

<i>SERFF Tracking Number:</i>	<i>FDLF-127285878</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Federal Life Insurance Company (Mutual)</i>	<i>State Tracking Number:</i>	<i>49119</i>
<i>Company Tracking Number:</i>	<i>FLIC166AR</i>		
<i>TOI:</i>	<i>L071 Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design</i>
<i>Product Name:</i>	<i>Internet Graded Benefit Whole Life</i>		
<i>Project Name/Number:</i>	<i>Internet GBWL Filing/FLIC166</i>		

Filing at a Glance

Company: Federal Life Insurance Company (Mutual)

Product Name: Internet Graded Benefit Whole Life SERFF Tr Num: FDLF-127285878 State: Arkansas

TOI: L071 Individual Life - Whole

SERFF Status: Closed-Withdrawn State Tr Num: 49119

Sub-TOI: L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design

Co Tr Num: FLIC166AR

State Status: Withdrawn

Filing Type: Form

Reviewer(s): Linda Bird

Authors: Steve Mink, Matt Kindelin, PW Calfas

Disposition Date: 08/17/2011

Date Submitted: 06/23/2011

Disposition Status: Withdrawn

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

General Information

Project Name: Internet GBWL Filing

Status of Filing in Domicile: Authorized

Project Number: FLIC166

Date Approved in Domicile: 03/15/2011

Requested Filing Mode: Review & Approval

Domicile Status Comments: Filed by Certification

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type:

Overall Rate Impact:

Filing Status Changed: 08/17/2011

State Status Changed: 08/17/2011

Deemer Date:

Created By: Matt Kindelin

Submitted By: Matt Kindelin

Corresponding Filing Tracking Number:

Filing Description:

Filing is for policy form L-8083 Individual Graded Benefit Whole Life Insurance Policy with Endowment at Age 100. Filed along side is Form L-8093 Individual Graded Benefit Whole Life Application (APP) which is to be used with Policy L-8083.

This product is going to be sold through direct sales on the Internet.

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 Product Name: Internet Graded Benefit Whole Life
 Project Name/Number: Internet GBWL Filing/FLIC166

Company and Contact

Filing Contact Information

Matthew Kindelin, Actuarial Student mkindelin@federallife.com
 Federal Life Insurance Company (Mutual) 847-850-3263 [Phone]
 3750 W. Deerfield Road
 Riverwoods, IL 60015

Filing Company Information

Federal Life Insurance Company (Mutual) CoCode: 63223 State of Domicile: Illinois
 3750 W. Deerfield Road Group Code: Company Type:
 Riverwoods, IL 60015 Group Name: State ID Number:
 (847) 520-1900 ext. [Phone] FEIN Number: 36-1063550

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: \$50 per form in Arkansas according to Rule 57
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Federal Life Insurance Company (Mutual)	\$100.00	06/23/2011	49031427

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Withdrawn	Linda Bird	08/17/2011	08/17/2011

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Linda Bird	08/11/2011	08/11/2011	Matt Kindelin	08/17/2011	08/17/2011
Pending Industry Response	Linda Bird	06/27/2011	06/27/2011	Matt Kindelin	08/17/2011	08/17/2011

SERFF Tracking Number: FDLF-127285878 *State:* Arkansas
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Product Name: Internet Graded Benefit Whole Life
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Disposition

Disposition Date: 08/17/2011

Implementation Date:

Status: Withdrawn

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 - Actuarial Memo		No
Supporting Document	Explanation of Electronic Signature Verification for Online Application		Yes
Form	Individual Graded Benefit Whole Life Insurance with Maturity at Age 100	Withdrawn	Yes
Form	Individual Graded Benefit Whole Life Application (APP)	Withdrawn	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 08/11/2011
Submitted Date 08/11/2011
Respond By Date 09/12/2011

Dear Matthew Kindelin,

This will acknowledge receipt of the captioned filing.

Objection 1

Comment: It has come to our attention that you have not responded to our 06/27/2011 Objection Letter regarding this filing.

Please advise the Department if the company would like to withdraw the filing or if additional time is needed to comply?

Please feel free to contact me if you have questions.

Sincerely,

Linda Bird

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Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/17/2011
Submitted Date 08/17/2011

Dear Linda Bird,

Comments:

I have received your objection and our response is below.

Response 1

Comments: Please withdraw this filing from Review. Thank you.

Related Objection 1

Comment:

It has come to our attention that you have not responded to our 06/27/2011 Objection Letter regarding this filing.

Please advise the Department if the company would like to withdraw the filing or if additional time is needed to comply?

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you for the courtesy of not closing our file without reaching out to us first. It is greatly appreciated.

Sincerely,

Matt Kindelin, PW Calfas, Steve Mink

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Product Name: Internet Graded Benefit Whole Life
Project Name/Number: Internet GBWL Filing/FLIC166

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 06/27/2011
Submitted Date 06/27/2011
Respond By Date 07/27/2011

Dear Matthew Kindelin,

This will acknowledge receipt of the captioned filing.

Objection 1

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

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

Life Policies with reduced death benefits in early policy years are subject to Bulletin 8-85. The contract is in violation of both Guideline One and Two of this bulletin.

Please feel free to contact me if you have questions.

Sincerely,

Linda Bird

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Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/17/2011
Submitted Date 08/17/2011

Dear Linda Bird,

Comments:

I received these objections and our company discussed them, and it was decided that we should withdraw the filing as stated in my response to your objection on 8/11/11.

Response 1

Comments: We have asked for the filing to be withdrawn in response to your objection on 8/11/11.

Related Objection 1

Comment:

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

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

Life Policies with reduced death benefits in early policy years are subject to Bulletin 8-85. The contract is in violation of both Guideline One and Two of this bulletin.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Please see the response to your objection on 8/11/11. It is our request for the filing to be withdrawn. Thanks.

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Sincerely,
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Form Schedule

Lead Form Number: L-8083

Schedule Item	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Withdrawn 08/17/2011	L-8083	Policy/Contract	Individual Graded Benefit Whole Life Insurance with Certificate Maturity at Age 100	Initial		45.000	L-8083 GBWL Policy Form 2011-02-03_pc.pdf
Withdrawn 08/17/2011	L-8093	Application/Enrollment Form	Individual Graded Benefit Whole Life Application (APP)	Initial			8093 GBWL APP_2011-02-03.pdf

FEDERAL LIFE INSURANCE COMPANY (MUTUAL)

3750 WEST DEERFIELD ROAD • RIVERWOODS, ILLINOIS 60015 • 1-800-233-3750x503

www.federallife.com • service@federallife.com

Individual Graded Benefit Whole Life Insurance Policy with Endowment at Age 100

Federal Life Insurance Company (Mutual) will pay the Death Proceeds of this Policy to the Beneficiary when due proof of the Insured's death is received. We will pay the Endowment Proceeds of this Policy to the Owner if this Policy remains in force to Age 100. Payment is subject to the provisions on this and the following pages of this Policy. The endowment benefit provided by this Policy may not qualify as life insurance under Federal tax law and may be subject to adverse tax consequences. A tax advisor should be consulted.

Right to Examine and Cancel: Please examine this Policy carefully. If you are not satisfied with this Policy for any reason, you may return it to us within 30 days after receipt. We will then promptly refund all premiums paid. If returned, this Policy will be void from the Policy Date.

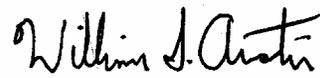
This Policy has a Limited Graded Death Benefit - Please Read your Contract Carefully. This is a legal contract between you and Federal Life. This Policy is issued in consideration of the attached Application and the payment of the first due premium. If you have questions or concerns regarding this Policy, you may contact Federal Life at our Home Office by phone, email or written correspondence.

If you surrender this Policy, such surrender may result in substantial penalty because the Guaranteed Cash Value of the Policy may be less than the premiums paid.

Signed for the Company by:



Assistant Secretary



President

Whole Life Insurance with Endowment at Age 100 • Death Proceeds Payable Upon Death of Insured • Limited Benefit for Death from Non-Accidental Causes in First Two Policy Years • Ultimate Face Amount Payable in Third Policy Year and Beyond • Participating as Described Herein

Table of Contents

Policy Provisions	Page
Policy Schedule	3A
Important Information	4
Terms and Definitions	5
Parties to the Policy	6
General Provisions	6
Premium Provisions	8
Guaranteed Values Provisions	9
Dividend Provisions	9
Policy Loan Provisions	10
Death Benefit Provisions	10
Endowment Benefit Provisions	12
Payment of Benefits Provisions	12
Tables for Payment Options	14

Policy Schedule

Policy Identification

Policy Number	[0999999]	Policy Date	[January 1, 2010]
Insured	[John Smith]	Issue Date	[January 1, 2010]
Issue Age and Sex of Insured	[40 Male]	Premium Class	[Non-Tobacco]

The Owner and the Beneficiary are as stated in the Application for the Policy unless subsequently changed in accordance with Policy provisions.

Schedule of Benefits

<u>Form Number</u>	<u>Description</u>	<u>Ultimate Face Amount</u>	<u>Premium Period</u>	<u>Annual Premium</u>
L-8083	Graded Benefit Whole Life	[\$25,000]	To Age 100	[\$623.00]

Other Causes Death Benefit

1st Policy Year - Premiums Paid multiplied by 1.10
2nd Policy Year - Premiums Paid multiplied by 1.20
Thereafter - Ultimate Face Amount

Accidental Causes Death Benefit

Ultimate Face Amount

Endowment Benefit at Age 100

Ultimate Face Amount

Premium

First Premium: [\$623.00]

Premium Interval: [Annual]

The Premiums shown above include the \$35 annual Policy fee.

Annual Dividends

Dividends for this Policy are not guaranteed, nor is it expected or anticipated that any Dividends will be paid.

If you have any questions or concerns, you may write to or call us at:

FEDERAL LIFE INSURANCE COMPANY (MUTUAL)

3750 W. DEERFIELD ROAD

RIVERWOODS, IL 60015

1-800-233-3750x503

www.federallife.com • service@federallife.com

Policy Schedule (Continued)

Table of Guaranteed Cash Values

	End of Policy Year	Attained Age	Guaranteed Cash Value	Reduced Paid-Up	Extended Term		
					Years	Days	
[	1	41	\$0.00	\$0	0	0]
[	2	42	\$36.25	\$187	0	308]
[	3	43	\$293.25	\$1,445	5	218]
[	4	44	\$559.00	\$2,643	9	158]
[	5	45	\$833.50	\$3,782	12	56]
[	6	46	\$1,116.75	\$4,866	14	74]
[	7	47	\$1,409.50	\$5,898	15	278]
[	8	48	\$1,713.25	\$6,887	16	335]
[	9	49	\$2,029.75	\$7,837	17	297]
[	10	50	\$2,358.50	\$8,749	18	199]
[	11	51	\$2,699.50	\$9,621	19	53]
[	12	52	\$3,051.50	\$10,453	19	223]
[	13	53	\$3,414.25	\$11,245	19	347]
[	14	54	\$3,787.00	\$11,997	20	66]
[	15	55	\$4,168.50	\$12,710	20	120]
[	16	56	\$4,557.75	\$13,384	20	147]
[	17	57	\$4,955.50	\$14,024	20	151]
[	18	58	\$5,363.50	\$14,634	20	132]
[	19	59	\$5,782.50	\$15,216	20	92]
[	20	60	\$6,211.50	\$15,770	20	34]
[	10	50	\$2,358.50	\$8,749	18	199]
[	15	55	\$4,168.50	\$12,710	20	120]
[	20	60	\$6,211.50	\$15,770	20	34]
[	25	65	\$8,449.25	\$18,129	18	283]
[	30	70	\$10,826.25	\$19,947	16	332]

Nonforfeiture Value Factor per \$1,000 of Basic Death Benefit = [11.424] in all years.

Basis of Computation

Guaranteed Cash Values for Policy Years not shown will be furnished upon Request. Guaranteed Cash Values are calculated using the 2001 CSO Ultimate Mortality Table (ALB) for [Male Non-Smokers] at 5% interest.

If you have any questions or concerns, you may write to or call us at:

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Important Information

If you have questions or concerns regarding this Policy, you may contact Federal Life at our Home Office by phone, email or written correspondence.

If you have been unable to contact or obtain satisfaction from us, you may contact the insurance supervisory official in the jurisdiction where this Policy was issued. The phone numbers are shown below.

Alabama	[334-241-4141]	Missouri	[800-726-7390]
Alaska	[907-269-7900]	Montana	[800-332-6148]
Arizona	[800-325-2548]	Nebraska	[877-564-7323]
Arkansas	[800-852-5494]	Nevada	[800-992-0900]
California	[800-927-4357]	New Hampshire	[800-852-3416]
Colorado	[800-930-3745]	New Jersey	[800-446-7467]
Connecticut	[800-203-3447]	New Mexico	[800-947-4722]
Delaware	[800-282-8611]	North Carolina	[800-546-5664]
District of Columbia	[202-727-8000]	North Dakota	[800-247-0560]
Florida	[800-342-2762]	Ohio	[800-686-1526]
Georgia	[800-656-2298]	Oklahoma	[800-522-0071]
Hawaii	[808-586-2799]	Oregon	[888-877-4894]
Idaho	[800-721-3272]	Pennsylvania	[877-881-6388]
Illinois	[312-814-2420]	Rhode Island	[401-222-2246]
Indiana	[800-622-4461]	South Carolina	[800-768-3467]
Iowa	[877-955-1212]	South Dakota	[605-773-5369]
Kansas	[800-432-2484]	Tennessee	[800-342-4029]
Kentucky	[800-595-6053]	Utah	[800-252-3439]
Louisiana	[800-259-5300]	Virginia	[877-310-6560]
Maryland	[800-492-6116]	Washington	[800-562-6900]
Michigan	[877-765-8388]	West Virginia	[888-879-9842]
Minnesota	[651-296-4026]	Wisconsin	[800-236-8517]
Mississippi	[800-562-2957]	Wyoming	[800-438-5768]

When contacting us or the insurance supervisory official, please have the Policy number for this Policy available.

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Terms and Definitions

Age 100 means the Policy Anniversary that coincides with or next follows the Insured's 100th birthday.

Application: Includes any life insurance Application, questionnaire, and other documents from you or any other person proposed for insurance which are made part of this Policy.

Attained Age: This is the Insured's age as of his or her last birthday at any time other than the Policy Date.

Benefit Payable: the amount payable upon termination of this policy (Cash Surrender Value, Death Proceeds, or Endowment Proceeds, whichever is applicable).

Guaranteed Cash Value: The cash value provided by this Policy.

Cash Surrender Value: The net amount payable to you if this Policy is surrendered to us.

Code: The U.S. Internal Revenue Code, as amended from time to time.

Death Proceeds: The benefit payable under this Policy upon the death of the Insured.

Endowment Proceeds: The benefit payable under this Policy if the Policy remains in force to Age 100.

Home Office: Federal Life Insurance Company (Mutual), 3750 W. Deerfield Road, Riverwoods, Illinois, 60015.

Indebtedness: the sum of any loans outstanding and accrued Loan Interest.

Injury: Injury means bodily harm which is the direct result of an accident or trauma that occurs while your Policy is in force and results in loss independently of sickness and all other causes (except for sickness caused by the Injury).

Insured: The person whose life is Insured under this Policy.

Issue Age: The Insured's age at his or her last birthday as of the Policy Date.

Issue Date: The date this Policy is issued as shown on the Policy Schedule.

Officer: The president, a vice president, the secretary, or an assistant secretary of Federal Life Insurance Company (Mutual).

Payee: On the Insured's death, the Payee is the Beneficiary shown in the Application, unless changed. If you surrender this Policy while the Insured is alive, the Payee is the person that receives the Cash Surrender Value. If this policy endows at Age 100, the Payee is the Owner. A Payee can be other than a natural person only if we agree.

Policy: Unless provided otherwise, Policy means this contract.

Policy Date: The date that coverage begins under the Policy . It is shown on the Policy Schedule pages.

Policy Month, Year or Anniversary: A Policy Month, Year or Anniversary is measured from the Policy Date.

Premiums Paid: The sum of all premiums paid for this Policy up to the date of death.

Request: Any written Request signed by the person making the Request. Such Request must be received by us.

Parties to the Policy

Company: Federal Life Insurance Company (Mutual). In this Policy, the Company is also referred to as “Federal Life”, “we”, “us” and “our”.

Owner: The Owner is as named in the Application, unless changed. The Owner is also referred to as “you,” “your” or “yours” in this Policy. While the Insured is alive and this Policy is in force, you may exercise all rights provided by your Policy, subject to the rights of any assignee that we have on record and to the rights of any irrevocably designated Beneficiary.

Change of Ownership: You may change the Owner of this Policy by Request while the Insured is alive and this Policy is in force. The change will take effect the date you sign the Request, but the change will not affect any action we have taken before we receive the Request. A change of Owner does not change the Beneficiary designation.

Beneficiary: The Beneficiary is as shown in the Application, unless you have made a change by Request. If you name “estate” as the Beneficiary, it means the executors or administrators of the last survivor of you and all beneficiaries. If you name “children” of a person as Beneficiary, only children born to or legally adopted by that person will be included. We may rely on an affidavit as to ages, names, and other facts about all beneficiaries. We will incur no liability if we act on such affidavit.

Change of Beneficiary: You may make a change by Request while the Insured is alive and this Policy is in force. The change will take effect on the date your Request is signed, but the change will not affect any action we have taken before we receive the Request. To change a named irrevocable Beneficiary, the Request must include a written consent from the irrevocable Beneficiary who is being changed.

General Provisions

Entire Contract: This Entire Contract is comprised of the Policy, any amendments, endorsements, and a copy of the Application. We relied on statements in the Application in issuing this Policy. We reserve the right to investigate the truth and completeness of those statements. In the absence of fraud, those statements are representations and not warranties. Only statements in the Application will be used to rescind this Policy or to deny a claim within the time period specified in the Incontestability provision.

Only an Officer has the right to change this Policy. No Federal Life agent has the authority to change the Policy or to waive any of its terms. All endorsements and amendments must be signed by an Officer to be valid.

We may modify this Policy after we notify you to assure continued qualification of this Policy as a life insurance contract under any section of, or regulation or ruling under, the Code. If we modify this Policy, we

will send you the appropriate endorsement to be placed with this Policy. Such endorsement is subject to regulatory approval.

When coverage begins: The insurance coverage provided by this Policy starts after: (a) the Application has been completed and given to us; (b) our issuance of this Policy; and (c) payment to us of the first premium for this Policy while the Insured is alive. If it becomes effective, the coverage provided by this Policy will take effect on the Policy Date shown in the Policy Schedule.

Termination: This Policy, and all the coverage it provides, will end on the earliest of:

- (a) the date of the Insured's death;
- (b) the date the Grace Period ends for a premium in default;
- (c) the date on which any Indebtedness equals or exceeds the Guaranteed Cash Value and payment is not made in accordance with the Policy Loan Provisions;
- (d) the date you Request that the coverage provided by this Policy be terminated; or
- (e) Age 100.

Incontestability: We rely on the statements made in the Application to provide coverage under this Policy. We also rely on statements made in any Application or Request for reinstatement of coverage provided by this Policy. In the absence of fraud, we deem such statements to be representations and not warranties. In addition to the other reasons permitted by law, we can contest the validity of any coverage provided by this Policy or any reinstatement of coverage provided by this Policy if:

1. any material misrepresentation of fact was made in an Application or a Request form for coverage provided, changed, or reinstated under this Policy; and
2. a copy of that Application or Request form was attached to this Policy.

Except as stated below, we will not contest the validity of coverage provided by this Policy after that coverage has been in force, during the Insured's life, for two years from the Policy Date. With respect to any reinstatement of coverage provided by this Policy, we will not contest the validity of such reinstatement after it has been effective during the life of the Insured for two years. We can always contest the validity of any coverage or reinstatement of coverage for non-payment of any premium due.

Misstatement of Age or Sex: If the Insured's age or sex has been misstated on the Application, then the benefits payable under this Policy will be adjusted. The adjusted benefits will be those that would have been purchased by the premiums paid based on the correct age and sex. However, the amount payable at death on the Policy after an adjustment under this section shall not be less than the Cash Surrender Value would have been on the date of death based on the misstated age or sex.

Suicide: If the Insured dies by suicide while sane or insane, within two years from the Issue Date and while this Policy is in force, the Death Proceeds payable will be limited to the Premiums Paid on the Policy less any Policy Indebtedness.

Periods of Insurance: All periods of insurance begin and end at 12:01 AM Standard Time at the Insured's residence.

Assignment: You may assign this Policy or any interest in it. We will recognize an assignment only if it is in writing and filed with us. We are not responsible for the validity of any assignment. An assignment may limit the interest of any Beneficiary. The assignment will take effect the date you sign the notice or on any date you choose, subject to any payments made or actions taken by us prior to receipt of this notice.

Transaction Delay: Any payment of the Cash Surrender Value or Loan will usually be made within 7 days of receipt of the Request for payment. We may defer payment of any Cash Surrender Value or Loan for up to 6 months from the date we receive your Request. Such deferral must be requested in writing by the Company and approved in writing by the insurance regulatory authority in the state in which this Policy is issued. However, a Loan to pay a premium on this Policy or other policies with us will not be deferred.

If we defer any such payment for 30 days or more, we will pay interest in addition to such payment. Such interest accrues from the date the payment becomes payable to the date of the payment at 2% per year or at the interest rate and time required by law, if greater.

Conformity with Regulations: This Policy was approved under the authority of the jurisdiction in which it was issued. Any provision of this Policy which, on the provision's effective date, is in conflict with the regulations of that jurisdiction is hereby amended to conform to the minimum requirements of those regulations.

Premium Provisions

Payment of Premiums: The first premium must be paid immediately at time of approval of this Policy. All premiums after the first must be remitted to our Home Office. Each premium must be paid on or before its due date. Upon Request, we will provide a receipt for each premium payment.

Amount and Frequency: Premiums may be paid at twelve, six, or three month intervals, or with our consent, monthly at our applicable rates for this Policy. Premium Frequency may be changed by Request and with our approval. Any change must be made on a Policy Anniversary.

Premium Default: Any premium after the first is in default if it is not paid on or before its due date. Your Policy will then terminate, except as may be provided in this Policy.

Grace Period: We will allow a Grace Period of 31 days for payment of premium when the Policy is in default. During this period, your Policy will continue in force. If the Insured dies within the Grace Period, we will deduct any past due premium from the Policy Death Proceeds.

Premium Refund at Death: As part of the Policy Death Proceeds, we will return the portion of any premium paid beyond the end of the Policy Month of the Insured's death.

Policy Reinstatement: You may reinstate your Policy within 5 years after the date of Premium Default but before its termination date. If you surrendered your Policy for its Cash Surrender Value, if any, you may not reinstate it.

Reinstatement of your Policy requires:

1. your Request for such Reinstatement within five years following the date that coverage ended;
2. evidence of insurability of the Insured satisfactory to us - Reinstatement is subject to our approval;
3. payment of all past due premiums with interest from the due date of each premium; and
4. payment or reinstatement of any Policy Indebtedness which existed on the date of Premium Default.

Interest is payable on the date of Reinstatement. The interest rate is 6% per year compounded annually.

Guaranteed Values Provisions

Cash Surrender Value: The Cash Surrender Value of your Policy is the Guaranteed Cash Value less any Policy Indebtedness.

The Policy's Guaranteed Cash Values are shown on the Policy Schedule pages. The values shown are for completed Policy Years and assume premiums are paid for the number of years stated. We will adjust values between Policy anniversaries for any premiums paid and time elapsed during the Policy Year. Values shown do not take into account any Policy Indebtedness. On Request, we will furnish values for any Policy Years not shown.

Guaranteed Value Options: The Automatic Option takes effect at the end of the Grace Period. Within 60 days after Premium Default, you may elect one of the Options shown below. Your choice must be in writing to us.

1. **Cash Surrender:** You may surrender your Policy for its Cash Surrender Value on the date of Premium Default.
2. **Paid-Up Insurance:** You may continue your Policy as reduced Paid-Up Insurance. We will use the Cash Surrender Value as a net single premium to compute the amount of Paid-Up Insurance. The amount of Paid-Up Insurance is based on the Insured's Attained Age on the date of Premium Default. The amount of Paid-Up Insurance may not exceed the Death Proceeds of this Policy. Any excess value will be refunded to you.
3. **Extended Term Insurance:** You may continue your Policy as Extended Term insurance. The amount of Extended Term Insurance is the Death Proceeds of this Policy. The Extended Term Insurance begins on the date of Premium Default. We use the Cash Surrender Value as a net single premium to compute the term of the extended insurance and the amount of pure endowment, if any, remaining at the end of such term.

Automatic Option: Option 3 is the Automatic Option unless you choose another Option.

Surrender of Paid-Up and Extended Term Insurance: You may surrender Paid-Up and Extended Term Insurance at any time for its Cash Surrender Value. We calculate the Guaranteed Cash Value as stated in the Basis of Computation Provision. The Guaranteed Cash Value of the Paid-Up and Extended Term Insurance is equal to the net single premium for the benefit. If you surrender your Paid-Up or Extended Term Insurance within 31 days after a Policy Anniversary, the Guaranteed Cash Value we use to determine the Cash Surrender Value will not be less than the Guaranteed Cash Value on that Policy Anniversary.

Participation: If you continue your contract under Option 2, it will participate in any divisible surplus. If you continue your contract under Option 3, it will not participate in any divisible surplus.

Dividend Provisions

Annual Dividends: We shall annually determine and apportion any divisible surplus beginning with Policy Year 2. Your share of this surplus, if any, is called a Dividend. Dividends will be paid only at the end of a Policy Year. You have no right to a partial or pro-rated Dividend prior to the end of a Policy Year, except as provided under the Post-Mortem Dividend provision below. Any Dividends that arise will be paid in cash to you. It is not expected that any Dividends will be payable on this Policy.

Post-Mortem Dividend: We may pay a Dividend when the Insured dies. Such Dividend will be a partial or prorated amount based on the period from the last Policy Anniversary to the end of the Policy Month of the Insured's death.

Policy Loan Provisions

Loan: You may borrow against this Policy by Request at any time while this Policy is in force. This Policy is the sole security for such Loan.

You may borrow the Loan Value less any existing Indebtedness. If any outstanding Indebtedness equals or exceeds the Guaranteed Cash Value of this Policy, we will send you a termination notice. This Policy will terminate 31 days after we have mailed that notice to you and to any assignee of record.

Premium Loan: A loan will be made to pay an overdue premium on this Policy if the Premium Loan provision is in effect. The provision will be effective only if marked on the Application or chosen by Request to us. If the Loan Value is insufficient to pay the overdue premium, a premium will be paid for any other frequency permitted by this Policy for which the Loan Value is sufficient. You may elect to revoke the Premium Loan provision by Request received at our Home Office.

Loan Value: The Loan Value is the Guaranteed Cash Value of this Policy on the next Policy Anniversary discounted at the Loan Interest rate from the next Policy Anniversary to the date of the Loan.

Loan Interest: Loan Interest is payable at an annual effective rate of 8%. We charge interest each day on any Loan. Loan Interest is due at the end of each Policy Year or at the time the Loan is repaid, if earlier. Loan Interest is added to the Loan if not paid when due.

Loan Repayment: You may repay all or a part of a Loan at any time before the Insured dies or this Policy is surrendered.

Death Benefit Provisions

Payment of Death Proceeds: We will pay the Death Proceeds of this Policy to the Beneficiary if the Insured dies while this Policy is in force and upon receipt of proof of the Insured's death. Such amount will be paid in a lump sum unless a Payment Option is elected. If there is more than one Beneficiary, we will pay Death Proceeds to the Beneficiaries in equal shares, unless you instruct otherwise by Request. Our payment of any death benefit is subject to the other terms of this Policy.

Amount of Death Proceeds: The Amount of Death Proceeds payable upon the death of the Insured is:

- 1) Either the Accidental Causes Death Benefit or the Other Causes Death Benefit as defined below, depending on the cause of death, or the Paid-Up Insurance amount or the Extended Term Insurance amount, if applicable; **PLUS**
- 2) the Post-Mortem Dividend, if any; **PLUS**
- 3) any premium for the Insured's coverage paid beyond the Policy Month of the Insured's death; **MINUS**
- 4) any premium for the Insured's coverage that is due and unpaid through the Policy Month of the Insured's death; **MINUS**
- 5) any outstanding Indebtedness.

Ultimate Face Amount: The amount payable, shown in the Policy Schedule, upon the death of the Insured in the 3rd Policy Year and beyond.

Accidental Causes Death Benefit: If the death of the Insured is caused by an accident, apart from the Exclusions below, with death occurring within 180 days following the accident and while this Policy is in force other than under the Reduced Paid-Up Life Insurance nonforfeiture option, the amount payable will be the Ultimate Face Amount.

Exclusions: Accidental Causes Death Benefits are not payable for death resulting from or caused directly, indirectly, wholly, or in part by:

- (a) Injury sustained while this Policy is not in force;
- (b) disease or infirmity of mind or body, or medical or surgical treatment for such disease or infirmity;
- (c) an infection not occurring as a direct result or consequence of accidental bodily Injury;
- (d) an act of declared or undeclared war;
- (e) active participation in a riot, insurrection or terrorist activity;
- (f) the Insured's commission or attempted commission of a felony.
- (g) participation in an illegal occupation or activity;
- (h) Injury occurring while the Insured is incarcerated;
- (i) any attempt at suicide or intentionally self-inflicted Injury, while sane or insane;
- (j) auto-erotic asphyxiation;
- (k) intoxication (as defined by the jurisdiction where the cause of death occurred; for the purposes of this exclusion, the laws governing the operation of motor vehicles while intoxicated will apply);
- (l) voluntary intake or use by any means of:
 - i. any controlled substance (unless prescribed or administered by a physician and taken in accordance with the physician's instructions); or
 - ii. poison, gas or fumes, unless a direct result of an occupational accident;
- (m) travel in or descent from an aircraft, if the Insured acted in a capacity other than as a passenger;
- (n) travel in an aircraft or device used for testing or experimental purposes, used by or for any military authority, used for travel beyond the earth's atmosphere, or engaging in air shows;
- (o) bungee jumping, whitewater rafting, cliff diving, scuba diving, or spelunking;
- (p) rock, mountain, or ice climbing;
- (q) aeronautics (hang-gliding, skydiving, parachuting, ultralight, soaring, ballooning and parasailing);
- (r) a moving vehicle accident occurring while the Insured is engaged in a contest of speed or endurance, organized or not; and/or
- (s) allergic reaction or hypersensitivity to a condition.

Other Causes Death Benefit: The Other Causes Death Benefit is payable if death is not due to accidental causes. The amount payable by Policy Year is shown on Policy Schedule Page 3A. The amount payable upon death by suicide during the first two Policy Years is limited as described on page 7.

Claim Settlement: Settlement will be made within two months after we receive in writing due proof of the Insured's death. Interest will be added to the Death Proceeds as required by law. Any payment we make in good faith fully discharges us to the extent of our payment.

Claims of Creditor: To the extent permitted by law, the Death Proceeds will be exempt from the Claims of Creditors of any Payee.

Endowment Benefit Provisions

Payment of Endowment Proceeds: We will pay the Endowment Proceeds of this Policy to the Owner at Age 100 if this Policy remains in force up to that time. Such amount will be paid in a lump sum unless a Payment Option is elected. Our payment of any endowment benefit is subject to the other terms of this Policy.

Amount of Endowment Proceeds: The Amount of Endowment Proceeds payable at Age 100 is:

- 1) The Endowment Benefit shown on Policy Schedule Page 3A; **MINUS**
- 2) any outstanding Indebtedness.

Claim Settlement: Settlement will be made within two months after Age 100. Interest will be added to the Endowment Proceeds as required by law. Any payment we make in good faith fully discharges us to the extent of our payment.

Claims of Creditor: To the extent permitted by law, the Endowment Proceeds will be exempt from the Claims of Creditors of any Payee.

Payment of Benefits Provisions

Methods of Payments: When this Policy terminates, we will pay the Benefit Payable in a lump sum unless you choose one of the Payment Options then available. If the Payee is other than a natural person, we will make payment in a single sum.

During the lifetime of the Insured and subject to any assignment, you may elect any one of our Payment Options and change any election if you have reserved the right to do so.

If you did not elect a Payment Option, the Beneficiary may elect any one of our Payment Options when the Death Proceeds are payable.

Conditions: Payment Options are not available if the Benefit Payable is less than \$3,000 or any payment would be less than \$30. Options involving life income are not available for Payees over age 85.

Death of Payee: At the death of the Payee, we will pay any remaining payments under the terms of the Payment Option, unless the contingent payee elects, in writing, to receive the present value of any remaining guaranteed payments in a single sum.

If a contingent payee has not been named or dies before the Payee, we will pay the present value of any remaining guaranteed payments under the terms of the Payment Option in a single sum to the estate of the Payee.

Payment Options: You may select from among the Payment Options listed below.

- 1) **Life Income:** The amount to be paid under this option will be paid during the lifetime of the Payee. Payments will cease with the last payment due prior to the death of the Payee.
- 2) **Life Income with 120 Monthly Income Payments Guaranteed:** The amount to be paid under this option will be paid during the lifetime of the Payee with a guaranteed period of 120 months. If the

Payee dies prior to the end of this guaranteed period, then the Payee's Beneficiary will receive the remaining guaranteed payments.

- 3) **Joint and Survivor Income:** The amount to be paid under this option will be paid during the joint lifetimes of the Payee and a designated second person. Payments will continue as long as either is living.

Other Payment Options: Payment Options not set forth in the contract are available only if they are approved by both you and us. Amounts paid under such Options are subject to the guaranteed interest rate and mortality basis described in the Guaranteed Purchase Rates section below. We may elect to make available an immediate annuity contract as a settlement Option if the Owner makes such a Request.

Frequency and Amount of Payments: All payments will be mailed within 10 business days of the scheduled payment date. Payments will be made based on the Payment Option and the Frequency of Payments selected.

If any payment would be or becomes less than \$30, we may change the Frequency of Payments to an interval that results in payments of at least \$30. In no event will we make payments under a Payment Option less frequently than annually.

Guaranteed Purchase Rates: The guaranteed interest basis for Payment Options is 1.50%. The mortality basis is the Annuity 2000 Mortality Table projected with Scale G to the year of annuitization. Upon Request, we will furnish you the guaranteed purchase rates for ages and periods not shown below. Payments under any Payment Option will not be less than those provided by the application of an equivalent amount to the purchase of a single premium immediate annuity offered by us at that time to persons of the same class and age for the same Payment Option.

Tables for Payment Options

Option 1: Monthly Life Income per \$1,000

Year of Annuitization	2010		2020		2030		2040	
Age	Male	Female	Male	Female	Male	Female	Male	Female
30	2.14	2.05	2.11	2.02	2.09	2.00	2.06	1.99
35	2.28	2.17	2.25	2.14	2.21	2.11	2.18	2.09
40	2.46	2.31	2.41	2.28	2.37	2.24	2.33	2.22
45	2.68	2.50	2.62	2.45	2.57	2.41	2.52	2.37
50	2.95	2.73	2.87	2.67	2.81	2.61	2.75	2.57
55	3.30	3.02	3.20	2.94	3.12	2.87	3.04	2.81
60	3.75	3.40	3.63	3.30	3.52	3.21	3.42	3.13
65	4.38	3.93	4.21	3.79	4.06	3.66	3.93	3.56
70	5.25	4.65	5.02	4.46	4.81	4.29	4.63	4.14
75	6.44	5.71	6.12	5.43	5.83	5.19	5.58	4.98
80	8.13	7.28	7.67	6.86	7.27	6.50	6.91	6.19
85	10.53	9.65	9.89	9.02	9.34	8.48	8.85	8.02

Option 2: Monthly Life Income with 10 Year Guarantee per \$1,000

Year of Annuitization	2010		2020		2030		2040	
Age	Male	Female	Male	Female	Male	Female	Male	Female
30	2.14	2.05	2.11	2.02	2.09	2.00	2.06	1.98
35	2.28	2.17	2.24	2.14	2.21	2.11	2.18	2.09
40	2.45	2.31	2.41	2.28	2.37	2.24	2.33	2.22
45	2.67	2.49	2.61	2.45	2.56	2.41	2.51	2.37
50	2.93	2.72	2.86	2.66	2.80	2.61	2.74	2.56
55	3.27	3.01	3.18	2.93	3.10	2.87	3.03	2.81
60	3.70	3.38	3.59	3.28	3.49	3.20	3.39	3.12
65	4.27	3.87	4.12	3.74	3.99	3.63	3.87	3.53
70	4.99	4.53	4.80	4.36	4.64	4.21	4.49	4.08
75	5.85	5.39	5.63	5.18	5.44	4.99	5.25	4.81
80	6.80	6.43	6.58	6.19	6.37	5.96	6.18	5.76
85	7.71	7.49	7.53	7.27	7.36	7.07	7.19	6.87

Option 3: Monthly Joint and Last Survivor Income per \$1,000

Year of Annuitization	2020				2040			
Female Age	45	55	65	75	45	55	65	75
Male Age								
45	2.28	2.44	2.54	2.59	2.23	2.37	2.45	2.49
55	2.37	2.67	2.93	3.09	2.31	2.59	2.81	2.95
65	2.42	2.83	3.33	3.79	2.35	2.72	3.17	3.57
75	2.44	2.90	3.60	4.55	2.36	2.78	3.41	4.24

FEDERAL LIFE

INSURANCE COMPANY (MUTUAL)
3750 WEST DEERFIELD ROAD
RIVERWOODS, ILLINOIS 60015
1-800-233-3750x503

**Whole Life Insurance Policy with
Endowment at Age 100**

**Death Proceeds Payable Upon Death of
Insured**

**Limited Benefit for Death from Non-
Accidental Causes in First Two Policy
Years**

**Ultimate Face Amount Payable in Third
Policy Year and Beyond**

Participating as Described Herein



Federal Life Insurance Company (Mutual)

3750 West Deerfield Road • Riverwoods, Illinois 60015 • (800) 233-3750

federallife.com

PART I

Individual Graded Benefit Whole Life Application (APP)

Proposed Insured Information

Full Name: _____ Gender: Male Female
(First) (Middle) (Last)

Social Security Number: _____ Marital Status: _____

Date of Birth (mm/dd/yyyy): _____ Country of Birth: _____ Birth State: _____

Height: _____ Weight: _____ Tobacco/Nicotine user in past 24 months? Yes No Death Benefit Amount \$ _____

Primary Residence Address: _____

City: _____ State: _____ Zip: _____ Country: _____

Secondary Residence Address: Not Applicable : _____

City: _____ State: _____ Zip: _____ Country: _____

Are you a US citizen or Permanent Resident of the US? Yes No

PART II

Owner Information (If Proposed Insured is a Minor)

Name: _____ Gender: Male Female
(First) (Last)

Date of Birth (mm/dd/yyyy): _____ Social Security Number: _____

Are you a US citizen or Permanent Resident of the US? Yes No

PART III

Insured Contact Details

Primary Phone: _____ Secondary Phone: _____

Email: _____ Preferred Contact Method: _____

Primary Phone Number - Preferred Time: _____ Preferred Days: _____

Secondary Phone Number - Preferred Time: _____ Preferred Days: _____

PART IV

Payor Information

Same as Owner? Yes No Payor Type: Person Trust Organization

Full Name: _____ Social Security Number: _____
(First) (Middle) (Last)

Name of Trust: _____ Date of Trust Agreement: _____

Name of Trustee: _____ State in which Trust was executed: _____

Name of Organization: _____ Contact Person: _____

Address: _____

City: _____ State: _____ Zip: _____ Phone Number: _____

Email: _____

PART VII

General Information - Adult Insured

Yes No

- 1. Do you require ongoing personal assistance performing regular activities of daily living such as bathing, dressing, eating, taking medications, or moving around the house; or are you currently bedridden or receiving home nursing, or hospice care; or using oxygen equipment to assist in breathing?
- 2. Are you currently hospitalized, or confined to a nursing or rehabilitative facility, for any reason; or in the past 18 months have you been hospitalized or confined to a nursing or rehabilitative facility for five or more days for any reason other than childbirth?
- 3. In the past 10 years have you been examined, evaluated, diagnosed or treated by a licensed medical professional (including office visits, medication, hospital confinements, emergency room visits, or surgery) for: cancer; stroke or transient ischemic attack (TIA); diabetes; emphysema, or chronic lung disease (excluding mild asthma under control with occasional inhaler use); hepatitis B or C, cirrhosis, or any other disease or disorder of the liver; paralysis; degenerative muscle or nerve disease or disorder; dementia; Alzheimer’s disease; schizophrenia; major depression; bipolar disease or mood disorder; alcohol or drug use; or any disease or disorder of the following: brain; heart or coronary arteries; peripheral vascular system; connective tissue; pancreas; blood; or kidneys (excluding kidney stones)?
- 4. In the past 3 years have you been hospitalized overnight or treated in an emergency room for: asthma; shortness of breath; loss of consciousness; chest pain; high blood pressure; hemorrhage; seizure; any mental or nervous disorder; recurrent headaches or any chronic condition requiring ongoing treatment by a licensed member of the medical profession?
- 5. Have you ever been diagnosed or treated by a medical professional for Acquired Immune Deficiency Syndrome (AIDS), AIDS related complex (ARC) or been tested positive by a medical professional for Human Immunodeficiency Virus (HIV)?
- 6. Have you been advised, by a licensed member of the medical profession, to have, or are you currently awaiting the results of, medical tests or procedures?
- 7. Have you ever plead guilty to or been convicted of a felony; or do you currently have such charges pending against you? Or are you currently serving a term of parole or probation assigned by a court of law; or are you currently in prison?
- 8. In the past 3 years have you:
 - a. Had your driver’s license suspended or revoked; been convicted of reckless driving, driving without a valid driver’s license, or driving while under the influence of alcohol or drugs (DWI or DUI);
 - b. Had 3 or more moving violations?
- 9. In the past 2 years or next 12 months, have you flown, or do you intend to fly, a plane other than as a commercial airline pilot on a regularly schedule commercial flight?
- 10. In the past 2 years or next 12 months, have you engaged in, or do you intend to engage in any of the following?
 - a. Motorized vehicle or boat racing
 - b. Mountain, ice, or rock climbing
 - c. Hot air ballooning
 - d. Ultra light flying
 - e. Hang gliding
 - f. Parachuting
 - g. Sky diving
 - h. Scuba diving

General Information - Juvenile Insured

- 1. In the past 7 years has the child, proposed for insurance above, been under observation, care or treatment in any hospital or similar institution (excluding at the time of birth without complications)?
- 2. In the past 7 years has the child, proposed for insurance above, been examined, evaluated, diagnosed, or treated by a licensed member of the medical profession for: elevated blood pressure; chest pain; cancer; blood disorder; diabetes; paralysis; seizures; mental disorder; behavior disorder; or any disease, disorder or injury of the brain or nervous system; OR any disease or disorder of the following: heart; circulatory system; liver; kidneys; pancreas; lungs or respiratory system; or any congenital condition?
- 3. Has the child proposed for insurance above ever been diagnosed or treated by a medical professional for Acquired Immune Deficiency Syndrome (AIDS), AIDS related complex (ARC) or been tested positive by a medical professional for Human Immunodeficiency Virus (HIV)?
- 4. Is the child, proposed for insurance above, currently hospitalized, or in rehabilitation or nursing facility, for any reason; or in the past 12 months been hospitalized for five or more days?
- 5. Has the child, proposed for insurance above, been advised, by a licensed member of the medical profession, to have, or are they currently awaiting the results of medical tests or procedures?

PART VIII

Notice to Applicant

MIB, Inc. (MIB) Pre-Notice:

Information regarding your insurability will be treated as confidential. Federal Life Insurance Company (Mutual) (“The Company”) or its reinsurers may, however, make a brief report thereon to the MIB, Inc., formerly known as Medical Information Bureau, a not-for-profit membership organization of insurance companies which operates an information exchange on behalf of its Members. If you apply to or enroll with another MIB Member company for life or health insurance coverage, or a claim for benefits is submitted to such a company, MIB, upon request, will supply such company with the information in its file.

Upon receipt of a request from you, MIB will arrange disclosure of any information it may have in your file. Please contact the MIB at 866-692-6901 (TTY 866-346-3642). If you question the accuracy of information in the MIB’s file, you may contact MIB and seek a correction in accordance with the procedures set forth in the federal Fair Credit Reporting Act. The address of MIB’s information office is 50 Braintree Hill Park, Suite 400 Braintree, MA 02184-8734. The Company or its reinsurers may also release information in its file to other insurance companies to whom you may apply/enroll for life or health insurance, or to whom a claim for benefits may be submitted. Information for consumers about MIB may be obtained at its website www.mib.com.

Notice to Applicant: Fair Credit Reporting Act:

Notice to Applicant: Federal Law requires that notice of investigation be given to persons applying for insurance. In making this application for insurance to The Company, it is understood that an investigative consumer report may be prepared whereby information is obtained through personal interviews with your neighbors, friends, or others with whom you are acquainted. This inquiry includes information as to your character, general reputation, personal characteristics and mode of living. You have the right to make a written request to the Home Office of The Company within a reasonable period of time to receive additional detailed information about the nature and scope of this investigation.

Notice of Information Practices - To our Contract holders, Applicants and Insureds:

In the course of properly underwriting and administering your insurance coverage, we will rely heavily on the information provided by you. We may also seek information from others, such as medical professionals who have treated you or family members covered under such insurance. You have the right to be told about, and to see and copy if you wish, items of personal information about you, which appear in our files, including information contained in investigative consumer reports. You also have the right to seek correction of information you believe to be inaccurate. The above is a general description of The Company’s and its agents’ information practices. If you would like to receive a more detailed explanation of those practices, please contact: Customer Service - Federal Life Insurance Company (Mutual) 3750 West Deerfield Road - Riverwoods, IL 60015.

Authorization and Signing:

Health Insurance Portability and Accountability Act (HIPAA) Authorization to obtain and disclose certain data

I hereby authorize the release of any and all records and information within your possession, custody or control regarding me pursuant to this Authorization. Any and all records and information regarding diagnosis, testing, treatment and prognosis of my physical or mental condition are to be released. Such records and information to be released may include, but should not be limited to, the following: treatment for alcohol or drug abuse, psychiatric treatment, pharmacy prescriptions, HIV testing and treatment, STD testing and treatment, genetic testing, Sickle Cell testing and treatment, lab data and EKGs. This information will be used to determine my eligibility for insurance, underwrite my application for insurance, determine my eligibility for benefits under any temporary insurance, and if the contract is issued, determine my eligibility and contestability of the contract. I hereby authorize any licensed physician, medical practitioner, hospital, clinic, pharmacy, pharmacy benefit manager, or other medical, or medically related facility, the Veteran’s Administration, insurance company, MIB, INC. (“MIB”), employer, consumer reporting agency or other organization, institution or person, that has any records or knowledge of me or my health to give to The Company or its reinsurers, any such information when this authorization or a copy of it is shown. I further authorize the sources listed above, except for MIB, Inc., to give such information to a consumer reporting agency acting on behalf of The Company. Data about mental illness, alcoholism, and the use of drugs is to be included.

The Company or its reinsurers may make a brief report about me to other companies to which I have applied or may apply for coverage. This authorization is good for 24 months after it is signed. A copy of this authorization will be as valid as the original. I understand that I or my authorized representative may request a copy of this authorization. The Company may obtain an investigative consumer report on me. I may revoke this authorization at any time, except to the extent that action has been taken in reliance on this authorization or other law allows The Company to contest a claim under the contract or to contest the contract itself, by sending a written request to: Federal Life Insurance Company (Mutual) - 3750 W. Deerfield Rd. - Riverwoods, IL 60015. I understand that my revocation of this authorization will not affect uses and disclosures of my health information by the Recipient for purposes of underwriting, claims administration and other matters associated with my application for insurance and the administration of any contract issued as a result of that application. I understand that the signing of this authorization will not affect uses and disclosures of my health information by the Recipient for purposes of underwriting information necessary to consider my application. I hereby acknowledge that The Company is subject to federal privacy regulations. I understand that information released to The Company will be used and disclosed as described in The Company’s privacy policy, but that upon disclosure to any person or organization that is not a health plan or health care provider, the information may no longer be protected by federal privacy regulations.

I have received and read the NOTICE REGARDING MIB, INC., and the NOTICE UNDER THE FAIR CREDIT REPORTING ACT. _____ Applicant’s Initials

PART IX

Replacement Information

Do you have any existing life insurance or annuities with this or any other company? Yes No

Will this policy replace, discontinue, or change any existing life insurance or annuity? Yes No

IMPORTANT NOTICE: Replacement of Life Insurance or Annuities

You are contemplating the purchase of a life insurance policy or annuity contract. In some cases, this purchase may involve discontinuing or changing an existing policy or contract. If so, replacement is occurring. Financed purchases are also considered replacements.

Replacement occurs when a new policy or contract is purchased and, in connection with the sale, you discontinue making premium payments on the existing policy or contract, or an existing policy or contract is surrendered, forfeited, assigned to the replacing insurer, or otherwise terminated or used in a financed purchase.

A financed purchase occurs when the purchase of a new life insurance policy involves the use of funds obtained by the withdrawal or surrender of or by borrowing some or all of the policy values, including accumulated dividends, of an existing policy, to pay all or part of any premium or payment due on the new policy. A financed purchase is a replacement.

You should carefully consider whether a replacement is in your best interests. You will pay acquisition costs and there may be surrender costs deducted from your policy or contract. You may be able to make changes to your existing policy or contract to meet your insurance needs at less cost. A financed purchase will reduce the value of your existing policy and may reduce the amount paid upon the death of the insured.

Your decision could be a good one or possibly a mistake. Make sure that you understand the facts. You should:

- Make a careful comparison of your existing policy and the proposed policy before you Make a final decision.
- Ask the company or agent that sold you your existing policy to provide you with complete information about it.
- Determine what you want your insurance program to do.
- Consider your present health. You may have had a change, which could affect your insurability.
- Make sure to continue your present policy until a new policy is delivered to you and accepted by you.

Some states require notification to your existing insurance company when a replacement is indicated.

Is the existing policy with Federal Life Insurance Company (Mutual)? Yes No

If the existing life insurance policies or annuities you are contemplating replacing are with a company other than Federal Life Insurance Company (Mutual) please enter complete information in the area provided below:

Insurer Name: _____ Contract / Policy #: _____

Insured Name: _____ Replacement Type: Replaced Financing
(First) (Last)

I have read and understand the Notice of Replacement of Life Insurance and Annuities provided and understand that a copy of this notice will be sent to me for my records. _____ Applicant's Initials

PART X

Disclaimer

I declare that all answers entered on this application are full and correct, to the best of my knowledge and belief. Any statements made in this application are representations and not warranties. Federal Life Insurance Company (Mutual) ("The Company") is not presumed to know any information not in this application. I agree that:

The Company has the right to require a medical exam of any person proposed for insurance. I understand that the USA Patriot Act requires all financial institutions, including insurance companies, to verify the identity of their customers. Providing your name, address, date of birth and social security number allows us to verify your identity. I am not being paid cash and have not been promised services as an inducement to enter into this application for life insurance. The purpose of this insurance application is not to sell or assign it to any type of viatical settlement, senior settlement, or life settlement company. **No insurance will start by reason of this application unless and until: a Contract is delivered; and the first payment for it is made while the person to be covered under it is alive and their health remains as described in this application. In that case, the insurance under the Contract will begin on the date it provides that such coverage becomes effective.**

_____ Applicant's Initials

Proposed Insured: _____ Date: _____

PART XI

Fraud Warning

Any person who knowingly and with intent to defraud any insurance company submits an application for insurance or statement of claim containing any materially false information, or conceals information concerning any fact material thereto for the purpose of misleading may be committing a crime which is subject to criminal and civil penalties.

Note: The following states require that alternate statements regarding insurance fraud be given. If you are a resident of any of the following states, please consider the following statements as replacement for the above statements.

Arkansas, Louisiana, Maryland & Rhode Island: Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Colorado: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

District of Columbia: Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to the claim was provided by the applicant.

Florida: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Hawaii: For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

Kentucky, Ohio, & Pennsylvania: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Minnesota: A person who submits an application or files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

New Jersey: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New Mexico: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

Oklahoma: Warning: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information, is guilty of a felony.

Tennessee, Virginia & Washington: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines and denial of insurance benefits.

<i>SERFF Tracking Number:</i>	<i>FDLF-127285878</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Federal Life Insurance Company (Mutual)</i>	<i>State Tracking Number:</i>	<i>49119</i>
<i>Company Tracking Number:</i>	<i>FLIC166AR</i>		
<i>TOI:</i>	<i>L071 Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design</i>
<i>Product Name:</i>	<i>Internet Graded Benefit Whole Life</i>		
<i>Project Name/Number:</i>	<i>Internet GBWL Filing/FLIC166</i>		

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Flesch Certification		
Comments:		
Attachment: CERTIFICATION OF READABILITY.pdf		

	Item Status:	Status Date:
Satisfied - Item: Application		
Comments: Application attached under the Form Schedule Tab.		

	Item Status:	Status Date:
Satisfied - Item: Life & Annuity - Actuarial Memo		
Comments:		
Attachment: Actuarial Memorandum for L-8083_2011-01-31_pc.pdf		

	Item Status:	Status Date:
Satisfied - Item: Explanation of Electronic Signature Verification for Online Application		
Comments:		
Attachment: Complex Click L-8093.pdf		

CERTIFICATION OF READABILITY

I, PW Calfas, Associate Actuary for Federal Life Insurance Company (Mutual), hereby certify that the following form(s) meet the minimum Flesch Readability Score of 40 required under ACA 23-80-206.

Form L-8083: Individual Graded Benefit Whole Life with Endowment at Age 100
Score = 45.0

Form L-8093 w/ Form L-8083: Individual Graded Benefit Whole Life Application (APP) attached
Score = 46.4

I affirm that this certification is being made on behalf of Federal Life Insurance Company (Mutual) and that the company is bound hereby.



PW Calfas, ASA MAAA
June 21, 2011

Explanation of Electronic Signature Verification for Online Application L-8093

Complex Click

That each binding application delivered using an online application shall include a text box requiring the person filling out the application to enter their *initials* and to check by clicking an **accept check box** for each needed signature acknowledgement in addition to clicking a submit application at the end of the application process, thereby signing the document.

In the instance of the life application, there will be three signature areas for entering of initials plus clicking an **accept check box**:

- One confirming that the policy is not replacing another policy
- One that confirms that all information in the application is accurate
- One that gives permission to access MIB records

An additional check will be done by the system to verify that all initials input at various places during the application process are consistent. If not, an error message will be displayed.

In the instance of the Deferred Annuity, the above instances apply except for the MIB check.

Finally in the case of the Accidental Death Benefit, only one signature applies at time of application submit to confirm that all information in the application is accurate.

After credit card payment is made, the **transaction number of the payment** will be retained. This combined with the **last four digits of the social security number** (identity) and the **signature information** will be saved in a record along with the unique **application number**.