

SERFF Tracking Number: PRTB-128105701 State: Arkansas  
Filing Company: Protective Life Insurance Company State Tracking Number:  
Company Tracking Number: PACI-A3200-AR (2-12)  
TOI: CR04G Group Credit - Life Sub-TOI: CR04G.003 Single Premium  
Product Name: AR PACI-3200  
Project Name/Number: /

## Filing at a Glance

Company: Protective Life Insurance Company

Product Name: AR PACI-3200

TOI: CR04G Group Credit - Life

Sub-TOI: CR04G.003 Single Premium

Filing Type: Form

SERFF Tr Num: PRTB-128105701 State: Arkansas

SERFF Status: Closed-Approved-  
Closed State Tr Num:

Co Tr Num: PACI-A3200-AR (2-12) State Status: Approved-Closed

Reviewer(s): Linda Bird

Author: Susan Tucker

Date Submitted: 02/23/2012

Disposition Date: 02/28/2012

Disposition Status: Approved-  
Closed

Implementation Date Requested: On Approval

State Filing Description:

## General Information

Project Name:

Project Number:

Requested Filing Mode:

Explanation for Combination/Other:

Submission Type: New Submission

Group Market Type: Other

Status of Filing in Domicile: Not Filed

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Group

Group Market Size: Small and Large

Explanation for Other Group Market Type:

Debtor

Overall Rate Impact:

Filing Status Changed: 02/28/2012

State Status Changed: 02/28/2012

Deemer Date:

Created By: Susan Tucker

Submitted By: Susan Tucker

Corresponding Filing Tracking Number:

Filing Description:

This filing is being made to update our credit life and disability program approved January 28, 2002 and to add critical period disability provisions and rates to the program.

## Company and Contact

### Filing Contact Information

Susan Tucker, Regulatory Specialist

14755 N. Outer Forty Road

Susan.Tucker@protective.com

800-950-6060 [Phone] 5611 [Ext]

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Suite 400 636-536-9311 [FAX]  
 St. Louis, MO 63017

**Filing Company Information**

Protective Life Insurance Company CoCode: 68136 State of Domicile: Tennessee  
 2801 Highway 280 South Group Code: Company Type:  
 Birmingham, AL 35223 Group Name: State ID Number:  
 (800) 866-3555 ext. [Phone] FEIN Number: 63-0169720

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**Filing Fees**

Fee Required? Yes  
 Fee Amount: \$150.00  
 Retaliatory? Yes  
 Fee Explanation: Missouri has a \$50.00 filing fee. There are 3 forms to review @\$50.00 per form.  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Protective Life Insurance Company	\$150.00	02/23/2012	56581441

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	02/28/2012	02/28/2012

*SERFF Tracking Number:* PRTB-128105701      *State:* Arkansas  
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*Product Name:* AR PACI-3200  
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## **Disposition**

Disposition Date: 02/28/2012

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		Yes
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	Actuarial Justification for Critical Period Rates		No
Form	Certificate of Insurance		Yes
Form	Creditor's Application		Yes
Form	Group Master Policy		Yes
Form	Guaranty Association Notice		Yes
Rate	Critical Period Rate Schedule		Yes

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## Form Schedule

### Lead Form Number: PACI-A3200-AR (2-12)

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	PACI-A3200-AR (2-12)	Certificate	Certificate of Insurance	Initial		49.700	CERT -AR10-11.pdf
	PACI-CA3200-AR (2-12)	Application/Enrollment Form	Creditor's Application	Initial			AP4GMPAR2-12.pdf
	PACI-MP3200-AR (2-12)	Policy/Contract Certificate	Group Master Policy	Initial		54.200	Master PolicyAR (2-12).pdf
	GAN-1301-AR Revised 1/04	Other	Guaranty Association Notice	Initial			AR1301L.pdf



**SCHEDULE**

First Debtor \_\_\_\_\_ Age \_\_\_\_\_ [Soc. Sec. # \_\_\_\_\_]

Address \_\_\_\_\_ [Date of Birth \_\_\_\_\_]

Joint Debtor \_\_\_\_\_ Age \_\_\_\_\_ [Soc. Sec. # \_\_\_\_\_]

[Address \_\_\_\_\_] [Date of Birth \_\_\_\_\_]

Creditor Beneficiary: \_\_\_\_\_  
(Name and Address)

Effective Date \_\_\_\_\_ First Payment. Date \_\_\_\_\_ Loan Acct. # \_\_\_\_\_

Second Beneficiary: \_\_\_\_\_ Annual Interest Rate \_\_\_\_\_ %

[Agent: \_\_\_\_\_] Loan Maturity Date \_\_\_\_\_ Loan Term \_\_\_\_\_ Months

[Occupation: \_\_\_\_\_] [Occupation: \_\_\_\_\_]

COVERAGES	ORIG. AMT. OF INS. (NOT TO EXCEED INDEBTEDNESS)	TERM OF INSURANCE	EXPIRATION DATE	PREMIUM
Single Gross Decreasing Life	NOT TO EXCEED \$[100,000]	____ MONTHS MAX [120] MONTHS		\$
Joint Gross Decreasing Life	NOT TO EXCEED \$[100,000]	____ MONTHS MAX [120] MONTHS		\$
Single Net Scheduled Balance Life	NOT TO EXCEED \$[100,000]	____ MONTHS MAX [120] MONTHS		\$
Joint Net Scheduled Balance Life	NOT TO EXCEED \$[100,000]	____ MONTHS MAX [120] MONTHS		\$
Single Level Life	NOT TO EXCEED \$[100,000]	____ MONTHS MAX [120] MONTHS		\$
Joint Level Life	NOT TO EXCEED \$[100,000]	____ MONTHS MAX [120] MONTHS		\$
Total Disability ____ Single Required Disability Period ____ 14 Days Day Benefits Commence ____ 1st Day	MONTHLY DISABILITY BENEFIT NOT TO EXCEED \$1,000	____ MONTHS MAX 120 MONTHS		\$
Critical Period Disability ____ Single Required Waiting Period ____ 14 Days  Day Benefits Commence ____ 1st Day Maximum Number of Benefit Months ____ 12 ____ 24 ____ 36			TOTAL	\$
[ ] Check here for Truncated Coverage				

**THE FULL TERM OF YOUR LOAN MAY NOT BE COVERED IF YOU HAVE TRUNCATED COVERAGE.**  
 DEBTOR HAS THE RIGHT TO CANCEL THE CREDIT INSURANCE SELECTED ABOVE WITHIN 15 DAYS. UPON CANCELLATION ALL CREDIT INSURANCE PREMIUMS WILL BE CREDITED TO THE DEBTOR'S ACCOUNT.

**PRE-EXISTING CONDITIONS ARE NOT COVERED FOR DISABILITY INSURANCE**

(See the certificate for details)

**APPLICATION FOR CREDIT INSURANCE**

**INSTRUCTIONS:**

Please **INITIAL** appropriate box for each question answered.

For Life Insurance, answer question #1.

For Disability Insurance, answer questions #1, #2 and #3.

		YES	NO
1. Have you within the past [36] months consulted a physician, been diagnosed as having or been treated (by medication, therapy or otherwise) as a result of or for any of the following: cancer or tumor, AIDS, ARC (AIDS Related Complex), uncontrolled high blood pressure emphysema, stroke, diabetes alcohol or drug use, heart disease, or any other condition relating to the heart, or disease or condition of the lungs, liver, kidneys, or respiratory system, except asthma or bronchitis?	First Debtor	<input type="checkbox"/>	<input type="checkbox"/>
	Joint Debtor	<input type="checkbox"/>	<input type="checkbox"/>
2. Have you within the past [36] months consulted a physician, been diagnosed as having or been treated (by medication, therapy, or otherwise) for any condition of the back, neck, knee, or spine, or any mental, nervous or emotional disease, disorder or depression or carpal tunnel syndrome?	First Debtor	<input type="checkbox"/>	<input type="checkbox"/>
	Joint Debtor	<input type="checkbox"/>	<input type="checkbox"/>
3. Are you actively working at least thirty 30 hours a week in your job, for wages or remuneration and have been for the past sixty (60) days?	First Debtor	<input type="checkbox"/>	<input type="checkbox"/>

Your signature(s) below means:

- You represent that you will not attain age [66] for life before the expiration of this contract.
- You represent that you will not attain age [66] for disability before the expiration of this contract.
- The above are true and accurate.

If the required questions above are left unanswered, coverage will not be provided. If question 1 is answered "Yes", Life coverage will not be provided. If questions 1 or 2 are answered "Yes", or question 3 is answered "No" disability coverage will not be provided. I/We understand that the answers and agreements given in this application are used as the basis for granting coverage. I/We acknowledge that a copy of this application and certificate of insurance was given to me/us on this date.

**NOTICE: IN ORDER FOR PROTECTIVE TO PROCESS A REFUND OF UNEARNED PREMIUM IT IS YOUR RESPONSIBILITY TO INFORM US OF THE EARLY PAYOFF OF YOUR LOAN. IF YOU DO NOT RECEIVE YOUR REFUND PLEASE CALL 1-800-323-5771, EXTENSION 6240.**

**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 OF INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.**

\_\_\_\_\_  
Signature of First Debtor Applicant                      Age      Date

\_\_\_\_\_  
Signature of Joint Debtor Applicant (if any)                      Age                      Date

I understand that I am purchasing level life coverage. (If applicable)

\_\_\_\_\_  
Signature of Debtor                      Age                      Date

\_\_\_\_\_  
Signature of Licensed Resident Agent (if required)                      Date



Protective Life Insurance Company

[Group Policy # \_\_\_\_\_]

[Administrative Office · P.O. Box 790, Deerfield, IL 60015 800-323-5771]

[Certificate No. \_\_\_\_\_]

SCHEDULE

First Debtor \_\_\_\_\_ Age \_\_\_\_\_ Soc. Sec. # \_\_\_\_\_

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

Joint Debtor \_\_\_\_\_ Age \_\_\_\_\_ Soc. Sec. # \_\_\_\_\_

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

Creditor Beneficiary: \_\_\_\_\_  
Name and Address

Effective Date \_\_\_\_\_ First Payment Date \_\_\_\_\_ Loan Acct. # \_\_\_\_\_

Second Beneficiary: \_\_\_\_\_ Annual Interest Rate \_\_\_\_\_ %

Agent: \_\_\_\_\_ Loan Maturity Date \_\_\_\_\_ Loan Term \_\_\_\_\_ Months

Occupation: \_\_\_\_\_ Occupation: \_\_\_\_\_

	First Debtor	Joint Debtor		
COVERAGES	ORIG. AMT. OF INS. (NOT TO EXCEED INDEBTEDNESS)	TERM OF INSURANCE	EXPIRATION DATE	PREMIUM
Single Gross Decreasing Life	NOT TO EXCEED \$[100,000]	_____ MONTHS MAX [120] MONTHS		\$
Joint Gross Decreasing Life	NOT TO EXCEED \$[100,000]	_____ MONTHS MAX [120] MONTHS		\$
Single Net Scheduled Balance Life	NOT TO EXCEED \$[100,000]	_____ MONTHS MAX [120] MONTHS		\$
Joint Net Scheduled Balance Life	NOT TO EXCEED \$[100,000]	_____ MONTHS MAX [120] MONTHS		\$
Single Level Life	NOT TO EXCEED \$[100,000]	_____ MONTHS MAX [120] MONTHS		\$
Joint Level Life	NOT TO EXCEED \$[100,000]	_____ MONTHS MAX [120] MONTHS		\$
Total Disability _____ Single Required Disability Period _____ Days Day Benefits Commence _____ Day	NOT TO EXCEED \$[100,000]	_____ MONTHS MAX [120] MONTHS		\$
Critical Period Disability _____ Single Required Waiting Period _____ Days  Day Benefits Commence _____ Day Maximum Number of Benefit Months ____ 12 ____ 24 ____ 36 [ ] Check here for Truncated Coverage	MONTHLY BENEFIT NOT TO EXCEED \$[1,000]	_____ MONTHS MAX [120] MONTHS		\$
			TOTAL	\$

THE FULL TERM OF YOUR LOAN MAY NOT BE COVERED IF YOU HAVE TRUNCATED COVERAGE.

Certificate for Group Credit Insurance  
Non-Participating - Single Premium - Nonconvertible

NOTICE: IN ORDER FOR PROTECTIVE TO PROCESS A REFUND OF UNEARNED PREMIUM IT IS YOUR RESPONSIBILITY TO INFORM US OF THE EARLY PAYOFF OF YOUR LOAN. IF YOU DO NOT RECEIVE YOUR REFUND PLEASE CALL 1-800-323-5771, EXTENSION 6240.

ELIGIBILITY: To be eligible for this insurance, the Insured:

- Will not attain age [66] for life before the expiration of this contract. Will not attain age [66] for disability before the expiration of this contract.
- Is indebted to the Creditor; and
- Has paid the correct premium for insurance; and
- If disability insurance is requested, is actively working for wages or remuneration for at least 30 hours per week and have been doing so for at least 60 days immediately prior to the Effective Date.

If, according to Our underwriting rules, either Debtor is found to be unacceptable as an insurance risk under the Master Policy, the insurance on that Debtor will not become effective. Notice of this decision will be mailed to the Creditor and the Debtor within 90 days of Our receipt. Any premium paid will be credited to the Debtor's account.

No insurance will be issued to any: 1) partnership; 2) corporation; 3) association; or 4) entity that is not a natural person.

RIGHT TO RESCIND: The Insured has the right to rescind this Certificate within 15 days after the Insured receives it. To do so, the Insured must give Us written notice. In such case any premium paid will be credited to the Debtor's account.

CREDIT LIFE INSURANCE

BENEFIT: If an Insured dies during the term of this Certificate, We will pay the life benefit to the Creditor Beneficiary, as its interest may appear to pay off or reduce an Insured's debt if the amount of life insurance requested under the Certificate does not exceed [\$100,000].

AMOUNT OF INSURANCE - GROSS DECREASING LIFE: We will pay the amount of insurance in force at death when We receive the proof of death. The amount of insurance in force is equal to the original amount of the life insurance shown in the Schedule from the Effective Date to the end of the first month. At the first payment date and each month thereafter, the amount of insurance decreases by equal amounts. This monthly reduction is determined by dividing the original amount of insurance by the number of months in the term of the indebtedness.

AMOUNT OF INSURANCE-NET SCHEDULED BALANCE: We will pay the amount of insurance in force at death, when we receive proof of death. With net scheduled balance coverage, the original amount of insurance is equal to the lesser of the original unpaid principal balance of the indebtedness or the maximum amount of insurance stated in the Schedule above. The amount of insurance shall decrease each month by the same proportion as the unpaid principal balance. The benefit provided at death may not pay off the total indebtedness even though the loan amount is paid on a current basis. The amount of insurance does not include unearned interest or overdue payments.

AMOUNT OF INSURANCE - LEVEL LIFE: We will pay the amount of insurance in force at death, when We receive proof of death. The amount of insurance remains the same throughout the term of the coverage. This amount is equal to the original amount of insurance shown in the Schedule.

SINGLE LIFE: Coverage afforded under this Certificate and the Master Policy shall be on the First Debtor only.

JOINT LIFE: We insure two lives - the First Debtor's and the Joint Debtor's. The Joint Debtor must be a cosigner on the debt. Only one

benefit will be paid. The death of either Insured will end all insurance on the other. If the Insureds die simultaneously, the benefit will be paid for the First Debtor's death only.

**MAXIMUM BENEFITS:** The maximum amount of insurance the Insured has with this Certificate cannot be more than the amount shown in the Schedule. In no event, however, shall the total amount of Life Insurance in force with Us on any Insured exceed [\$100,000]. Any insurance in excess of such amount shall be void, and premium for such excess amount shall be returned within 90 days of Our receipt of coverage at Our Home Office. If We do not refund the excess premium within 90 days of Our receipt, then the amount of insurance cannot be voided. Should a claim, otherwise payable, arise before We discover that excess insurance has been issued, We will pay the claim.

**EXCLUSIONS:** No benefits shall be paid for the death of either Insured if death results from:

1. Suicide, while sane or insane within two (2) years of the Effective Date of this Certificate; or
2. Flight in a non-scheduled aircraft.

**CREDIT TOTAL DISABILITY & CRITICAL  
PERIOD DISABILITY INSURANCE**  
(only one of the two above coverage may be selected)

**BENEFITS:** We will pay the Monthly Disability Benefit shown in the Schedule to the Creditor Beneficiary to pay off or reduce an Insured's debt:

1. When We receive written proof that the Insured:
  - a. Became disabled while insured hereunder due to injury or sickness;
  - b. Has been disabled for more than the waiting period shown in the Schedule;
  - c. Requires and is receiving regular and continuous Health Care; and
2. While the Insured remains disabled.

At the end of the Insured's term of insurance We will stop paying the monthly benefit and the Insured will have to pay the Creditor any remaining part of the debt as required.

**AMOUNT OF CREDIT DISABILITY INSURANCE:** If an Insured becomes disabled during the term of this Certificate, disability coverage is provided if the amount of disability insurance requested under the Certificate does not exceed [\$1,000] per month. When the Insured is disabled for less than the entire period between payment due dates, a daily benefit will be paid. This daily benefit will be 1/30 of the Monthly Disability Benefit. The benefit will be computed:

1. From the day disability benefits begin;
  2. After the injury occurs or sickness begins and Health Care was received;
  3. Subject to the waiting period and any other coverage limitations.
- Payments will stop on the earlier of:
1. When the Insured is no longer disabled; or
  2. When the insurance stops subject to the "Term of Insurance" section.
- The amount of Monthly Disability Benefit is the same, even though your disability may be due to more than one cause.

**MAXIMUM BENEFITS:** The Monthly Disability Benefit will be the amount shown in the Schedule. However, in no event will this amount exceed the amount stated in the Schedule, or the Insured's monthly payment, whichever is less. **Maximum total benefit with Us, for all certificates issued by Us, will not exceed the amount stated in the Schedule.** If coverage in excess of these limits is issued, the charges for the excess insurance will be credited to the Insured's account within 90 days of Our receipt.

**RECURRING DISABILITY**

If benefit payments have stopped and the Insured has recovered and then the Insured becomes disabled again while still insured for disability insurance, We may consider it a new period of disability. We will do so only if:

1. Since the last period of disability, at least six straight months have passed during which the Insured was not disabled for any period of time; or
2. The new disability is due to an entirely different cause than the previous disability.

**TO WHOM PAYABLE:** Benefits payable shall be paid to the Creditor as interests may appear. The balance, if any, shall be paid by the Creditor to the Insured. Such amount shall be applied by the Creditor to reduce or extinguish the Insured's unpaid debt, and payments by Us shall completely discharge Our liability with respect to the amount so paid.

**EXCLUSIONS:** No benefits will be paid for disability which is caused by or results from:

1. Pre-existing Conditions;
2. Normal pregnancy;
3. Intentionally self-inflicted injury;

4. Foreign travel or residence;
5. Flight in a non-scheduled aircraft; and
6. War or military service.

**DEFINITIONS**

**"Benefits"** means the amount of insurance We will pay as a benefit.

**"Date of Death"** means the date of the Insured's death.

**"Disability Benefits Begin"** means

1. From the day disability benefits begin;
2. After the injury occurs or sickness begins and Health Care was received;
3. Subject to the waiting period and any other coverage limitations.

**"Disabled" or "Disability"** means sickness or injury requiring regular and continuous Health Care:

1. **During the first 12 consecutive months of disability** - the Insured is unable to perform the regular duties of his/her usual occupation; and
2. **After the first 12 consecutive months of disability** - the Insured is unable to perform the regular duties of any occupation for which he/she is reasonably qualified by education, training, or experience.

**"Gross Decreasing Life"** means insurance which covers the initial net indebtedness plus the scheduled interest charges, but does not cover any overdue payments.

**"Health Care"** means medical 1) advice; 2) diagnosis; or 3) treatment (by therapy or medication). Health Care must be from a licensed physician other than the Insured.

**"In force"** means the insurance is in effect, premiums are paid and all other conditions are met.

**"Injury"** means bodily injury:

1. Caused by an accident; and
2. Not listed in Exclusions.

**"Insured"** means:

1. For single insurance - the First Debtor.
2. For joint insurance:
  - a. The First Debtor; and/or
  - d. The Joint Debtor.

**"Level Life"** means insurance which remains the same throughout the term of the coverage.

The **"Monthly Disability Benefits"** means the amount We will pay for each full period of disability between payment due dates.

**"Net Scheduled Balance Life"** means insurance which covers the scheduled unpaid debt on the date of death, plus any payments made that were not scheduled until after the date of death, less any payments that are more than 60 days late on the date of death and less any unearned finance charges as of the date of the Insured's death.

**"Pre-existing Condition"** means a disease, illness, or physical condition:

1. Which within 6 months before the Effective Date:
  - a. Required the Insured to seek Health Care; or
  - b. Would have caused a reasonably prudent person to seek Health Care; and
2. Which caused death or disability within 6 months after the Effective Date. Death occurring or disability starting 6 months after the Effective Date from a pre-existing condition will be covered.

**"Proof"** means:

1. For life insurance:
  - a. A certified copy of the Death Certificate, or death decreed by court order; and
  - b. Any completed claim forms and/or medical records requested by Us.
2. For Disability insurance - written proof of regular and continuous Health Care acceptable to Us that the Insured suffers from:
  - a. Sickness; or
  - b. Injury.
3. The proof of disability must show:
  - a. The date and the cause of the disability;
  - b. How severe the disability is;
  - c. The physician's signature; and
  - d. Any completed claim forms and/or medical and employment records requested by Us.

**Notice of Claim:** Written notice of claim must be given to Us within 30 days after the occurrence or commencement of any covered loss. Failure to give notice within that time will not invalidate or reduce any claim if it can be shown that notice was given as soon as reasonably possible.

**Claim Forms:** We will furnish claim forms within 15 days after the Insured tells Us about the claim. If We do not send forms within 15 days, the Insured can simply send Us written proof of disability.

**Proof of Loss:** Written proof of loss must be furnished to Us at Our Office within 90 days after disability starts. If it is impossible to file written proof within 90 days, the Insured must file as soon as possible. Unless the Insured has been legally incapable of filing proof of loss, We will not accept it if it is filed after one year from the time it should have been filed.

**Proof of Continued Disability:** Upon request, the Insured must give proof of continuing disability and regular and continuous Health Care.

**"Sickness"** means sickness or disease not listed in "Exclusions."

**"Truncated Coverage"** means the term of insurance is shorter than the term of the Insured's loan. Insurance will stop on the Expiration Date as shown in the Schedule, which may be earlier than the Loan Maturity Date. There will be no coverage beyond the Expiration Date. Truncated Coverage can be applied to Gross Decreasing Life, Net Scheduled

Balance Life, Level Life, or Disability

“Waiting Period” is the number of days the Insured must be disabled before Monthly Disability Benefits are payable.

“We”, “Us”, and “Our” refer to Protective Life Insurance Company.

**GENERAL TERMS AND PROVISIONS**

**EFFECTIVE DATE:** The coverage begins on the Effective Date shown in the Schedule.

**BENEFICIARY:** The benefit will be paid to the Creditor Beneficiary, as its interests may appear, to pay off or reduce an Insured’s debt. Only one benefit is payable under this Certificate. If an Insured receives life insurance benefits, Our liability under this Certificate is fully discharged. In the event of the simultaneous death of jointly insured Debtors, the First Debtor will be presumed to have died first. If the benefits are more than the unpaid balance, the excess will be paid by separate check or draft:

1. To the Second Beneficiary named above, if any; otherwise
2. To the deceased Insured’s estate.

**MISSTATEMENT OF AGE:** Our liability is limited to a refund of all premiums paid when:

1. The age of the Insured was misstated on the application; and
2. The Insured, either:
  - a. Is under age 18 years of age; or
  - b. Will attain age [66] for life before the expiration date of this contract. Will attain age [66] for disability before the expiration of this contract.

If the Insured’s age was correctly stated, but is under 18 years of age or will attain age [66] for life before the expiration of this contract or will attain age [66] for disability before the expiration of this contract, We may cancel the insurance within 60 days of Our receipt by refunding the premium paid. If the coverage is not cancelled within this time frame, the coverage will be extended until the end of the period for which premium was accepted.

**TERM OF INSURANCE:** The term of this insurance will begin on the Effective Date shown in the Schedule. The term will end on the earliest of the:

1. Credit life expiration date and/or credit disability expiration date shown in the Schedule;
2. Scheduled maturity date of the debt;
3. End of the maximum term of credit life insurance and/or the maximum term of credit disability insurance shown in the Schedule;
4. Date the debt is paid, renewed, or refinanced;
5. Date of repossession of the property securing the debt;
6. Date of death;
7. Date of written cancellation by the Insured;
8. Date the debt is charged off by the Creditor;
9. Date the disability benefit is paid off in a lump sum; or
10. Date the debt otherwise stops.

**RENEWAL OR REFINANCING OF THE DEBT:** If the debt is renewed or refinanced:

1. The insurance under this Certificate stops;
2. We will refund the unearned premium; and
3. The Effective Date of new insurance is:
  - a. The date the debt was first insured to the extent of the amount and term of the debt outstanding on the date of the renewal or refinancing; and
  - b. The Effective Date of the newest Certificate for the additional amount and term of the debt.

**REFUNDS:** If any insurance is terminated prior to the scheduled maturity date of the indebtedness, We will refund any unearned premium to the Creditor. The Creditor will then refund or credit to the account of the Insured the proportionate amount of the premium paid by the Insured. Premium refunds will be calculated as follows:

1. Gross Decreasing life - “Rule of 78’s”;
2. Net Scheduled Balance life - “Rule of 78’s”;
3. Level life insurance - “Pro-Rata” basis;
4. Disability insurance - “Rule of 78’s”.

In no event will a refund be made which is less than \$1.00.

**ENTIRE CONTRACT:** The entire contract consists of:

1. The Insured’s application;
2. This Certificate;
3. The Group Master Policy; and
4. The Creditor’s Application.

No one can change or alter the terms of this Certificate except by written amendment signed by Our: 1) President; 2) Vice President; or 3) Secretary.

**INCONTESTABILITY:** We will not contest the validity of this insurance except for fraud or misstatement of age after it has been in force during the life of the Insured for two (2) years from the Effective Date. No statement the Insured made regarding insurability will be used in contesting a claim unless:

1. The statement is in writing;
2. It is signed by the Insured; and
3. A copy was given to the Insured or his/her estate.

All statements made by the Insured in the absence of fraud are deemed to be representations - not warranties.

**MISREPRESENTATIONS AND FRAUD:** This Certificate shall be void if the Insured has concealed or misrepresented any material fact in the application for insurance or proof of loss, or is guilty of fraud, attempted fraud, or false swearing relating to any matter of this insurance.

**LIMIT ON CERTAIN DEFENSES:** Material misrepresentations made by the Insured in the application for coverage may be used to void the coverage or deny a claim. A misrepresentation is material where knowledge by Us of facts misrepresented on the application would have led to Our refusal to issue the Certificate based upon Our underwriting criteria on the date of the application.

**PHYSICAL EXAMINATIONS:** We have a right to examine the Insured:

1. At Our own expense;
2. As often as necessary during a claim; and
3. To make an autopsy in the case of death, if it is not forbidden by law.

**LEGAL ACTION:** The Insured cannot start any legal action until 60 days after We receive proof of loss, nor more than 3 years after proof is required.

**CONFORMITY WITH STATE STATUTES:** Any provision of this Certificate which, on the Effective Date, is in conflict with laws of the state in which it is delivered is amended to conform to the minimum requirements of such law.

**COMPLAINTS:** The Insured may contact Us if any complaints arise:

Claims Department  
 Protective Life Insurance Company  
 P.O. Box 790  
 Deerfield, IL 60015  
 1-800-323-5771 ext. 6240

**OR**

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

Consumer Numbers:  
 (501) 371-2640 or (800) 852-5494

**PROTECTIVE LIFE INSURANCE COMPANY**

**PRESIDENT**

**SECRETARY**

**Certificate for Group Credit Insurance  
 Non-Participating - Single Premium - Nonconvertible**



**PROTECTIVE LIFE INSURANCE COMPANY**

**Administrative Office**

**P.O. Box 790**

**Deerfield, IL 60015**

(called the Company)

- Creditor's Group Life Insurance
- Creditor's Group Disability/Critical Period Insurance

on the Single Premium Plan on the lives of the Classes of Debtors of  
(called the Creditor)

Address

Classes of Debtors to be covered:

Coverage will not be issued to any partnership, corporation or association or entity not a natural person.

**AMOUNT OF INSURANCE**

The amount of insurance on any Debtor at any time will be the amount provided by the policy. However, Credit Life Insurance cannot exceed a maximum of [\$100,000]. Any benefits received for Credit Disability or Critical Period Disability Insurance will not in aggregate exceed \$ [1000] per month.

**TERM OF INSURANCE**

Insurance on any Insured Debtor shall continue for the period for which premiums are paid to the Company, except as otherwise stated in the policy.

**CREDIT DISABILITY**

- Credit Disability/Critical Period Benefits Begin on the 1<sup>st</sup> day of actual disability after the 14th or day waiting period has been met.
- Credit Disability/Critical Period Benefits Begin on the 15<sup>th</sup> day of actual disability after the Waiting Period has been met.

**SPECIAL PROVISIONS**

**PREMIUM PAYMENT**

The premiums are payable in advance by the Creditor as follows:

See Rate Schedules CLRS-1000-AR 9/01 (Life) and CDRS-1000-AR 9/01 and CDRSCP-1000-AR (2/12) (Disability)

It is agreed that information required by the Company on Debtors to be covered immediately or in the future, and Debtors whose coverage is to be changed or cancelled, will be furnished monthly to the Company on forms provided.

**EFFECTIVE DATE**

This insurance shall be effective from 12:01 A.M., Standard Time, at the Creditor's address on the day of \_\_\_\_\_, 20\_\_, provided the application has been accepted by the Company and a Certificate issued.

Dated at \_\_\_\_\_ this \_\_\_ day of \_\_\_\_\_, 20 \_\_\_.

**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 OF INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Creditor

\_\_\_\_\_  
Agent

PROTECTIVE LIFE INSURANCE COMPANY  
Administrative Office  
P.O. Box 790  
Deerfield, IL 60015

SCHEDULE

Policy Number \_\_\_\_\_ Policy Date \_\_\_\_\_ State of Issue \_\_\_\_\_

Policy of Single or Joint Group Credit Life Insurance and Single Credit/Critical Period Disability Insurance

Creditor - First Beneficiary

Address

CREDIT LIFE INSURANCE

Maximum Amount [\$100,000]

Maximum Term [120] Months

Minimum Age 18

Maximum Age [66]-Life, [66]-Disability on the expiration date.

Refund Formula: Rule of 78's- Gross Decreasing  
Rule of 78's - Net Balance  
Pro-Rata - Level Life  
Rule of 78's - Disability

Minimum Refund \$1.00

Premiums charged for a portion of a debt month are:  
0 - 15 days = no charge;  
16 days or more = 1 month charge.

Reserve Basis \_\_\_\_\_ .

Maximum term for providing proof of loss 1 year.

Special Provisions:

CREDIT DISABILITY / CRITICAL PERIOD INSURANCE

First Insured Debtor Only

Maximum Monthly Disability/Critical Period Proceeds [\$1000]

Maximum Term [120] Months

Maximum Amount per Insured [\$100,000]

- 14 Day Retroactive  
 12 benefits     24 benefits     36 benefits – Critical Period Disability

Benefits Begin on the 1st Day After the Waiting Period for Retroactive Coverage or on the 15<sup>th</sup>; or 31st; day of disability for Elimination Coverage

Exclusions: 1. normal pregnancy;  
2. intentionally self-inflicted injury;  
3. flight in non-scheduled aircraft;  
4. pre-existing condition;  
5. Foreign travel or residence; or  
6. war or military service

Reserve Basis Not less than the unearned gross premium computed on the basis of the Rule of 78's.

Special Provisions:

GROUP MASTER POLICY FOR  
SINGLE/JOINT GROUP CREDIT LIFE INSURANCE  
AND SINGLE CREDIT/CRITICAL PERIOD DISABILITY INSURANCE

## CREDIT LIFE INSURANCE

**Benefit:** If an Insured dies during the term of the Insured's certificate, we will pay the proceeds to the Creditor Beneficiary:

1. if a premium is shown for life coverage;
2. if the premium has been paid;
3. when we receive proof of an Insured's death; and
4. subject to:
  - a. the Insured's certificate; and
  - b. this group master policy.

**Amount of Gross Decreasing Insurance:** The amount of insurance in force is the Original Amount of Life Insurance shown in the Certificate Schedule from the Effective Date to the end of the first month. At the end of the first month and each month thereafter, the amount of insurance decreases by equal amounts. This monthly reduction is determined by dividing the original amount of insurance by the number of months in the term of the indebtedness.

**Amount of Net Balance Insurance:** With net coverage, the original amount of insurance is equal to the lesser of the original unpaid principal balance of the indebtedness or the maximum amount of insurance stated in the Certificate Schedule. The amount of insurance shall decrease each month by the same proportion as the unpaid principal balance. The benefit provided at death may not pay off the total indebtedness even though the loan amount is paid on a current basis.

**Amount of Level Life Insurance:** The amount of insurance in force during the term of insurance is the Original Amount of Life Insurance shown in the Certificate Schedule.

**Single Insurance:** Coverage afforded under the Certificate and this Master Policy will be on the First Debtor only.

**Joint Insurance:** We insure two lives - the First Debtor's and the Joint Debtor's. The Joint Debtor must be a cosigner on the debt.

Only one benefit will be paid. The death of either Insured will end all insurance on the other. If they die simultaneously, the benefit will be paid for the First Debtor's death.

**Exclusions:** No benefits shall be paid for the death of either Insured if death results from:

1. Suicide, while sane or insurance within one (2) years of the Effective Date of the Certificate; or
2. Flight in a non-scheduled aircraft.

## CREDIT DISABILITY/CRITICAL PERIOD INSURANCE

(Only one of the two above coverages may be selected)

**Benefit:** Disability coverage is provided:

1. if a premium is shown for disability coverage; and
2. if the premium is paid.

We will pay the Monthly Disability Benefit shown in the Certificate Schedule to the Creditor Beneficiary:

1. when we receive written proof that the Insured:
  - a. became disabled due to injury or sickness;
  - b. has been disabled for more than the Waiting Period shown in the Schedule; and
  - c. Requires and is receiving regular and continuous health care; and
2. while the Insured remains disabled; and
3. subject to:
  - a. the Maximum Monthly Disability Benefits shown in the Schedule;
  - b. the Insured's certificate; and
  - c. this group master policy we issued to you.

Credit disability benefits are calculated from the date of the first health care received after the injury occurs or sickness begins subject to the Waiting Period and any other coverage limitations.

**Amount of Insurance:** The amount of insurance will be the Monthly Disability Benefits shown in the Certificate Schedule. When the Insured is disabled for less than the entire period between payment due dates, a daily benefit will be paid. This daily benefit will be 1/30 of the Monthly Disability Proceeds. The proceeds will be computed:

1. from the day Disability Benefits Begin;
3. After the injury occurs or sickness begins and health care

4. was received;
4. after the Waiting Period or any other coverage limitation has been met.

Payments will stop on the earlier of:

1. when the Insured is no longer disabled; or
2. when the insurance stops subject to the "Term of Insurance" section.

The amount of Monthly Disability Benefit is the same, even though your disability may be due to more than one cause.

### **Recurring Disability:**

If benefit payments have stopped and the Insured has recovered and then the Insured becomes disabled again while still insured for disability insurance, We may consider it a new period of disability.

We will do so only if:

1. Since the last period of disability, at least six straight months have passed during which the Insured was not disabled for any period of time; or
2. The new disability is due to an entirely different cause than the previous disability.

**Exclusions:** No proceeds will be paid for disability caused by any exclusion listed in the Certificate.

## DEFINITIONS

**"Benefit"** means the amount of insurance We will pay as a benefit.

**"Date of death"** means the date of an Insured's death.

**"Disability Benefits Begin"** is the day of actual disability from which proceeds are payable subject to the Waiting Period.

**"Disabled"** or **"disability"** means sickness or injury requiring regular and continuous health care:

1. **during the first 12 consecutive months of disability** - the Insured is unable to perform the regular duties of his/her occupation; and
2. **after the first 12 consecutive months of disability** - the Insured is unable to perform the regular duties of any occupation for which he/she is reasonably qualified by education, training, or experience.

**"Health care"** means medical: 1) advice; 2) diagnosis; or 3) treatment (by medication or therapy). Health care must be from a licensed physician other than the Insured.

**"In force"** means this insurance is in effect, premiums are paid and all other conditions are met.

**"Injury"** means bodily injury:

1. not listed in "Exclusions"; and
2. caused by an accident.

**"Insured"** means:

1. for Single Insurance - the First Debtor.
2. for Joint Insurance - the first to sustain a loss of:
  - a. the First Debtor; or
  - b. the Joint Debtor.

The **"Monthly Disability Benefits"** are:

1. shown in the Certificate Schedule;
2. the amount we will pay for each full period of disability.

**"Pre-existing condition"** means a disease, illness, or physical condition:

1. which within 6 months before the Effective Date:
  - a. required the Insured to seek health care; or
  - b. would have caused a reasonably prudent person to seek health care; and
2. which caused death or disability within 6 months after the Effective Date. Death occurring or disability starting 6 months after the Effective Date from a pre-existing condition will be covered.

**"Proof"** means:

1. For Life Insurance:
  - a. a certified copy of the death certificate;
  - b. death decreed by a court order; or
  - c. other lawful evidence; and
  - d. Any completed claim forms and/or medical records requested by Us.

2. For Disability Insurance - written proof of regular and continuous Health Care acceptable to Us that the Insured suffers from:
  - a) sickness; or
  - b) injury.
3. The proof of disability must show:
  - a. the date and cause of the disability;
  - b. how severe the disability is;
  - c. the physician's signature; and
  - e. any completed claim forms and/or medical and employment records requested by Us.

**Notice of Claim:** Written notice of claim must be given to Us within 30 days after the occurrence or commencement of any covered loss. Failure to give notice within that time will not invalidate or reduce any claim if it can be shown that notice was given as soon as reasonably possible.

**Claim Forms:** We will furnish claim forms within 15 days after the Insured tells US about the claim. If We do not send forms within 15 days, the Insured can simply send Us written proof of disability.

**Proof of Loss:** Written proof of loss must be furnished to Us at Our Office within 90 days after disability starts. If it is impossible to file written proof within 90 days, the Insured must file as soon as possible. Unless the Insured has been legally incapable of filing proof of loss, We will not accept it if it is filed after one year from the time it should have been filed.

**Proof of Continued Disability:** upon request, the Insured must give proof of continuing disability and regular and continuous Health Care.

**"Sickness"** means sickness or disease not listed in "Exclusions."

**"Truncated Coverage"** means the term of insurance is shorter than the term of the Insured's loan. Insurance will stop on the Expiration Date as shown in the Schedule, which may be earlier than the Loan Maturity Date. There will be no coverage beyond the Expiration Date. Truncated Coverage can be applied to Gross Decreasing Life, Net Scheduled Balance Life, Level Life, or Disability

**"Waiting Period"** is the number of days the First Insured Debtor must be disabled before disability benefits are payable.

**"We," "Us," and "Our"** refer to Protective Life Insurance Company.

**"You" and "Your"** refer to the Creditor.

## GENERAL PROVISIONS

**Consideration:** Your eligible Debtors are covered for the insurance:

1. that is filled-in on the Certificate Schedule; and
2. if the premium has been paid.

This policy is issued in consideration of:

1. your application for this policy; and
2. payment of premiums.

**Beneficiary:** The proceeds will be paid to the Creditor Beneficiary to pay off or reduce an Insured's debt. Only one benefit is payable under the certificate. If an Insured receives one of the following, our liability under the certificate is fully discharged:

1. life insurance proceeds; or
2. lump sum disability proceeds.

If the proceeds are more than the unpaid balance, the excess will be paid in the following order by separate check or draft:

1. if an Insured is living, to an Insured.
2. if an Insured is not living:
  - a. to the Second Beneficiary, if living, named by an Insured;
  - b. to an Insured's estate if a Second Beneficiary was not named or is not living.

**Benefits:** The benefits do not include any amount in excess of the Maximum Amount of Life Insurance and the Maximum Monthly Disability Benefits shown in the Schedule. We will refund any excess premium paid.

**Eligibility:** To be eligible for this insurance, on the Effective Date the Insured must:

1. be indebted to you;
2. be over the Minimum Age shown in the Schedule; and

3. not be over the Maximum Age shown in the Schedule.

We may require evidence of insurability on all Insureds if:

1. less than 75% of new entrants become insured; or
2. less than 100 new entrants become insured in any policy year.

If the Insured is not eligible:

1. the certificate is void; and
2. a refund or credit of the premium is made.

No insurance will be issued to any: 1) partnership; 2) corporation; 3) association; or 4) entity not a person.

If the Insured's age was correctly stated but it is over the Maximum Age, we may cancel the insurance within 60 days of the Effective Date by refunding the premium paid. If the coverage is not cancelled within this time frame, the coverage remains in force.

**Misstatement of Age:** Our liability is limited to a refund of all premium paid when:

1. the age of the Insured was misstated on the application; and
2. the Insured is, on the Effective Date, either:
  - a. under the Minimum Age shown in the Schedule; or
  - b. over the Maximum Age shown in the Schedule.

**Correct Age:** If the Insured's age was correctly stated, but it is over the Maximum Age, if a certificate has been issued coverage will be provided.

**Term of Policy:** The term of this policy:

1. will begin on the Policy Date;
2. is for one year; and
3. is automatically renewed unless terminated.

Either party may terminate this policy. Written notice must be given at least 30 days in advance. This notice must be sent to:

1. us at our home office; or
2. you at the address shown on the Schedule.

Any insurance in force before termination will not be affected.

**Term of Insured's Insurance:** The term of insurance for each Insured will begin on the Effective Date shown in the Certificate Schedule. The term will end on the earliest of the:

1. applicable Expiration Date shown in the Certificate Schedule;
2. scheduled maturity date of the debt;
3. end of the Maximum Term shown in the Schedule;
4. date the debt is paid, renewed, or refinanced;
5. date of repossession of the property upon which the debt is based;
6. date of death;
7. date of written request by the Insured to cancel;
8. date the debt is charged off by the Creditor;
9. date the disability proceeds are paid in a lump sum; or
10. date the Insured attains age [66] for life and age [66] for disability; or
11. date the debt otherwise stops.

**Renewal or Refinancing of the Debt:** If the debt is renewed or refinanced:

1. the insurance under the certificate stops;
2. we will refund the unearned premium; and
3. the Effective Date of new insurance is:
  - a. the date the debt was first insured to the extent of the amount and term of the debt outstanding on the date of the renewal or refinancing; and
  - b. the Effective Date of the newest certificate for the additional amount and term of the debt.

**Premium:** A single premium will be paid to us:

1. for each new Insured;
2. in advance for the term;
3. at the proper rate from the rate sheet; and
4. by the 10th day of each month.

**Premium Rates may be Changed:**

1. on the policy anniversary;
2. when the terms of this policy change; or
3. because of our experience.

An increase in rates will not be retroactive.

**Grace Period:** We allow 31 days for premium payment after the date premiums are due. During this period, this policy stays in force. It will lapse if premiums are not paid by the end of this period.

**Refunds:** Any unearned premium will be:

1. computed by the Refund Formula shown in the Policy Schedule, and
2. credited to the Insured's account.

If the debt is paid off by death claim proceeds:

1. the life is fully earned; and
2. any unearned disability premium will be refunded.

If the disability proceeds are paid in a lump sum:

1. the disability premium is fully earned; and
2. any unearned life premium will be refunded.

The unearned life and, if any, the unearned disability premium will be refunded if the debt is paid off by other than:

1. death claim; or
2. disability proceeds.

No refund or credit will be made if the total refund would be less than the Minimum Refund shown in the Schedule.

Calculations for premiums charged for a portion of a debt month are shown in the Schedule.

**Entire Contract:** The entire contract consists of the:

1. Insured's application;
2. the Certificate;
3. your application; and
4. the Group Master Policy.

**Required Data:** You will furnish us with data:

1. by the 10th day of each month;
2. showing the names and amounts of insurance of all new Insureds in the prior month;
3. for changes and cancellations;
4. so we may compute the premium due from the prior month; and
5. that we may require.

**Inspection of Records:** We may inspect your records to verify your data sent to us.

**Inspection of Policy:** The Insured may see this policy:

1. during your business hours;
2. at your office.

**Assignment:** This policy may not be assigned. The Insured may not assign any of his/her rights.

**Clerical Errors:** Clerical errors will not affect the insurance which should be in force.

**Nonparticipating Policy:** This policy does not pay dividends.

**Incontestability:** We will not contest the Insured's certificate except for fraud or misstatement of age after it has been in force during the life of the Insured for two years from the Effective Date.

No statement the Insured made regarding insurability will be used in contesting a claim unless:

1. the statement is in writing;
2. it is signed by the Insured; and
3. a copy was given to the Insured or his/her estate.

All statements made by you or the Insured in the absence of fraud are deemed to be representations - not warranties.

**Physical Exams:** We have the right to examine the Insured:

1. at our own expense;
2. as often as necessary during a claim; and
3. to make an autopsy in case of death, if not forbidden by law.

**Changes to Contract:** No one can change this policy or alter its terms except by written amendment signed by our:  
1) President; 2) Vice President; or 3) Secretary.

**Legal Action:** The Insured cannot start any legal action:

1. until 60 days after we receive proof of death, or disability; nor
2. after 3 years from the maximum term for providing proof of loss shown in the Schedule.

**Comply with State Laws:** If this policy conflicts with the laws of the state in which it is issued it is amended to comply with the minimum standards of those laws.

PROTECTIVE LIFE INSURANCE COMPANY

Group Master Policy for Group Credit Insurance

One Year Renewable Term  
Nonparticipating - Single Premium - Nonconvertible



President



Secretary

## APPENDIX "A"

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

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

#### DISCLAIMER

The Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association") may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions and require continued residency in this state. You should not rely on coverage by the Guaranty Association in purchasing an insurance policy or contract.

Coverage is NOT provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

The Arkansas Life and Health Insurance Guaranty Association  
C/O The Liquidation Division  
1023 West Capitol  
Little Rock, Arkansas 72201

Arkansas Insurance Department  
1200 West Third Street  
Little Rock, Arkansas 72201-1904

The state law that provides for this safety-net is called the Arkansas Life and Health Insurance Guaranty Association Act ("Act"). Below is a brief summary of the Act's coverages, exclusions and limits. This summary does not cover all provisions of the Act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

APPENDIX "B"

**NOTICE OF  
THE ARKANSAS LIFE AND HEALTH  
INSURANCE GUARANTY ASSOCIATION ACT**

The Arkansas Life and Health Insurance Guaranty Association Act (the "Act") provides protection subject to certain limitations and exclusions, against loss under life and health insurance policies and annuity contracts issued by insolvent insurers licensed in this state. Some limitations and exclusions apply; some are listed below.

This notice is provided to you only to make you aware of the existence of the limited protection under the Act. It confers no rights to any policyholder or contract holder not provided under the Act. It does not change or vary any exclusion or limitation contained in the Act. Specific reference must be made to the Act to determine whether any particular policy or contract is covered, the amount of any coverage which may be available, and applicable limitations or exclusions.

Some of the limitations and exclusions are as follows:

1. The Act limits the amount the Guaranty Association is obligated to pay: The Association cannot pay more than what the insurer would owe under a policy or contract. Also, for any one insured, the Guaranty Association will pay a maximum of \$300,000 no matter how many policies or contracts you have with the same insurer even if they provide different coverages. Within this overall \$300,000 limit, the Association will pay a maximum of \$ 300,000 in net cash surrender values, \$ 300,000 in life insurance death benefits, \$300,000 in present value of annuities, and \$300,000 in disability or health insurance benefits. There is a \$1,000,000 limit with respect to any one contract holder for unallocated annuity benefits irrespective of the number of participants in the plan.
2. You are not covered:
  - a. If you are not a resident of Arkansas at the time the order of the insurer's insolvency was issued;
  - b. Your insurer was not licensed in this state; or
  - c. Your insurer was a self-insured plan, trust or other similar entity, health maintenance organization or other entity excluded under the Act.
3. Obligations not specifically provided in the policy or contract are not covered by the Act. Examples of obligations, which are not covered by the Act, include damages or loss due to misrepresentations of policy benefits, inaccurate solicitation material, unfiled policy documents or endorsements, and extra-contractual damages, penalties and similar damages or claims.
4. Dividends or interest rate yields that do not meet specifications described in the Act are not covered under the Act.

**You should not rely upon coverage under the Act when buying a life or health insurance policy or selecting an insurer, and neither agents nor insurers should use the existence of the Guaranty Association to induce you to purchase a product from them.**

For more information relative to the Act, you may contact:

The Arkansas Life and Health  
Insurance Guaranty Association  
C/O The Liquidation Division  
1023 West Capitol, Suite 2  
Little Rock, AR 72201

Arkansas Insurance Department  
1200 West Third Street  
Little Rock, AR 72201-1904

## COVERAGE

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life annuity or health insurance contract or policy, or if they are insured under a group insurance contract issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

## EXCLUSIONS FROM COVERAGE

However, persons owning such policies are NOT protected by the Guaranty Association if:

- They are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- The insurer was not authorized to do business in this state;
- Their policy or contract was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does NOT provide coverage for:

- Any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.
- Any policy of reinsurance (unless an assumption certificate was issued);
- Interest rate yields that exceed an average rate;
- Dividends and voting rights and experience rating credits;
- Credits given in connection with the administration of a policy by a group contract holder;
- Employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- Unallocated annuity contracts (which give rights to group contractholders, not individuals);
- Unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC")(whether the FPBC is yet liable or not);
- Portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- Portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- Obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- Contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

## LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover: The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or net cash surrender values - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a \$ 1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer

SERFF Tracking Number: PRTB-128105701 State: Arkansas  
 Filing Company: Protective Life Insurance Company State Tracking Number:  
 Company Tracking Number: PACI-A3200-AR (2-12)  
 TOI: CR04G Group Credit - Life Sub-TOI: CR04G.003 Single Premium  
 Product Name: AR PACI-3200  
 Project Name/Number: /

## Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
	Critical Period Rate Schedule		New		Arkansas 2012 CP Rates - state version.pdf

**ARKANSAS**  
**Critical Period Single Disability Rates**  
**Rates per \$100 Initial Indebtedness**  
**Rates Are 100% of Prima Facie**

**Pre-Existing Conditions Not Covered**

Term in Months	100% Prima Facie 14 Day Retroactive		
	12 Month Critical Period	24 Month Critical Period	36 Month Critical Period
6	1.71	1.71	1.71
12	2.39	2.39	2.39
18	2.72	2.82	2.82
24	2.88	3.16	3.16
30	2.97	3.40	3.44
36	3.02	3.55	3.69
42	3.06	3.66	3.89
48	3.09	3.74	4.04
54	3.11	3.80	4.16
60	3.13	3.85	4.25
66	3.15	3.89	4.34
72	3.18	3.95	4.42
78	3.20	4.00	4.50
84	3.24	4.06	4.59
90	3.27	4.11	4.66
96	3.32	4.18	4.75
102	3.35	4.23	4.83
108	3.40	4.30	4.92
114	3.45	4.37	5.00
120	3.50	4.44	5.09

SERFF Tracking Number: PRTB-128105701 State: Arkansas  
 Filing Company: Protective Life Insurance Company State Tracking Number:  
 Company Tracking Number: PACI-A3200-AR (2-12)  
 TOI: CR04G Group Credit - Life Sub-TOI: CR04G.003 Single Premium  
 Product Name: AR PACI-3200  
 Project Name/Number: /

## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Flesch Certification		
<b>Comments:</b> Certification of compliance		
<b>Attachment:</b> Certification letter.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Application		
<b>Comments:</b> Here is the master policy application		
<b>Attachment:</b> AP4GMPAR2-12.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Bypassed - Item:</b> Life & Annuity - Actuarial Memo		
<b>Bypass Reason:</b> This is a credit life and disability filing and this does not apply.		
<b>Comments:</b>		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Actuarial Justification for Critical Period Rates		
<b>Comments:</b> This is the memorandum for critical period calculations		
<b>Attachment:</b> Actuarial Memorandum for Critical Period Calculations.pdf		

**Asset Protection Division**  
14755 North Outer Forty, Ste 400  
St. Louis, MO 63017  
636-536-5600 / 800-950-6060

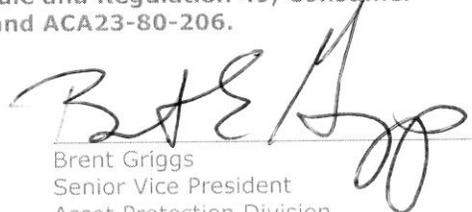


February 22, 2012

RE: Protective Life Insurance Company  
Credit Life and Disability Program  
Certificate of Insurance – PACI-A3200-R 2/12  
Group Master Policy – PACI-MP3200-AR 2/12

**To Whom It May Concern:**

I hereby certify that, to the best of my knowledge and belief, the above referenced certificate and policy forms comply with Rule and Regulation 19, Rule and Regulation 49, Consumer Information Notice ACA 23-79-138 and Bulletin 11-88, and ACA23-80-206.



Brent Griggs  
Senior Vice President  
Asset Protection Division

**PROTECTIVE LIFE INSURANCE COMPANY**

**Administrative Office**

**P.O. Box 790**

**Deerfield, IL 60015**

(called the Company)

- Creditor's Group Life Insurance
- Creditor's Group Disability/Critical Period Insurance

on the Single Premium Plan on the lives of the Classes of Debtors of  
(called the Creditor)

Address

Classes of Debtors to be covered:

Coverage will not be issued to any partnership, corporation or association or entity not a natural person.

**AMOUNT OF INSURANCE**

The amount of insurance on any Debtor at any time will be the amount provided by the policy. However, Credit Life Insurance cannot exceed a maximum of [\$100,000]. Any benefits received for Credit Disability or Critical Period Disability Insurance will not in aggregate exceed \$ [1000] per month.

**TERM OF INSURANCE**

Insurance on any Insured Debtor shall continue for the period for which premiums are paid to the Company, except as otherwise stated in the policy.

**CREDIT DISABILITY**

- Credit Disability/Critical Period Benefits Begin on the 1<sup>st</sup> day of actual disability after the 14th or day waiting period has been met.
- Credit Disability/Critical Period Benefits Begin on the 15<sup>th</sup> day of actual disability after the Waiting Period has been met.

**SPECIAL PROVISIONS**

**PREMIUM PAYMENT**

The premiums are payable in advance by the Creditor as follows:

See Rate Schedules CLRS-1000-AR 9/01 (Life) and CDRS-1000-AR 9/01 and CDRSCP-1000-AR (2/12) (Disability)

It is agreed that information required by the Company on Debtors to be covered immediately or in the future, and Debtors whose coverage is to be changed or cancelled, will be furnished monthly to the Company on forms provided.

**EFFECTIVE DATE**

This insurance shall be effective from 12:01 A.M., Standard Time, at the Creditor's address on the day of \_\_\_\_\_, 20\_\_, provided the application has been accepted by the Company and a Certificate issued.

Dated at \_\_\_\_\_ this \_\_\_ day of \_\_\_\_\_, 20 \_\_\_.

**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 OF INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Creditor

\_\_\_\_\_  
Agent