

**State:** Arkansas **Filing Company:** Federal Life Insurance Company (Mutual)  
**TOI/Sub-TOI:** L071 Individual Life - Whole/L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design  
**Product Name:** Graded Benefit Whole Life  
**Project Name/Number:** GBWL Form Filing/FLIC180

### Filing at a Glance

Company: Federal Life Insurance Company (Mutual)  
 Product Name: Graded Benefit Whole Life  
 State: Arkansas  
 TOI: L071 Individual Life - Whole  
 Sub-TOI: L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design  
 Filing Type: Form  
 Date Submitted: 11/16/2012  
 SERFF Tr Num: FDLF-128774895  
 SERFF Status: Closed-Withdrawn  
 State Tr Num:  
 State Status: Withdrawn  
 Co Tr Num: FLIC180AR  
 Implementation: On Approval  
 Date Requested:  
 Author(s): Steve Mink, Matt Kindelin, PW Calfas  
 Reviewer(s): Linda Bird (primary)  
 Disposition Date: 12/03/2012  
 Disposition Status: Withdrawn  
 Implementation Date:

State Filing Description:

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### General Information

Project Name: GBWL Form Filing	Status of Filing in Domicile: Not Filed
Project Number: FLIC180	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments: Illinois is Compact State.
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Individual Market Type:
Overall Rate Impact:	Filing Status Changed: 12/03/2012
	State Status Changed: 12/03/2012
Deemer Date:	Created By: Matt Kindelin
Submitted By: Matt Kindelin	Corresponding Filing Tracking Number:

**Filing Description:**  
 Filing is for Form L-8110 Individual Graded Benefit Whole Life Insurance Policy with Endowment at Age 100. Filed along side is Form L-8113 Individual Whole Life Insurance Application which will be used to market L-8110.

This product will be sold through our agent force.

### Company and Contact

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

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

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No
Fee Explanation:	\$50 per Form
Per Company:	No

Company	Amount	Date Processed	Transaction #
Federal Life Insurance Company (Mutual)	\$100.00	11/16/2012	64992449

SERFF Tracking #:

FDLF-128774895

State Tracking #:

Company Tracking #:

FLIC180AR

State:

Arkansas

Filing Company:

Federal Life Insurance Company (Mutual)

TOI/Sub-TOI:

L071 Individual Life - Whole/L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design

Product Name:

Graded Benefit Whole Life

Project Name/Number:

GBWL Form Filing/FLIC180

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Withdrawn	Linda Bird	12/03/2012	12/03/2012

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Linda Bird	11/28/2012	11/28/2012

#### Response Letters

Responded By	Created On	Date Submitted
Matt Kindelin	12/03/2012	12/03/2012

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## Disposition

Disposition Date: 12/03/2012

Implementation Date:

Status: Withdrawn

Comment: This submission has been coded withdrawn by the filing company. The Department is unable to refund the filing fee.

Rate data does NOT apply to filing.

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

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Design  
**Product Name:** Graded Benefit Whole Life  
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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	11/28/2012
Submitted Date	11/28/2012
Respond By Date	12/28/2012

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Dear Matthew Kindelin,

**Introduction:**

*This will acknowledge receipt of the captioned filing.*

**Objection 1**

*Comments: 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.*

**Conclusion:**

*A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.*

*Please feel free to contact me if you have questions.*

*Sincerely,  
Linda Bird*

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Design  
**Product Name:** Graded Benefit Whole Life  
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## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/03/2012
Submitted Date	12/03/2012

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Dear Linda Bird,

**Introduction:**

Thank you for your prompt attention to our filing.

**Response 1**

**Comments:**

This form was filed in error. We previously filed an Internet version of this form and had to withdraw that filing because of the same objection. The filing for reference is FDLF-127285878. This was an oversight on our part as we failed to properly note not to file this form in Arkansas.

**Related Objection 1**

Comments: 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.

**Conclusion:**

If it is possible to ask for a gracious return of our filing fee, we would greatly appreciate it.

I look forward to your response.

Sincerely,

Matt Kindelin

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## Form Schedule

### Lead Form Number: L-8110

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		Individual Graded Benefit Whole Life Insurance Policy with Endowment at Age 100	L-8110	POL	Initial		45.200	L-8110 Individual Graded Benefit Whole Life Insurance Policy with Endowment at Age 100 20120904.pdf
2		Individual Whole Life Insurance Application	L-8113	AEF	Initial			L-8113 Individual Whole Life Application 20120831.pdf

### Form Type Legend:

<b>ADV</b>	Advertising	<b>AEF</b>	Application/Enrollment Form
<b>CER</b>	Certificate	<b>CERA</b>	Certificate Amendment, Insert Page, Endorsement or Rider
<b>DDP</b>	Data/Declaration Pages	<b>FND</b>	Funding Agreement (Annuity, Individual and Group)
<b>MTX</b>	Matrix	<b>NOC</b>	Notice of Coverage
<b>OTH</b>	Other	<b>OUT</b>	Outline of Coverage
<b>PJK</b>	Policy Jacket	<b>POL</b>	Policy/Contract/Fraternal Certificate
<b>POLA</b>	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	<b>SCH</b>	Schedule Pages

# FEDERAL LIFE INSURANCE COMPANY (MUTUAL)

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

[www.federallife.com](http://www.federallife.com) • [service@federallife.com](mailto: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 or to one of our Federal Life agents 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 your Federal Life agent. You may also contact us at our Home Office by phone, e-mail 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**

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## Policy Schedule

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### Policy Identification

Policy Number	[ 0999999 ]	Policy Date	[January 1, 2012]
Insured	[John Smith]	Issue Date	[January 1, 2012]
Issue Age and Sex of Insured	[ 35 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-8110	Graded Benefit Whole Life	[\$10,000]	To Age 100	[\$342.40]

#### Other Causes Death Benefit

1<sup>st</sup> Policy Year - Premiums Paid multiplied by 1.20  
2<sup>nd</sup> Policy Year - Premiums Paid multiplied by 1.40  
Thereafter - Ultimate Face Amount

#### Accidental Causes Death Benefit

Ultimate Face Amount

#### Endowment Benefit at Age 100

Ultimate Face Amount

### Premium

First Premium: [\$342.40]

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, contact your Federal Life agent. You may also 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](http://www.federallife.com) • [service@federallife.com](mailto: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	36	\$0.00	\$0	0	0	]
[ 2	37	\$0.00	\$0	0	0	]
[ 3	38	\$73.30	\$446	5	177	]
[ 4	39	\$157.90	\$921	9	334	]
[ 5	40	\$246.00	\$1,375	13	190	]
[ 6	41	\$337.70	\$1,809	16	32	]
[ 7	42	\$432.70	\$2,223	18	11	]
[ 8	43	\$531.20	\$2,618	19	187	]
[ 9	44	\$633.00	\$2,993	20	222	]
[ 10	45	\$738.20	\$3,350	21	165	]
[ 11	46	\$846.80	\$3,689	22	49	]
[ 12	47	\$959.00	\$4,013	22	251	]
[ 13	48	\$1,075.40	\$4,323	23	44	]
[ 14	49	\$1,196.70	\$4,621	23	156	]
[ 15	50	\$1,322.70	\$4,907	23	230	]
[ 16	51	\$1,453.40	\$5,180	23	274	]
[ 17	52	\$1,588.30	\$5,441	23	291	]
[ 18	53	\$1,727.30	\$5,689	23	286	]
[ 19	54	\$1,870.20	\$5,925	23	259	]
[ 20	55	\$2,016.30	\$6,148	23	213	]

Nonforfeiture Value Factor per \$1,000 of Basic Death Benefit = [8.952] 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, contact your Federal Life agent. You may also write to or call us at:

**FEDERAL LIFE INSURANCE COMPANY (MUTUAL)**

**3750 W. DEERFIELD ROAD**

**RIVERWOODS, IL 60015**

**1-800-233-3750x503**

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## Terms and Definitions

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**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.

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### Parties to the Policy

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**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.

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### General Provisions

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**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, amendments and Riders 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.

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### Premium Provisions

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**Payment of Premiums:** The first premium must be paid when we deliver this Policy. All premiums after the first are payable to us either at our Home Office or elsewhere through a representative authorized to receive premium payments. If payment is made to a representative, then we will provide a receipt signed by an officer of the Company. 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.

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## Guaranteed Values Provisions

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**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. The basis for the calculation of Cash Values is shown in the Policy Schedule. A detailed statement of the method of computation of values and benefits has been filed as required with the state.

**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 Term 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.

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### Dividend Provisions

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**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.

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### Policy Loan Provisions

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**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.

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### Death Benefit Provisions

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**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 3<sup>rd</sup> 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 6.

**Claim Settlement:** Settlement will be made within two months after we receive in writing due proof of the Insured's death. We may also require due proof of the existence, identity, or age of the Insured or of a Beneficiary before we pay any death benefits. Interest will be added to the death benefit 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.

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### Endowment Benefit Provisions

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**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.

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### Payment of Benefits Provisions

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**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.

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**Tables for Payment Options**

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**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) ("The Company")

3750 West Deerfield Road • Riverwoods, Illinois 60015 • 800-233-3750 • federallife.com

## PART I

### Individual Whole Life Insurance Application ("APP")

<b>1. Proposed Insured</b>			SSN	Phone Number(s)	Birthplace	Birth		Age	Sex
First Name	Middle	Last				Month	Day		
2. Street Address (No P.O. Boxes)				City, State and Zip		County		How Long?	
3. Proposed Insured's Driver's License Number:						State			
4. Is the proposed insured a citizen or permanent resident of the United States? <input type="checkbox"/> Yes <input type="checkbox"/> No									
5. Employer Name and Address					Your Job Title and Duties			How Long?	
6. Owner - If other than Insured				SSN		Relationship			
Street Address				City, State and Zip			County		

We invite you to provide us with the name and address of a second addressee in the space below. This is intended to provide additional assurance that you receive notice if your policy enters its grace period or lapses. Second Addressee Name and Address:

Name	Street Address	City	State	Zip
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7. Life Insurance Plan Requested:  GBWL  Express Plan  Other \_\_\_\_\_ Face Amount \$ \_\_\_\_\_  
(Enter the Plan only after completing Parts II and III)

8. Payment Plan  EFT (complete EFT form on page 5)  Annual  Semi-Annual  Quarterly  List Bill  
 Visa, MasterCard, or Discover (Complete Form L-8015; imprinter required)

9. Beneficiary: Enter full names, Social Security numbers, and relationships to proposed insured.

Primary	Contingent	Print Full Name	Allocation	SSN	Relationship
<input type="checkbox"/>	<input type="checkbox"/>	_____	_____ %	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____	_____ %	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____	_____ %	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____	_____ %	_____	_____

(Allocations in whole percentages only; Allocations to all Primary must equal 100%; Allocations to all Contingents must also equal 100%)

	Yes	No
10. Do you have any existing life insurance in force or pending with this or any other company? .....	<input type="checkbox"/>	<input type="checkbox"/>
Will this policy, if issued, result in the replacement, termination or change in value of any existing life insurance in this or any other company? .....	<input type="checkbox"/>	<input type="checkbox"/>
If yes, please provide the information below and attach any required state replacement forms.		
Insurance Company Name(s): _____		
Contract Number(s): _____		
11. Have you been declined, postponed, or offered a rated or modified life insurance policy, or been denied reinstatement within the past 5 years? .....	<input type="checkbox"/>	<input type="checkbox"/>
If Yes, provide details: _____		
12. Is any party to the application being paid cash by any person or any entity as an inducement to enter into this application for life insurance? .....	<input type="checkbox"/>	<input type="checkbox"/>
13. Is the purpose of this insurance application to sell it to any third party entity? .....	<input type="checkbox"/>	<input type="checkbox"/>
14. a. Present height and weight of proposed insured ____ ft. ____ in. ____ lbs. ....	<input type="checkbox"/>	<input type="checkbox"/>
b. Have you lost more than 10 lbs. in the past 6 months? .....	<input type="checkbox"/>	<input type="checkbox"/>
If Yes to 14b., please answer: Proposed insured's weight loss ____ lbs.		
Reason for loss if known: _____		
15. Have you used any form of tobacco or nicotine products within the past 24 months? .....	<input type="checkbox"/>	<input type="checkbox"/>

**PART II - IF ANY OF THE FOLLOWING QUESTIONS, 16 THROUGH 25, ARE ANSWERED 'YES', NO COVERAGE CAN BE ISSUED**

- |  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| 16. Are you now, or within the past 12 months have you been confined to a hospital 2 or more times, or confined to a nursing or assisted living facility; or received hospice or home health care? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Do you need ongoing daily personal assistance performing regular activities of daily living such as: bathing, dressing, eating, taking medications, moving around the house; or are you confined to a bed or wheelchair? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Do you require the use of oxygen equipment to assist in breathing (excluding CPAP)? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. Have you ever been diagnosed by a medical professional as having a life expectancy of 24 months or less; or had, or been advised to have an organ transplant? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. Have you ever been diagnosed or treated by a medical professional (including office visits, medication or surgery) for:  |                          |                          |
| a. Alzheimer's disease, dementia, Lou Gehrig's disease (ALS); congestive heart failure, or amputation caused by disease? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Emphysema, chronic obstructive pulmonary disease (COPD), chronic bronchitis, or black lung disease; and currently use tobacco products? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Acquired Immune Deficiency Syndrome (AIDS), or been tested positive by a medical professional for Human Immunodeficiency Virus (HIV)? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. Have you been advised by a medical professional to have, or are you currently awaiting the results of, medical tests or procedures that are not related to the Human Immunodeficiency Virus (AIDS virus)? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| 22. Within the past 12 months have you been treated or diagnosed by a medical professional (including office visits, medication, or surgery) for:  |                          |                          |
| a. Stroke, transient ischemic attack (TIA), aneurysm, heart attack, brain tumor, or any procedure to improve circulation to the heart or brain? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Cirrhosis, chronic hepatitis, pancreatitis, kidney disease requiring dialysis; or any mental or nervous disorder requiring hospitalization? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Internal cancer, leukemia, melanoma, or any other malignancy? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| 23. Within the past 24 months have you been treated or diagnosed by a medical professional (including office visits, medication or surgery) for complications of diabetes including numbness, eye, kidney, or circulatory disorder, coma or insulin shock; or required insulin prior to the age of 40? ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| 24. Within the past 24 months have you:  |                          |                          |
| a. Been convicted of, or pleaded guilty to driving under the influence of alcohol or drugs? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Used illegal, restricted, or controlled drugs except as prescribed for you by a physician; or had treatment, or been advised by a medical professional to have treatment for drug or alcohol use? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Been convicted of a felony? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| 25. Are you currently serving a term of parole or probation assigned by a court of law? .....  | <input type="checkbox"/> | <input type="checkbox"/> |

**IF ALL QUESTIONS IN PART II HAVE BEEN ANSWERED "NO", YOU MAY PROCEED TO PART III**

**PART III - IF ANY OF THE FOLLOWING QUESTIONS, 26 and 27, ARE ANSWERED "YES", COVERAGE IS LIMITED TO THE GBWL PLAN. IF THE QUESTIONS ARE ALL ANSWERED "NO", THEN YOU QUALIFY FOR THE EXPRESS PLAN.**

- |   |                          |                          |
|---|--------------------------|--------------------------|
| 26. Within the past 24 months have you been treated or diagnosed by a medical professional (including office visits, medication, or surgery) for:   |                          |                          |
| a. Internal cancer, leukemia, melanoma or any other malignancy (excluding basal cell carcinoma)? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Stroke, transient ischemic attack (TIA), aneurysm, heart attack, angina, irregular heart rhythm, or any procedure to improve circulation to the heart or brain? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Had or been advised to have a pacemaker or defibrillator implanted? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Any disease or disorder of the liver, pancreas, or kidneys (excluding stones); kidney disease requiring dialysis; or systemic lupus (SLE)? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Emphysema, chronic obstructive pulmonary disease (COPD), chronic bronchitis, black lung disease, or any chronic disease or disorder of the respiratory system (other than mild asthma requiring occasional inhaler use)? .....         | <input type="checkbox"/> | <input type="checkbox"/> |
| f. Any lung or respiratory disease or disorder and currently use tobacco products; or currently use a nebulizer? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| g. Parkinson's disease, permanent paralysis, epilepsy, seizures, brain tumor; any neuromuscular disorder including, multiple sclerosis, cerebral palsy and muscular dystrophy; or any mental or nervous system disease or disorder? ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| h. Diabetes with uncontrolled blood pressure or blood sugars; or diabetes requiring more than 60 units of insulin daily? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| 27. Within the past 5 years have you:   |                          |                          |
| a. Used illegal, restricted, or controlled drugs except as prescribed for you by a physician; or had treatment, or been advised by a medical professional to have treatment for drug or alcohol use? .....                                | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Been convicted of a felony? .....  | <input type="checkbox"/> | <input type="checkbox"/> |

I declare that all answers written on Parts I, II and III of this APP are full and correct, to the best of my knowledge and belief. Any statements made in this APP are representations and not warranties. The Company is not presumed to know any information not in this APP. I agree that:

- A. The Company has the right to require a medical exam of any person proposed for insurance.
- B. Written agreement will be obtained from me for any change in insurance amount, plan, benefits or payment class.
- C. 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.
- D. Prior to any Contract going into effect, insurance will be in effect only as provided in the Conditional Receipt issued in connection with this APP. If no such receipt is issued, no insurance will start by reason of this APP unless and until: a Contract is delivered; and the first payment for it is made while all persons to be covered under it are alive and their health remains as described in this APP. In that case, the insurance under the Contract will begin on the date it provides that such coverage becomes effective.
- E. Only an officer of the Company may change the APP or waive a right or requirement. No agent may do this.

**Make checks payable only to Federal Life Insurance Company (Mutual). Do not make checks payable to the agent or leave payee blank.**

Dated at \_\_\_\_\_ On \_\_\_\_/\_\_\_\_/\_\_\_\_ **X** \_\_\_\_\_  
City State Mo. Day Yr. Proposed Insured

Is there existing life insurance and/or annuity contract(s) on the life of the proposed insured.  Yes  No **X** \_\_\_\_\_  
Owner (if other than Insured)

Is replacement of life insurance or annuity contracts included in this transaction?  Yes  No  
Agent's Signature \_\_\_\_\_

If **Yes**, I presented and read the applicant any required notice regarding replacement.  Yes  No  
Agent's Number \_\_\_\_\_ - \_\_\_\_\_ Agent's Printed Name \_\_\_\_\_

### 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.

AR: 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.

DC: 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.

## CONDITIONAL RECEIPT (“APP” means Application)

Federal Life Insurance Company (Mutual) (“The Company”) has received from \_\_\_\_\_

- a payment of \$\_\_\_\_\_ for the insurance applied for with the APP.
- an authorization for payment of premiums by participation in the Electronic Funds Transfer Plan or the Credit Card Billing Plan for the insurance applied for with the APP.

This receipt is not valid unless it is signed by an agent of The Company. This receipt is not valid unless the amount paid with the APP, if paid by check or draft, is honored on first presentation for payment, or the authorization for payment of premium remains in effect until the first premium is transmitted to The Company.

**IMPORTANT:** The payment or authorization for payment of premiums is received subject to the following conditions:

- (A) 1. If the medical examinations required by The Company are completed; and  
2. If The Company at its Home Office is satisfied that, at the time of completing Parts I, II and III of the APP each person to be covered was insurable under The Company’s rules for insurance on the plan, in the amount, and at the class of risk to be applied for in Part I of the APP;

Then, and only after these conditions are met, the insurance applied for shall be effective from the date of Parts II and III or the date requested in the APP, whichever is the latest, regardless of any change of insurability of each person to be covered occurring after completion of both parts of the APP. If less than the full first premium has been paid for such insurance, it shall remain in effect only for the fraction of one year that the payment made for such insurance bears to the annual premium for such insurance.

The Company shall not be required to make insurance effective for an amount which, together with any amount effective in The Company on each person to be covered would exceed the following limits: (a) \$100,000 of life insurance if such person is age 30 – 65 and is insurable as a standard class of risk, or \$25,000 at all other ages and classes of risk; and (b) \$50,000 of benefits for death by accident. Any insurance applied for as alternate or additional to the plan and amount of insurance applied for in the APP shall not become effective under this conditional receipt.

- (B) If the conditions of (A) are met for the insurance applied for in the APP, except that if any person to be covered is not insurable under The Company’s rules for benefits for disability or accidental death as applied for, the life insurance, and any portion of such benefits for which the Proposed Insured is insurable under The Company’s rules, shall be effective as provided in (A).

- (C) If family insurance or children’s insurance is applied for and the conditions of (A) are met for such insurance except that one or more of the persons to be covered are not insurable under The Company’s rules for such insurance, the family insurance or children’s insurance for which the other persons to be covered are insurable under The Company’s rules shall be effective as provided in (A).

Except as provided in this conditional receipt, any Contract issued by The Company shall not take effect unless the full first premium is paid and such Contract is delivered to the Owner during the lifetime of each person to be covered by such Contract, and all the statements and answers given in the APP continue to be true and complete to the best of the Proposed Insured’s (Owner’s) knowledge and belief as of the date of delivery of such Contract.

Neither the agent nor the medical examiner is authorized to accept risks or pass upon insurability, to modify contracts, or to waive any of The Company’s rights or requirements.

**IMPORTANT:** The payment is received subject to the conditions of this receipt. This conditional receipt does not provide any insurance until after its conditions are met.

Agent Name \_\_\_\_\_ Agent Signature \_\_\_\_\_ Date \_\_\_\_\_

----- DETACH HERE -----

### 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 Federal Life Insurance Company (Mutual) (“The Company”), it is understood that an investigative consumer report may be prepared by an outside insurance reporting organization 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, health and mode of living except as may be related directly or indirectly to your sexual orientation. If an interview is conducted with someone other than you, we will inform you of your right to be interviewed in connection with the preparation of the investigative consumer report. 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. (See MIB, Inc. Notice)

### Notice Of Information Practices – To our Contractholders, 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, pharmacy benefit managers, the DMV, employers and other insurance companies.

A personal history interview may also be conducted by phone to assure that the application information is complete. When done, you will be contacted by either a member of our underwriting department or an outside insurance reporting organization. The nature of the information discussed is always treated as personal and confidential and will only be used to assess your eligibility for insurance.

Personal information we obtain during the underwriting process is private and confidential. We will not disclose such information to other persons or organizations without your written authorization, except to the extent necessary to conduct our business, or as permitted or required by law.

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, Illinois 60015**

----- DETACH HERE -----

### **MIB, Inc.**

**Notice to Applicant:** Information regarding your insurability will be treated as confidential. Federal Life Insurance Company (Mutual) 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 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 MIB at 866-692-6901. 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.

Federal Life Insurance Company (Mutual) or its reinsurers may also release information in its file to other insurance companies to whom you may apply 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](http://www.mib.com).

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# Federal Life Insurance Company (Mutual) ("The Company")

Health Insurance Portability and Accountability Act (HIPAA) Compliant Authorization to Obtain and Disclose Information

- A. 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: alcohol abuse treatment, drug abuse treatment, psychiatric treatment, pharmacy prescriptions, HIV testing and treatment, STD testing and treatment, genetic testing, Sickle Cell testing and treatment, lab data and EKGs. Other information could include items such as: other insurance information, personal finances, habits, hazardous avocations, motor vehicle reports or court records.
- B. 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, determine risk rating, obtain reinsurance if needed, and if the contract is issued, determine my eligibility and contestability of the contract.
- C. Providers may not refuse or condition your treatment or other health care services if you refuse to sign the authorization.
- D. I hereby authorize any licensed physician, medical practitioner, hospital, clinic, pharmacy, pharmacy benefits manager, or other medical, or medically related facility, the Veteran's Administration, insurance company, MIB, Inc. ("MIB"), employer, consumer reporting agency, DMV 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 Federal Life Insurance Company (Mutual).
- E. I authorize Federal Life Insurance Company (Mutual), or its reinsurers, to make a brief report of my personal health information to MIB, Inc.
- F. Data about mental illness, alcoholism, and the use of drugs is to be included.
- G. The Company or its reinsurers may make a brief report about me or my children to other companies to which I have applied or may apply for coverage.
- H. This authorization is good for 24 months after it is signed. **For AZ only 180 days in the case of HIV related information.** 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.
- I. The company may obtain an investigative consumer report on me.  I want to be interviewed if such a report is obtained.
- J. 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.
- K. 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.
- L. 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.
- M. I have read this authorization. I also have read and have received the MIB, Inc. notice, and the FAIR CREDIT REPORTING ACT notice.

\_\_\_\_\_  
Name of Proposed Insured

\_\_\_\_\_  
Today's Date

\_\_\_\_\_  
Signature of Proposed Insured or Proposed Insured's  
Personal Representative

\_\_\_\_\_  
Date of Birth

\_\_\_\_\_  
Last Four Digits of SSN

If signed by Personal Representative, describe authority to sign: \_\_\_\_\_

**Request For Electronic Funds Transfer (EFT) Insured's Name (please print) \_\_\_\_\_**

This Request for Electronic Funds Transfer (EFT) form is an agreement between you and Federal Life Insurance Company (Mutual) (referred to hereafter as the "Company"). This agreement will let you pay insurance premiums to the Company through automatic electronic payments from your account with the financial institution (Bank) indicated below, and it authorizes your Bank to honor the withdrawals. Thirty (30) days written notice is required to change or terminate this agreement. It is your responsibility to ensure that the account indicated below has sufficient funds for the scheduled EFT withdrawals. The Company is not responsible for any fees and/or overdraft charges issued by your Bank. By signing this form, you acknowledge that you have accepted the terms of this agreement.

EFT Process Date (1st to the 28th) \_\_\_\_\_ Payments will be deducted one to three business days after the EFT Process Date.  
Premium Payment Frequency:  EFT Monthly  EFT Quarterly  EFT Semi-Annual  EFT Annual

Bank Name \_\_\_\_\_  Checking  Savings Please attach voided check or deposit slip.  
Routing Number \_\_\_\_\_ Bank Account Number \_\_\_\_\_

Bank Account Holder's Printed Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

**Agent's Report – To be completed by Field Underwriter ("APP" means Application)**

**Proposed Insured**

1. a. Prior residential addresses within 2 years \_\_\_\_\_

b. Prior employers and addresses within 2 years \_\_\_\_\_

2. Has the name of any person in question No. 1. of the APP changed in the past 7 years? If **Yes**, complete below: .....  **Yes**  **No**

Person \_\_\_\_\_ Former Name \_\_\_\_\_ Date Changed \_\_\_\_\_ Reason \_\_\_\_\_

3. How long have you known proposed insured? \_\_\_\_\_ How known? \_\_\_\_\_

4. Who first suggested the purchase of this insurance?  Agent  Proposed Insured  Owner  Other \_\_\_\_\_

5. Purpose of insurance (Insurable Interest): \_\_\_\_\_

6. a. Did you personally see the proposed insured? .....  **Yes**  **No**

b. Was the APP signed by the proposed insured in your presence after all questions were answered? .....  **Yes**  **No**

If either 6a. or 6b. are answered **No**, explain: \_\_\_\_\_

7. Are you aware of anything about the health, habits, hobbies, or other factors which might affect the insurability of the proposed insured? .....  **Yes**  **No**

If **Yes**, explain: \_\_\_\_\_

8. **Annual Earned Income:** Insured \$ \_\_\_\_\_

9. Your calculation of the annual premium: **a. Life Insurance** Base Plan \$ \_\_\_\_\_  
Policy Fee \$ \_\_\_\_\_  
**b. Amount of money submitted with APP:** \$ \_\_\_\_\_

**Remarks:** \_\_\_\_\_

10. **Agent's Commission** to be shared with: Name \_\_\_\_\_ % \_\_\_\_\_ No. \_\_\_\_\_ Situation Code \_\_\_\_\_

11. Has the phone interview been completed?  **Yes**  **No** If Yes, Confirmation Number \_\_\_\_\_

**I certify that:**

**Statements By Agent:**

- I asked and carefully explained each question to the proposed insured and owner/applicant before recording each answer prior to the APP being signed;
- The answers in this APP and Agent's Report are complete and accurate to the best of my knowledge and belief;
- The proposed insured and agent know that any fraudulent statement of material misrepresentation in the application may result in loss of coverage under the contract;
- I have no personal knowledge of any other factors which may have an effect on the proposed insured's insurability;
- If I become aware of a change in the health or habits of the proposed insured occurring after the date of the application and before I deliver the contract, I will inform The Company of the change and agree to withhold delivery of the contract until instructed by The Company to do so;
- I have explained to the proposed insured that if money is submitted with this APP, conditions of the Conditional Receipt must be met;
- I have made no agreement whereby anyone has received or is to receive directly or indirectly, in settlement of the premium on the proposed insurance any concession or rebate from the full regular premium according to The Company's table of rates.
- The owner, Proposed Insured, or any person or entity is not being paid cash or promised services as an inducement to enter into this insurance transaction and that this insurance transaction will not be sold or assigned for any type of viatical settlement, senior settlement, life settlement, or any other secondary market.

Agent's Signature \_\_\_\_\_ Agent's Printed Name \_\_\_\_\_ Date \_\_\_\_\_

SERFF Tracking #:

FDLF-128774895

State Tracking #:

Company Tracking #:

FLIC180AR

State:

Arkansas

Filing Company:

Federal Life Insurance Company (Mutual)

TOI/Sub-TOI:

L071 Individual Life - Whole/L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design

Product Name:

Graded Benefit Whole Life

Project Name/Number:

GBWL Form Filing/FLIC180

## Supporting Document Schedules

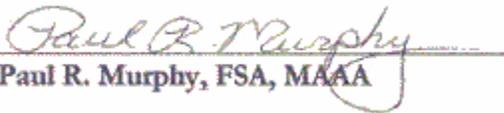
		Item Status:	Status Date:
Satisfied - Item:	Flesch Certification		
Comments:	Our company complies with the Guaranty Association Notice distribution requirement at time of issue or prospective issue.		
Attachment(s):	Rule 19 Certification L-8110.pdf CERTIFICATION OF READABILITY.pdf		

		Item Status:	Status Date:
Satisfied - Item:	Application		
Comments:	Application to be used is attached under the Form Schedule Tab.		

**RULE 19 CERTIFICATION**  
**for our**  
**Graded Benefit Whole Life with Endowment at Age 100 Insurance Product**  
**(L-8110)**

I, Paul Murphy, Actuary for Federal Life Insurance Company (Mutual), hereby certify that this submission meets the provisions of Rule 19, the Unfair Sex Discrimination in the Sale of Insurance regulation, and all applicable requirements.

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

  
Paul R. Murphy, FSA, MAAA

November 16, 2012

## 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-8110: Individual Graded Benefit Whole Life Insurance Policy with Endowment  
at Age 100

Score = 45.2

Form L-8113 w/ Form L-8110: Individual Whole Life Insurance Application (APP)

Score = 44.8

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



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PW Calfas, ASA MAAA  
November 16, 2012