

SERFF Tracking Number: LFST-127188568 State: Arkansas
Filing Company: Life of the South Insurance Company State Tracking Number: 48909
Company Tracking Number: LS-5010-AR-CE-MOB
TOI: CR04G Group Credit - Life Sub-TOI: CR04G.002 Monthly Premium - Closed-End
Product Name: Group Credit Life & Disability Closed-End Monthly Outstanding Balance
Project Name/Number: CE-MOB FORMS REVISION /LS-5010-AR-CE-MOB (6/11)

Filing at a Glance

Company: Life of the South Insurance Company

Product Name: Group Credit Life & Disability SERFF Tr Num: LFST-127188568 State: Arkansas

Closed-End Monthly Outstanding Balance

TOI: CR04G Group Credit - Life SERFF Status: Closed-Approved- State Tr Num: 48909
Closed

Sub-TOI: CR04G.002 Monthly Premium - Co Tr Num: LS-5010-AR-CE-MOB State Status: Approved-Closed
Closed-End

Filing Type: Form

Author: Sabrina Smith

Reviewer(s): Linda Bird

Date Submitted: 05/26/2011

Disposition Date: 06/08/2011

Disposition Status: Approved-
Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

General Information

Project Name: CE-MOB FORMS REVISION

Project Number: LS-5010-AR-CE-MOB (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: 05/03/1999

Domicile Status Comments:

Market Type: Group

Group Market Size: Small and Large

Explanation for Other Group Market Type:

Banks & Other Financial Institutions

Filing Status Changed: 06/08/2011

State Status Changed: 06/08/2011

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 Closed-End Monthly Outstanding Balance Program.

This filing is revising the Master Policy and Certificate in pursuant to H.B. 2137.

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.

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The original filing was approved by the Department on September 25,2007.

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 @ \$50 each.
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Life of the South Insurance Company	\$100.00	05/26/2011	48085814

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	06/08/2011	06/08/2011

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Form	Master Policy	Sabrina Smith	06/01/2011	06/01/2011
Form	Certificate	Sabrina Smith	06/01/2011	06/01/2011

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Disposition

Disposition Date: 06/08/2011

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

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Amendment Letter

Submitted Date: 06/01/2011

Comments:

Please see the attached amended Master Policy & Certificate. We removed the Life Preexisting Provision.

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-5010-AR-Policy/Contr CE-MOB	Master act/Fraternal Policy Certificate	Master	Initial				47.400	LS-5010-AR- CE-MOB Revised Master Policy.pdf
LS-5030-AR-Certificate CE-MOB	Certificate	Certificate	Initial				41.700	LS-5030-AR- CE-MOB Revised Certificate.pdf

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Form Schedule

Lead Form Number: LS-5010-AR-CE-MOB

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	LS-5010-AR-CE-MOB	Policy/Contract/Fraternal Certificate	Master Policy	Initial		47.400	LS-5010-AR-CE-MOB Revised Master Policy.pdf
	LS-5030-AR-CE-MOB	Certificate	Certificate	Initial		41.700	LS-5030-AR-CE-MOB 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].



SECRETARY



PRESIDENT

Countersignature
(where required by law)

**CLOSED-END MONTHLY OUTSTANDING BALANCE
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 [71] on the [expiration] date of coverage;
- (3) Provides satisfactory evidence of insurability, if required.

1.2 **APPROVAL OF RISKS :** According to our underwriting rules, if within sixty (60) days of the application for coverage 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 sixty (60) 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 :** For joint coverage, the CO-Debtor must be a spouse or business partner who is jointly and severally liable for the indebtedness and be a joint signer on the instrument of indebtedness. The joint Debtors will be designated as Insured Debtor and Joint Insured Debtor.

SECTION 2.0 - LIMITS OF COVERAGE

2.1 **INDIVIDUAL AMOUNT OF INSURANCE:** The amount for which an Insured Debtor may be covered under this Group Policy shall not exceed [\$100,000] per certificate. The term for which a debtor may be insured under this Group Policy shall not exceed [120] months.

2.2 **MAXIMUM COVERAGE:** At no time will the amount of life insurance on an Insured Debtor's life exceed the amount as specified above. If joint coverage is elected, the older Debtor must be used to determine eligible coverage.

If coverage in excess of the limits is issued, the charges for the excess life insurance will be refunded as explained under **SECTION 8.9 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;
- (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**; or
- (c) if we require evidence of insurability, the date we determine such evidence to be satisfactory.

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 account. 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

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 as the original principal 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 NET BALANCE COVERAGE:** The proceeds we will pay consist of the scheduled unpaid principal debt on the date of death subject to the Maximum Amount of Insurance shown in the schedule.
- 5.6 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 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 premium will be charged to the account of the Insured Debtor on his monthly billing date. The monthly premium charge for the insurance will be determined by applying the premium rate shown below to the least of:
 - (a) The amount stated under **2.1, INDIVIDUAL AMOUNT OF INSURANCE** ; or
 - (b) The Month Ending, Average Daily, or Daily Balance in his account depending on the Calculation Method indicated in the application of this Group Policy. [If Daily Balance is indicated, the monthly charge will equal the sum of all daily amounts calculated during the billing period.]

Calculation Method:	Single Debtor Rate Per \$1000	Joint Debtor Rate Per \$1000
Month Ending Balance	\$ _____	\$ _____
Average Daily Balance	\$ _____	\$ _____
Daily Balance	\$ _____	\$ _____

You will remit to Us the sum of all such premiums accumulated during the month on the first day of each succeeding business month during the continuance of this Group Policy. We may on or after the anniversary date of this Group Policy, make premium adjustments subject to the maximum premium rates allowed by law. These rates are subject to change as required by 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.

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 automatically on the Insured Debtor's monthly billing date on the earliest of any of the following events:

- (a) the Insured Debtor reaches age [71]; or if joint coverage is provided, when the older of the Insured Debtors reaches age [71]; (coverage will continue in force on the other Insured Debtor if he so requests and agrees to pay the premium for such coverage);
- (b) the scheduled maturity date of the debt;
- (c) the date on which the Insured Debtor has been delinquent in payment on the insured account for 90 days;
- (d) after the Insured Debtor has notified you of his desire to terminate coverage;
- (e) thirty-one (31) days after the Insured Debtor is notified the Group Policy has been terminated;
- (f) the date the Insured Debtor's account is closed;
- (g) the date that the collateral, if any, which is security for the insured debt, or upon which the insured debt is based, has been repossessed;
- (h) the date the death benefit becomes due under the Group Policy;
- (i) the date the debt is transferred to another Debtor;
- (j) the date the debt is assigned to another Creditor (unless we give prior written consent); or
- (k) a judgment is filed against the Insured Debtor with respect to the insured account .

8.2 INSUREDS RIGHT TO RESCIND: 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].

8.3 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 to the Insured Debtor when coverage is requested, you must deliver it to the Insured Debtor within thirty (30) days of the debt.

8.4 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.

8.5 INCONTESTABILITY: All statements made by you or the Insured Debtor are, in the absence of fraud, 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, if any. This does not prevent us from legally terminating the insurance under this Group Policy if premiums are not paid.

- 8.6 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 coverage. 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.
- 8.7 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.
- 8.8 LIMIT ON CERTAIN DEFENSES:** If evidence of insurability or eligibility was required to obtain coverage, then we are responsible for making any underwriting decision, including any decision respecting eligibility, based upon that evidence within sixty (60) days of the application for insurance. After that sixty (60) days, failure of the Insured Debtor to meet any underwriting criteria for the issuance of coverage will not be used to void coverage or to deny a claim. However, material misrepresentations made by the Insured Debtor in the application for coverage may be used to void coverage or deny claim within two (2) years of the effective date of Insurance as shown on the Application. A misrepresentation is material where knowledge by us of facts misrepresented on the application would have led to a refusal by us to issue the Certificate based upon our underwriting criteria on the date of the application for coverage.
- 8.9 EXCESS INSURANCE:** All premiums paid for excess insurance will be refunded prior to a claim commencing, otherwise such insurance will remain in force. 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.
- 8.10 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.
- 8.11 REPORT OF NEW INSUREDS:** 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.
- 8.12 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.
- 8.13 NON-PARTICIPATING:** This Group Policy shall not share in our surplus earnings.
- 8.14 ASSIGNMENT:** The insurance under this Group Policy may not be assigned.
- 8.15 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.
- 8.16 RESERVE BASIS:** The reserves on this Group Policy shall be equal to or exceed the minimum required by law.

- 8.17 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 certified 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.
- 8.18 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.
- 8.19 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.
- 8.20 AUTOPSY:** We have the right to have an autopsy performed, at our expense, unless forbidden by law.
- 8.21 RENEWAL OR REFINANCING 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.
- 8.22 REFUND OF PREMIUM AND IDENTIFIABLE CHARGES:** In accordance with the provisions of the Group Policy, if any coverage terminates prior to the scheduled expiration date of coverage, we will refund to you the unearned portion of the premium. The amount of the unearned premium will be determined by the [Rule of 78]. No refund will be made for less than [\$2.00].
In the event of an accident and health claim, unreported and originating prior to the termination date of the coverage, we shall withhold the refund or require the return of the refund to reinstate coverage in order to process any valid claim payable under the terms of this Rider.
- 8.23 MISREPRESENTATIONS AND COMPANY'S RIGHT TO RESCIND:** If, at time of claim, we determine that you have concealed, misrepresented, your health or any material fact in the application for insurance or proof of loss, or are guilty of attempted fraud or false swearing and coverage was issued or benefits paid in reliance upon such statements, then we may rescind coverage. Our liability will be limited to a return of premiums, less benefits paid for such coverage.

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 [only]. The Joint Insured Debtor may [also] be insured for life insurance [only].

WHEN COVERAGE BEGINS: This insurance coverage begins on the effective date of this Certificate which is shown in the Schedule.

WHAT YOU PAY: The monthly premium charge for this insurance will be determined by applying the appropriate premium rate to the lesser of the Maximum Amount of Insurance shown in the Schedule or to your Month Ending, Average Daily, or Daily Balance in the account, depending on the calculation method indicated in the Schedule of this Certificate. If the calculation method is Daily Balance, the monthly charge will equal the sum of all daily amounts calculated during the billing period.

WHAT YOU GET: If we have been paid the monthly premiums, the person or persons named in the Certificate Schedule are covered under this Certificate, 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 unpaid balance. If the amount of insurance exceeds your unpaid balance, the excess will be paid to the second beneficiary named in the Schedule, or if no second beneficiary is named, then to your estate.

NET BALANCE COVERAGE: The proceeds we will pay consist of the scheduled unpaid principal debt on the date of death subject to the **MAXIMUM AMOUNT OF INSURANCE** shown in the schedule.

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 die 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.

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.

AMOUNT OF TOTAL DISABILITY INSURANCE: The **MONTHLY DISABILITY BENEFIT** shown in the Schedule is equal to the lesser of: (1) the **SCHEDULED MONTHLY LOAN PAYMENT** on the indebtedness as set forth in the note, account agreement or other written evidence of indebtedness; or (2) the **MAXIMUM MONTHLY DISABILITY BENEFIT** as shown in the schedule.

Single Disability Insurance Benefit - If you become totally disabled while insured under this Certificate 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.

Disability Coverage - If you become totally disabled while insured under this Certificate 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** on the date disability begins, for each day of continuous total disability during your benefit period, but not more than the **MAXIMUM MONTHLY DISABILITY BENEFIT**.

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 of disability.

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

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 paying all monthly payments and/or deficiency amounts required to keep the insured account from becoming delinquent. The total amount of disability insurance payable by us shall not exceed the amount of unpaid indebtedness at the time disability begins, including interest and disability premium charges that would accrue on the indebtedness using the creditor's minimum payment schedule.

(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 of total disability. In no event will we pay a benefit for an amount greater than the **MAXIMUM MONTHLY DISABILITY BENEFIT** shown in the Schedule.

(b) If at the time of disability, your **MONTHLY DISABILITY BENEFIT** exceeds the **MAXIMUM MONTHLY BENEFIT** shown in the Schedule, you will be insured only for an amount equal to the **MAXIMUM MONTHLY DISABILITY BENEFIT**.

(c) If you elect to terminate coverage and you have a disability claim in progress, termination will not prejudice the claim.

(d) Benefits will end when you are no longer totally disabled, when the **MAXIMUM DISABILITY BENEFITS** have been paid, 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 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; (4) prevents you during the first twelve (12) months of total disability from performing the duties of your occupation (or previous occupation if unemployed or retired) at the time disability occurs; and (5) prevents you after the initial twelve (12) months of total disability 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;(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 coverage and which caused disability within the six (6) months following the effective date of coverage.

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 your unpaid balance. If the amount of insurance exceeds the unpaid balance, 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 in excess of the maximum(s) indicated in this Certificate or permitted by law. If the maximum limits are exceeded, we will terminate the excess coverage as outlined below under **EXCESS COVERAGE**. [If joint coverage is elected, the older Insured Debtor must be used to determine eligible coverage.]

EXCESS COVERAGE - All premiums paid for excess coverage will be refunded prior to a claim commencing, otherwise such insurance will remain in force. Such credit will be paid, by check, or credited to your account. Termination of the excess coverage shall be without prejudice to any claim originating prior to such termination.

RENEWAL OR REFINANCING 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.

REFUND OF PREMIUM AND IDENTIFIABLE CHARGES: In accordance with the provisions of the Group Policy, if any coverage terminates prior to the scheduled expiration date of coverage, we will refund to you the unearned portion of the premium. The amount of the unearned premium will be determined by the [Rule of 78]. No refund will be made for less than [\$2.00]. In the event of an accident and health claim, unreported and originating prior to the termination date of the coverage, we shall withhold the refund or require the return of the refund to reinstate coverage in order to process any valid claim payable under the terms of this Rider.

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 coverage. 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.

INCONTESTABILITY: All statements made by you or the Joint Insured Debtor are, in the absence of fraud, representations and not warranties. 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. 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, or as soon as reasonably 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.] In no event will we deny a claim due to your subsequent unemployment or retirement during your term of coverage under this certificate.

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 must include, but is not limited to, a certified 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.

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

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.

LIMIT ON CERTAIN DEFENSES: If evidence of insurability or eligibility was required to obtain coverage, then we are responsible for making any underwriting decision, including any decision respecting eligibility, based upon that evidence within sixty (60) days of the application for insurance. After that sixty (60) days, your failure to meet any underwriting criteria for the issuance of coverage will not be used to void coverage or to deny a claim. However, material misrepresentations made by you in the application for coverage may be used to void coverage or deny claim. A misrepresentation is material where knowledge by us of facts misrepresented on the application would have led to a refusal by us to issue the Certificate based upon our underwriting criteria on the date of the application for coverage.

TERMINATION OF INDIVIDUAL COVERAGE: Your insurance will automatically terminate following your monthly billing date after the first to occur of any of the following events:

- (a) you reach age [71]; or if joint coverage is provided, when the older of the Insured Debtors reaches [71]; (coverage will continue in force on the other Insured Debtor if so requested and the premium is paid for such coverage);
- (b) the scheduled maturity date of the debt;
- (c) the date on which you are delinquent under the terms of the insured account for [90] days;
- (d) after you have notified us of your desire to terminate coverage;
- (e) thirty-one (31) days after you are notified the Group Policy has been terminated;
- (f) the date your account is closed;
- (g) the date that the collateral, if any, which is security for the debt, or upon which the debt is based, has been repossessed;
- (h) the date the death benefit becomes due under the Group Policy;
- (i) the date the debt is transferred to another Debtor;
- (j) the date the debt is assigned to another Creditor (unless we give prior written consent); or
- (k) a judgment is filed against you with respect to the insured account.

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.

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-127188568 State: Arkansas
 Filing Company: Life of the South Insurance Company State Tracking Number: 48909
 Company Tracking Number: LS-5010-AR-CE-MOB
 TOI: CR04G Group Credit - Life Sub-TOI: CR04G.002 Monthly Premium - Closed-End
 Product Name: Group Credit Life & Disability Closed-End Monthly Outstanding Balance
 Project Name/Number: CE-MOB FORMS REVISION /LS-5010-AR-CE-MOB (6/11)

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Flesch Certification		
Comments: Please see the attached Certifications.		
Attachments: CERTIFICATE OF COMPLIANCE.pdf Certificate of Readability.pdf		

	Item Status:	Status Date:
Satisfied - Item: Application		
Comments: Application form# is: LS-5000-AR-CE-MOB. Approved on 9/25/2007. A copy is attached.		
Attachment: LS-5000-AR-CE-MOB 8-07 Application.pdf		

	Item Status:	Status Date:
Bypassed - Item: Life & Annuity - Acturial Memo		
Bypass Reason: N/A		
Comments:		

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 26, 2011

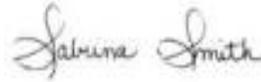
(Date)

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-5010-AR-CE-MOB	47.4
LS-5030-AR-CE-MOB	41.7



May 26, 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
CLOSED-END MONTHLY OUTSTANDING BALANCE GROUP CREDITOR-DEBTOR
INSURANCE POLICY**

Date of Application [August 1, 2007]

The organization named below applies to Life of the South Insurance Company for a Closed-End Monthly Outstanding Balance Group Creditor-Debtor Insurance Policy providing the following coverages:

Basic Coverage Options

Life Coverages:

Single Benefit Joint Benefit

Accident & Health Coverages:

Single Benefit Retroactive
 Non-Retroactive

Waiting period: 7 Day 14 Day 30 Day

Premium Calculation Method:

Average Daily Daily Month-Ending

Group Policy Number: [0001-A]

Effective: [July 1, 2007]

Full or Corporate Name of Applicant: [XYZ BANK]

By: _____
(signature)

Title: _____

SERFF Tracking Number: LFST-127188568 State: Arkansas
 Filing Company: Life of the South Insurance Company State Tracking Number: 48909
 Company Tracking Number: LS-5010-AR-CE-MOB
 TOI: CR04G Group Credit - Life Sub-TOI: CR04G.002 Monthly Premium - Closed-End
 Product Name: Group Credit Life & Disability Closed-End Monthly Outstanding Balance
 Project Name/Number: CE-MOB FORMS REVISION /LS-5010-AR-CE-MOB (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)
05/26/2011	Form	Master Policy	06/01/2011	LS-5010-AR-CE-MOB Master Policy.pdf (Superseded)
05/26/2011	Form	Certificate	06/01/2011	LS-5030-AR-CE-MOB Certificate.pdf (Superseded)

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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].



SECRETARY



PRESIDENT

Countersignature
(where required by law)

**CLOSED-END MONTHLY OUTSTANDING BALANCE
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 [71] on the [expiration] date of coverage;
- (3) Provides satisfactory evidence of insurability, if required.

1.2 **APPROVAL OF RISKS :** According to our underwriting rules, if within sixty (60) days of the application for coverage 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 sixty (60) 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 :** For joint coverage, the CO-Debtor must be a spouse or business partner who is jointly and severally liable for the indebtedness and be a joint signer on the instrument of indebtedness. The joint Debtors will be designated as Insured Debtor and Joint Insured Debtor.

SECTION 2.0 - LIMITS OF COVERAGE

2.1 **INDIVIDUAL AMOUNT OF INSURANCE:** The amount for which an Insured Debtor may be covered under this Group Policy shall not exceed [\$100,000] per certificate. The term for which a debtor may be insured under this Group Policy shall not exceed [120] months.

2.2 **MAXIMUM COVERAGE:** At no time will the amount of life insurance on an Insured Debtor's life exceed the amount as specified above. If joint coverage is elected, the older Debtor must be used to determine eligible coverage.

If coverage in excess of the limits is issued, the charges for the excess life insurance will be refunded as explained under **SECTION 8.9 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;
- (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**; or
- (c) if we require evidence of insurability, the date we determine such evidence to be satisfactory.

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 account. 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

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 as the original principal 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 **NET BALANCE COVERAGE:** The proceeds we will pay consist of the scheduled unpaid principal debt on the date of death subject to the Maximum Amount of Insurance shown in the schedule.
- 5.6 **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 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].

- 5.7 **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 premium will be charged to the account of the Insured Debtor on his monthly billing date. The monthly premium charge for the insurance will be determined by applying the premium rate shown below to the least of:
 - (a) The amount stated under **2.1, INDIVIDUAL AMOUNT OF INSURANCE** ; or
 - (b) The Month Ending, Average Daily, or Daily Balance in his account depending on the Calculation Method indicated in the application of this Group Policy. [If Daily Balance is indicated, the monthly charge will equal the sum of all daily amounts calculated during the billing period.]

Calculation Method:	Single Debtor Rate Per \$1000	Joint Debtor Rate Per \$1000
Month Ending Balance	\$ _____	\$ _____
Average Daily Balance	\$ _____	\$ _____
Daily Balance	\$ _____	\$ _____

You will remit to Us the sum of all such premiums accumulated during the month on the first day of each succeeding business month during the continuance of this Group Policy. We may on or after the anniversary date of this Group Policy, make premium adjustments subject to the maximum premium rates allowed by law. These rates are subject to change as required by 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.

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 automatically on the Insured Debtor's monthly billing date on the earliest of any of the following events:

- (a) the Insured Debtor reaches age [71]; or if joint coverage is provided, when the older of the Insured Debtors reaches age [71]; (coverage will continue in force on the other Insured Debtor if he so requests and agrees to pay the premium for such coverage);
- (b) the scheduled maturity date of the debt;
- (c) the date on which the Insured Debtor has been delinquent in payment on the insured account for 90 days;
- (d) after the Insured Debtor has notified you of his desire to terminate coverage;
- (e) thirty-one (31) days after the Insured Debtor is notified the Group Policy has been terminated;
- (f) the date the Insured Debtor's account is closed;
- (g) the date that the collateral, if any, which is security for the insured debt, or upon which the insured debt is based, has been repossessed;
- (h) the date the death benefit becomes due under the Group Policy;
- (i) the date the debt is transferred to another Debtor;
- (j) the date the debt is assigned to another Creditor (unless we give prior written consent); or
- (k) a judgment is filed against the Insured Debtor with respect to the insured account .

8.2 INSUREDS RIGHT TO RESCIND: 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].

8.3 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 to the Insured Debtor when coverage is requested, you must deliver it to the Insured Debtor within thirty (30) days of the debt.

8.4 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.

8.5 INCONTESTABILITY: All statements made by you or the Insured Debtor are, in the absence of fraud, 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, if any. This does not prevent us from legally terminating the insurance under this Group Policy if premiums are not paid.

- 8.6 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 coverage. 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.
- 8.7 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.
- 8.8 LIMIT ON CERTAIN DEFENSES:** If evidence of insurability or eligibility was required to obtain coverage, then we are responsible for making any underwriting decision, including any decision respecting eligibility, based upon that evidence within sixty (60) days of the application for insurance. After that sixty (60) days, failure of the Insured Debtor to meet any underwriting criteria for the issuance of coverage will not be used to void coverage or to deny a claim. However, material misrepresentations made by the Insured Debtor in the application for coverage may be used to void coverage or deny claim within two (2) years of the effective date of Insurance as shown on the Application. A misrepresentation is material where knowledge by us of facts misrepresented on the application would have led to a refusal by us to issue the Certificate based upon our underwriting criteria on the date of the application for coverage.
- 8.9 EXCESS INSURANCE:** All premiums paid for excess insurance will be refunded prior to a claim commencing, otherwise such insurance will remain in force. 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.
- 8.10 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.
- 8.11 REPORT OF NEW INSUREDS:** 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.
- 8.12 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.
- 8.13 NON-PARTICIPATING:** This Group Policy shall not share in our surplus earnings.
- 8.14 ASSIGNMENT:** The insurance under this Group Policy may not be assigned.
- 8.15 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.
- 8.16 RESERVE BASIS:** The reserves on this Group Policy shall be equal to or exceed the minimum required by law.

- 8.17 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 certified 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.
- 8.18 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.
- 8.19 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.
- 8.20 AUTOPSY:** We have the right to have an autopsy performed, at our expense, unless forbidden by law.
- 8.21 RENEWAL OR REFINANCING 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.
- 8.22 REFUND OF PREMIUM AND IDENTIFIABLE CHARGES:** In accordance with the provisions of the Group Policy, if any coverage terminates prior to the scheduled expiration date of coverage, we will refund to you the unearned portion of the premium. The amount of the unearned premium will be determined by the [Rule of 78]. No refund will be made for less than [\$2.00].
In the event of an accident and health claim, unreported and originating prior to the termination date of the coverage, we shall withhold the refund or require the return of the refund to reinstate coverage in order to process any valid claim payable under the terms of this Rider.
- 8.23 MISREPRESENTATIONS AND COMPANY'S RIGHT TO RESCIND:** If, at time of claim, we determine that you have concealed, misrepresented, your health or any material fact in the application for insurance or proof of loss, or are guilty of attempted fraud or false swearing and coverage was issued or benefits paid in reliance upon such statements, then we may rescind coverage. Our liability will be limited to a return of premiums, less benefits paid for such coverage.

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 [only]. The Joint Insured Debtor may [also] be insured for life insurance [only].

WHEN COVERAGE BEGINS: This insurance coverage begins on the effective date of this Certificate which is shown in the Schedule.

WHAT YOU PAY: The monthly premium charge for this insurance will be determined by applying the appropriate premium rate to the lesser of the Maximum Amount of Insurance shown in the Schedule or to your Month Ending, Average Daily, or Daily Balance in the account, depending on the calculation method indicated in the Schedule of this Certificate. If the calculation method is Daily Balance, the monthly charge will equal the sum of all daily amounts calculated during the billing period.

WHAT YOU GET: If we have been paid the monthly premiums, the person or persons named in the Certificate Schedule are covered under this Certificate, 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 unpaid balance. If the amount of insurance exceeds your unpaid balance, the excess will be paid to the second beneficiary named in the Schedule, or if no second beneficiary is named, then to your estate.

NET BALANCE COVERAGE: The proceeds we will pay consist of the scheduled unpaid principal debt on the date of death subject to the **MAXIMUM AMOUNT OF INSURANCE** shown in the schedule.

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 die 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.

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

n is requested in writing.

[TOTAL DISABILITY INSURANCE BENEFIT

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

AMOUNT OF TOTAL DISABILITY INSURANCE: The **MONTHLY DISABILITY BENEFIT** shown in the Schedule is equal to the lesser of: (1) the **SCHEDULED MONTHLY LOAN PAYMENT** on the indebtedness as set forth in the note, account agreement or other written evidence of indebtedness; or (2) the **MAXIMUM MONTHLY DISABILITY BENEFIT** as shown in the schedule.

Single Disability Insurance Benefit - If you become totally disabled while insured under this Certificate 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.

Disability Coverage - If you become totally disabled while insured under this Certificate 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** on the date disability begins, for each day of continuous total disability during your benefit period, but not more than the **MAXIMUM MONTHLY DISABILITY BENEFIT**.

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 of disability.

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

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 paying all monthly payments and/or deficiency amounts required to keep the insured account from becoming delinquent. The total amount of disability insurance payable by us shall not exceed the amount of unpaid indebtedness at the time disability begins, including interest and disability premium charges that would accrue on the indebtedness using the creditor's minimum payment schedule.

(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 of total disability. In no event will we pay a benefit for an amount greater than the **MAXIMUM MONTHLY DISABILITY BENEFIT** shown in the Schedule.

(b) If at the time of disability, your **MONTHLY DISABILITY BENEFIT** exceeds the **MAXIMUM MONTHLY BENEFIT** shown in the Schedule, you will be insured only for an amount equal to the **MAXIMUM MONTHLY DISABILITY BENEFIT**.

(c) If you elect to terminate coverage and you have a disability claim in progress, termination will not prejudice the claim.

(d) Benefits will end when you are no longer totally disabled, when the **MAXIMUM DISABILITY BENEFITS** have been paid, 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 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; (4) prevents you during the first twelve (12) months of total disability from performing the duties of your occupation (or previous occupation if unemployed or retired) at the time disability occurs; and (5) prevents you after the initial twelve (12) months of total disability 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;(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 coverage and which caused disability within the six (6) months following the effective date of coverage.

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 your unpaid balance. If the amount of insurance exceeds the unpaid balance, 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 in excess of the maximum(s) indicated in this Certificate or permitted by law. If the maximum limits are exceeded, we will terminate the excess coverage as outlined below under **EXCESS COVERAGE**. [If joint coverage is elected, the older Insured Debtor must be used to determine eligible coverage.]

EXCESS COVERAGE - All premiums paid for excess coverage will be refunded prior to a claim commencing, otherwise such insurance will remain in force. Such credit will be paid, by check, or credited to your account. Termination of the excess coverage shall be without prejudice to any claim originating prior to such termination.

RENEWAL OR REFINANCING 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.

REFUND OF PREMIUM AND IDENTIFIABLE CHARGES: In accordance with the provisions of the Group Policy, if any coverage terminates prior to the scheduled expiration date of coverage, we will refund to you the unearned portion of the premium. The amount of the unearned premium will be determined by the [Rule of 78]. No refund will be made for less than [\$2.00]. In the event of an accident and health claim, unreported and originating prior to the termination date of the coverage, we shall withhold the refund or require the return of the refund to reinstate coverage in order to process any valid claim payable under the terms of this Rider.

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 coverage. 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.

INCONTESTABILITY: All statements made by you or the Joint Insured Debtor are, in the absence of fraud, representations and not warranties. 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. 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, or as soon as reasonably 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.] In no event will we deny a claim due to your subsequent unemployment or retirement during your term of coverage under this certificate.

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 must include, but is not limited to, a certified 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.

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

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.

LIMIT ON CERTAIN DEFENSES: If evidence of insurability or eligibility was required to obtain coverage, then we are responsible for making any underwriting decision, including any decision respecting eligibility, based upon that evidence within sixty (60) days of the application for insurance. After that sixty (60) days, your failure to meet any underwriting criteria for the issuance of coverage will not be used to void coverage or to deny a claim. However, material misrepresentations made by you in the application for coverage may be used to void coverage or deny claim. A misrepresentation is material where knowledge by us of facts misrepresented on the application would have led to a refusal by us to issue the Certificate based upon our underwriting criteria on the date of the application for coverage.

TERMINATION OF INDIVIDUAL COVERAGE: Your insurance will automatically terminate following your monthly billing date after the first to occur of any of the following events:

- (a) you reach age [71]; or if joint coverage is provided, when the older of the Insured Debtors reaches [71]; (coverage will continue in force on the other Insured Debtor if so requested and the premium is paid for such coverage);
- (b) the scheduled maturity date of the debt;
- (c) the date on which you are delinquent under the terms of the insured account for [90] days;
- (d) after you have notified us of your desire to terminate coverage;
- (e) thirty-one (31) days after you are notified the Group Policy has been terminated;
- (f) the date your account is closed;
- (g) the date that the collateral, if any, which is security for the debt, or upon which the debt is based, has been repossessed;
- (h) the date the death benefit becomes due under the Group Policy;
- (i) the date the debt is transferred to another Debtor;
- (j) the date the debt is assigned to another Creditor (unless we give prior written consent); or
- (k) a judgment is filed against you with respect to the insured account.

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.

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**