate as published by the Federal Reserve. In determining the effective annual rate or rates, the Company shall use the rate in effect on the date of death.
 - II. Interest shall accrue at the interest rate in Item I above, plus additional interest at the rate of 10% annually beginning with the date that is 31 calendar days from the latest of Items (i), (ii), and (iii) to the date the claim is paid, where it is:
 - (i) The date that proof of death is received by the Company;
 - (ii) The date the Company receives sufficient information to determine its liability, the extent of the liability, and the appropriate payee legally entitled to the proceeds; and
 - (iii) The date that legal impediments to payment of proceeds that depend on the action of parties other than the Company are resolved and sufficient evidence of the same is provided to the Company. Legal impediments include, but are not limited to (a) the establishment of guardianships and conservatorships; (b) the appointment and qualification of trustees, executors and administrators; and (c) the submission of information required to satisfy a state and federal reporting requirements.
 - III. The death benefit proceeds paid shall be at least equal to the coverage amount of the Policy and any riders that are payable, plus or minus any premium adjustments with interest. If death occurs during a period for which premium has been paid, the Company shall add to the Policy proceeds a refund of any premium actually paid for any period beyond the end of the Policy Month.

ACCIDENTAL DEATH

The Death Benefit will be as shown in the Accidental Death column of the Benefit Description Page PS-1, upon receipt of proof that the Insured's death was a direct result of and within 90 days after an accidental bodily injury and is independent of all other causes. The accident and resulting death must occur while this Policy is in full force.

In the event that the Insured's death was caused by accident, the death benefit for death caused by accident will not be paid if the death is caused by the following:

1. Disease, illness, of physical or mental infirmity of any kind;
2. Operating a motor vehicle while intoxicated. "Intoxicated" means that the Insured's blood alcohol count meets the legal presumption of intoxication under the laws where the accident took place;
3. Bacterial infection of any nature, except of a visible wound caused by an accident;
4. Suicide;
5. Any self-inflicted injury;
6. Any poison, drug or gas voluntarily taken, administered, or inhaled; or
7. Committing or attempting to commit a felony.

SETTLEMENT OPTIONS

All proceeds will be paid to the beneficiary(ies) in one lump sum, less any Emergency Death Benefit previously paid.

ENDOWMENT BENEFIT

At the Maturity Date (the Insured's 121st birthday) the insurance will terminate and the Insured will receive the Coverage Amount.

CREDITED INTEREST RATE

The interest rate to be credited to Cash Values is equal to 5%.

PREMIUMS

Premiums shall be made only to Us at our administrative offices. Premiums as of the Date of Issue are shown in the Policy Specifications. They are scheduled to be paid on the first day of their payment interval.

GRACE PERIOD

Any premium, other than the first, not paid when due may, prior to the Maturity Date as shown on your Policy Specifications document, be paid within a grace period of 31 days after its due date if premiums have been paid to that due date. The policy will continue in full force during that period.

If the Insured dies while this policy is in full force, we will refund or charge premiums to effect payment to the end of the policy month in which the Insured dies. We will pay any refund to you if you are not the Insured; otherwise, we will pay it to the Beneficiary. We will deduct any charge from any proceeds.

ENTIRE CONTRACT

The written application for this policy is attached at issue. The entire contract between the applicant and us consists of this policy and such application. However, additional written requests and/or applications for policy changes may be submitted to us after issue and such requests and/or applications may become part of this policy. All statements made in the request and/or application shall, in the absence of fraud, be deemed representations and not warranties. We will use no statement made by or on behalf of the Insured to defend a claim under this policy unless it is in the written request and/or application.

Policy years, policy months, and policy anniversaries are measured from the Effective Date of Issue.

Any reference in this policy to a date means a calendar day ending at midnight local time at our administrative offices.

Changes in this policy may be made by agreement between you and us. Only the Chairman of the Board or the President of the Company has authority to waive or agree to change in any respect any of the conditions or provisions of this policy, or to extend or to make an agreement for us.

Any reference in this policy to a percentage interest rate shall mean such percentage on an annualized effective basis unless otherwise specified to the contrary.

MISSTATEMENT OF AGE OR SEX

If the age or sex of the Insured has been misstated, we will adjust the benefits under this policy to those that would be applicable at the correct age or sex.

CONTESTABILITY

We rely on the statements made in the Application for this policy. We also rely on statements made in any subsequent request for a change of this policy. Such statements are deemed representations and not warranties. In addition to the other reasons permitted by law, we can contest the validity of this policy or any reinstatement of this policy, if:

- (a) any material misrepresentation of fact is made in the Application or subsequent request for a change to this policy; and
- (b) a copy of that Application or subsequent request for a change is attached to this policy when issued or delivered or is later made a part of this policy.

We will not contest the validity of this policy after it has been in full force, during the Insured's life, for 2 years from the Effective Date of Issue. With respect to any reinstatement of this policy, we will not contest the validity of the change or reinstatement after this policy has been in effect, during the Insured's life, for 2 years. However, we can always contest the validity of this policy for the non-payment of any premium due.

SUICIDE

If the Insured commits suicide, while sane or insane, within 2 years from the Effective Date of Issue we will pay in place of all other benefits an amount equal to the premiums paid. If the law of the jurisdiction where this policy is issued provides a different period, the law of that jurisdiction will govern.

SURRENDER VALUE AND NONFORFEITURE PROVISIONS

SURRENDER VALUE

We will pay the surrender value of this policy on receipt of written notice before the Insured's death and on surrender of the policy.

While the policy is in full force the surrender value will be equal to the Policy Cash Value in accordance with the "Basis of Computations" and the "Table of Values" provisions, less indebtedness.

While this policy is in force as Extended Term or Paid-Up Insurance, the surrender value will be the value determined from the "Basis of Computations" provision less indebtedness. On surrender within 30 days after a coverage anniversary date, the value of the Extended Term or Paid-Up Insurance will not be less than the value on that date.

Within 60 days after the date to which premiums are paid the surrender value will not be less than the surrender value on that date adjusted by any indebtedness under this policy.

We may defer the payment of any surrender value as provided by law. We will not defer payment for more than 6 months from the date we receive written notice and the policy. If we defer payment for more than 29 days, we will pay interest on the surrender value. The rate will be 3½% a year for the period the payment is deferred.

EXTENDED TERM OR PAID-UP INSURANCE

Any Extended Term Insurance or Paid-Up Insurance provided will not apply to additional benefit provisions unless specified in the provision.

If a premium has not been paid when its grace period ends, the policy will lapse. If the policy has no surrender value the insurance will cease to be in force at the end of 31 days after the due date of the unpaid premium. If there is a surrender value we will apply it as a net single premium to provide insurance on an adjusted basis as of the due date of the unpaid premium. This insurance will be Extended Term Insurance for the period as provided in the "Basis of Computations" and the "Table of Values" provisions if the policy is in a Standard Premium Class as shown on the Policy Specifications. (2) Paid-Up Insurance for the amount as provided in the "Basis of Computations" and the "Table of

Values" provisions if the amount of Paid-Up Insurance equals or exceeds the amount of Extended Term Insurance.

The Insured may elect Paid-Up Insurance in place of Extended Term Insurance by written notice no later than 60 days after the due date of the unpaid premium and before the Insured's death.

The amount of Extended Term Insurance will be equal to the Coverage Amount, plus any interest unpaid or unapplied and the amount of any insurance under a paid-up insurance rider, if any, less indebtedness.

On the Insured's death we will pay the Beneficiary in place of all other benefits any amount of Extended Term or Paid-Up Insurance then in force.

BASIS OF COMPUTATIONS

Values, reserves and net premiums and Extended Term Insurance amounts referred to in this policy are calculated based on the Commissioners 2001 Standard Ordinary Mortality Table. The cash values are based upon 5% interest and curtate functions. Reserves use continuous functions and 4% interest.

The Cash Values are calculated according to the Standard Nonforfeiture Law minimum method. Any Cash Value while the policy is in force as Extended Term or Paid- Up Insurance will be equal to the applicable net single premium.

A detailed statement of the method of computation of values has been filed with the insurance officials where the policy has been delivered or issued for delivery. The values are not less than minimum values under the law of that jurisdiction. Reserves referred to in the policy are based on the Commissioners Reserve Valuation Method.

TABLE OF VALUES

The Table of Values on the Policy Specifications is a part of this provision. The values shown apply at the end of the policy year only if premiums are paid to that date and only if there is no indebtedness, no interest unpaid or unapplied. The values at a date other than the end of a policy year will be determined as of the end of a policy month in a manner consistent with that used to determine the values at the end of the year.

Any values, reserves and net premiums applicable to any rider for an additional benefit shall be as specified in the rider. They have no effect in determining the values available under the provisions of this Section.

AUTOMATIC PAYMENT OF PREMIUMS

An election may be made for Automatic Payment of Premiums either in the application or by written notice acknowledged by us while this policy is in full force. The Owner may revoke the election at any time by written notice. While this election is in effect, we will pay any premium which is unpaid at the end of its grace period by a loan which we will automatically advance, if the cash value is sufficient. The loan will be subject to the provisions of the Loans section.

LOANS

The Owner may borrow money from Us on receipt at our administrative offices of a completed form satisfactory to Us assigning the coverage as the only security for the loan.

Loans may be made if a Loan Value is available. We may defer loans as provided by law. We will not defer loans for more than 6 months. Loans may not be made if the coverage is in a grace period. The Loan Value while the coverage is in full force will be equal to (a) minus (b), with balance no less than (c), where:

- (a) is the cash value; and
- (b) is any existing indebtedness.
- (c) \$500.00 of cash surrender value must remain after loans are processed.

Loan interest at a rate described in the "Variable Loan Interest Rate" provision below will accrue daily beginning on the date of the loan. Loan interest will be added to the indebtedness at the end of the policy year and will bear interest at the same rate from the date added.

Indebtedness may be repaid in full or in part at any time before the Insured's death, and while the coverage is in force.

Variable Loan Interest Rate

The interest rate charged for loans on insurance under this policy will be set by 5 Star Life from time to time in accordance with jurisdictional requirements.

We will annually determine in the month preceding the policy anniversary the Loan Interest Rate for the insurance provided under this policy. This rate will apply to all indebtedness outstanding during the policy year next following the date of determination. The rate will not exceed the highest of: (a) the "Published Monthly Average" for the calendar month which is two months before the month in which the date of determination occurs; or (b) the rate used to compute the account values subject to indebtedness under the insurance during the applicable period plus one percent per annum.

The "Published Monthly Average" means Moody's Corporate Bond Yield Average--Monthly Average Corporate as published by Moody's Investors Service, Inc. or any successor thereto. If the "Published Monthly Average" is no longer published, we reserve the right to select a substitute that we deem appropriate, subject to applicable law, regulation, or other state requirement.

When a new rate is determined: (a) We may increase the previous rate if the increase would be at least 1/2%; and (b) We must reduce the previous rate if the decrease would be at least 1/2%. We will: (a) notify the Owner of the initial Loan Interest Rate at the time a loan is made; and (b) notify the Owner in advance of a coverage anniversary of any increase in the Loan Interest Rate if there is outstanding indebtedness on the insurance provided under this policy.

Cash Value

The Owner may surrender his or her insurance for its Cash Value while the Insured is living. If surrender is requested within sixty days after the due date of an unpaid premium, the Cash Value will be determined as of the due date. If the insurance is in force as Extended Term Insurance or as paid-up life insurance, the Cash Value will be equal to the net single premium at the attained age of the Insured. The Cash Value within sixty days after a coverage anniversary will not be less than the Cash Value on that coverage anniversary.

5 Star Life reserves the right to defer payment of any Net Cash Value for not more than six months.

Automatic Payment of Premium Option

If any premium remains unpaid at the end of the Grace Period, and if it has been elected, the Automatic Payment of Premium Option will apply unless the Owner requests another available option within sixty days after the due date of the premium in default. Please refer to the Extended Term or Paid-Up Insurance section of this policy for further information concerning the Automatic Payment of Premium Option.

REINSTATEMENT

Reinstatement means to restore this policy to "In full force" status after it has gone into default because a premium due was not paid before the end of the grace period. This policy may be reinstated within 3 years after the due date of the first unpaid premium and before the Maturity Date as shown in your Policy Specifications.

The Reinstatement requirements are:

- (a) Submission of a written request for reinstatement signed and dated by the Insured and Owner;
- (b) Production of evidence of insurability satisfactory to us; and
- (c) Payment of overdue premiums with interest.

Interest at the rate of 6% on premiums due compounded annually will be payable to the date of reinstatement.

A reinstatement will be effective only as of the date we approve your request for reinstatement.

With respect to statements made in an application for reinstatement, the policy is, in the absence of fraud in the procurement of the reinstated policy (where permitted by applicable law in the state where the policy is delivered or issued for delivery), incontestable after it has been in force during the Insured's lifetime for two (2) years beginning with the day of reinstatement. The contestable period is based only on statements in the reinstatement application, unless the original contestable period has not yet expired.

OWNER AND BENEFICIARY

The Owner and the Beneficiary will be as shown in the application unless the Owner changes them or they are changed by the terms of this provision.

During the Insured's lifetime and subject to the terms of any beneficiary designation or assignment, the Owner may:

1. assign or surrender the coverage;
2. obtain a loan;
3. make a change in the policy with Our consent;
4. transfer ownership; and
5. exercise other rights and receive other benefits as defined in this policy.

If there is no surviving Beneficiary upon the death of the Insured, the Owner will be the Beneficiary, but if the Owner was the Insured, the Owner's estate will be Beneficiary.

While the Insured is alive, the Owner may change the Owner and Beneficiary by Written Notice. No change or revocation will take effect unless We acknowledge receipt on the notice. If such acknowledgment occurs, then (i) a change of Beneficiary will take effect on the date the notice is signed, and (ii) a change or a revocation of Owner will take effect as of the date specified in the notice, or if no such date is specified, on the date the notice is signed. A change or revocation will take effect whether or not the Owner or the Insured is alive on the date We acknowledge receipt. A change or revocation will be subject to the rights of any assignee of record with Us and subject to any payment made or other action taken by Us before we acknowledge receipt.

Communications about this policy may be sent to the Company at its administrative offices at 909 North Washington Street, Alexandria, Virginia 22314.

Individual Graded Death Benefit Whole Life Insurance

This policy is non-participating and no dividends are payable

Whole Life policy with premiums payable to end of stated period or to Insured's death, if earlier

Coverage Amount payable at death

Premiums Payable as shown in Policy Specifications



Administrative Offices: 909 North Washington Street, Alexandria, VA 22314 • 800-776-2322 • www.afba.com
(a Baton Rouge, Louisiana Company)

INDIVIDUAL WHOLE LIFE INSURANCE

This policy is issued in consideration of the application and of the payment of the first premium as provided herein. A copy of the application is attached and is made a part of this policy. All payments are subject to the terms of this policy. We will pay the Coverage Amount in a lump sum to the Beneficiary if we receive due proof that the Insured's death occurred while this policy was in force and prior to the Maturity Date.

Right to Cancel

Please Read This Notice Carefully - This policy is a legal contract between you, the Policy Owner, and 5 Star Life Insurance Company. You may cancel this policy by delivering or mailing a written notice to 5 Star Life Insurance Company at the administrative office noted above, or to the agent through whom you purchased this coverage, and by returning this policy before midnight of the 30th day after the date you receive this policy. Notice given by mail and return of this policy by mail are effective on being postmarked, properly addressed and postage applied. We will return all premiums made for this policy and this policy will be deemed void from the beginning.

Signed for 5 Star Life Insurance Company ("the Company") at its administrative office in Alexandria, Virginia.

Secretary

President

Individual Whole Life Insurance

This policy is non-participating and no dividends are payable

Whole Life policy with premiums payable to end of stated period or to Insured's death, if earlier
Coverage Amount payable at death or at Maturity Date
Premiums Payable as shown in Policy Specifications

YOU HAVE PURCHASED A LIFE INSURANCE POLICY. CAREFULLY REVIEW IT FOR LIMITATIONS.

POLICY PROVISIONS

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POLICY SPECIFICATIONS

Plan: Individual Whole Life

Insured: [John Doe]

SSN: [000-00-0000]

Policy ID: [IP0002335]

Premiums Payable to Age: 121

Coverage Amount: \$25,000

Annual Premium: [\$xxx.xx]

Owner and Beneficiary: As stated in the application for this policy unless changed in accordance with the section of your policy entitled "Owner and Beneficiary."

Effective Date of Issue: [7/1/2011]

Maturity Date: [7/1/2067]

Date of Birth: [7/1/1946]

Issue Age: [65]

Rating Class: [Male]

Plan Description: Traditional permanent whole life insurance. Premiums are fixed and are level for the whole of life. At the Maturity Date the insurance will terminate and the Insured will receive the Coverage Amount.

<u>End of Policy Year</u>	<u>Attd Age</u>	<u>Coverage Amount</u>	<u>Cash Value</u>	<u>Extended Term Insurance Years</u>	<u>Extended Term Insurance Days</u>	<u>Paid Up Insurance Value</u>
1	66	\$25,000	\$0.00	0 Yrs	0 Days	\$0.00
2	67	\$25,000	\$0.00	0 Yrs	0 Days	\$0.00
3	68	\$25,000	\$745.00	1 Yrs	174 Days	\$1,458.00
4	69	\$25,000	\$1,518.00	2 Yrs	260 Days	\$2,882.00
5	70	\$25,000	\$2,302.00	3 Yrs	249 Days	\$4,243.00
6	71	\$25,000	\$3,094.00	4 Yrs	166 Days	\$5,540.00
7	72	\$25,000	\$3,889.00	5 Yrs	26 Days	\$6,769.00
8	73	\$25,000	\$4,681.00	5 Yrs	201 Days	\$7,927.00
9	74	\$25,000	\$5,472.00	5 Yrs	330 Days	\$9,023.00
10	75	\$25,000	\$6,262.00	6 Yrs	58 Days	\$10,062.00
11	76	\$25,000	\$7,052.00	6 Yrs	122 Days	\$11,048.00
12	77	\$25,000	\$7,838.00	6 Yrs	163 Days	\$11,982.00
13	78	\$25,000	\$8,615.00	6 Yrs	185 Days	\$12,863.00
14	79	\$25,000	\$9,377.00	6 Yrs	191 Days	\$13,687.00
15	80	\$25,000	\$10,121.00	6 Yrs	182 Days	\$14,456.00
16	81	\$25,000	\$10,843.00	6 Yrs	161 Days	\$15,171.00
17	82	\$25,000	\$11,541.00	6 Yrs	128 Days	\$15,837.00
18	83	\$25,000	\$12,219.00	6 Yrs	87 Days	\$16,459.00
19	84	\$25,000	\$12,875.00	6 Yrs	38 Days	\$17,039.00
20	85	\$25,000	\$13,506.00	5 Yrs	351 Days	\$17,578.00
21	86	\$25,000	\$14,106.00	5 Yrs	302 Days	\$18,075.00
22	87	\$25,000	\$14,673.00	5 Yrs	253 Days	\$18,530.00
23	88	\$25,000	\$15,204.00	5 Yrs	201 Days	\$18,944.00
24	89	\$25,000	\$15,697.00	5 yrs	147 Days	\$19,319.00
25	90	\$25,000	\$16,152.00	5 Yrs	90 Days	\$19,657.00
26	91	\$25,000	\$16,575.00	5 Yrs	30 Days	\$19,965.00
27	92	\$25,000	\$16,974.00	4 Yrs	341 Days	\$20,250.00
28	93	\$25,000	\$17,351.00	4 Yrs	294 Days	\$20,514.00
29	94	\$25,000	\$17,704.00	4 Yrs	246 Days	\$20,756.00
30	95	\$25,000	\$18,030.00	4 Yrs	196 Days	\$20,977.00
31	96	\$25,000	\$18,335.00	4 Yrs	141 Days	\$21,180.00
32	97	\$25,000	\$18,626.00	4 yrs	84 Days	\$21,372.00
33	98	\$25,000	\$18,903.00	4 Yrs	26 Days	\$21,551.00
34	99	\$25,000	\$19,161.00	3 Yrs	345 Days	\$21,716.00
35	100	\$25,000	\$19,392.00	3 Yrs	308 Days	\$21,863.00

TABLE OF GUARANTEED VALUES – Continued

<u>End of Policy Year</u>	<u>Attd Age</u>	<u>Coverage Amount</u>	<u>Cash Value</u>	<u>Extended Term Insurance Value</u>	<u>Extended Term Insurance Days</u>	<u>Paid Up Insurance Value</u>
36	101	\$25,000	\$19,602.00	3 Yrs	270 Days	\$21,995.00
37	102	\$25,000	\$19,807.00	3 Yrs	230 Days	\$22,123.00
38	103	\$25,000	\$20,008.00	3 Yrs	185 Days	\$22,246.00
39	104	\$25,000	\$20,204.00	3 Yrs	137 Days	\$22,366.00
40	105	\$25,000	\$20,395.00	3 Yrs	81 Days	\$22,481.00
41	106	\$25,000	\$20,581.00	3 Yrs	18 Days	\$22,593.00
42	107	\$25,000	\$20,762.00	2 Yrs	340 Days	\$22,701.00
43	108	\$25,000	\$20,938.00	2 Yrs	305 Days	\$22,805.00
44	109	\$25,000	\$21,109.00	2 Yrs	266 Days	\$22,905.00
45	110	\$25,000	\$21,275.00	2 Yrs	222 Days	\$23,002.00
46	111	\$25,000	\$21,435.00	2 Yrs	170 Days	\$23,094.00
47	112	\$25,000	\$21,591.00	2 Yrs	108 Days	\$23,184.00
48	113	\$25,000	\$21,741.00	2 Yrs	26 Days	\$23,269.00
49	114	\$25,000	\$21,885.00	1 Yrs	345 Days	\$23,351.00
50	115	\$25,000	\$22,025.00	1 Yrs	315 Days	\$23,430.00
51	116	\$25,000	\$22,159.00	1 Yrs	280 Days	\$23,505.00
52	117	\$25,000	\$22,287.00	1 Yrs	233 Days	\$23,576.00
53	118	\$25,000	\$22,411.00	1 Yrs	157 Days	\$23,645.00
54	119	\$25,000	\$22,528.00	0 Yrs	363 Days	\$23,709.00
55	120	\$25,000	\$22,636.00	0 Yrs	348 Days	\$23,768.00
56	121	\$25,000	\$25,000.00			\$25,000.00

NONFORFEITURE FACTOR – 19.65280 FOR ALL YEARS]

DEFINITIONS

AGE means on any given date, the age of the Insured on his or her last birthday.

APPLICATION means the application for this policy attached to and made a part of this policy.

BENEFICIARY means the party(ies) so named in the application to receive the Coverage Amount upon the death of the Insured while this Policy is in full force, unless later changed as provided in this Policy.

COVERAGE AMOUNT means the death benefit payable as shown in the Policy Specifications.

DUE PROOF means reasonable information as to the existence of fact or condition.

EFFECTIVE DATE OF ISSUE means the date shown in the Policy Specifications. The Suicide and Contestability provisions use this date.

IN FULL FORCE means that this policy has not lapsed in accordance with the Grace Period provision.

INDEBTEDNESS means all existing loans on the insurance under this Policy plus earned interest which has either accrued or been added.

INSURED means the person whose life is insured under this Policy as shown in the Policy Specifications.

MATURITY DATE means the Insured's 121st birthday. On the Maturity Date, the insurance will be terminated and the Insured will receive the Coverage Amount.

OWNER is the person/entity with the right to change beneficiary, assign the Policy, and exercise all other ownership rights (see Owner and Beneficiary section). The Owner is the Insured, unless otherwise changed as provided in this policy.

POLICY SPECIFICATIONS means the page(s) of this policy so titled which show your benefits, premiums and other information.

POLICY YEAR means a one-year period of time starting on successive coverage anniversaries, with the first policy year starting on the Effective Date of Issue.

PREMIUM means the amount to be paid for the insurance under this Policy as specified in the Policy Specifications.

RATING CLASS means the mortality classification (gender) assigned under this Policy, and shown in the Policy Specifications.

REQUEST means a request in writing on a form acceptable to Us, signed by the Policyholder and received by Us.

WE, OUR, OURS, US means 5 Star Life Insurance Company.

WRITTEN NOTICE means unless otherwise stated, a written notice filed at our administrative offices in Alexandria, Virginia.

YOU, YOUR, YOURS means the party(ies) named as Owner in the application unless later changed as provided in this policy.

COVERAGE AMOUNT

5 Star Life agrees, subject to the conditions and provisions of this policy to pay the Coverage Amount to the Beneficiary if the Insured's death occurs while this Policy is in full force, and to provide the other benefits, rights and privileges of this policy.

EMERGENCY DEATH BENEFIT

An Emergency Death Benefit equal to 50% of the death benefit will be payable upon our being notified of the Insured's death, unless the death is within the contestability period and/or under investigation. The Insured's death must occur while he or she is insured under this policy. The Emergency Death Benefit is payable in one sum only and shall be deducted from the Coverage Amount in force on the Insured at the date of death.

PROCEEDS

The proceeds are subject to adjustment under the Suicide provision. The amount of proceeds as defined below is subject to all provisions of this Policy.

The proceeds payable on the death of the Insured are equal to:

- (a) the Coverage Amount; plus
 - (b) any advanced premium deposits which are paid past the current payment period; less
 - (c) the amount of any Emergency Death Benefit; less
 - (d) any modal premium needed as set forth in the Grace Period provision.
- I. Interest shall accrue and be payable from the date of death. Interest shall accrue at the rate applicable to the policy for funds left on deposit or, if no such rate is in effect, at the Two Year Treasury Constant Maturity Rate as published by the Federal Reserve. In determining the effective annual rate or rates, the Company shall use the rate in effect on the date of death.
 - II. Interest shall accrue at the interest rate in Item I above, plus additional interest at the rate of 10% annually beginning with the date that is 31 calendar days from the latest of Items (i), (ii), and (iii) to the date the claim is paid, where it is:
 - (i) The date that proof of death is received by the Company;
 - (ii) The date the Company receives sufficient information to determine its liability, the extent of the liability, and the appropriate payee legally entitled to the proceeds; and
 - (iii) The date that legal impediments to payment of proceeds that depend on the action of parties other than the Company are resolved and sufficient evidence of the same is provided to the Company. Legal impediments include, but are not limited to (a) the establishment of guardianships and conservatorships; (b) the appointment and qualification of trustees, executors and administrators; and (c) the submission of information required to satisfy a state and federal reporting requirements.
 - III. The death benefit proceeds paid shall be at least equal to the coverage amount of the Policy and any riders that are payable, plus or minus any premium adjustments with interest. If death occurs during a period for which premium has been paid, the Company shall add to the Policy proceeds a refund of any premium actually paid for any period beyond the end of the Policy Month.

SETTLEMENT OPTIONS

All proceeds will be paid to the beneficiary(ies) in one lump sum, less any Emergency Death Benefit previously paid.

ENDOWMENT BENEFIT

At the Maturity Date (the Insured's 121st birthday) the insurance will terminate and the Insured will receive the Coverage Amount.

CREDITED INTEREST RATE

The interest rate to be credited to Cash Values is equal to 5%.

PREMIUMS

Premiums shall be made only to Us at our administrative offices. Premiums as of the Date of Issue are shown in the Policy Specifications. They are scheduled to be paid on the first day of their payment interval.

GRACE PERIOD

Any premium, other than the first, not paid when due may, prior to the Maturity Date as shown on your Policy Specifications document, be paid within a grace period of 31 days after its due date if premiums have been paid to that due date. The policy will continue in full force during that period.

If the Insured dies while this policy is in full force, we will refund or charge premiums to effect payment to the end of the policy month in which the Insured dies. We will pay any refund to you if you are not the Insured; otherwise, we will pay it to the Beneficiary. We will deduct any charge from any proceeds.

ENTIRE CONTRACT

The written application for this policy is attached at issue. The entire contract between the applicant and us consists of this policy and such application. However, additional written requests and/or applications for policy changes may be submitted to us after issue and such requests and/or applications may become part of this policy. All statements made in the request and/or application shall, in the absence of fraud, be deemed representations and not warranties. We will use no statement made by or on behalf of the Insured to defend a claim under this policy unless it is in the written request and/or application.

Policy years, policy months, and policy anniversaries are measured from the Effective Date of Issue.

Any reference in this policy to a date means a calendar day ending at midnight local time at our administrative offices.

Changes in this policy may be made by agreement between you and us. Only the Chairman of the Board or the President of the Company has authority to waive or agree to change in any respect any of the conditions or provisions of this policy, or to extend or to make an agreement for us.

Any reference in this policy to a percentage interest rate shall mean such percentage on an annualized effective basis unless otherwise specified to the contrary.

MISSTATEMENT OF AGE OR SEX

If the age or sex of the Insured has been misstated, we will adjust the benefits under this policy to those that would be applicable at the correct age or sex.

CONTESTABILITY

We rely on the statements made in the Application for this policy. We also rely on statements made in any subsequent request for a change of this policy. Such statements are deemed representations and not warranties. In addition to the other reasons permitted by law, we can contest the validity of this policy or any reinstatement of this policy, if:

- (a) any material misrepresentation of fact is made in the Application or subsequent request for a change to this policy; and
- (b) a copy of that Application or subsequent request for a change is attached to this policy when issued or delivered or is later made a part of this policy.

We will not contest the validity of this policy after it has been in full force, during the Insured's life, for 2 years from the Effective Date of Issue. With respect to any reinstatement of this policy, we will not contest the validity of the change or reinstatement after this policy has been in effect, during the Insured's life, for 2 years. However, we can always contest the validity of this policy for the non-payment of any premium due.

SUICIDE

If the Insured commits suicide, while sane or insane, within 2 years from the Effective Date of Issue we will pay in place of all other benefits an amount equal to the premiums paid. If the law of the jurisdiction where this policy is issued provides a different period, the law of that jurisdiction will govern.

SURRENDER VALUE AND NONFORFEITURE PROVISIONS

SURRENDER VALUE

We will pay the surrender value of this policy on receipt of written notice before the Insured's death and on surrender of the policy.

While the policy is in full force the surrender value will be equal to the Policy Cash Value in accordance with the "Basis of Computations" and the "Table of Values" provisions, less indebtedness.

While this policy is in force as Extended Term or Paid-Up Insurance, the surrender value will be the value determined from the "Basis of Computations" provision less indebtedness. On surrender within 30 days after a coverage anniversary date, the value of the Extended Term or Paid-Up Insurance will not be less than the value on that date.

Within 60 days after the date to which premiums are paid the surrender value will not be less than the surrender value on that date adjusted by any indebtedness under this policy.

We may defer the payment of any surrender value as provided by law. We will not defer payment for more than 6 months from the date we receive written notice and the policy. If we defer payment for more than 29 days, we will pay interest on the surrender value. The rate will be 3½% a year for the period the payment is deferred.

EXTENDED TERM OR PAID-UP INSURANCE

Any Extended Term Insurance or Paid-Up Insurance provided will not apply to additional benefit provisions unless specified in the provision.

If a premium has not been paid when its grace period ends, the policy will lapse. If the policy has no surrender value the insurance will cease to be in force at the end of 31 days after the due date of the unpaid premium. If there is a surrender value we will apply it as a net single premium to provide insurance on an adjusted basis as of the due date of the unpaid premium. This insurance will be

- (1) Extended Term Insurance for the period as provided in the "Basis of Computations" and the "Table of Values" provisions if the policy is in a Standard Premium Class as shown on the Policy Specifications; or
- (2) Paid-Up Insurance for the amount as provided in the "Basis of Computations" and the "Table of Values" provisions if the amount of Paid-Up Insurance equals or exceeds the amount of Extended Term Insurance.

The Insured may elect Paid-Up Insurance in place of Extended Term Insurance by written notice no later than 60 days after the due date of the unpaid premium and before the Insured's death.

The amount of Extended Term Insurance will be equal to the Coverage Amount, plus any interest unpaid or unapplied and the amount of any insurance under a paid-up insurance rider, if any, less indebtedness.

On the Insured's death we will pay the Beneficiary in place of all other benefits any amount of Extended Term or Paid-Up Insurance then in force.

BASIS OF COMPUTATIONS

Values, reserves and net premiums and Extended Term Insurance amounts referred to in this policy are calculated based on the Commissioners 2001 Standard Ordinary Mortality Table. The cash values are based upon 5% interest and curtate functions. Reserves use continuous functions and 4% interest.

The Cash Values are calculated according to the Standard Nonforfeiture Law minimum method. Any Cash Value while the policy is in force as Extended Term or Paid-Up Insurance will be equal to the applicable net single premium.

A detailed statement of the method of computation of values has been filed with the insurance officials where the policy has been delivered or issued for delivery. The values are not less than minimum values under the law of that jurisdiction. Reserves referred to in the policy are based on the Commissioners Reserve Valuation Method.

TABLE OF VALUES

The Table of Values on the Policy Specifications is a part of this provision. The values shown apply at the end of the policy year only if premiums are paid to that date and only if there is no indebtedness, no interest unpaid or unapplied. The values at a date other than the end of a policy year will be determined as of the end of a policy month in a manner consistent with that used to determine the values at the end of the year.

Any values, reserves and net premiums applicable to any rider for an additional benefit shall be as specified in the rider. They have no effect in determining the values available under the provisions of this Section.

AUTOMATIC PAYMENT OF PREMIUMS

An election may be made for Automatic Payment of Premiums either in the application or by written notice acknowledged by us while this policy is in full force. The Owner may revoke the election at any time by written notice. While this election is in effect, we will pay any premium which is unpaid at the end of its grace period by a loan which we will automatically advance, if the cash value is sufficient. The loan will be subject to the provisions of the Loans section.

LOANS

The Owner may borrow money from Us on receipt at our administrative offices of a completed form satisfactory to Us assigning the coverage as the only security for the loan.

Loans may be made if a Loan Value is available. We may defer loans as provided by law. We will not defer loans for more than 6 months. Loans may not be made if the coverage is in a grace period. The Loan Value while the coverage is in full force will be equal to (a) minus (b), with balance no less than (c), where:

- (a) is the cash value; and
- (b) is any existing indebtedness; and
- (c) \$500.00 of cash surrender value must remain after loans are processed.

Loan interest at a rate described in the "Variable Loan Interest Rate" provision below will accrue daily beginning on the date of the loan. Loan interest will be added to the indebtedness at the end of the policy year and will bear interest at the same rate from the date added.

Indebtedness may be repaid in full or in part at any time before the Insured's death, and while the coverage is in force.

Variable Loan Interest Rate

The interest rate charged for loans on insurance under this policy will be set by 5 Star Life from time to time in accordance with jurisdictional requirements.

We will annually determine in the month preceding the policy anniversary the Loan Interest Rate for the insurance provided under this policy. This rate will apply to all indebtedness outstanding during the policy year next following the date of determination. The rate will not exceed the highest of: (a) the "Published Monthly Average" for the calendar month which is two months before the month in which the date of determination occurs; or (b) the rate used to compute the account values subject to indebtedness under the insurance during the applicable period plus one percent per annum.

The "Published Monthly Average" means Moody's Corporate Bond Yield Average--Monthly Average Corporates as published by Moody's Investors Service, Inc. or any successor thereto. If the "Published Monthly Average" is no longer published, we reserve the right to select a substitute that we deem appropriate, subject to applicable law, regulation, or other state requirement.

When a new rate is determined: (a) We may increase the previous rate if the increase would be at least 1/2%; and (b) We must reduce the previous rate if the decrease would be at least 1/2%. We will: (a) notify the Owner of the initial Loan Interest Rate at the time a loan is made; and (b) notify the Owner in advance of a coverage anniversary of any increase in the Loan Interest Rate if there is outstanding indebtedness on the insurance provided under this policy.

Cash Value

The Owner may surrender his or her insurance for its Net Cash Value while the Insured is living. If surrender is requested within sixty days after the due date of an unpaid premium, the Net Cash Value will be determined as the due date. If the insurance is in force as Extended Term Insurance or as paid-up life insurance, the Cash Value will be equal to the net single premium at the attained age of the Insured. The Cash Value within sixty days after a coverage anniversary will not be less than the Cash Value on that coverage anniversary.

5 Star Life reserves the right to defer payment of any Cash Value for not more than six months.

Automatic Payment of Premium Option

If any premium remains unpaid at the end of the Grace Period, and if it has been elected, the Automatic Payment of Premium Option will apply unless the Owner requests another available option within sixty days after the due date of the premium in default. Please refer to the Extended Term or Paid-Up Insurance Section of this policy for further information concerning the Automatic Payment of Premium Option.

REINSTATEMENT

Reinstatement means to restore this policy to "In full force" status after it has gone into default because a premium due was not paid before the end of the grace period. This policy may be reinstated within 3 years after the due date of the first unpaid premium and before the Maturity Date as shown in your Policy Specifications.

The Reinstatement requirements are:

- (a) Submission of a written request for reinstatement signed and dated by the Insured and Owner;
- (b) Production of evidence of insurability satisfactory to us; and
- (c) Payment of overdue premiums with interest.

Interest at the rate of 6% on premiums due compounded annually will be payable to the date of reinstatement.

A reinstatement will be effective only as of the date we approve your request for reinstatement.

With respect to statements made in an application for reinstatement, the policy is, in the absence of fraud in the procurement of the reinstated policy (where permitted by applicable law in the state where the policy is delivered or issued for delivery), incontestable after it has been in force during the Insured's lifetime for two (2) years beginning with the day of reinstatement. The contestable period is based only on statements in the reinstatement application, unless the original contestable period has not yet expired.

OWNER AND BENEFICIARY

The Owner and the Beneficiary will be as shown in the application unless the Owner changes them or they are changed by the terms of this provision.

During the Insured's lifetime and subject to the terms of any beneficiary designation or assignment, the Owner may:

1. assign or surrender the coverage;
2. obtain a loan;
3. make a change in the policy with Our consent;
4. transfer ownership; and
5. exercise other rights and receive other benefits as defined in this policy.

If there is no surviving Beneficiary upon the death of the Insured, the Owner will be the Beneficiary, but if the Owner was the Insured, the Owner's estate will be Beneficiary.

While the Insured is alive, the Owner may change the Owner and Beneficiary by Written Notice. No change or revocation will take effect unless We acknowledge receipt on the notice. If such acknowledgment occurs, then (i) a change of Beneficiary will take effect on the date the notice is signed, and (ii) a change or a revocation of Owner will take effect as of the date specified in the notice, or if no such date is specified, on the date the notice is signed. A change or revocation will take effect whether or not the Owner or the Insured is alive on the date We acknowledge receipt. A change or revocation will be subject to the rights of any assignee of record with Us and subject to any payment made or other action taken by Us before we acknowledge receipt.

Communications about this policy may be sent to the Company at its administrative offices at 909 North Washington Street, Alexandria, Virginia 22314.

Individual Whole Life Insurance

This policy is non-participating and no dividends are payable

Whole Life policy with premiums payable to end of stated period or to Insured's death, if earlier

Coverage Amount payable at death

Premiums Payable as shown in Policy Specifications



IP 2 511

Beneficiary(ies)

I designate my beneficiary(ies) to receive benefits, in order of class, as indicated below.
Check here if you would like an additional beneficiary form sent to you.

Primary _____

First Name	Last Name	Relationship	DOB
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Secondary _____

First Name	Last Name	Relationship	DOB
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Statement of Health

Height ft in Weight lbs Non-Tobacco Tobacco User*

Answer each question TO THE BEST OF YOUR KNOWLEDGE AND BELIEF.

In the past 12 months, have you smoked any type of tobacco products?..... Yes No

Section One

1. Are you currently confined to your home, a hospital, rehab or psychiatric facility, nursing home, or correctional facility or been advised to receive hospice care, or do you need assistance with two or more of the normal activities of daily living (for example: eating, bathing, dressing, taking medications, toileting, transference or moving about), or have you had an amputation due to disease? Yes No
2. Have you been diagnosed with a terminal medical condition or end stage disease defined as any illness that would reasonably be expected to result in death within 12 months? Yes No
3. Have you ever been medically diagnosed, treated for, medically advised to have treatment for, or taken medication for: chronic kidney disease (with or without dialysis), renal insufficiency, cirrhosis of the liver, liver disease or liver failure, Alzheimer’s, dementia, Lou Gehrig’s disease (ALS), Huntington’s disease, had an organ transplant, or do you use oxygen equipment to assist in breathing on a daily basis? Yes No
4. Have you ever been medically diagnosed, treated for, medically advised to have treatment for, or taken medication for: Alzheimer’s disease, dementia, neuromuscular or brain disease (including cerebral palsy, muscular dystrophy, cystic fibrosis), sickle cell anemia, or un-operated heart defects? Yes No
5. In the past 12 months have you had, been medically diagnosed, treated for, medically advised to have treatment for, or taken medication for cardiomyopathy, congestive heart failure (CHF)?..... Yes No
6. In the past 24 months have you had, been medically diagnosed, treated for, medically advised to have treatment for, or taken medication for any form of cancer, leukemia, lymphoma, melanoma or Hodgkin’s disease (excluding basal or squamous cell skin cancer)? Yes No
7. In the past 12 months have you been medically diagnosed as having, or hospitalized for heart attack, angina (chest pain due to heart disease), stroke, or transient ischemic attack (TIA/mini-stroke), uncontrolled high blood pressure, heart or circulatory surgery including coronary artery bypass, pacemaker, heart valve replacement, aneurysm, blood clot, angioplasty, or vascular stent placement, or any procedure to improve circulation to the heart or brain?..... Yes No
8. Have you ever been medically treated or diagnosed by a medical professional as having Acquired Immune Deficiency Syndrome (AIDS), AIDS-Related Complex (ARC), or any immune deficiency related disorder or tested positive for the Human Immunodeficiency Virus (HIV)? Yes No

If any question in **section one** is answered **yes**, applicant is **not** eligible for 5Star Life Insurance.

Section Two

1. Have you ever been diagnosed as having or been hospitalized for: chronic hepatitis, chronic bronchitis, emphysema, chronic obstructive lung disease or chronic obstructive pulmonary disease (COLD/COPD) or any chronic lung disorder (excluding asthma or sleep apnea)?..... Yes No
2. Have you ever been diagnosed as having congestive heart failure (CHF) or cardiomyopathy? Yes No
3. In the past 12 months, have you required use of home oxygen equipment more than 2 times per week to assist in breathing?..... Yes No
4. In the past 18 months, have you had or taken medication for angina (chest pain due to heart disease)? Yes No
5. In the past 24 months have you:
 - a. Been medically diagnosed, treated for, advised to have treatment for, or taken medication for Multiple Sclerosis, Parkinson’s Disease, or systematic lupus (SLE)? Yes No
 - b. Been medically diagnosed as having, or hospitalized for grand mal epilepsy or seizures?..... Yes No
 - c. Been medically diagnosed as having, or hospitalized for angina, heart attack, stroke, or transient ischemic attack (TIA/mini-stroke), uncontrolled high blood pressure, heart or circulatory surgery including coronary artery bypass, pacemaker, heart valve replacement, aneurysm, blood clot, angioplasty, or vascular stent placement, or any procedure to improve circulation to the heart or brain?..... Yes No

“Statement of Health” continued on page 3



IP 511 3

Statement of Health (continued)

- d. Been medically diagnosed, treated for, advised to have treatment for, or taken medication for alcohol or drug abuse, bipolar disorder or depression, or schizophrenia?
e. Experienced complications of diabetes including: diabetic insulin shock, or diabetic coma, Retinopathy (eye), Nephropathy (kidney), Neuropathy (nerve, circulatory) disorder, or diabetes not under control with current treatment, or have you used insulin for treatment of diabetes prior to age 40?

If any question in section two is answered yes, applicant is eligible for 5Star Life Graded Insurance.
If all questions in section one and two are answered no, applicant is eligible for 5Star Life Preferred Insurance.

Other Insurance

Do you have any existing life insurance or annuity contracts?
If yes, and you live in AK, AL, AR, AZ, CO, HI, IA, KY, LA, MD, ME, MS, MT, NE, NH, NJ, NM, NC, OH, OR, RI, TX, UT, VA, VT or WV please complete and sign the Notice: Replacement of Life Insurance and Annuity. The Notice must be presented and read to you by your agent at the time he/she takes your application.
Will the coverage applied for replace any existing life insurance or annuities?
If yes, and you do not live in the above listed states, please complete and sign the applicable state-specific Notice: Replacement of Life Insurance and Annuity.

Conditions Relating to this Application

Agreement: I have read the completed application. I am not currently taking and I am not under the influence of any medications or drugs that would affect my ability to fully understand and to fully and accurately complete this application. I agree that this application will be the basis for, and will become part of, the policy that is issued. The above representations are true TO THE BEST OF MY KNOWLEDGE AND BELIEF. I agree the policy shall not be in effect until it has been issued by 5Star Life Insurance Company and all premiums have been paid. I understand that the information on this application will be relied upon to determine insurability and that incorrect information may result in coverage being voided, subject to the policy's incontestability provision. I understand that the agent has no authority to approve the application, change the policy, or waive any policy provisions. I understand no insurance will be effective until the date stated in the policy and all eligibility requirements are met. I understand that the USA Patriot Act requires all financial institutions, including insurance companies, to verify the identity of their customers. Providing your name, address, date of birth and taxpayer identification number allows us to verify your identity. Our verification process may include the use of third-party sources to verify the information provided. I am not being paid cash and have not been promised services as an inducement to enter into this application for life insurance. The purpose of this insurance application is not to sell or assign it to any type of viatical settlement, senior settlement, or life-settlement company. I acknowledge receipt of a copy of the Information Practices Notice, MIB Pre-Notice, and Fair Credit Reporting Act Notice. Authorization. I authorize any physician, medical practitioner, hospital, medical care facility, the Veteran's Administration, insurance company, MIB, Inc., pharmacy manager, pharmacy, insurance laboratory, a consumer reporting agency, my employer, or any other person or organization that has any record of information about me to give 5Star Life Insurance Company, its reinsurers or its authorized representatives information about my health, other insurance coverage, employment, age, general character, participation in hazardous activities, medical care or advice about any physical or mental condition including information about drugs, alcoholism, or other information 5Star Life Insurance Company requires to determine insurability or eligibility of benefits. I further authorize the sources listed above except for MIB, Inc. to give such information to a consumer reporting agency acting on behalf of 5Star Life Insurance Company. This authorization may be revoked; however, it may not be revoked during the contestability period of the policy or to the extent 5Star Life Insurance Company has taken action in reliance on this authorization. Notice of revocation may be sent, in writing, to 5Star Life Insurance Company at its administrative address. I agree that a copy of this authorization is as valid as the original and I can obtain a copy on request. This authorization is valid for 30 months from the date signed.

"Conditions Relating to this Application" continued on page 4



IP 4 511

Conditions Relating to this Application (continued)

HIPAA Authorization for Release of Health Related Information. This Authorization complies with the HIPAA Privacy Rule. I authorize any health plan, physician, health care professional, hospital, clinic, laboratory, pharmacy, benefit manager, medical facility, insurance company, insurance support organization (such as MIB, Inc., or any of its members or affiliates), or other health care provider that has provided payment, treatment or services to me (collectively, "My Providers") to disclose the entire medical record and any other protected health information concerning me to the company referenced on this authorization ("the Company") and their agents, employees, and representatives. This includes information on the diagnosis or treatment of Human Immunodeficiency Virus (HIV) infection and sexually transmitted diseases. This also includes information on the diagnosis and treatment of mental illness and the use of alcohol, drugs, and tobacco, but excludes psychotherapy notes. By my signature below, I acknowledge that any agreements I have made to restrict my protected health information do not apply to this authorization and I instruct My Providers to release and disclose the entire medical record without restriction for use in underwriting risk selection purposes. This protected health information is to be disclosed under the Authorization at my request, as permitted by § 164.508 of the privacy regulations issued pursuant to the Health Insurance Portability and Accountability Act ("HIPAA Privacy Rule"). This authorization shall remain in force for 36 months following the date of my signature below, regardless of my condition and whether living or deceased, and a copy of this authorization is as valid as the original. I understand that I have the right to revoke this authorization in writing, at any time, by sending a written request for revocation to the Company addressed, Attention: 5Star Life Insurance Company, Policyholder Service Department, 909 North Washington Street, Alexandria, VA 22314. I understand that a revocation is not effective to the extent that any of My Providers has relied on this Authorization or to the extent that the Company has a legal right to contest a claim under an insurance policy or to contest the policy itself. I understand that any information disclosed pursuant to this authorization may be subject to redisclosure by the recipient and may no longer be protected by federal regulations governing privacy and confidentiality of health information (such as the HIPAA Privacy Rule). However, the Company will protect the privacy of health information in accordance with other applicable state and/or federal privacy laws and its own privacy policies. I understand that My Providers may not refuse to provide treatment or payment for health care services because I refuse to sign this authorization. I further understand that if I refuse to sign this authorization to release my complete medical record, the Company may not be able to process my application, or if coverage has been issued, may not be able to make any benefit payments. I acknowledge that I have received a copy of this authorization.

Signatures must be personal:

Sign Here Proposed Insured _____ Date _____
Policy Owner _____ Date _____
(If different from Applicant)
Signed at (City, State) _____

Agent Certification: I certify that the information recorded on this application is true and accurate to the best of my knowledge. I further certify that I have asked all the required questions on the application and I witnessed the signing of the application by the Proposed Insured and the Proposed Policy Owner if different than the Proposed Insured. To my knowledge, the applicant is / is not replacing any existing life insurance or annuities.

Agent Name _____

Agent Signature _____

Date _____

Temporary Insurance Acknowledgment: Complete this section if full first premium is submitted with application:

Agent: I provided the client with the Temporary Insurance Agreement Yes No

Fraud Statement

Note: 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.

SERFF Tracking Number: FIVE-127289037 State: Arkansas
 Filing Company: 5 Star Life Insurance Company State Tracking Number: 49117
 Company Tracking Number: 511
 TOI: L04I Individual Life - Term Sub-TOI: L04I.003 Single Life - Single Premium
 Product Name: Individual Silver Premiere - Graded Death
 Project Name/Number: /

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Flesch Certification		
Comments:		
Attachment: ARKANSAS Certificate of Readability.pdf		

	Item Status:	Status Date:
Bypassed - Item: Application		
Bypass Reason: Application provided under "Form Schedule" tab.		
Comments:		

	Item Status:	Status Date:
Satisfied - Item: Life & Annuity - Acturial Memo		
Comments:		
Attachments: Graded Death SOB - 06 13 11.pdf Preferred Silver Premier SOB - 06 13 11.pdf		

	Item Status:	Status Date:
Satisfied - Item: Statement of Variability		
Comments:		
Attachment: Statement of Variability.pdf		

	Item Status:	Status Date:
Satisfied - Item: Cover Letter		
Comments:		

SERFF Tracking Number: FIVE-127289037

State: Arkansas

Filing Company: 5 Star Life Insurance Company

State Tracking Number: 49117

Company Tracking Number: 511

TOI: L041 Individual Life - Term

Sub-TOI: L041.003 Single Life - Single Premium

Product Name: Individual Silver Premiere - Graded Death

Project Name/Number: /

Attachment:

ARKANSAS Cover Letter.pdf

Item Status:

Status

Date:

Satisfied - Item: GAA Notice and Notice of
Complaint

Comments:

Attachments:

Form CMPLNT R110-AR.pdf

GAA-AR.pdf

Item Status:

Status

Date:

Satisfied - Item: Certification

Comments:

Attachment:

ARKANSAS Certification.pdf



ARKANSAS DEPARTMENT OF INSURANCE

READABILITY CERTIFICATION

Re: *ICC11-ISP GDWL POLICY R511-AR: Graded Death Benefit Whole Life Insurance Policy*
ICC11-ISP WL POLICY R0511-AR: Individual Whole Life Insurance Policy
ICC11 ISP WL App R511: Individual Silver Premier Whole Life Application

The undersigned, authorized as Compliance Officer to be responsible for policy and related material filings by the officers of 5 Star Life Insurance Company, hereby certifies that the above policy meets the Flesch minimum reading ease score of 50.

A handwritten signature in blue ink, appearing to read 'Glenn R. Jones', written over a horizontal line.

Glenn R. Jones, Esq.
Vice President, Compliance

Dated: June 23, 2011

STATEMENT OF VARIABILITY

Individual Term Life Insurance Policy Filing ICC11-ISP GDWL POLICY R511 and ICC11-ISP WL POLICY R0511

As required by the IC standards, the only variable fields applicable to this filing are on the policy specifications pages referenced above. These variable fields are as follows:

Policy ID:	New one given for each policy issued
Insured:	Name of insured; will vary with each contract
Coverage Amount:	Varies within actuarial guidelines for the product
Effective Date:	Date policy is placed into force
Expiry Date:	Date that, assuming all premiums are paid timely, coverage ends under the policy
Date of Birth:	Date that the insured was born
Issue Age:	Age of insured on the Effective Date of the policy
Rating Class:	Will vary male/female; rating, and smoker/nonsmoker status
Monthly Premium First Policy Year:	Policy-specific
Current Maximum Rates:	Vary by age



June 23, 2011

Arkansas Department of Insurance
1200 West Third Street
Little Rock, AR 72201

RE: 5Star Life Insurance Company

FEIN# 54-1829709; NAIC# 77879; NAIC Code: 0000

ICC11-ISP GDWL POLICY R511AR; Graded Death Benefit Whole Life
Insurance Policy,

ICC11-ISP WL POLICY R0511AR, Individual Whole Life Insurance Policy

ICC11 ISP WL App R511; Application for Life Insurance

Dear Sir/Madam:

Enclosed for your review and approval are duplicate copies of the above-referenced forms. These are new individual life insurance policy forms and are not intended to replace any other forms previously approved by you.

We are filing two policies for sale in the final expense market. Both are simplified issue whole life insurance. These products are intended to be sold to mature adults with need for a moderate amount of insurance to cover final expenses (burial expenses).

The Graded Death policy, ICC11-ISP GDWL POLICY R511AR, has an increasing death benefit and level premiums to age 121. The death benefit in year 1 of issue is 30% of face, increases to 70% of face in year 2, and increases to 100% in all years thereafter. The second policy, ICC11-ISP WL POLICY R0511AR, is a standard benefit for healthier customers.

Both are applied for using application ICC11 ISP WL App R511. This application is taken in printed format only, no electronic version used.

Letter to the Arkansas Department of Insurance
June 23, 2011
Page 2

These forms will be marketed by individual life agents in face-to-face meetings. Our primary markets are older adults looking for a modest amount of life coverage to pay for final expenses.

The specifications pages, appropriately bracketed, are the only ones considered variable.

Also enclosed you will find Actuarial Memoranda, as well as all other required certifications.

We trust the enclosed is found to be in order and look forward to receiving your favorable reply. Should you have any questions or if we can provide additional information, please call me at any time. Thank you for your time and consideration

Sincerely,



Glenn R. Jones, JD, CLU, ChFC, FLMI, RHU
Vice President, Compliance

Attachments

KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS

CONSUMER INFORMATION NOTICE

Questions regarding your policy or coverage should be directed to:

5 STAR LIFE INSURANCE COMPANY

Administrative Office:

909 North Washington Street

Alexandria, VA 22314

Toll-Free Number 1-800-776-2322

If we at 5 Star Life Insurance Company fail to provide you with reasonable and adequate service, you should feel free to contact:

ARKANSAS INSURANCE DEPARTMENT

1200 West Third Street

Little Rock, AR 72201

(501) 371-2640 or (800) 852-5494

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

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

DISCLAIMER

The Arkansas Life and Disability 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 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 owning 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.

LIMITATIONS AND EXCLUSIONS UNDER THE ARKANSAS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION ACT – (CONTINUED)

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 contractholders, not individuals);
- Unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC") (whether the FPBC is yet liable or not);
- Portions of 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

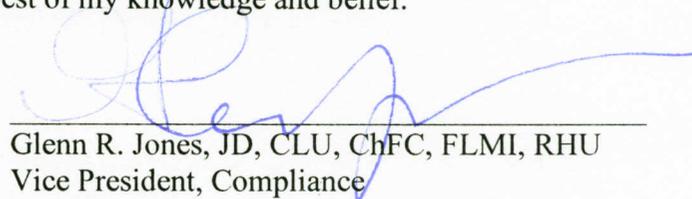
The Act also limits the amount the Guaranty Association is obligated to cover. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 -- no matter how many 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.



ARKANSAS DEPARTMENT OF INSURANCE

CERTIFICATION

I, Glenn R. Jones, Vice President of Compliance and Secretary, certifies that the enclosed submissions meets the provisions of Regulation 19 § 10B as well as all applicable requirements of this Department to the best of my knowledge and belief.



Glenn R. Jones, JD, CLU, ChFC, FLMI, RHU
Vice President, Compliance

Dated: June 27, 2011