

SERFF Tracking Number: LFST-127184581 State: Arkansas
Filing Company: Life of the South Insurance Company State Tracking Number: 48875
Company Tracking Number: LS-3496-AR (6/11) / 72000/73000/45000/48000
TOI: CR04G Group Credit - Life Sub-TOI: CR04G.003 Single Premium
Product Name: Single Premium Group Credit Life & Disability
Project Name/Number: CLAH-FORMS REVISION - H.B. 2137/LS-3496-AR (6/11)

Filing at a Glance

Company: Life of the South Insurance Company

Product Name: Single Premium Group Credit Life & Disability SERFF Tr Num: LFST-127184581 State: Arkansas

TOI: CR04G Group Credit - Life SERFF Status: Closed-Approved-Closed State Tr Num: 48875

Sub-TOI: CR04G.003 Single Premium Co Tr Num: LS-3496-AR (6/11) / 72000/73000/45000/48000 State Status: Approved-Closed

Filing Type: Form

Author: Sabrina Smith Reviewer(s): Linda Bird
Date Submitted: 05/25/2011 Disposition Date: 06/02/2011
Disposition Status: Approved-Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

General Information

Project Name: CLAH-FORMS REVISION - H.B. 2137

Project Number: LS-3496-AR (6/11)

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Group Market Type: Other

Status of Filing in Domicile: Authorized

Date Approved in Domicile: 02/05/2003

Domicile Status Comments:

Market Type: Group

Group Market Size: Small and Large

Explanation for Other Group Market Type:

Banks and other Financial Institutions.

Filing Status Changed: 06/02/2011

State Status Changed: 06/02/2011

Created By: Sabrina Smith

Corresponding Filing Tracking Number:

Overall Rate Impact:

Deemer Date:

Submitted By: Sabrina Smith

Filing Description:

Life of the South Insurance Company hereby submits for review and approval its Group Credit Life & Disability Single Premium Program. This filing is revising the Master Policy and Certificate in pursuant to H.B. 2137. In addition we would also like to add a Life Preexisting Exclusion provision to both Forms. The revised areas are highlighted for your review. The revised forms will replace the previously approved forms. All other previously approved Forms will remain the same.

The original filing was approved by the Department on May 3, 2005.

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This program will be marketed to borrowers of financial institutions to insure their indebtedness in the state of Arkansas. This program will be sold through financial institutions . This program offers Group Credit Life & Disability Insurance on a Monthly Outstanding Balance basis. This program will provide coverage for Closed- End Loans.

Sections within brackets are variable and may change according to the agreement with the Creditor Policyholder. However, they will never be more restrictive to the Insured than allowed by law. Unless otherwise advised by your Department's final approval. This change may become necessary in order to accommodate the data processing system of the creditor.

If you have any questions or if additional information is needed, please feel free to contact me at (800)-888-2738 ext. 7269 or e-mail me at : sasmith@life-south.com.

Your earliest review and approval of this filing will be appreciated.

Sincerely,
Sabrina Smith

Company and Contact

Filing Contact Information

Sabrina Smith, Compliance Specialist sasmith@life-south.com
10151 Deerwood Park Blvd., Building 100, Suite 800-888-2738 [Phone] 7269 [Ext]
330
Jacksonville, FL 32256 904-350-1069 [FAX]

Filing Company Information

Life of the South Insurance Company CoCode: 97691 State of Domicile: Georgia
10151 Deerwood Park Boulevard Group Code: 17 Company Type: Life & Health
Building 100, Suite 330 Group Name: State ID Number:
Jacksonville, FL 32256 FEIN Number: 58-1458103
(800) 888-2738 ext. 7265[Phone]

Filing Fees

Fee Required? Yes
Fee Amount: \$100.00
Retaliatory? Yes

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 Fee Explanation: 2 Forms Filed @ \$50 each.
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Life of the South Insurance Company	\$100.00	05/25/2011	47999435

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
	\$0.00	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	06/02/2011	06/02/2011

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	05/31/2011	05/31/2011	Sabrina Smith	06/01/2011	06/01/2011

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Form	Certificate	Sabrina Smith	05/25/2011	05/25/2011

SERFF Tracking Number: LFST-127184581 *State:* Arkansas
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Project Name/Number: CLAH-FORMS REVISION - H.B. 2137/LS-3496-AR (6/11)

Disposition

Disposition Date: 06/02/2011

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		Yes
Supporting Document	Life & Annuity - Acturial Memo		No
Form (revised)	Master Policy		Yes
Form	Master Policy	Replaced	Yes
Form (revised)	Certificate		Yes
Form	Certificate	Replaced	Yes
Form	Certificate	Replaced	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 05/31/2011
Submitted Date 05/31/2011
Respond By Date 08/01/2011

Dear Sabrina Smith,

This will acknowledge receipt of the captioned filing.

Objection 1

Comment: Please refer to Life Insurance Benefit under the Preeexisting Exclusion provision. Review Rule and Regulation 12s5.2(a), "no exclusions other than for suicide (incontestable after two years). and flight in nonscheduled aircraft."

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 06/01/2011
 Submitted Date 06/01/2011

Dear Linda Bird,

Comments:

Please see the response below.

Response 1

Comments: We are removing the Life Preeexisting Exclusion provision within both Forms.

Related Objection 1

Comment:

Please refer to Life Insurance Benefit under the Preeexisting Exclusion provision. Review Rule and Regulation 12s5.2(a), "no exclusions other than for suicide (incontestable after two years). and flight in nonscheduled aircraft."

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Master Policy	LS-3496-AR		Policy/Contract/Fraternal Certificate	Revised		46.500	LS-3496-AR Revised Master Policy.pdf

Previous Version

Master Policy	LS-3496-AR		Policy/Contract/Fraternal Certificate	Initial		46.500	LS-3496-AR Master Policy.pdf
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Amendment Letter

Submitted Date: 05/25/2011

Comments:

Please see the certificate attached, incorrect one sent in error when submitted.

Changed Items:

Form Schedule Item Changes:

Form Schedule Item Changes:

Form Number	Form Type	Form Name	Action	Form Action Other	Previous Filing #	Replaced Form #	Readability Score	Attachments
LS-3497-AR	Certificate	Certificate	Initial				45.200	LS-3497-AR Certificate.pdf

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Form Schedule

Lead Form Number: LS-3496-AR

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	LS-3496-AR	Policy/Cont ract/Fraternal Certificate	Master Policy	Revised	Replaced Form #: Previous Filing #:	46.500	LS-3496-AR Revised Master Policy.pdf
	LS-3497-AR	Certificate	Certificate	Revised	Replaced Form #: Previous Filing #:	45.200	LS-3497-AR Revised Certificate.pdf

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Life of the South Insurance Company
[Administrative Office
10151 Deerwood Park Blvd. Building 100, Suite 330
Jacksonville FL. 32256]

AGENCY NO.: [1234]

POLICY NO.: [0001-A]

POLICYHOLDER: [XYZ Bank
Anytown, USA]

DEFINITIONS

POLICYHOLDER: (called "You") The lender, vendor, or lessor of money or goods, including a successor to their rights, title or interest for which payments are arranged through a credit transaction.

DEBTOR: A borrower of money or purchaser or a lessee of goods through which payments are arranged through a credit transaction.

INSURING AGREEMENT

You have applied for life insurance on certain Debtors. Your application is attached to and made a part of this Group Policy. We agree to insure the lives of those Debtors who are eligible for insurance and who have agreed to pay the premium for insurance coverage. If an Insured Debtor should die while insured under this Group Policy, you will send us notice of such death. Upon receipt of written proof of death, we will pay you the amount required to discharge the indebtedness, but not more than the insurance in force at the time of death. If joint coverage is provided, the amount paid, if one of the joint Insured Debtors should die, will not exceed the amount that would have been paid if single life coverage was provided. If the insurance in force exceeds the amount payable to you, we will pay the excess to the second beneficiary, if named, or to the estate of the Insured Debtor.

The provisions contained in the following pages are hereby made a part of this Group Policy.

This Group Policy is delivered in the State of ARKANSAS and governed by its laws.

IN WITNESS WHEREOF, The Company has caused this Group Policy to be issued in ARKANSAS and effective this [1st] day of [June], [2011].



SECRETARY



PRESIDENT

Countersignature
(where required by law)

**SINGLE PREMIUM
GROUP CREDIT LIFE INSURANCE
NON-PARTICIPATING CREDITOR-DEBTOR INSURANCE ONLY**

SECTION 1.0 - WHO IS ELIGIBLE

- 1.1 ELIGIBLE DEBTORS OR CO-DEBTORS:** An eligible Debtor is anyone who:
- (1) Is a natural person (not a partnership, association or corporation) of the class defined in the Application of this Group Policy.
 - (2) Will not exceed age [66] on the [expiration] of coverage;
 - (3) Provides satisfactory evidence of insurability, if required.
- 1.2 APPROVAL OF RISKS :** According to our underwriting rules, if either Debtor is found to be unacceptable as an insurance risk under the Group Policy or is issued a certificate in error, the insurance on that Debtor will not become effective. If the Debtor is ineligible, the insurance will remain in force if we do not terminate the coverage and refund the premium paid within [ninety (90)] days of [Administrative Office] receipt of the Certificate of coverage. If refund is due, notice of the refund will be mailed to you, the Group Policyholder, who in turn must notify the Debtor(s) and refund or credit the Debtor(s) account. Nothing in this provision will preclude the Incontestability Clause or the Misstatement of Age Provision.
- A credit transaction consummated by a power of attorney is not permitted and shall not be insured under this Group Policy.
- 1.3 JOINT DEBTOR :** If two Debtors are jointly indebted to you or a creditor and are jointly and severally liable for repayment of the indebtedness and are joint signers of the instrument of indebtedness, joint life insurance may be provided. The joint Debtors will be designated as Insured Debtor and Joint Insured Debtor.

SECTION 2.0 - LIMITS OF COVERAGE

2.1 LIMITS:

	<u>MAXIMUM TERM</u>	<u>MAXIMUM AMOUNT</u>
Level Coverage	_____ [120] _____	_____ [\$100,000] _____
Net Balance Coverage	_____ [120] _____	_____ [\$100,000] _____
Decreasing Coverage	_____ [120] _____	_____ [\$100,000] _____

2.2 MAXIMUM COVERAGE: At no time will the amount of life insurance on an Insured Debtor's life exceed the Original Amount of Insurance as shown on the Certificate Schedule or the amount as specified above, whichever is less. If the Insured Debtor has more than one Certificate in effect, then the total aggregate of life insurance coverage under all Certificates issued under this Group Policy will not exceed, at any time, the amount as specified above. If joint coverage is elected, the older Debtor must be used to determine eligible coverage. The maximum limit on total benefits payable thereunder, shall apply only to that specific indebtedness for which such policy or certificate was issued.

If coverage in excess of the limits is issued, the charges for the excess life insurance will be refunded as explained under **SECTION 8.10 EXCESS INSURANCE** of **SECTION 8.0 - GENERAL TERMS AND CONDITIONS**.

SECTION 3.0 - WHEN COVERAGE STARTS

- 3.1 INDIVIDUAL EFFECTIVE DATE AND TERM:** The effective date of an Insured Debtor's coverage will be the latest of:
- (a) the date of issue of this Group Policy; or
 - (b) the date of such Insured Debtor's note, installment contract or other written evidence of indebtedness and subject to **SECTION 2.0 - LIMITS OF COVERAGE**. Such coverage will end in accordance with the provisions of **SECTION 8.1 TERMINATION OF INDIVIDUAL COVERAGE**.

SECTION 4.0 - WHO DO WE PAY

- 4.1 Any benefit payable under this Group Policy will be paid to you or the Creditor as its interest may appear. Such payment will be applied by you to the Insured Debtor's debt. Any excess will be paid to the named second beneficiary, if living; otherwise to the Insured Debtor's estate.
- 4.2 All sums are payable at our [Administrative Office] upon receipt of due proof of the death of the Insured Debtor or Joint Insured Debtor. This proof must be submitted on forms satisfactory to us. In addition, it must show that the death occurred while this insurance was in force.

SECTION 5.0 - DESCRIPTION OF INSURANCE

- 5.1 **ORIGINAL AMOUNT OF INSURANCE:** Subject to **SECTION 2.0 - LIMITS OF COVERAGE**, the Original Amount of Insurance is defined for decreasing, net balance, and level term coverages as the original amount of the note, installment contract or other written evidence of indebtedness.
- 5.2 **SINGLE LIFE INSURANCE COVERAGE:** Coverage shall be on the "Insured Debtor" only.
- 5.3 **JOINT LIFE INSURANCE COVERAGE:** With joint life coverage, the benefits provided under this Group Policy will be paid on the first to die of the Insured Debtor or Joint Insured Debtor. Only one benefit will be paid. If both die simultaneously, and we cannot determine who died first, payment will be made as though the Insured Debtor died first, being survived by the Joint Insured Debtor.
- 5.4 **SCHEDULE:** The Schedule in the Certificate (called "Schedule") and the premium charge indicate whether single or joint life coverage is in force and states who is the primary Debtor.
- 5.5 **DECREASING TERM COVERAGE:** The amount of insurance decreases each month throughout the term of the coverage. On the effective date, the amount of insurance is equal to the Original Amount of Insurance shown on the Schedule of the Certificate. Thereafter, the amount of insurance decreases each month by an amount equal to the initial amount divided by the number of months in the term of the coverage.

[For Partial Coverage, the proceeds determined above will be reduced if the Original Debt exceeds the Original Amount of Life Insurance. The proceeds payable will be the Original Amount of Life Insurance divided by the Original Debt multiplied by the unpaid balance as described above.]

- 5.6 **NET BALANCE COVERAGE:** The proceeds we will pay consist of:
- (a) the unpaid debt on the date of death; plus
 - (b) any payments made that were not scheduled until after the date of death.

The proceeds determined above will be reduced if the Original Debt exceeds the Original Amount of Life Insurance. The proceeds payable will be the Original Amount of Life Insurance divided by the Original Debt multiplied by the unpaid balance as described above.

- 5.7 **LEVEL TERM COVERAGE:** The amount of life insurance remains the same through the term of coverage. This amount is equal to the Original Amount of Insurance coverage shown on the Schedule.
- 5.8 **[SUICIDE EXCLUSION:** If the Insured Debtor or the Joint Insured Debtor, dies as a result of suicide, while sane or insane, within [two (2) years]six (6) months of the effective date of coverage, our liability will be limited to:
- (a) Single life, the refund of premium paid.
 - (b) Joint life, our liability will be limited to a refund of forty percent (40%) of the premium paid.
- Single life insurance covering the surviving Insured Debtor will be continued unless a written cancellation is requested by the surviving Debtor. The written cancellation must be sent to the [Administrative Office].

SECTION 6.0 - PREMIUMS

6.1 PREMIUM RATES: The life insurance premium for this Group Policy charged to the Insured Debtor shall be computed at the following rates per year for each \$100.00 of initial insurance. You will maintain a record of all Debtors insured. The premium is to be paid in full to us at our [Administrative Office] on or before the [15th] day of each month following the month in which the premiums become due. The premium rates for each coverage are described in the rate schedule below.

Single Coverage, Monthly Decreasing Term	\$ [0.65]
Joint Coverage, Monthly Decreasing Term	\$ [1.10]
Single Coverage, Level Term	\$ [1.20]
Joint Coverage, Level Term	\$ [2.04]

Net Balance - The premium rates will be the actuarial equivalent to the above referenced rates as shown on the attached rate sheet.

The premium for decreasing coverage on debts which have "non-monthly" payment periods, will be computed using the Level Coverage rates indicated above. Coverage cannot be issued for more than the debt, nor can coverage be issued for more than the limits set forth in **SECTION 2.0 - LIMITS OF COVERAGE**.

In no event will the Insured Debtor be charged a premium greater than that computed in accordance with the above provisions. We may on or after the anniversary date of the Group Policy, make premium adjustments subject to the maximum premium rates allowed by law. These changes may be the result of changes in the law, policy coverage, or experience.

6.2 GRACE PERIOD: A Grace Period of [thirty-one (31)] days, without interest charge, will be allowed for the payment of each premium due except the first. If payment is not made by the end of this period, this Group Policy and all insurance written on lives of Insured Debtors for whom we have not received premiums will terminate at the end of such Grace Period. Upon written notice of cancellation from you, this Group Policy may be canceled as of an earlier date. Such earlier cancellation may not occur prior to the end of the period for which premiums have been paid.

6.3 REFUND OF PREMIUM AND IDENTIFIABLE CHARGES: If the insurance on an Insured Debtor is terminated prior to the scheduled maturity date, we will refund to you any unearned premium and you must refund or credit to the Insured Debtor's account such amount. In the event of a claim originating prior to such termination, the claim will be processed as if such termination had not occurred subject to the terms and conditions of this Group Policy. Any refund credited or paid must be returned to reinstate the coverage.

If we discharge the indebtedness by payment of death proceeds payable under the terms of coverage, the life premium will be considered earned where allowed by law. A refund of unearned Accident and Health premium, if applicable, will be paid, calculated as of the date of death.

For this purpose, unearned premium for the following coverages will be calculated as follows:

- (1) For decreasing coverage, according to the Rule of 78's (also known as the Sum of Digits).
- (2) For level coverage and decreasing coverage (written on "non-monthly basis"), according to the Pro Rata basis.
- (3) For net balance coverage, according to the Actuarial Method.

For the purpose of determining earned premiums under any of the formulas, the period between the effective date of coverage and the termination date will be computed in whole months, using the [15/16] day rule. Refunds of less than [\$2.00] will not be made.

SECTION 7.0 - GROUP POLICY CANCELLATION

7.1 RENEWAL AND TERMINATION OF POLICY: This Group Policy will be renewed automatically from policy year to policy year, and will continue in force unless terminated:

- (a) By us at any time, by giving at least thirty (30) days written notice prior to such termination;
- (b) By written notice from you to the [Administrative Office];
- (c) Automatically for nonpayment of premiums.

We will not insure any new Debtors after this Group Policy is terminated. Any Certificate in force as of the effective date of cancellation will be continued subject to **SECTION 8.1 TERMINATION OF INDIVIDUAL COVERAGE.**

SECTION 8.0 - GENERAL TERMS AND CONDITIONS

8.1 TERMINATION OF INDIVIDUAL COVERAGE: The insurance on an Insured Debtor will terminate on the earliest of the following dates:

- (1) the date the debt is discharged by renewal or refinancing;
- (2) the scheduled maturity date of the debt;
- (3) the date the debt is transferred to another Debtor;
- (4) the date the debt has been in default for more than [ninety (90)] days;
- (5) the date the Insured Debtor attains the maximum age as stated in **SECTION 2.0 - LIMITS OF COVERAGE;**
- (6) the date that the collateral, if any, which is security for the debt, or upon which the debt is based, has been repossessed;
- (7) the date the debt becomes the subject of a judicial proceeding for collection, bankruptcy or court judgment;
- (8) the date the death benefit becomes due under the Group Policy;
- (9) the date we receive written request to end the coverage;
- (10) the date the debt is discharged by prepayment; or
- (11) the end of the term of coverage shown in the Insured Debtor's Certificate for truncated coverage.

8.2 RENEWAL OR REFINANCED INDEBTEDNESS: If the indebtedness insured under this Group Policy is discharged prior to the scheduled maturity date due to renewal or refinancing, the effective date for the renewed or refinanced indebtedness will be the first date on which the Insured Debtor became insured under this Group Policy. Liability for the renewed or refinanced indebtedness is limited to the remaining term and conditions of the original indebtedness outstanding at the time of renewal or refinancing. Any period of exclusion will be reduced by any period that insurance was in force in connection with the prior indebtedness which was renewed or refinanced. Any portion of the new debt which was not renewed or refinanced is not covered by this renewal and refinancing provision. Nothing in this provision shall preclude the Incontestability Clause. Any claim for benefits occurring prior to the debt being paid off, renewed or refinanced shall not be prejudiced by the termination of coverage.

8.3 INSUREDS RIGHT TO RESCIND [FREE LOOK]: The Insured Debtor has the right to rescind the Certificate issued under this Group Policy within [fifteen (15)] days after it is received by the Insured Debtor. To do so, the Insured Debtor must give written notice to the [Administrative Office]. Notice by one Insured Debtor shall bind and be notice for the other Insured Debtor. In such case, any premium paid will be refunded or credited to the person to whom it is entitled. The Certificate must be returned to you or the [Administrative Office].

8.4 DELIVERY OF CERTIFICATE: For each credit transaction, you must deliver to the Insured Debtor a Certificate describing the coverage. Only forms approved by us may be used. If you do not deliver the Certificate when the debt is incurred, you must deliver it to the Insured Debtor within [thirty (30)] days of the debt.

8.5 ENTIRE CONTRACT: This Group Policy together with the attached application, endorsements if any, and any application of Insured Debtors, make up the entire contract between the parties. This Group Policy may be changed by written agreement between the Policyholder and the [Administrative Office]. Only an Officer of the [Administrative Office] may waive or otherwise change any provision of the Group Policy or our rights thereunder, and no action, statement or agreement by any person or persons other than an Officer of the [Administrative Office] in writing shall in any way bind or estop us from enforcing the provisions of this Group Policy or our rights thereunder. No agreement in conflict with, modifying or extending the Group Policy shall be valid unless in writing signed by an Officer of the [Administrative Office] and made part of this Group Policy.

- 8.6 INCONTESTABILITY:** All statements made by you or the Insured Debtor are representations and not warranties. We cannot contest the insurance evidenced by the Certificate after it has been in force [two (2)] years during the lifetime of the Insured Debtor and the lifetime of the Joint Insured Debtor, and prior to the date on which the claim thereunder arose. This does not prevent us from legally terminating the insurance under this Group Policy if premiums are not paid.
- 8.7 MISSTATEMENT OF AGE:** No insurance under this Group Policy will be provided if the true age of a Debtor would render the Debtor ineligible for coverage under the Group Policy. Our liability will be limited to a return of the premium paid for such coverage, if any. If the true age of the Insured Debtor was not stated in the application or in the Schedule of the Certificate, insurance under this Group Policy will not be provided for a period longer or an amount greater than if the true age of such Insured Debtor had been stated in the application or in the Schedule of the Certificate. In the event of a claim, if it is determined that the Insured Debtor was ineligible for coverage and the true age of the Insured Debtor was correctly stated on the application or on the Schedule, we cannot deny or change the amount of coverage or benefit.
- 8.8 REPRESENTATIONS:** In the absence of fraud, all statements made by the applicants, you the Policyholder, or the Insured Debtor are representations and not warranties. In the absence of fraud, no statement made for the purpose of effecting insurance shall void or reduce benefits unless contained in a written instrument signed by you the Policyholder or the Insured Debtor, a copy of which has been furnished to you or to the Insured Debtor or their beneficiary.
- 8.9 MISREPRESENTATIONS AND COMPANY'S RIGHT TO RESCIND:** In accordance with the provision of the two (2) year incontestability period, if at time of claim, we determine that an Insured Debtor has concealed or misrepresented his health or any material fact in the application for insurance or proof of loss, or is guilty of attempted fraud or false swearing and the coverage was issued or benefits paid in reliance upon those statements, we may rescind coverage. Our liability will be limited to a return of premiums, less benefits paid for such coverage.
- 8.10 EXCESS INSURANCE:** All premiums paid for excess insurance will be refunded. Such credit or refund will be paid or credited to the person entitled to it. You must notify the Insured Debtor in writing of such refund and the termination of the excess insurance.
- 8.11 CLERICAL ERROR:** If you fail to include all data with respect to an Insured Debtor on the Certificate Schedule or fail to report an Insured Debtor in your monthly report due to a clerical error, this will not invalidate an Insured Debtor's insurance coverage if your intent to insure the Insured Debtor is evident, provided that the Insured Debtor is eligible under the terms and conditions of this Group Policy, and the premium is paid to us in due course. We rely totally upon your notification. A clerical error will not continue or provide any insurance that would not have been permitted under this Group Policy.
- 8.12 REPORT OF NEW INSURED:** On the [fifteenth (15)] day of each month, you must send us a schedule (form furnished by us) of those Insured Debtors insured under this Group Policy during the previous month. You will include the data we need to determine our liability, the accuracy of the premium charges and conformity with this Group Policy's terms.
- 8.13 MINIMUM NUMBER OF NEW MEMBERS:** If the number of new Debtors becoming eligible for insurance under this Group Policy during any year is less than [100], no additional Debtors will be insured.
- 8.14 NON-PARTICIPATING:** This Group Policy shall not share in our surplus earnings.
- 8.15 ASSIGNMENT:** The insurance under this Group Policy may not be assigned.
- 8.16 CONFORMITY WITH STATE STATUTES:** Any provision of this Group Policy, which, on the effective date, is in conflict with the statutes of the state in which this Group Policy is delivered is amended to conform to the minimum requirements of such state.
- 8.17 RESERVE BASIS:** The reserves on this Group Policy shall be equal to or exceed the minimum required by law.
- 8.18 PROOF OF DEATH:** Upon the death of an Insured Debtor, we must receive proof of death satisfactory to us within [ninety (90)] days after death occurs, or as soon as reasonably possible. Such proof must include, but is not limited to, a death certificate and a valid completed claim form. The claim form, which will be furnished by us, will

certify the amount due and must be signed by you or the Creditor. If additional information is required to process a claim, you must assist us.

- 8.19 LEGAL ACTION:** No action at law or equity shall be brought to recover on this Group Policy or any Certificate issued hereunder sooner than [sixty (60)] days after written proof of loss has been furnished in accordance with the requirements of this Group Policy. No such action shall be brought later than [three (3)] years after the date of death or after [three (3)] years from the date the cause of action accrues, whichever occurs first.
- 8.20 CLAIMS:** You cannot approve or deny any claim. All claims must be reported to the [Administrative Office]. If a claim is denied, we will notify you, the Creditor and the Insured Debtor, if living, otherwise the named second beneficiary on the Certificate or the estate.
- 8.21 AUTOPSY:** We have the right to have an autopsy performed, at our expense, unless forbidden by law.
- 8.22 CONSUMER SERVICES INFORMATION:** Questions about this policy may be directed to Life of the South Insurance Company at the address listed on page one of this policy, or to the:

Arkansas Insurance Department
Consumer Services Division
1200 West Third Street
Little Rock, Arkansas 72201-1904
Telephone: (501) 371-2600
Consumer: (800) 852-5494

LIFE INSURANCE BENEFIT

WHO IS INSURED: The Insured Debtor is the Primary Debtor. The Insured Debtor may be insured for both life and disability insurance. The Joint Insured Debtor may [also] be insured for life [and disability] insurance [only].

WHAT YOU GET: We certify that if we have been paid the premium shown in the schedule you are insured for the coverage shown in the Schedule, subject to the terms of the Group Policy issued to the Policyholder and this Certificate.

WHO GETS PAID: Immediately upon proof of your death or disability, we will pay the benefits provided under this Certificate to the Creditor. The Creditor will apply such payment(s) to pay off or reduce your debt. If the amount of insurance exceeds the balance of your debt, the excess will be paid to the second beneficiary named in the Schedule, or if no second beneficiary is named, then to your estate.

SINGLE LIFE INSURANCE BENEFIT: If you die while you are insured for single life coverage, we will pay the amount of life insurance in force at the time of your death.

JOINT LIFE INSURANCE BENEFIT: If you or the Joint Insured Debtor dies while insured for joint life coverage, we will pay the amount of insurance in force at the time you or the Joint Insured Debtor dies. Only one death benefit is payable under this Certificate. Should you and the Joint Insured Debtor die at the same time, or under such circumstances that it is impossible to determine who died first, then one death benefit will be based on the death of the primary Insured Debtor.

AMOUNT OF LIFE INSURANCE:

Decreasing Life - The amount of insurance decreases each month throughout the term of the coverage. On the effective date, the amount of insurance is equal to the Original Amount of Insurance shown on the Schedule. Thereafter, the amount of insurance decreases each month by an amount equal to the initial amount divided by the number of months in the term of the coverage.

Net Balance - If the insurance shown in the Schedule is Net Balance, the proceeds we will pay consist of:

- (a) the unpaid debt on the date of death; plus
- (b) any payments made that were not scheduled until after the date of death.

The proceeds determined above will be reduced if the Original Debt exceeds the Original Amount of Life Insurance. The proceeds payable will be the Original Amount of Life Insurance divided by the Original Debt multiplied by the unpaid balance as described above.

Level Life - The amount of insurance in force will be the Original Amount of Life Insurance, without decreasing during the term of coverage.

SUICIDE EXCLUSION : If the Insured Debtor or the Joint Insured Debtor die as a result of suicide while sane or insane within two (2) years after the effective date of coverage, our liability will be limited to the refund of premiums paid for single coverage, or if joint coverage is applicable, forty percent (40%) of the premium paid.

Single life coverage on the surviving Insured Debtor will continue unless cancellation is requested in writing.

TOTAL DISABILITY INSURANCE BENEFIT

THIS BENEFIT IS AVAILABLE ONLY IF YOUR INSTALLMENTS ARE PAID ON A MONTHLY BASIS.

Single Disability Insurance Benefit: If you become totally disabled during the term of coverage and continue to be totally disabled for more than the number of days as stated in the Waiting Period, then you will become eligible for benefits under this Certificate.

Full Disability Coverage – If you become totally disabled within the term of coverage and such total disability continues uninterrupted for more than the number of days as stated in the Waiting Period, we will pay a disability benefit equal to 1/30th of your **MONTHLY DISABILITY BENEFIT** for each day of continuous total disability during your benefit period, but not more than your installment payment then due.

CRITICAL PERIOD COVERAGE: If an Insured Debtor becomes totally disabled while insured under this Rider and such total disability continues uninterrupted for more than the number of days in the applicable Waiting Period, we will pay you or the Creditor, as its interest may appear, the amount of the **MONTHLY DISABILITY BENEFIT** equal to 1/30th of the Insured Debtor's **MONTHLY DISABILITY PAYMENT** on the date disability begins, for each day of continuous total disability during the Insured Debtor's benefit period, subject to a maximum of [(24)] times the Monthly Disability Benefit for each benefit period. Each benefit period begins on the incurred date of disability and expires on the earliest of the following: (1) you return to work; (2) no longer under the care of a licensed physician; (3) you received the maximum number of benefits; (4) you received the maximum amount of insurance; (5) any date subject to **SECTION 8.0 – TERMINATION OF INDIVIDUAL COVERAGE**; or (6) no longer disabled as required in **SECTION R 4.0 – TOTAL DISABILITY**.

SUBSEQUENT BENEFIT PERIODS: A later disability will be considered a separate disability from an earlier one if: (1) both disabilities are from entirely unrelated cases; or (2) both are from related causes but you are employed and working for at least ninety (90) days between the two. A disability commencing prior to the end of this ninety (90) day period from a cause related to the prior disability will be considered the same period of disability.

Benefit Basis: Any disability benefits payable under this Certificate will be calculated based on one of the following methods which is indicated in your Certificate Schedule.

(a) Retroactive Coverage: This plan provides benefits after the Waiting Period has been satisfied, retroactive to the first day.

(b) Non Retroactive Coverage: This plan is also known as Elimination Coverage and provides benefits beginning with the first day after the Waiting period. Benefits are not retroactive to the first day.

Benefit Limitations: The following items are benefit limitations which apply under this Certificate. Regardless of the specific limitation which may apply, you will be responsible for the payment of all installment payments and/or deficiency amounts required to keep the insured debt from becoming delinquent.

(a) After the first benefit month, each subsequent benefit month will begin on the same day as the first benefit month. If the last day of total disability for which benefits are payable falls on a date which does not equal a full benefit month, we will pay to the Creditor, a daily benefit of 1/30th of the **MONTHLY DISABILITY BENEFIT** for each day. In no event will we pay a benefit for an amount greater than the **MONTHLY DISABILITY BENEFIT** shown in the Schedule.

(b) In the months when your loan payment exceeds the **MONTHLY DISABILITY BENEFIT** shown in the Schedule, you will be insured only for an amount equal to the **MONTHLY DISABILITY BENEFIT** shown in the Schedule.

(c) If the term of disability coverage is less than the term of your debt, no disability benefit will be paid for any payment after the term of coverage for disability coverage has expired.

(d) If your debt includes a balloon payment (a scheduled payment that is larger than the others) and the term of disability coverage is the same as the term of the debt, the balloon payment will only be insured up to an amount equal to the Monthly Disability Benefit as shown in the Schedule.

(e) Benefits will end when you are no longer totally disabled, or the insurance expires or terminates, whichever occurs first. We reserve the right to require evidence of total disability from a licensed doctor of medicine or osteopathy other than yourself, at monthly or at reasonable intervals as determined by us in order to justify the continuing payment of benefits. We will cease to pay benefits if the required proof is not given to us at our [Administrative Office]. If the amount of insurance qualified and payable under the terms and conditions exceeds the unpaid indebtedness, such excess will be paid to you, if living, otherwise to the second beneficiary named in this Certificate, or to the estate.

Total Disability is disability which: (1) begins while you are covered by this Certificate; (2) results directly from accidental bodily injury or sickness as defined below; (3) continues uninterrupted for more than the number of days of the Waiting Period shown in the Certificate Schedule; and (4) prevents you from performing any occupation for which you are qualified by education, training or experience. Injury means accidental bodily injury that occurs while this Certificate is in force and which causes you to become totally disabled. Sickness means illness or disease, and which first manifests itself while this Certificate is in force and which causes you to become totally disabled.

RULES FOR FILING A DISABILITY CLAIM

NOTICE OF CLAIM : You must write to us or our agent about your total disability claim within [thirty (30)] days after such disability begins or as soon after that as you can.

CLAIM FORMS: Upon receipt of written notice of claim, by the [Administrative Office], we will send you claim forms within [fifteen (15)] days. If we do not send you the claim forms within [fifteen (15)] days you may simply send us written proof of your disability. The proof must show the date and the cause of the total disability, how serious it is, and must be signed by a licensed doctor of medicine or osteopathy other than yourself.

TIMELY PAYMENT OF CLAIMS: Benefits payable under this Certificate for any loss other than the loss for which this Certificate provides any periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which this Certificate provides periodic payment will be paid monthly and any balance remaining unpaid upon termination of liability will be paid immediately upon receipt of due written proof.

PHYSICAL EXAMINATION: We, at our own expense, will have the right and opportunity to have you examined when and as often as we reasonably require during the pendency of a claim hereunder.

EXCEPTIONS OF DISABILITY COVERAGE: We do not cover disabilities resulting from:

(1) Normal Pregnancy; (2) Intentionally Self-inflicted Injury; (3) Foreign travel or residence; (4) Flight in a non-scheduled aircraft; (5) War or military service; and (6) a preexisting condition as defined below.

PREEXISTING EXCLUSION: A preexisting condition is a disease, injury or condition of health for which you were hospitalized or received medical treatment (including medication), consultation or advice within the [six (6)] months preceding the effective date of the Certificate and which caused disability within the [six (6)] months following the effective date of this Certificate. If the original term of coverage is less than [six (6)] months, this time period is equal to the term of coverage. Disability commencing after the preexisting period will be covered.

GENERAL PROVISIONS

The amount charged by the Policyholder for this coverage will not exceed the premium paid by the Policyholder to us.

WHO WE PAY: Immediately upon proof of death or disability of you or the Joint Insured Debtor, if applicable, we will pay benefits provided under this Certificate to the Creditor. The Creditor will apply such payment(s) to pay off or reduce the debt. If the amount of insurance exceeds the balance of the debt, the excess will be paid to you, if living, or to the Second Beneficiary named in the Schedule, if living, otherwise to the estate.

LIMITS OF COVERAGE: At no time will the amount of coverage issued under this Certificate be afforded to anyone for a term, an original amount of life insurance or original amount of disability insurance (sum of all monthly disability benefits payable), or a monthly benefit in excess of the maximum indicated in this Certificate or permitted by law. If you have more than one Certificate in effect, then the total aggregate of insurance coverage under all Certificates will not exceed, at any time, the amount permitted under the Group Policy as defined in the Limits of Coverage. If the maximum limits are exceeded, we will terminate the excess coverage as outlined below under EXCESS COVERAGE.

EXCESS COVERAGE: All premiums paid for excess coverage will be returned when we discover it. We will return the excess premium for refund or credit to your account. Termination of the excess coverage shall be without prejudice to any claim originating prior to such termination.

ELIGIBILITY: You are eligible for life coverage if: (a) you are a natural person (not a partnership, corporation or association); (b) you do not exceed the maximum age requirement for life coverage as stated in the Group Policy; (c) you provide satisfactory evidence of insurability if required. You are eligible for disability coverage if: (a) you meet the requirement for life coverage; (b) you do not exceed the maximum age requirement for disability coverage stated in the Group Policy; (c) you are gainfully employed working at least thirty (30) hours per week on the effective date of coverage; and (d) you are the [Primary] Insured Debtor [(the Primary Debtor is the one who signed the note first)]. If you are ineligible for coverage and a Certificate is issued to you in error, we will terminate the coverage as soon as we discover it and refund or credit the entire premium charged to your account. If you are ineligible, and we do not terminate the coverage and refund the premium paid within [ninety (90)] days of the [Administrative Office] receipt of the Certificate, then the insurance will remain in force. Nothing in this provision will preclude the incontestability Clause or the Misstatement of Age Provision.

MISSTATEMENT OF AGE: If you misstated your age when applying for this insurance, then no coverage will be provided under this Certificate for a period longer or an amount greater than if you stated your age correctly. If your true age would render you ineligible for coverage under this Certificate, then our liability will be limited to a return of premium paid for such coverage, if any. In the event of a claim, if it is determined you were ineligible for coverage and your true age was correctly stated on the application or Certificate, then we cannot deny or change the benefit or the amount of insurance.

RENEWAL OR REFINANCED INDEBTEDNESS: If the indebtedness issued under this Certificate is discharged prior to the scheduled maturity date due to renewal or refinancing, the effective date for the renewed or refinanced indebtedness will be the first date on which you became insured under the Group Policy. Liability for the renewed or refinanced indebtedness is limited to the remaining term and conditions of the original indebtedness outstanding at the time of renewal or refinancing. Any period of exclusion will be reduced by any period that insurance was in force in connection with the prior indebtedness which was renewed or refinanced. Any portion of the new debt which was not renewed or refinanced is not covered by this renewal and refinancing provision. Nothing in this provision shall preclude the Incontestability Clause. Any claim for benefits occurring prior to the debt being paid off, renewed or refinanced shall not be prejudiced by the termination of coverage.

INCONTESTABILITY: All statements made by you or the Joint Insured Debtor are, in the absence of fraud, representations and not warranties. In the absence of fraud, we cannot contest the insurance evidenced by the Certificate after it has been in force [two (2)] years during your or the Joint Insured Debtor's lifetime and prior to the date on which the claim thereunder arose. This does not prevent us from legally terminating the insurance under this Certificate if premiums are not paid.

ENTIRE CONTRACT: This Certificate together with the application, endorsements if any, and Group Policy make up the entire contract between the parties. Only an Officer of the [Administrative Office] may waive or otherwise change any provision of the Group Policy or our rights thereunder. No action, statement or agreement by any person or persons other than an Officer of the [Administrative Office] in writing shall in any way bind or estop us from enforcing the provisions of the Group Policy or our rights thereunder. No agreement in conflict with, modifying or extending the Group Policy shall be valid unless in writing signed by an Officer of the [Administrative Office] and made part of the Group Policy.

PROOF OF LOSS DISABILITY: Written proof of disability must be sent to us no later than [ninety (90)] days after your total disability ends. If you cannot file proof within [ninety (90)] days, you must file as soon as possible. No claim will be reduced or denied if you file as soon as possible. In no event, except in the absence of legal capacity, can proof be filed later than [one (1)] year from the time proof is normally required.

PROOF OF DEATH: Upon the death of an Insured Debtor, we must receive proof of death satisfactory to the Company within [ninety (90)] days after death occurs, or as soon as reasonably possible. Such proof may include, but is not limited to, a death certificate and a valid completed claim form.

LEGAL ACTION: No action at law or equity shall be brought to recover on this Certificate sooner than [sixty (60)] days after written proof of loss has been furnished in accordance with the requirements of the Certificate and Group Policy. No such action shall be brought later than [three (3)] years after the date of death or after [three (3)] years from the date the cause of action accrues, whichever occurs first.

AUTOPSY: We have the right to have an autopsy performed, at our expense, unless forbidden by law.

REPRESENTATIONS: In the absence of fraud, all statements made by you or the Joint Insured Debtor, are representations and not warranties. In the absence of fraud, no statement made for the purpose of effecting insurance shall void or reduce benefits unless contained in a written instrument signed by you or the Joint Insured Debtor, a copy of which has been furnished to you or the Joint Insured Debtor, or your beneficiary.

MISREPRESENTATIONS AND COMPANY'S RIGHT TO RESCIND: If, at time of claim, we determine that you have concealed or misrepresented your health or any material fact in the application for insurance or proof of loss, or are guilty of attempted fraud. Our liability will be limited to a return of premiums, less benefits paid for such coverage.

TERMINATION OF INDIVIDUAL COVERAGE: Your insurance will terminate on the earliest of the following dates: (1) the date the debt is discharged by renewal or refinancing; (2) the scheduled maturity date of the debt; (3) the date the debt is transferred to another Debtor; (4) the date the debt has been in default for more than [ninety (90)] days; (5) the date you attain the maximum age as stated in limits of coverage in the Group Policy; (6) the date that the collateral, if any, which is security for the debt, or upon which the debt is based, has been repossessed; (7) the date the debt becomes the subject of a judicial proceeding for collection, bankruptcy or a court judgment; (8) the date the benefit becomes due under the Group Policy; (9) the date we receive written request to the end of the coverage; (10) the date the debt is discharged by prepayment; or (11) the end of the term of coverage shown in the Schedule.

In the event of a life or disability claim originating prior to such termination, the claim will be processed as if such termination had not occurred. Any refund may be withheld or if previously credited or paid, it must be returned to reinstate the coverage.

In the event of a continuing accident and health claim prior to the termination date of coverage, the refund may be withheld until you are no longer considered to be totally disabled. This statement will apply provided it does not conflict with any state law. However, if you are no longer considered totally disabled as required, you will be entitled to a refund of unearned premiums as of the date you are no longer disabled. You retain the right to cancel coverage as of any date upon receipt of written notice of the request by the [Administrative Office]. If you elect to cancel the coverage, benefits will cease.

WHEN INSURANCE STOPS - REFUNDS: If your insurance stops before the end of the term of coverage shown in the Schedule, you will be given a refund or credit to your account of the unearned premiums. If termination is due to death, the life premium will be considered fully earned where allowed by law, and no refund will be made. The unearned premium is computed by subtracting the premium earned from the original premium charged. This refund will be calculated using the Rule of 78's for Decreasing coverage for terms of sixty-one (61) months or less. For Net Balance and Disability Coverage, the Actuarial Method will be used. The Pro-Rata method will be used for Level Coverage. The period between the effective date of coverage and the premature termination date will be computed in whole months using the [15/16] day rule. Refunds of less than [\$2.00] will not be made.

CONSUMER SERVICES INFORMATION: Questions about this Certificate or the governing group master policy may be directed to Life of the South Insurance Company at the address listed on page one of this policy, or to the:

Arkansas Insurance Department
Consumer Services Division
1200 West Third Street
Little Rock, Arkansas 72201-1904
Telephone: (501) 371-2600
Consumer: (800) 852-5494

SERFF Tracking Number: LFST-127184581 State: Arkansas
Filing Company: Life of the South Insurance Company State Tracking Number: 48875
Company Tracking Number: LS-3496-AR (6/11) / 72000/73000/45000/48000
TOI: CR04G Group Credit - Life Sub-TOI: CR04G.003 Single Premium
Product Name: Single Premium Group Credit Life & Disability
Project Name/Number: CLAH-FORMS REVISION - H.B. 2137/LS-3496-AR (6/11)

Supporting Document Schedules

Item Status:

Status

Date:

Satisfied - Item: Flesch Certification

Comments:

Please see the attached Certificate of Compliance and Readability.

Attachments:

CERTIFICATE OF COMPLIANCE.pdf

Certificate of Readability.pdf

Item Status:

Status

Date:

Satisfied - Item: Application

Comments:

The Application # is LS-3495-AR and was approved May 3,2005. A copy is attached.

Attachment:

LS-3495-AR Appl.pdf

CERTIFICATE OF COMPLIANCE

CREDIT LIFE & DISABILITY INSURANCE

CERTIFICATION:

I, the undersigned officer of **Life of the South Insurance Company**, am knowledgeable of Credit Insurance and;

Have carefully reviewed the contents of the policy forms identified on the attached cover letter, which is hereby filed with the Arkansas Department of Insurance;

Have read and understand the applicable Arkansas Laws, Rules, Regulations and Bulletins; and

Certify that the policy forms identified on the attached cover letter, which is hereby filed with the Arkansas Department of Insurance, are in full compliance with all relevant Arkansas Insurance Laws and Regulations.



(Original Signature of Officer)

AVP Compliance

(Title of Officer)

Frank Gottuso

(Printed Name of Officer)

May 25, 2011

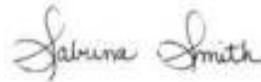
(Date)

CERTIFICATION

LIFE OF THE SOUTH INSURANCE COMPANY NAIC#: 97691

I, Sabrina Smith, hereby certify that the following forms have the readability score as calculated by the Flesch Test and that these forms meet the reading ease requirements of Arkansas Statutes and Regulations.

<u>Form(s)</u>	<u>Readability Score</u>
LS-3496-AR	46.5
LS-3497-AR	45.2



May 25, 2011
(Date)

Sabrina Smith Compliance Specialist
Regulatory & Compliance Administrator
(Signature & Title)

Life of the South Insurance Company

[Administrative Office
100 West Bay Street
Jacksonville, Florida 32202]

**APPLICATION FOR
SINGLE PREMIUM GROUP
CREDIT LIFE AND DISABILITY INSURANCE POLICY**

Date of Application _____

The organization named below applies to Life of the South Insurance Company for a Single Premium Group Creditor-Debtor Insurance Policy providing the following coverages:

Basic Coverage Options

Life Coverages:

- | | | |
|---|-------------------------------------|--------------------------------------|
| <input type="checkbox"/> Single Benefit | <input type="checkbox"/> Level | <input type="checkbox"/> Net Balance |
| <input type="checkbox"/> Joint Benefit | <input type="checkbox"/> Decreasing | |

Accident & Health Coverages:

- | | | |
|---|--|--|
| <input type="checkbox"/> Single Benefit | <input type="checkbox"/> Full Coverage | <input type="checkbox"/> Retroactive |
| | <input type="checkbox"/> Critical Period | <input type="checkbox"/> Non-Retroactive |

Waiting period: 7 Day 14 Day 30 Day

This refund formula section will apply to Net Balance Coverage only.

- Rule of 78's
 Other _____

Group Policy Number: [0001-A]

Effective: [August 19,2005]

Full or Corporate Name of Applicant: [XYZ BANK]

By: _____
(signature)

Title: _____

SERFF Tracking Number: LFST-127184581 State: Arkansas
 Filing Company: Life of the South Insurance Company State Tracking Number: 48875
 Company Tracking Number: LS-3496-AR (6/11) / 72000/73000/45000/48000
 TOI: CR04G Group Credit - Life Sub-TOI: CR04G.003 Single Premium
 Product Name: Single Premium Group Credit Life & Disability
 Project Name/Number: CLAH-FORMS REVISION - H.B. 2137/LS-3496-AR (6/11)

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
05/25/2011	Form	Certificate	06/01/2011	LS-3497-AR Certificate.pdf (Superseded)
05/25/2011	Form	Certificate	05/25/2011	LS-3497-AR Certificate.pdf (Superseded)
05/25/2011	Form	Master Policy	06/01/2011	LS-3496-AR Master Policy.pdf (Superseded)

LIFE INSURANCE BENEFIT

WHO IS INSURED: The Insured Debtor is the Primary Debtor. The Insured Debtor may be insured for both life and disability insurance. The Joint Insured Debtor may [also] be insured for life [and disability] insurance [only].

WHAT YOU GET: We certify that if we have been paid the premium shown in the schedule you are insured for the coverage shown in the Schedule, subject to the terms of the Group Policy issued to the Policyholder and this Certificate.

WHO GETS PAID: Immediately upon proof of your death or disability, we will pay the benefits provided under this Certificate to the Creditor. The Creditor will apply such payment(s) to pay off or reduce your debt. If the amount of insurance exceeds the balance of your debt, the excess will be paid to the second beneficiary named in the Schedule, or if no second beneficiary is named, then to your estate.

SINGLE LIFE INSURANCE BENEFIT: If you die while you are insured for single life coverage, we will pay the amount of life insurance in force at the time of your death.

JOINT LIFE INSURANCE BENEFIT: If you or the Joint Insured Debtor dies while insured for joint life coverage, we will pay the amount of insurance in force at the time you or the Joint Insured Debtor dies. Only one death benefit is payable under this Certificate. Should you and the Joint Insured Debtor die at the same time, or under such circumstances that it is impossible to determine who died first, then one death benefit will be based on the death of the primary Insured Debtor.

AMOUNT OF LIFE INSURANCE:

Decreasing Life - The amount of insurance decreases each month throughout the term of the coverage. On the effective date, the amount of insurance is equal to the Original Amount of Insurance shown on the Schedule. Thereafter, the amount of insurance decreases each month by an amount equal to the initial amount divided by the number of months in the term of the coverage.

Net Balance - If the insurance shown in the Schedule is Net Balance, the proceeds we will pay consist of:

- (a) the unpaid debt on the date of death; plus
- (b) any payments made that were not scheduled until after the date of death.

The proceeds determined above will be reduced if the Original Debt exceeds the Original Amount of Life Insurance. The proceeds payable will be the Original Amount of Life Insurance divided by the Original Debt multiplied by the unpaid balance as described above.

Level Life - The amount of insurance in force will be the Original Amount of Life Insurance, without decreasing during the term of coverage.

SUICIDE EXCLUSION : If the Insured Debtor or the Joint Insured Debtor die as a result of suicide while sane or insane within two (2) years after the effective date of coverage, our liability will be limited to the refund of premiums paid for single coverage, or if joint coverage is applicable, forty percent (40%) of the premium paid.

Single life coverage on the surviving Insured Debtor will continue unless cancellation is requested in writing.

PREEXISTING EXCLUSION: We will not pay a benefit if death occurs within six (6) months following the effective date of coverage if death is caused by an illness, injury or physical condition for which the Insured Debtor received medical consultation or treatment within the six (6) months immediately prior to the effective date of coverage. This exclusion of coverage may not be extended for a period more than 12 months from the effective date.

TOTAL DISABILITY INSURANCE BENEFIT

THIS BENEFIT IS AVAILABLE ONLY IF YOUR INSTALLMENTS ARE PAID ON A MONTHLY BASIS.

Single Disability Insurance Benefit: If you become totally disabled during the term of coverage and continue to be totally disabled for more than the number of days as stated in the Waiting Period, then you will become eligible for benefits under this Certificate.

Full Disability Coverage – If you become totally disabled within the term of coverage and such total disability continues uninterrupted for more than the number of days as stated in the Waiting Period, we will pay a disability benefit equal to 1/30th of your **MONTHLY DISABILITY BENEFIT** for each day of continuous total disability during your benefit period, but not more than your installment payment then due.

CRITICAL PERIOD COVERAGE: If an Insured Debtor becomes totally disabled while insured under this Rider and such total disability continues uninterrupted for more than the number of days in the applicable Waiting Period, we will pay you or the Creditor, as its interest may appear, the amount of the **MONTHLY DISABILITY BENEFIT** equal to 1/30th of the Insured Debtor's **MONTHLY DISABILITY PAYMENT** on the date disability begins, for each day of continuous total disability during the Insured Debtor's benefit period, subject to a maximum of [(24)] times the Monthly Disability Benefit for each benefit period. Each benefit period begins on the incurred date of disability and expires on the earliest of the following: (1) you return to work; (2) no longer under the care of a licensed physician; (3) you received the maximum number of benefits; (4) you received the maximum amount of insurance; (5) any date subject to **SECTION 8.0 – TERMINATION OF INDIVIDUAL COVERAGE**; or (6) no longer disabled as required in **SECTION R 4.0 – TOTAL DISABILITY**.

SUBSEQUENT BENEFIT PERIODS: A later disability will be considered a separate disability from an earlier one if: (1) both disabilities are from entirely unrelated causes; or (2) both are from related causes but you are employed and working for at least ninety (90) days between the two. A disability commencing prior to the end of this ninety (90) day period from a cause related to the prior disability will be considered the same period of disability.

Benefit Basis: Any disability benefits payable under this Certificate will be calculated based on one of the following methods which is indicated in your Certificate Schedule.

(a) Retroactive Coverage: This plan provides benefits after the Waiting Period has been satisfied, retroactive to the first day.

(b) Non Retroactive Coverage: This plan is also known as Elimination Coverage and provides benefits beginning with the first day after the Waiting period. Benefits are not retroactive to the first day.

Benefit Limitations: The following items are benefit limitations which apply under this Certificate. Regardless of the specific limitation which may apply, you will be responsible for the payment of all installment payments and/or deficiency amounts required to keep the insured debt from becoming delinquent.

(a) After the first benefit month, each subsequent benefit month will begin on the same day as the first benefit month. If the last day of total disability for which benefits are payable falls on a date which does not equal a full benefit month, we will pay to the Creditor, a daily benefit of 1/30th of the **MONTHLY DISABILITY BENEFIT** for each day. In no event will we pay a benefit for an amount greater than the **MONTHLY DISABILITY BENEFIT** shown in the Schedule.

(b) In the months when your loan payment exceeds the **MONTHLY DISABILITY BENEFIT** shown in the Schedule, you will be insured only for an amount equal to the **MONTHLY DISABILITY BENEFIT** shown in the Schedule.

(c) If the term of disability coverage is less than the term of your debt, no disability benefit will be paid for any payment after the term of coverage for disability coverage has expired.

(d) If your debt includes a balloon payment (a scheduled payment that is larger than the others) and the term of disability coverage is the same as the term of the debt, the balloon payment will only be insured up to an amount equal to the Monthly Disability Benefit as shown in the Schedule.

(e) Benefits will end when you are no longer totally disabled, or the insurance expires or terminates, whichever occurs first. We reserve the right to require evidence of total disability from a licensed doctor of medicine or osteopathy other than yourself, at monthly or at reasonable intervals as determined by us in order to justify the continuing payment of benefits. We will cease to pay benefits if the required proof is not given to us at our [Administrative Office]. If the amount of insurance qualified and payable under the terms and conditions exceeds the unpaid indebtedness, such excess will be paid to you, if living, otherwise to the second beneficiary named in this Certificate, or to the estate.

Total Disability is disability which: (1) begins while you are covered by this Certificate; (2) results directly from accidental bodily injury or sickness as defined below; (3) continues uninterrupted for more than the number of days of the Waiting Period shown in the Certificate Schedule; and (4) prevents you from performing any occupation for which you are qualified by education, training or experience. Injury means accidental bodily injury that occurs while this Certificate is in force and which causes you to become totally disabled. Sickness means illness or disease, and which first manifests itself while this Certificate is in force and which causes you to become totally disabled.

RULES FOR FILING A DISABILITY CLAIM

NOTICE OF CLAIM : You must write to us or our agent about your total disability claim within [thirty (30)] days after such disability begins or as soon after that as you can.

CLAIM FORMS: Upon receipt of written notice of claim, by the [Administrative Office], we will send you claim forms within [fifteen (15)] days. If we do not send you the claim forms within [fifteen (15)] days you may simply send us written proof of your disability. The proof must show the date and the cause of the total disability, how serious it is, and must be signed by a licensed doctor of medicine or osteopathy other than yourself.

TIMELY PAYMENT OF CLAIMS: Benefits payable under this Certificate for any loss other than the loss for which this Certificate provides any periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which this Certificate provides periodic payment will be paid monthly and any balance remaining unpaid upon termination of liability will be paid immediately upon receipt of due written proof.

PHYSICAL EXAMINATION: We, at our own expense, will have the right and opportunity to have you examined when and as often as we reasonably require during the pendency of a claim hereunder.

EXCEPTIONS OF DISABILITY COVERAGE: We do not cover disabilities resulting from:

(1) Normal Pregnancy; (2) Intentionally Self-inflicted Injury; (3) Foreign travel or residence; (4) Flight in a non-scheduled aircraft; (5) War or military service; and (6) a preexisting condition as defined below.

PREEXISTING EXCLUSION: A preexisting condition is a disease, injury or condition of health for which you were hospitalized or received medical treatment (including medication), consultation or advice within the [six (6)] months preceding the effective date of the Certificate and which caused disability within the [six (6)] months following the effective date of this Certificate. If the original term of coverage is less than [six (6)] months, this time period is equal to the term of coverage. Disability commencing after the preexisting period will be covered.

GENERAL PROVISIONS

The amount charged by the Policyholder for this coverage will not exceed the premium paid by the Policyholder to us.

WHO WE PAY: Immediately upon proof of death or disability of you or the Joint Insured Debtor, if applicable, we will pay benefits provided under this Certificate to the Creditor. The Creditor will apply such payment(s) to pay off or reduce the debt. If the amount of insurance exceeds the balance of the debt, the excess will be paid to you, if living, or to the Second Beneficiary named in the Schedule, if living, otherwise to the estate.

LIMITS OF COVERAGE: At no time will the amount of coverage issued under this Certificate be afforded to anyone for a term, an original amount of life insurance or original amount of disability insurance (sum of all monthly disability benefits payable), or a monthly benefit in excess of the maximum indicated in this Certificate or permitted by law. If you have more than one Certificate in effect, then the total aggregate of insurance coverage under all Certificates will not exceed, at any time, the amount permitted under the Group Policy as defined in the Limits of Coverage. If the maximum limits are exceeded, we will terminate the excess coverage as outlined below under EXCESS COVERAGE.

EXCESS COVERAGE: All premiums paid for excess coverage will be returned when we discover it. We will return the excess premium for refund or credit to your account. Termination of the excess coverage shall be without prejudice to any claim originating prior to such termination.

ELIGIBILITY: You are eligible for life coverage if: (a) you are a natural person (not a partnership, corporation or association); (b) you do not exceed the maximum age requirement for life coverage as stated in the Group Policy; (c) you provide satisfactory evidence of insurability if required. You are eligible for disability coverage if: (a) you meet the requirement for life coverage; (b) you do not exceed the maximum age requirement for disability coverage stated in the Group Policy; (c) you are gainfully employed working at least thirty (30) hours per week on the effective date of coverage; and (d) you are the [Primary] Insured Debtor [(the Primary Debtor is the one who signed the note first)]. If you are ineligible for coverage and a Certificate is issued to you in error, we will terminate the coverage as soon as we discover it and refund or credit the entire premium charged to your account. If you are ineligible, and we do not terminate the coverage and refund the premium paid within [ninety (90)] days of the [Administrative Office] receipt of the Certificate, then the insurance will remain in force. Nothing in this provision will preclude the incontestability Clause or the Misstatement of Age Provision.

MISSTATEMENT OF AGE: If you misstated your age when applying for this insurance, then no coverage will be provided under this Certificate for a period longer or an amount greater than if you stated your age correctly. If your true age would render you ineligible for coverage under this Certificate, then our liability will be limited to a return of premium paid for such coverage, if any. In the event of a claim, if it is determined you were ineligible for coverage and your true age was correctly stated on the application or Certificate, then we cannot deny or change the benefit or the amount of insurance.

RENEWAL OR REFINANCED INDEBTEDNESS: If the indebtedness issued under this Certificate is discharged prior to the scheduled maturity date due to renewal or refinancing, the effective date for the renewed or refinanced indebtedness will be the first date on which you became insured under the Group Policy. Liability for the renewed or refinanced indebtedness is limited to the remaining term and conditions of the original indebtedness outstanding at the time of renewal or refinancing. Any period of exclusion will be reduced by any period that insurance was in force in connection with the prior indebtedness which was renewed or refinanced. Any portion of the new debt which was not renewed or refinanced is not covered by this renewal and refinancing provision. Nothing in this provision shall preclude the Incontestability Clause. Any claim for benefits occurring prior to the debt being paid off, renewed or refinanced shall not be prejudiced by the termination of coverage.

INCONTESTABILITY: All statements made by you or the Joint Insured Debtor are, in the absence of fraud, representations and not warranties. In the absence of fraud, we cannot contest the insurance evidenced by the Certificate after it has been in force [two (2)] years during your or the Joint Insured Debtor's lifetime and prior to the date on which the claim thereunder arose. This does not prevent us from legally terminating the insurance under this Certificate if premiums are not paid.

ENTIRE CONTRACT: This Certificate together with the application, endorsements if any, and Group Policy make up the entire contract between the parties. Only an Officer of the [Administrative Office] may waive or otherwise change any provision of the Group Policy or our rights thereunder. No action, statement or agreement by any person or persons other than an Officer of the [Administrative Office] in writing shall in any way bind or estop us from enforcing the provisions of the Group Policy or our rights thereunder. No agreement in conflict with, modifying or extending the Group Policy shall be valid unless in writing signed by an Officer of the [Administrative Office] and made part of the Group Policy.

PROOF OF LOSS DISABILITY: Written proof of disability must be sent to us no later than [ninety (90)] days after your total disability ends. If you cannot file proof within [ninety (90)] days, you must file as soon as possible. No claim will be reduced or denied if you file as soon as possible. In no event, except in the absence of legal capacity, can proof be filed later than [one (1)] year from the time proof is normally required.

PROOF OF DEATH: Upon the death of an Insured Debtor, we must receive proof of death satisfactory to the Company within [ninety (90)] days after death occurs, or as soon as reasonably possible. Such proof may include, but is not limited to, a death certificate and a valid completed claim form.

LEGAL ACTION: No action at law or equity shall be brought to recover on this Certificate sooner than [sixty (60)] days after written proof of loss has been furnished in accordance with the requirements of the Certificate and Group Policy. No such action shall be brought later than [three (3)] years after the date of death or after [three (3)] years from the date the cause of action accrues, whichever occurs first.

AUTOPSY: We have the right to have an autopsy performed, at our expense, unless forbidden by law.

REPRESENTATIONS: In the absence of fraud, all statements made by you or the Joint Insured Debtor, are representations and not warranties. In the absence of fraud, no statement made for the purpose of effecting insurance shall void or reduce benefits unless contained in a written instrument signed by you or the Joint Insured Debtor, a copy of which has been furnished to you or the Joint Insured Debtor, or your beneficiary.

MISREPRESENTATIONS AND COMPANY'S RIGHT TO RESCIND: If, at time of claim, we determine that you have concealed or misrepresented your health or any material fact in the application for insurance or proof of loss, or are guilty of attempted fraud. Our liability will be limited to a return of premiums, less benefits paid for such coverage.

TERMINATION OF INDIVIDUAL COVERAGE: Your insurance will terminate on the earliest of the following dates: (1) the date the debt is discharged by renewal or refinancing; (2) the scheduled maturity date of the debt; (3) the date the debt is transferred to another Debtor; (4) the date the debt has been in default for more than [ninety (90)] days; (5) the date you attain the maximum age as stated in limits of coverage in the Group Policy; (6) the date that the collateral, if any, which is security for the debt, or upon which the debt is based, has been repossessed; (7) the date the debt becomes the subject of a judicial proceeding for collection, bankruptcy or a court judgment; (8) the date the benefit becomes due under the Group Policy; (9) the date we receive written request to the end of the coverage; (10) the date the debt is discharged by prepayment; or (11) the end of the term of coverage shown in the Schedule.

In the event of a life or disability claim originating prior to such termination, the claim will be processed as if such termination had not occurred. Any refund may be withheld or if previously credited or paid, it must be returned to reinstate the coverage.

In the event of a continuing accident and health claim prior to the termination date of coverage, the refund may be withheld until you are no longer considered to be totally disabled. This statement will apply provided it does not conflict with any state law. However, if you are no longer considered totally disabled as required, you will be entitled to a refund of unearned premiums as of the date you are no longer disabled. You retain the right to cancel coverage as of any date upon receipt of written notice of the request by the [Administrative Office]. If you elect to cancel the coverage, benefits will cease.

WHEN INSURANCE STOPS - REFUNDS: If your insurance stops before the end of the term of coverage shown in the Schedule, you will be given a refund or credit to your account of the unearned premiums. If termination is due to death, the life premium will be considered fully earned where allowed by law, and no refund will be made. The unearned premium is computed by subtracting the premium earned from the original premium charged. This refund will be calculated using the Rule of 78's for Decreasing coverage for terms of sixty-one (61) months or less. For Net Balance and Disability Coverage, the Actuarial Method will be used. The Pro-Rata method will be used for Level Coverage. The period between the effective date of coverage and the premature termination date will be computed in whole months using the [15/16] day rule. Refunds of less than [\$2.00] will not be made.

CONSUMER SERVICES INFORMATION: Questions about this Certificate or the governing group master policy may be directed to Life of the South Insurance Company at the address listed on page one of this policy, or to the:

Arkansas Insurance Department
Consumer Services Division
1200 West Third Street
Little Rock, Arkansas 72201-1904
Telephone: (501) 371-2600
Consumer: (800) 852-5494

LIFE INSURANCE BENEFIT

WHO IS INSURED: The Insured Debtor is the Primary Debtor. The Insured Debtor may be insured for both life and disability insurance. The Joint Insured Debtor may [also] be insured for life [and disability] insurance [only].

WHAT YOU GET: We certify that if we have been paid the premium shown in the schedule you are insured for the coverage shown in the Schedule, subject to the terms of the Group Policy issued to the Policyholder and this Certificate.

WHO GETS PAID: Immediately upon proof of your death or disability, we will pay the benefits provided under this Certificate to the Creditor. The Creditor will apply such payment(s) to pay off or reduce your debt. If the amount of insurance exceeds the balance of your debt, the excess will be paid to the second beneficiary named in the Schedule, or if no second beneficiary is named, then to your estate.

SINGLE LIFE INSURANCE BENEFIT: If you die while you are insured for single life coverage, we will pay the amount of life insurance in force at the time of your death.

JOINT LIFE INSURANCE BENEFIT: If you or the Joint Insured Debtor dies while insured for joint life coverage, we will pay the amount of insurance in force at the time you or the Joint Insured Debtor dies. Only one death benefit is payable under this Certificate. Should you and the Joint Insured Debtor die at the same time, or under such circumstances that it is impossible to determine who died first, then one death benefit will be based on the death of the primary Insured Debtor.

AMOUNT OF LIFE INSURANCE:

Decreasing Life - The amount of insurance decreases each month throughout the term of the coverage. On the effective date, the amount of insurance is equal to the Original Amount of Insurance shown on the Schedule. Thereafter, the amount of insurance decreases each month by an amount equal to the initial amount divided by the number of months in the term of the coverage.

Net Balance - If the insurance shown in the Schedule is Net Balance, the proceeds we will pay consist of:

- (a) the unpaid debt on the date of death; plus
- (b) any payments made that were not scheduled until after the date of death.

The proceeds determined above will be reduced if the Original Debt exceeds the Original Amount of Life Insurance. The proceeds payable will be the Original Amount of Life Insurance divided by the Original Debt multiplied by the unpaid balance as described above.

Level Life - The amount of insurance in force will be the Original Amount of Life Insurance, without decreasing during the term of coverage.

SUICIDE EXCLUSION : If the Insured Debtor or the Joint Insured Debtor die as a result of suicide while sane or insane within two (2) years after the effective date of coverage, our liability will be limited to the refund of premiums paid for single coverage, or if joint coverage is applicable, forty percent (40%) of the premium paid.

Single life coverage on the surviving Insured Debtor will continue unless cancellation is requested in writing.

PREEXISTING EXCLUSION: We will not pay a benefit if death occurs within six (6) months following the effective date of coverage if death is caused by an illness, injury or physical condition for which the Insured Debtor received medical consultation or treatment within the six (6) months immediately prior to the effective date of coverage. This exclusion of coverage may not be extended for a period more than 12 months from the effective date.

TOTAL DISABILITY INSURANCE BENEFIT

THIS BENEFIT IS AVAILABLE ONLY IF YOUR INSTALLMENTS ARE PAID ON A MONTHLY BASIS.

Single Disability Insurance Benefit: If you become totally disabled during the term of coverage and continue to be totally disabled for more than the number of days as stated in the Waiting Period, then you will become eligible for benefits under this Certificate.

Full Disability Coverage – If you become totally disabled within the term of coverage and such total disability continues uninterrupted for more than the number of days as stated in the Waiting Period, we will pay a disability benefit equal to 1/30th of your **MONTHLY DISABILITY BENEFIT** for each day of continuous total disability during your benefit period, but not more than your installment payment then due.

CRITICAL PERIOD COVERAGE: If an Insured Debtor becomes totally disabled while insured under this Rider and such total disability continues uninterrupted for more than the number of days in the applicable Waiting Period, we will pay you or the Creditor, as its interest may appear, the amount of the **MONTHLY DISABILITY BENEFIT** equal to 1/30th of the Insured Debtor's **MONTHLY DISABILITY PAYMENT** on the date disability begins, for each day of continuous total disability during the Insured Debtor's benefit period, subject to a maximum of [(24)] times the Monthly Disability Benefit for each benefit period. Each benefit period begins on the incurred date of disability and expires on the earliest of the following: (1) you return to work; (2) no longer under the care of a licensed physician; (3) you received the maximum number of benefits; (4) you received the maximum amount of insurance; (5) any date subject to **SECTION 8.0 – TERMINATION OF INDIVIDUAL COVERAGE**; or (6) no longer disabled as required in **SECTION R 4.0 – TOTAL DISABILITY**.

SUBSEQUENT BENEFIT PERIODS: A later disability will be considered a separate disability from an earlier one if: (1) both disabilities are from entirely unrelated causes; or (2) both are from related causes but you are employed and working for at least ninety (90) days between the two. A disability commencing prior to the end of this ninety (90) day period from a cause related to the prior disability will be considered the same period of disability.

Benefit Basis: Any disability benefits payable under this Certificate will be calculated based on one of the following methods which is indicated in your Certificate Schedule.

(a) Retroactive Coverage: This plan provides benefits after the Waiting Period has been satisfied, retroactive to the first day.

(b) Non Retroactive Coverage: This plan is also known as Elimination Coverage and provides benefits beginning with the first day after the Waiting period. Benefits are not retroactive to the first day.

Benefit Limitations: The following items are benefit limitations which apply under this Certificate. Regardless of the specific limitation which may apply, you will be responsible for the payment of all installment payments and/or deficiency amounts required to keep the insured debt from becoming delinquent.

(a) After the first benefit month, each subsequent benefit month will begin on the same day as the first benefit month. If the last day of total disability for which benefits are payable falls on a date which does not equal a full benefit month, we will pay to the Creditor, a daily benefit of 1/30th of the **MONTHLY DISABILITY BENEFIT** for each day. In no event will we pay a benefit for an amount greater than the **MONTHLY DISABILITY BENEFIT** shown in the Schedule.

(b) In the months when your loan payment exceeds the **MONTHLY DISABILITY BENEFIT** shown in the Schedule, you will be insured only for an amount equal to the **MONTHLY DISABILITY BENEFIT** shown in the Schedule.

(c) If the term of disability coverage is less than the term of your debt, no disability benefit will be paid for any payment after the term of coverage for disability coverage has expired.

(d) If your debt includes a balloon payment (a scheduled payment that is larger than the others) and the term of disability coverage is the same as the term of the debt, the balloon payment will only be insured up to an amount equal to the Monthly Disability Benefit as shown in the Schedule.

(e) Benefits will end when you are no longer totally disabled, or the insurance expires or terminates, whichever occurs first. We reserve the right to require evidence of total disability from a licensed doctor of medicine or osteopathy other than yourself, at monthly or at reasonable intervals as determined by us in order to justify the continuing payment of benefits. We will cease to pay benefits if the required proof is not given to us at our [Administrative Office]. If the amount of insurance qualified and payable under the terms and conditions exceeds the unpaid indebtedness, such excess will be paid to you, if living, otherwise to the second beneficiary named in this Certificate, or to the estate.

Total Disability is disability which: (1) begins while you are covered by this Certificate; (2) results directly from accidental bodily injury or sickness as defined below; (3) continues uninterrupted for more than the number of days of the Waiting Period shown in the Certificate Schedule; and (4) prevents you from performing any occupation for which you are qualified by education, training or experience. Injury means accidental bodily injury that occurs while this Certificate is in force and which causes you to become totally disabled. Sickness means illness or disease, and which first manifests itself while this Certificate is in force and which causes you to become totally disabled.

RULES FOR FILING A DISABILITY CLAIM

NOTICE OF CLAIM : You must write to us or our agent about your total disability claim within [thirty (30)] days after such disability begins or as soon after that as you can.

CLAIM FORMS: Upon receipt of written notice of claim, by the [Administrative Office], we will send you claim forms within [fifteen (15)] days. If we do not send you the claim forms within [fifteen (15)] days you may simply send us written proof of your disability. The proof must show the date and the cause of the total disability, how serious it is, and must be signed by a licensed doctor of medicine or osteopathy other than yourself.

TIMELY PAYMENT OF CLAIMS: Benefits payable under this Certificate for any loss other than the loss for which this Certificate provides any periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which this Certificate provides periodic payment will be paid monthly and any balance remaining unpaid upon termination of liability will be paid immediately upon receipt of due written proof.

PHYSICAL EXAMINATION: We, at our own expense, will have the right and opportunity to have you examined when and as often as we reasonably require during the pendency of a claim hereunder.

EXCEPTIONS OF DISABILITY COVERAGE: We do not cover disabilities resulting from:

(1) Normal Pregnancy; (2) Intentionally Self-inflicted Injury; (3) Foreign travel or residence; (4) Flight in a non-scheduled aircraft; (5) War or military service; and (6) a preexisting condition as defined below.

PREEXISTING EXCLUSION: A preexisting condition is a disease, injury or condition of health for which you were hospitalized or received medical treatment (including medication), consultation or advice within the [six (6)] months preceding the effective date of the Certificate and which caused disability within the [six (6)] months following the effective date of this Certificate. If the original term of coverage is less than [six (6)] months, this time period is equal to the term of coverage. Disability commencing after the preexisting period will be covered.

GENERAL PROVISIONS

The amount charged by the Policyholder for this coverage will not exceed the premium paid by the Policyholder to us.

WHO WE PAY: Immediately upon proof of death or disability of you or the Joint Insured Debtor, if applicable, we will pay benefits provided under this Certificate to the Creditor. The Creditor will apply such payment(s) to pay off or reduce the debt. If the amount of insurance exceeds the balance of the debt, the excess will be paid to you, if living, or to the Second Beneficiary named in the Schedule, if living, otherwise to the estate.

LIMITS OF COVERAGE: At no time will the amount of coverage issued under this Certificate be afforded to anyone for a term, an original amount of life insurance or original amount of disability insurance (sum of all monthly disability benefits payable), or a monthly benefit in excess of the maximum indicated in this Certificate or permitted by law. If you have more than one Certificate in effect, then the total aggregate of insurance coverage under all Certificates will not exceed, at any time, the amount permitted under the Group Policy as defined in the Limits of Coverage. If the maximum limits are exceeded, we will terminate the excess coverage as outlined below under EXCESS COVERAGE.

EXCESS COVERAGE: All premiums paid for excess coverage will be returned when we discover it. We will return the excess premium for refund or credit to your account. Termination of the excess coverage shall be without prejudice to any claim originating prior to such termination.

ELIGIBILITY: You are eligible for life coverage if: (a) you are a natural person (not a partnership, corporation or association); (b) you do not exceed the maximum age requirement for life coverage as stated in the Group Policy; (c) you provide satisfactory evidence of insurability if required. You are eligible for disability coverage if: (a) you meet the requirement for life coverage; (b) you do not exceed the maximum age requirement for disability coverage stated in the Group Policy; (c) you are gainfully employed working at least thirty (30) hours per week on the effective date of coverage; and (d) you are the [Primary] Insured Debtor [(the Primary Debtor is the one who signed the note first)]. If you are ineligible for coverage and a Certificate is issued to you in error, we will terminate the coverage as soon as we discover it and refund or credit the entire premium charged to your account. If you are ineligible, and we do not terminate the coverage and refund the premium paid within [ninety (90)] days of the [Administrative Office] receipt of the Certificate, then the insurance will remain in force. Nothing in this provision will preclude the incontestability Clause or the Misstatement of Age Provision.

MISSTATEMENT OF AGE: If you misstated your age when applying for this insurance, then no coverage will be provided under this Certificate for a period longer or an amount greater than if you stated your age correctly. If your true age would render you ineligible for coverage under this Certificate, then our liability will be limited to a return of premium paid for such coverage, if any. In the event of a claim, if it is determined you were ineligible for coverage and your true age was correctly stated on the application or Certificate, then we cannot deny or change the benefit or the amount of insurance.

RENEWAL OR REFINANCED INDEBTEDNESS: If the indebtedness issued under this Certificate is discharged prior to the scheduled maturity date due to renewal or refinancing, the effective date for the renewed or refinanced indebtedness will be the first date on which you became insured under the Group Policy. Liability for the renewed or refinanced indebtedness is limited to the remaining term and conditions of the original indebtedness outstanding at the time of renewal or refinancing. Any period of exclusion will be reduced by any period that insurance was in force in connection with the prior indebtedness which was renewed or refinanced. Any portion of the new debt which was not renewed or refinanced is not covered by this renewal and refinancing provision. Nothing in this provision shall preclude the Incontestability Clause. Any claim for benefits occurring prior to the debt being paid off, renewed or refinanced shall not be prejudiced by the termination of coverage.

INCONTESTABILITY: All statements made by you or the Joint Insured Debtor are, in the absence of fraud, representations and not warranties. In the absence of fraud, we cannot contest the insurance evidenced by the Certificate after it has been in force [two (2)] years during your or the Joint Insured Debtor's lifetime and prior to the date on which the claim thereunder arose. This does not prevent us from legally terminating the insurance under this Certificate if premiums are not paid.

ENTIRE CONTRACT: This Certificate together with the application, endorsements if any, and Group Policy make up the entire contract between the parties. Only an Officer of the [Administrative Office] may waive or otherwise change any provision of the Group Policy or our rights thereunder. No action, statement or agreement by any person or persons other than an Officer of the [Administrative Office] in writing shall in any way bind or estop us from enforcing the provisions of the Group Policy or our rights thereunder. No agreement in conflict with, modifying or extending the Group Policy shall be valid unless in writing signed by an Officer of the [Administrative Office] and made part of the Group Policy.

PROOF OF LOSS DISABILITY: Written proof of disability must be sent to us no later than [ninety (90)] days after your total disability ends. If you cannot file proof within [ninety (90)] days, you must file as soon as possible. No claim will be reduced or denied if you file as soon as possible. In no event, except in the absence of legal capacity, can proof be filed later than [one (1)] year from the time proof is normally required.

PROOF OF DEATH: Upon the death of an Insured Debtor, we must receive proof of death satisfactory to the Company within [ninety (90)] days after death occurs, or as soon as reasonably possible. Such proof may include, but is not limited to, a death certificate and a valid completed claim form.

LEGAL ACTION: No action at law or equity shall be brought to recover on this Certificate sooner than [sixty (60)] days after written proof of loss has been furnished in accordance with the requirements of the Certificate and Group Policy. No such action shall be brought later than [three (3)] years after the date of death or after [three (3)] years from the date the cause of action accrues, whichever occurs first.

AUTOPSY: We have the right to have an autopsy performed, at our expense, unless forbidden by law.

REPRESENTATIONS: In the absence of fraud, all statements made by you or the Joint Insured Debtor, are representations and not warranties. In the absence of fraud, no statement made for the purpose of effecting insurance shall void or reduce benefits unless contained in a written instrument signed by you or the Joint Insured Debtor, a copy of which has been furnished to you or the Joint Insured Debtor, or your beneficiary.

MISREPRESENTATIONS AND COMPANY'S RIGHT TO RESCIND: If, at time of claim, we determine that you have concealed or misrepresented your health or any material fact in the application for insurance or proof of loss, or are guilty of attempted fraud. Our liability will be limited to a return of premiums, less benefits paid for such coverage.

TERMINATION OF INDIVIDUAL COVERAGE: Your insurance will terminate on the earliest of the following dates: (1) the date the debt is discharged by renewal or refinancing; (2) the scheduled maturity date of the debt; (3) the date the debt is transferred to another Debtor; (4) the date the debt has been in default for more than [ninety (90)] days; (5) the date you attain the maximum age as stated in limits of coverage in the Group Policy; (6) the date that the collateral, if any, which is security for the debt, or upon which the debt is based, has been repossessed; (7) the date the debt becomes the subject of a judicial proceeding for collection, bankruptcy or a court judgment; (8) the date the benefit becomes due under the Group Policy; (9) the date we receive written request to the end of the coverage; (10) the date the debt is discharged by prepayment; or (11) the end of the term of coverage shown in the Schedule.

In the event of a life or disability claim originating prior to such termination, the claim will be processed as if such termination had not occurred. Any refund may be withheld or if previously credited or paid, it must be returned to reinstate the coverage.

In the event of a continuing accident and health claim prior to the termination date of coverage, the refund may be withheld until you are no longer considered to be totally disabled. This statement will apply provided it does not conflict with any state law. However, if you are no longer considered totally disabled as required, you will be entitled to a refund of unearned premiums as of the date you are no longer disabled. You retain the right to cancel coverage as of any date upon receipt of written notice of the request by the [Administrative Office]. If you elect to cancel the coverage, benefits will cease.

WHEN INSURANCE STOPS - REFUNDS: If your insurance stops before the end of the term of coverage shown in the Schedule, you will be given a refund or credit to your account of the unearned premiums. If termination is due to death, the life premium will be considered fully earned where allowed by law, and no refund will be made. The unearned premium is computed by subtracting the premium earned from the original premium charged. This refund will be calculated using the Rule of 78's for Decreasing coverage for terms of sixty-one (61) months or less. For Net Balance and Disability Coverage, the Actuarial Method will be used. The Pro-Rata method will be used for Level Coverage. The period between the effective date of coverage and the premature termination date will be computed in whole months using the [15/16] day rule. Refunds of less than [\$2.00] will not be made.

CONSUMER SERVICES INFORMATION: Questions about this Certificate or the governing group master policy may be directed to Life of the South Insurance Company at the address listed on page one of this policy, or to the:

Arkansas Insurance Department
Consumer Services Division
1200 West Third Street
Little Rock, Arkansas 72201-1904
Telephone: (501) 371-2600
Consumer: (800) 852-5494

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Life of the South Insurance Company
[Administrative Office
10151 Deerwood Park Blvd. Building 100, Suite 330
Jacksonville FL. 32256]

AGENCY NO.: [1234]

POLICY NO.: [0001-A]

POLICYHOLDER: [XYZ Bank
Anytown, USA]

DEFINITIONS

POLICYHOLDER: (called "You") The lender, vendor, or lessor of money or goods, including a successor to their rights, title or interest for which payments are arranged through a credit transaction.

DEBTOR: A borrower of money or purchaser or a lessee of goods through which payments are arranged through a credit transaction.

INSURING AGREEMENT

You have applied for life insurance on certain Debtors. Your application is attached to and made a part of this Group Policy. We agree to insure the lives of those Debtors who are eligible for insurance and who have agreed to pay the premium for insurance coverage. If an Insured Debtor should die while insured under this Group Policy, you will send us notice of such death. Upon receipt of written proof of death, we will pay you the amount required to discharge the indebtedness, but not more than the insurance in force at the time of death. If joint coverage is provided, the amount paid, if one of the joint Insured Debtors should die, will not exceed the amount that would have been paid if single life coverage was provided. If the insurance in force exceeds the amount payable to you, we will pay the excess to the second beneficiary, if named, or to the estate of the Insured Debtor.

The provisions contained in the following pages are hereby made a part of this Group Policy.

This Group Policy is delivered in the State of ARKANSAS and governed by its laws.

IN WITNESS WHEREOF, The Company has caused this Group Policy to be issued in ARKANSAS and effective this [1st] day of [June], [2011].



SECRETARY



PRESIDENT

Countersignature
(where required by law)

**SINGLE PREMIUM
GROUP CREDIT LIFE INSURANCE
NON-PARTICIPATING CREDITOR-DEBTOR INSURANCE ONLY**

SECTION 1.0 - WHO IS ELIGIBLE

1.1 **ELIGIBLE DEBTORS OR CO-DEBTORS:** An eligible Debtor is anyone who:

- (1) Is a natural person (not a partnership, association or corporation) of the class defined in the Application of this Group Policy.
- (2) Will not exceed age [66] on the [expiration] of coverage;
- (3) Provides satisfactory evidence of insurability, if required.

1.2 **APPROVAL OF RISKS :** According to our underwriting rules, if either Debtor is found to be unacceptable as an insurance risk under the Group Policy or is issued a certificate in error, the insurance on that Debtor will not become effective. If the Debtor is ineligible, the insurance will remain in force if we do not terminate the coverage and refund the premium paid within [ninety (90)] days of [Administrative Office] receipt of the Certificate of coverage. If refund is due, notice of the refund will be mailed to you, the Group Policyholder, who in turn must notify the Debtor(s) and refund or credit the Debtor(s) account. Nothing in this provision will preclude the Incontestability Clause or the Misstatement of Age Provision.

A credit transaction consummated by a power of attorney is not permitted and shall not be insured under this Group Policy.

1.3 **JOINT DEBTOR :** If two Debtors are jointly indebted to you or a creditor and are jointly and severally liable for repayment of the indebtedness and are joint signers of the instrument of indebtedness, joint life insurance may be provided. The joint Debtors will be designated as Insured Debtor and Joint Insured Debtor.

SECTION 2.0 - LIMITS OF COVERAGE

2.1 **LIMITS:**

	<u>MAXIMUM TERM</u>	<u>MAXIMUM AMOUNT</u>
Level Coverage	_____ [120] _____	_____ [\$100,000] _____
Net Balance Coverage	_____ [120] _____	_____ [\$100,000] _____
Decreasing Coverage	_____ [120] _____	_____ [\$100,000] _____

2.2 **MAXIMUM COVERAGE:** At no time will the amount of life insurance on an Insured Debtor's life exceed the Original Amount of Insurance as shown on the Certificate Schedule or the amount as specified above, whichever is less. If the Insured Debtor has more than one Certificate in effect, then the total aggregate of life insurance coverage under all Certificates issued under this Group Policy will not exceed, at any time, the amount as specified above. If joint coverage is elected, the older Debtor must be used to determine eligible coverage. The maximum limit on total benefits payable thereunder, shall apply only to that specific indebtedness for which such policy or certificate was issued.

If coverage in excess of the limits is issued, the charges for the excess life insurance will be refunded as explained under **SECTION 8.10 EXCESS INSURANCE** of **SECTION 8.0 - GENERAL TERMS AND CONDITIONS**.

SECTION 3.0 - WHEN COVERAGE STARTS

3.1 **INDIVIDUAL EFFECTIVE DATE AND TERM:** The effective date of an Insured Debtor's coverage will be the latest of:

- (a) the date of issue of this Group Policy; or
- (b) the date of such Insured Debtor's note, installment contract or other written evidence of indebtedness and subject to **SECTION 2.0 - LIMITS OF COVERAGE**. Such coverage will end in accordance with the provisions of **SECTION 8.1 TERMINATION OF INDIVIDUAL COVERAGE**.

SECTION 4.0 - WHO DO WE PAY

- 4.1 Any benefit payable under this Group Policy will be paid to you or the Creditor as its interest may appear. Such payment will be applied by you to the Insured Debtor's debt. Any excess will be paid to the named second beneficiary, if living; otherwise to the Insured Debtor's estate.
- 4.2 All sums are payable at our [Administrative Office] upon receipt of due proof of the death of the Insured Debtor or Joint Insured Debtor. This proof must be submitted on forms satisfactory to us. In addition, it must show that the death occurred while this insurance was in force.

SECTION 5.0 - DESCRIPTION OF INSURANCE

- 5.1 **ORIGINAL AMOUNT OF INSURANCE:** Subject to **SECTION 2.0 - LIMITS OF COVERAGE**, the Original Amount of Insurance is defined for decreasing, net balance, and level term coverages as the original amount of the note, installment contract or other written evidence of indebtedness.
- 5.2 **SINGLE LIFE INSURANCE COVERAGE:** Coverage shall be on the "Insured Debtor" only.
- 5.3 **JOINT LIFE INSURANCE COVERAGE:** With joint life coverage, the benefits provided under this Group Policy will be paid on the first to die of the Insured Debtor or Joint Insured Debtor. Only one benefit will be paid. If both die simultaneously, and we cannot determine who died first, payment will be made as though the Insured Debtor died first, being survived by the Joint Insured Debtor.
- 5.4 **SCHEDULE:** The Schedule in the Certificate (called "Schedule") and the premium charge indicate whether single or joint life coverage is in force and states who is the primary Debtor.
- 5.5 **DECREASING TERM COVERAGE:** The amount of insurance decreases each month throughout the term of the coverage. On the effective date, the amount of insurance is equal to the Original Amount of Insurance shown on the Schedule of the Certificate. Thereafter, the amount of insurance decreases each month by an amount equal to the initial amount divided by the number of months in the term of the coverage.

[For Partial Coverage, the proceeds determined above will be reduced if the Original Debt exceeds the Original Amount of Life Insurance. The proceeds payable will be the Original Amount of Life Insurance divided by the Original Debt multiplied by the unpaid balance as described above.]

- 5.6 **NET BALANCE COVERAGE:** The proceeds we will pay consist of:
- (a) the unpaid debt on the date of death; plus
 - (b) any payments made that were not scheduled until after the date of death.

The proceeds determined above will be reduced if the Original Debt exceeds the Original Amount of Life Insurance. The proceeds payable will be the Original Amount of Life Insurance divided by the Original Debt multiplied by the unpaid balance as described above.

- 5.7 **LEVEL TERM COVERAGE:** The amount of life insurance remains the same through the term of coverage. This amount is equal to the Original Amount of Insurance coverage shown on the Schedule.
- 5.8 **SUICIDE EXCLUSION:** If the Insured Debtor or the Joint Insured Debtor, dies as a result of suicide, while sane or insane, within [two (2) years]six (6) months of the effective date of coverage, our liability will be limited to:
- (a) Single life, the refund of premium paid.
 - (b) Joint life, our liability will be limited to a refund of forty percent (40%) of the premium paid.
- Single life insurance covering the surviving Insured Debtor will be continued unless a written cancellation is requested by the surviving Debtor. The written cancellation must be sent to the [Administrative Office].

- 5.9 **PREEXISTING EXCLUSION:** We will not pay a benefit if death occurs within six (6) months following the effective date of coverage if death is caused by an illness, injury or physical condition for which the Insured Debtor received medical consultation or treatment within the six (6) months immediately prior to the effective date of coverage.

SECTION 6.0 - PREMIUMS

6.1 PREMIUM RATES: The life insurance premium for this Group Policy charged to the Insured Debtor shall be computed at the following rates per year for each \$100.00 of initial insurance. You will maintain a record of all Debtors insured. The premium is to be paid in full to us at our [Administrative Office] on or before the [15th] day of each month following the month in which the premiums become due. The premium rates for each coverage are described in the rate schedule below.

Single Coverage, Monthly Decreasing Term	\$ [0.65]
Joint Coverage, Monthly Decreasing Term	\$ [1.10]
Single Coverage, Level Term	\$ [1.20]
Joint Coverage, Level Term	\$ [2.04]

Net Balance - The premium rates will be the actuarial equivalent to the above referenced rates as shown on the attached rate sheet.

The premium for decreasing coverage on debts which have "non-monthly" payment periods, will be computed using the Level Coverage rates indicated above. Coverage cannot be issued for more than the debt, nor can coverage be issued for more than the limits set forth in **SECTION 2.0 - LIMITS OF COVERAGE**.

In no event will the Insured Debtor be charged a premium greater than that computed in accordance with the above provisions. We may on or after the anniversary date of the Group Policy, make premium adjustments subject to the maximum premium rates allowed by law. These changes may be the result of changes in the law, policy coverage, or experience.

6.2 GRACE PERIOD: A Grace Period of [thirty-one (31)] days, without interest charge, will be allowed for the payment of each premium due except the first. If payment is not made by the end of this period, this Group Policy and all insurance written on lives of Insured Debtors for whom we have not received premiums will terminate at the end of such Grace Period. Upon written notice of cancellation from you, this Group Policy may be canceled as of an earlier date. Such earlier cancellation may not occur prior to the end of the period for which premiums have been paid.

6.3 REFUND OF PREMIUM AND IDENTIFIABLE CHARGES: If the insurance on an Insured Debtor is terminated prior to the scheduled maturity date, we will refund to you any unearned premium and you must refund or credit to the Insured Debtor's account such amount. In the event of a claim originating prior to such termination, the claim will be processed as if such termination had not occurred subject to the terms and conditions of this Group Policy. Any refund credited or paid must be returned to reinstate the coverage.

If we discharge the indebtedness by payment of death proceeds payable under the terms of coverage, the life premium will be considered earned where allowed by law. A refund of unearned Accident and Health premium, if applicable, will be paid, calculated as of the date of death.

For this purpose, unearned premium for the following coverages will be calculated as follows:

- (1) For decreasing coverage, according to the Rule of 78's (also known as the Sum of Digits).
- (2) For level coverage and decreasing coverage (written on "non-monthly basis"), according to the Pro Rata basis.
- (3) For net balance coverage, according to the Actuarial Method.

For the purpose of determining earned premiums under any of the formulas, the period between the effective date of coverage and the termination date will be computed in whole months, using the [15/16] day rule. Refunds of less than [\$2.00] will not be made.

SECTION 7.0 - GROUP POLICY CANCELLATION

7.1 RENEWAL AND TERMINATION OF POLICY: This Group Policy will be renewed automatically from policy year to policy year, and will continue in force unless terminated:

- (a) By us at any time, by giving at least thirty (30) days written notice prior to such termination;
- (b) By written notice from you to the [Administrative Office];
- (c) Automatically for nonpayment of premiums.

We will not insure any new Debtors after this Group Policy is terminated. Any Certificate in force as of the effective date of cancellation will be continued subject to **SECTION 8.1 TERMINATION OF INDIVIDUAL COVERAGE**.

SECTION 8.0 - GENERAL TERMS AND CONDITIONS

8.1 TERMINATION OF INDIVIDUAL COVERAGE: The insurance on an Insured Debtor will terminate on the earliest of the following dates:

- (1) the date the debt is discharged by renewal or refinancing;
- (2) the scheduled maturity date of the debt;
- (3) the date the debt is transferred to another Debtor;
- (4) the date the debt has been in default for more than [ninety (90)] days;
- (5) the date the Insured Debtor attains the maximum age as stated in **SECTION 2.0 - LIMITS OF COVERAGE**;
- (6) the date that the collateral, if any, which is security for the debt, or upon which the debt is based, has been repossessed;
- (7) the date the debt becomes the subject of a judicial proceeding for collection, bankruptcy or court judgment;
- (8) the date the death benefit becomes due under the Group Policy;
- (9) the date we receive written request to end the coverage;
- (10) the date the debt is discharged by prepayment; or
- (11) the end of the term of coverage shown in the Insured Debtor's Certificate for truncated coverage.

8.2 RENEWAL OR REFINANCED INDEBTEDNESS: If the indebtedness insured under this Group Policy is discharged prior to the scheduled maturity date due to renewal or refinancing, the effective date for the renewed or refinanced indebtedness will be the first date on which the Insured Debtor became insured under this Group Policy. Liability for the renewed or refinanced indebtedness is limited to the remaining term and conditions of the original indebtedness outstanding at the time of renewal or refinancing. Any period of exclusion will be reduced by any period that insurance was in force in connection with the prior indebtedness which was renewed or refinanced. Any portion of the new debt which was not renewed or refinanced is not covered by this renewal and refinancing provision. Nothing in this provision shall preclude the Incontestability Clause. Any claim for benefits occurring prior to the debt being paid off, renewed or refinanced shall not be prejudiced by the termination of coverage.

8.3 INSUREDS RIGHT TO RESCIND [FREE LOOK]: The Insured Debtor has the right to rescind the Certificate issued under this Group Policy within [fifteen (15)] days after it is received by the Insured Debtor. To do so, the Insured Debtor must give written notice to the [Administrative Office]. Notice by one Insured Debtor shall bind and be notice for the other Insured Debtor. In such case, any premium paid will be refunded or credited to the person to whom it is entitled. The Certificate must be returned to you or the [Administrative Office].

8.4 DELIVERY OF CERTIFICATE: For each credit transaction, you must deliver to the Insured Debtor a Certificate describing the coverage. Only forms approved by us may be used. If you do not deliver the Certificate when the debt is incurred, you must deliver it to the Insured Debtor within [thirty (30)] days of the debt.

8.5 ENTIRE CONTRACT: This Group Policy together with the attached application, endorsements if any, and any application of Insured Debtors, make up the entire contract between the parties. This Group Policy may be changed by written agreement between the Policyholder and the [Administrative Office]. Only an Officer of the [Administrative Office] may waive or otherwise change any provision of the Group Policy or our rights thereunder, and no action, statement or agreement by any person or persons other than an Officer of the [Administrative Office] in writing shall in any way bind or estop us from enforcing the provisions of this Group Policy or our rights

thereunder. No agreement in conflict with, modifying or extending the Group Policy shall be valid unless in writing signed by an Officer of the [Administrative Office] and made part of this Group Policy.

- 8.6 **INCONTESTABILITY:** All statements made by you or the Insured Debtor are representations and not warranties. We cannot contest the insurance evidenced by the Certificate after it has been in force [two (2)] years during the lifetime of the Insured Debtor and the lifetime of the Joint Insured Debtor, and prior to the date on which the claim thereunder arose. This does not prevent us from legally terminating the insurance under this Group Policy if premiums are not paid.
- 8.7 **MISSTATEMENT OF AGE:** No insurance under this Group Policy will be provided if the true age of a Debtor would render the Debtor ineligible for coverage under the Group Policy. Our liability will be limited to a return of the premium paid for such coverage, if any. If the true age of the Insured Debtor was not stated in the application or in the Schedule of the Certificate, insurance under this Group Policy will not be provided for a period longer or an amount greater than if the true age of such Insured Debtor had been stated in the application or in the Schedule of the Certificate. In the event of a claim, if it is determined that the Insured Debtor was ineligible for coverage and the true age of the Insured Debtor was correctly stated on the application or on the Schedule, we cannot deny or change the amount of coverage or benefit.
- 8.8 **REPRESENTATIONS:** In the absence of fraud, all statements made by the applicants, you the Policyholder, or the Insured Debtor are representations and not warranties. In the absence of fraud, no statement made for the purpose of effecting insurance shall void or reduce benefits unless contained in a written instrument signed by you the Policyholder or the Insured Debtor, a copy of which has been furnished to you or to the Insured Debtor or their beneficiary.
- 8.9 **MISREPRESENTATIONS AND COMPANY'S RIGHT TO RESCIND:** In accordance with the provision of the two (2) year incontestability period, if at time of claim, we determine that an Insured Debtor has concealed or misrepresented his health or any material fact in the application for insurance or proof of loss, or is guilty of attempted fraud or false swearing and the coverage was issued or benefits paid in reliance upon those statements, we may rescind coverage. Our liability will be limited to a return of premiums, less benefits paid for such coverage.
- 8.10 **EXCESS INSURANCE:** All premiums paid for excess insurance will be refunded. Such credit or refund will be paid or credited to the person entitled to it. You must notify the Insured Debtor in writing of such refund and the termination of the excess insurance.
- 8.11 **CLERICAL ERROR:** If you fail to include all data with respect to an Insured Debtor on the Certificate Schedule or fail to report an Insured Debtor in your monthly report due to a clerical error, this will not invalidate an Insured Debtor's insurance coverage if your intent to insure the Insured Debtor is evident, provided that the Insured Debtor is eligible under the terms and conditions of this Group Policy, and the premium is paid to us in due course. We rely totally upon your notification. A clerical error will not continue or provide any insurance that would not have been permitted under this Group Policy.
- 8.12 **REPORT OF NEW INSURED:** On the [fifteenth (15)] day of each month, you must send us a schedule (form furnished by us) of those Insured Debtors insured under this Group Policy during the previous month. You will include the data we need to determine our liability, the accuracy of the premium charges and conformity with this Group Policy's terms.
- 8.13 **MINIMUM NUMBER OF NEW MEMBERS:** If the number of new Debtors becoming eligible for insurance under this Group Policy during any year is less than [100], no additional Debtors will be insured.
- 8.14 **NON-PARTICIPATING:** This Group Policy shall not share in our surplus earnings.
- 8.15 **ASSIGNMENT:** The insurance under this Group Policy may not be assigned.
- 8.16 **CONFORMITY WITH STATE STATUTES:** Any provision of this Group Policy, which, on the effective date, is in conflict with the statutes of the state in which this Group Policy is delivered is amended to conform to the minimum requirements of such state.
- 8.17 **RESERVE BASIS:** The reserves on this Group Policy shall be equal to or exceed the minimum required by law.

- 8.18 PROOF OF DEATH:** Upon the death of an Insured Debtor, we must receive proof of death satisfactory to us within [ninety (90)] days after death occurs, or as soon as reasonably possible. Such proof must include, but is not limited to, a death certificate and a valid completed claim form. The claim form, which will be furnished by us, will certify the amount due and must be signed by you or the Creditor. If additional information is required to process a claim, you must assist us.
- 8.19 LEGAL ACTION:** No action at law or equity shall be brought to recover on this Group Policy or any Certificate issued hereunder sooner than [sixty (60)] days after written proof of loss has been furnished in accordance with the requirements of this Group Policy. No such action shall be brought later than [three (3)] years after the date of death or after [three (3)] years from the date the cause of action accrues, whichever occurs first.
- 8.20 CLAIMS:** You cannot approve or deny any claim. All claims must be reported to the [Administrative Office]. If a claim is denied, we will notify you, the Creditor and the Insured Debtor, if living, otherwise the named second beneficiary on the Certificate or the estate.
- 8.21 AUTOPSY:** We have the right to have an autopsy performed, at our expense, unless forbidden by law.
- 8.22 CONSUMER SERVICES INFORMATION:** Questions about this policy may be directed to Life of the South Insurance Company at the address listed on page one of this policy, or to the:

Arkansas Insurance Department
Consumer Services Division
1200 West Third Street
Little Rock, Arkansas 72201-1904
Telephone: (501) 371-2600
Consumer: (800) 852-5494