

SERFF Tracking Number: AAAL-128367076 State: Arkansas  
Filing Company: AAA Life Insurance Company State Tracking Number:  
Company Tracking Number: GWL6201  
TOI: L071 Individual Life - Whole Sub-TOI: L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design  
Product Name: GIWL 2012  
Project Name/Number: /

## Filing at a Glance

Company: AAA Life Insurance Company

Product Name: GIWL 2012

TOI: L071 Individual Life - Whole

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

SERFF Tr Num: AAAL-128367076 State: Arkansas

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

Co Tr Num: GWL6201

State Status: Approved-Closed

Authors: Judy Lucas, Victoria Windham, Tamara Thompson

Reviewer(s): Linda Bird

Disposition Date: 07/12/2012

Date Submitted: 06/06/2012

Disposition Status: Approved-Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name:

Status of Filing in Domicile: Pending

Project Number:

Date Approved in Domicile:

Requested Filing Mode:

Domicile Status Comments: Our Domicile is in the Compact.

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type:

Overall Rate Impact:

Filing Status Changed: 07/12/2012

Deemer Date:

State Status Changed: 07/12/2012

Submitted By: Judy Lucas

Created By: Judy Lucas

Filing Description:

Corresponding Filing Tracking Number:

See Cover Letter

State Narrative:

## Company and Contact

### Filing Contact Information

SERFF Tracking Number: AAAL-128367076 State: Arkansas  
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Product Name: GIWL 2012  
 Project Name/Number: /

Judy Lucas, Compliance Specialist III JALucas@aaalife.com  
 17900 N. Laurel Park Dr. 734-779-2646 [Phone]  
 Livonia, MI 48152 734-805-6282 [FAX]

**Filing Company Information**

AAA Life Insurance Company CoCode: 71854 State of Domicile: Michigan  
 17900 N. Laurel Park Drive Group Code: Company Type:  
 Livonia, MI 48152-3985 Group Name: State ID Number:  
 (800) 624-1662 ext. 2942[Phone] FEIN Number: 52-0891929

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**Filing Fees**

Fee Required? Yes  
 Fee Amount: \$50.00  
 Retaliatory? No  
 Fee Explanation: 1 filing  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
AAA Life Insurance Company	\$50.00	06/06/2012	59724057
AAA Life Insurance Company	\$100.00	06/07/2012	59882226

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	07/12/2012	07/12/2012

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Linda Bird	06/26/2012	06/26/2012	Judy Lucas	07/02/2012	07/02/2012
Pending Industry Response	Linda Bird	06/13/2012	06/13/2012	Judy Lucas	06/26/2012	06/26/2012
Pending Industry Response	Linda Bird	06/07/2012	06/07/2012	Judy Lucas	06/07/2012	06/07/2012

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## Disposition

Disposition Date: 07/12/2012

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 (revised)	Life & Annuity - Acturial Memo		No
Supporting Document	Life & Annuity - Acturial Memo	Replaced	No
Supporting Document	Statement of Variability		Yes
Supporting Document (revised)	Actuarial Memorandum		No
Supporting Document	Actuarial Memorandum	Replaced	No
Supporting Document	Cover Letter		Yes
Form (revised)	Guaranteed Issue Whole Life Insurance Policy		Yes
Form	Guaranteed Issue Whole Life Insurance Policy	Replaced	Yes
Form	Travel Accident Endorsement		Yes
Form	Lifetime Membership Benefit Endorsement		Yes

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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 06/26/2012  
Submitted Date 06/26/2012  
Respond By Date 07/26/2012

Dear Judy Lucas,

This will acknowledge receipt of the captioned filing.

Objection 1

Comment:

We have received your response to our Objection Letter of 06/13/12.

Please review Bulletin 8-85 under Guideline One in reference to the reduced benefits in early years. The benefit can not be return of premiums, with or without interest during the period of reduced benefits. The Department has concerns that the death benefit in the first and second policy years in not in excess of the premium paid. In order for the policy to serve the needs for which it is designed the benefits received will need to be in excess of the premium received with or without interest.

Also the Actuarial Memorandum which states "If death occurs from natural causes during the first two years, the death benefit is limited to return of premium plus 10%" will need to be revised.

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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## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 07/02/2012  
Submitted Date 07/02/2012

Dear Linda Bird,

### Comments:

Thank you for your continued review

### Response 1

Comments: I apologize, I had inadvertently attached the incorrect Actuarial Memorandum for your review. Attached is the corrected version. I believe this will alleviate your concerns regarding the death benefit in the first and second policy years. Incidentally, in the past, we were told that we could not return premiums plus interest in the first two years, and were required to return the percentage of the death benefit. Is that no longer the position of the Department?

### Related Objection 1

Comment:

We have received your response to our Objection Letter of 06/13/12.

Please review Bulletin 8-85 under Guideline One in reference to the reduced benefits in early years. The benefit can not be return of premiums, with or without interest during the period of reduced benefits. The Department has concerns that the death benefit in the first and second policy years in not in excess of the premium paid. In order for the policy to serve the needs for which it is designed the benefits received will need to be in excess of the premium received with or without interest.

Also the Actuarial Memorandum which states "If death occurs from natural causes during the first two years, the death benefit is limited to return of premium plus 10%" will need to be revised.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Life & Annuity - Actuarial Memo

Comment:

Satisfied -Name: Actuarial Memorandum

*SERFF Tracking Number:* AAAL-128367076

*State:* Arkansas

*Filing Company:* AAA Life Insurance Company

*State Tracking Number:*

*Company Tracking Number:* GWL6201

*TOI:* L071 Individual Life - Whole

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

*Product Name:* GIWL 2012

*Project Name/Number:* /

**Comment:**

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you again,

Judy Lucas

Sincerely,

Judy Lucas, Tamara Thompson, Victoria Windham

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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 06/13/2012  
Submitted Date 06/13/2012  
Respond By Date 07/13/2012

Dear Judy Lucas,

This will acknowledge receipt of the captioned filing.

### Objection 1

#### Comment:

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.

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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 Product Name: GIWL 2012  
 Project Name/Number: /

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 06/26/2012  
 Submitted Date 06/26/2012

Dear Linda Bird,

### Comments:

Thank you for your review.

### Response 1

Comments: We've updated the contract to comply with Guideline One and Two of the bulletin. We apologize for the oversight.

### Related Objection 1

Comment:

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.

### Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Guaranteed Issue Whole Life Insurance Policy	GWL6201	AR	Policy/Contract/Fraternal Certificate	Initial			GWL6201 AR - Policy - FINAL.pdf
<b>Previous Version</b>							
Guaranteed Issue Whole Life Insurance	GWL6201	AR	Policy/Contract/Fraternal Certificate	Initial			GWL6201 AR -

*SERFF Tracking Number:* AAAL-128367076      *State:* Arkansas  
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*Company Tracking Number:* GWL6201  
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Premium - Any Policy Design

*Product Name:* GIWL 2012

*Project Name/Number:* /

**Policy**

**Policy -  
FINAL.pdf**

No Rate/Rule Schedule items changed.

Thank you again.

Judy Lucas

Sincerely,

Judy Lucas, Tamara Thompson, Victoria Windham

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Project Name/Number: /

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 06/07/2012  
Submitted Date 06/07/2012  
Respond By Date 07/09/2012

Dear Judy Lucas,

This will acknowledge receipt of the captioned filing.

### Objection 1

#### Comment:

Regulation 57 was revised effective January 2010, the filing fee is now \$50.00 per form. We will hold your filing in a pending status until the additional \$100.00 is received.

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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## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 06/07/2012  
Submitted Date 06/07/2012

Dear Linda Bird,

### Comments:

Thank you for your review

### Response 1

Comments: I apologize for the oversight. We have submitted the additional money.

### Related Objection 1

Comment:

Regulation 57 was revised effective January 2010, the filing fee is now \$50.00 per form. We will hold your filing in a pending status until the additional \$100.00 is received.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you!

Judy Lucas

Sincerely,

Judy Lucas, Tamara Thompson, Victoria Windham

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## Form Schedule

Lead Form Number: **GWL6201AR**

Schedule Item Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	GWL6201AR	Policy/Contract	Guaranteed Issue Whole Life Insurance Policy Certificate	Initial			GWL6201AR - Policy - FINAL.pdf
	GWL6204TA	Policy/Contract	Travel Accident Endorsement Certificate: Amendment, Insert Page, Endorsement or Rider	Initial			GWL6204TA Travel Accident Endorsement - FINAL.pdf
	GWLLMB	Policy/Contract	Lifetime Membership Benefit Endorsement Certificate: Amendment, Insert Page, Endorsement or Rider	Initial			GWLLMB - Lifetime Membership Benefit Endorsement - FINAL.pdf



Livonia, Michigan

Home Office:

**AAA Life Insurance Company**

[17900 N. Laurel Park Drive

Livonia, MI 48152

(800) 624-1662]

[www.aalife.com]

This is a Guaranteed Issue Graded Benefit Whole Life Insurance Policy. If the insured dies while this Policy is in force, We agree to pay the proceeds payable to the Beneficiary according to the provisions of this Policy.

**THIS POLICY HAS A LIMITED GRADED DEATH BENEFIT - PLEASE READ YOUR POLICY CAREFULLY.** This Policy is a legal contract between You and Us. We issue this Policy in return for Your completion of the enrollment process and payment of the first premium.

**IMPORTANT**

YOU HAVE PURCHASED A LIFE INSURANCE POLICY. PLEASE REVIEW IT CAREFULLY FOR LIMITATIONS.

THIS POLICY MAY BE RETURNED WITHIN 31 DAYS FROM THE DATE YOU RECEIVED IT FOR A FULL REFUND BY RETURNING IT TO THE COMPANY.

If You return the Policy within the above 31 day period, it will be considered void from the start and We will refund, within ten (10) days of its return, all premiums paid.

For additional information, You may contact the Arkansas Department of Insurance at:  
Arkansas Department of Insurance  
1200 W. 3<sup>rd</sup> Street  
Little Rock, Arkansas 72201-1904  
(800) 852-5494

As evidence of this agreement, this Policy has been signed by Officers of AAA Life Insurance Company at its Home Office.

A handwritten signature in black ink, enclosed in a large right-facing curly bracket. The signature appears to read 'Harold W. Huffstetler, Jr.'

Harold W. Huffstetler, Jr., President

A handwritten signature in black ink, enclosed in a large right-facing curly bracket. The signature appears to read 'Diane L. Coudurier'.

Diane L. Coudurier, Secretary

**TOLL FREE INFORMATION AND COMPLAINT NUMBER: [(800) 624-1662]**

**GUARANTEED ISSUE GRADED BENEFIT WHOLE LIFE POLICY**

Death Benefit limited during the first two Policy Years.

Beginning with the third (3<sup>rd</sup>) Policy Year, the face amount is payable as the death benefit.

Premiums are payable to age 100.

Non-participating.

## TABLE OF CONTENTS

<b>Page</b>	<b>Provision</b>
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5	Death Benefits
6	Beneficiary
7	Ownership & Assignment
7	Premium
8	Surrender
8	Non-Forfeiture Options
9	Basis of Values
9	Loans
11	General Provisions

Any Endorsements, Riders or related material follow the last page.



POLICY NUMBER: [00-00000-0]

INSURED NAME: [Jane C. Doe]

**TABLE OF POLICY VALUES**

CALENDAR YEAR	END OF POLICY YEAR	CASH OR LOAN VALUE	AMOUNT OF REDUCED PAID-UP INSURANCE	LENGTH OF EXTENDED TERM INSURANCE YEARS	DAYS
[2012]	[1]	[0]	[0]	[0]	[0]
[2013]	[2]	[340]	[818]	[1]	[279]
[2014]	[3]	[760]	[1,774]	[3]	[209]
[2015]	[4]	[1,200]	[2,717]	[5]	[46]
[2016]	[5]	[1,640]	[3,604]	[6]	[136]
[2016]	[6]	[2,100]	[4,480]	[7]	[155]
[2017]	[7]	[2,560]	[5,304]	[8]	[94]
[2018]	[8]	[3,040]	[6,120]	[8]	[354]
[2019]	[9]	[3,520]	[6,887]	[9]	[191]
[2020]	[10]	[4,000]	[7,610]	[9]	[348]
[2021]	[11]	[4,480]	[8,292]	[10]	[95]
[2022]	[12]	[4,980]	[8,972]	[10]	[180]
[2023]	[13]	[5,460]	[9,579]	[10]	[219]
[2024]	[14]	[5,960]	[10,189]	[10]	[246]
[2025]	[15]	[6,460]	[10,766]	[10]	[253]
[2026]	[16]	[6,980]	[11,347]	[10]	[253]
[2027]	[17]	[7,480]	[11,867]	[10]	[224]
[2028]	[18]	[7,980]	[12,363]	[10]	[178]
[2029]	[19]	[8,500]	[12,835]	[10]	[131]
[2030]	[20]	[9,000]	[13,316]	[10]	[66]
[AGE 60]		[0]	[0]	[0]	[0]
[AGE 62]		[340]	[818]	[1]	[279]
[AGE 65]		[1,640]	[3,604]	[6]	[136]

Cash Value Interest Rate: [4.5%]

Policy Loan Interest Rate: [6.00%]

The above values are reduced by the amount of any Debt. Upon Your request, We will supply values for any years not shown. When You have paid premiums for part of a Policy Year, We calculate the values to fit the amount paid.

## DEFINITIONS

As used in this Policy, the following terms mean:

**Age** - The Insured's age as of their last birthday.

**Attained Age** - On any given date, the Insured's Age on the most recent Policy Anniversary. During the first policy year, the Insured's Attained Age is his or her Issue Age.

**Beneficiary** - The person or entity named during the enrollment process, or in the most recent change recorded by Us, who may be entitled to receive the Death Benefit.

**Debt** - The amount of any unpaid Policy Loan, existing under this Policy at any given time, plus unpaid interest due and accrued.

**Death Benefit**- The amount We pay upon the death of the Insured while this Policy is in force.

**Endorsement** – A form attached to this Policy that provides additional benefits without additional charges.

**Home Office** –Our office located at [17900 N. Laurel Park Drive, Livonia, MI 48152].

**Insured** - The person whose life is insured under this Policy as shown on the Policy Schedule Page.

**Owner** - The person or entity that has full rights and privileges to the benefits of this Policy, while the Insured is living.

**Policy** – The document without any additional Riders. Policy also includes all attached endorsements.

**Policy Schedule Page** - The Policy Schedule Page issued with this Policy on the Policy Effective Date, as well as any subsequent modifications to the Policy Schedule Page for changes made after the Policy Effective Date.

**Policy Years, Policy Anniversaries, and Policy Months** – Dates that are measured from the Policy Effective Date.

**Rider** - A form attached to this Policy that provides additional benefits for an additional charge. Any Rider attached to this Policy is shown on the Policy Schedule Page.

**We, Our, and Us** - AAA Life Insurance Company at its Home Office.

**You and Your** - Refers to the Owner of the Policy.

### **POLICY EFFECTIVE DATE**

The Policy becomes effective when the following conditions are met:

1. You complete the enrollment process; **and**
2. We receive and deposit Your Initial Premium.

This Policy is void and there is no coverage if the Insured is not living on the Policy Effective Date.

### **DEATH BENEFITS**

The Death Benefit is the amount payable to the Beneficiary if the Insured dies while this Policy is in force. The Death Benefit is limited during the first two years of the Policy to the amount shown on the Policy Schedule. When We receive proof of the Insured's death at Our Home Office, We will pay the Death Benefit to the Beneficiary within two (2) months after receipt of Proof of Loss. Payment is subject to the provisions of the Policy. We will require surrender of this Policy.

If the Insured dies while this Policy is in force, We will pay the Death Benefit to the Beneficiary. We will calculate the amount payable as:

1. the Death Benefit; plus
2. any benefits provided by Rider or Endorsement which are payable upon the Insured's death; less
3. the amount needed to keep this Policy in force to the end of the Policy month of death, if the Insured dies within the Grace Period; less
4. any Debt; plus
5. any Premium paid past the Policy month of death (after the first two years of the Policy).

**Accidental Death** is death that results from an accidental bodily injury, occurs within one hundred eighty (180) days of the injury, is the sole cause of death, completely and wholly independent of any sickness or disease, suicide, and all other natural causes. The injury and death must occur while the Policy is in force.

We will not pay benefits, during the first two Policy Years, if the injury or death occurs as a result of any of the following:

1. any attempt at suicide, or intentionally self-inflicted injury;
2. disease or infirmity of mind or body, or medical or surgical treatment for such disease or infirmity;
3. an infection not occurring as a direct result or consequence of the accidental bodily injury.

### **METHOD OF PAYMENTS**

The Death Benefit will be paid in a lump sum:-

A Beneficiary may not assign their interest prior to the death of the Insured or borrow against the benefit amount. A Beneficiary's creditors may not claim any of the benefit amount or interest, unless allowed by law.

## **FILING A DEATH CLAIM**

To claim the Death Benefit, We require a fully completed claim form and Proof of Loss.

Proof of Loss for purposes of a Death Benefit claim shall include:

- a certified copy of the Insured's death certificate; or
- other lawful evidence providing equivalent information, and
- proof of the claimant's interest in the proceeds.

We may refuse to pay any claim made if the claimant(s) or Beneficiaries fail or refuse to provide information we deem necessary to pay the claim. If You or Your Beneficiaries need help in the claim process, contact Our Home Office.

## **INTEREST ON PROCEEDS**

Interest accrues and is payable from the date of death. It accrues at the rate applicable to the Policy for funds left on deposit with Us as of the date of death, plus 10% annually beginning 31 calendar days from the latest of:

- (i) The date We receive due Proof of Loss, or
- (ii) The date We receive sufficient information to determine Our liability, the extent of Our liability and the appropriate payee legally entitled to the proceeds, or
- (iii) The date all legal impediments to payment of proceeds that are dependent on parties other than Us are resolved and sufficient evidence of such resolution is provided to Us. Legal impediments include, but are not limited to:
  - a. The establishment of guardianships and conservatorships;
  - b. The appointment and qualification of trustees, executors and administrators, and
  - c. The submission of information required to satisfy state and federal reporting requirements.

## **BENEFICIARY**

### **BENEFICIARY**

The Beneficiary will receive the Death Benefit. A Beneficiary has no rights under this Policy until the death of the Insured.

There are two Beneficiary classes:

1. Primary Beneficiary, or
2. Contingent Beneficiary.

If no Primary Beneficiary survives the Insured, We will pay the Death Benefit to the Contingent Beneficiary. If there is more than one Beneficiary in a class, each will share equally unless You specify otherwise. The share of any Beneficiary, who dies before the Insured, or within fifteen (15) days after, will pass equally to any surviving Beneficiaries in that class, unless You state otherwise. If no Beneficiary survives the Insured, the Death Benefit will be paid to the Owner or the Owner's estate.

However, we may pay any Death Benefit up to \$1,000 to any person We consider justly entitled if:

1. the Beneficiary is not competent to give a valid release,
2. the Beneficiary is a minor, or
3. the benefit is payable to the Owner's estate.

If We make payment in good faith, We will not be liable to anyone or any entity for the amount paid.

## **CHANGE OF BENEFICIARY**

The Owner may change the Beneficiary, except for an irrevocable Beneficiary, at any time while the Insured is living by sending written notice to Us at Our Home Office. The change is not valid unless it is received and recorded by Us. If You have named an irrevocable Beneficiary, We will require their written consent before processing any of Your requests.

## **OWNERSHIP AND ASSIGNMENT**

### **OWNER**

The Owner of this Policy is the person named in the enrollment process for this Policy and in the Policy Schedule Page. While the Insured is living, You have the rights as Policy Owner to:

1. transfer ownership rights and privileges by absolute assignment or collateral assignment, or
2. change any Beneficiary during the Insured's lifetime, or
3. receive any benefit, exercise any right, and use any privilege granted to You by Your Policy, or
4. agree with Us to change or amend Your Policy.

If You have named an irrevocable Beneficiary, We will require their written consent before processing any of Your requests. If the Owner dies before the Insured and no other arrangements have been made with Us, ownership will transfer to the Owner's estate.

### **ASSIGNMENT**

Assignment of this Policy will be binding on Us only after a copy of the assignment is received at Our Home Office prior to the death of the Insured. We are not responsible for the validity of any assignment. If the assignment is absolute, all rights of the Owner and any irrevocable Beneficiary are transferred to the assignee. If the assignment is collateral, rights are transferred only to the extent of the assignee's interest. No assignment can be made unless any irrevocable Beneficiary agrees to it in writing.

### **CHANGE OF OWNERSHIP**

If You name a new Owner, then any prior designation of an Owner will be void. You must make an ownership change while the Insured is living by sending satisfactory written notice to Us at Our Home Office.

## **PREMIUMS**

### **PAYING PREMIUMS**

The first (1<sup>st</sup>) premium is due and payable on or before the Policy Effective Date. The amounts and frequency of the Premium payments are shown in the Policy Schedule Page. Policy Anniversaries occur annually and are computed from the Policy Effective Date.

The Initial Premium is payable at Our Home Office. All other premiums are payable on the due date at Our Home Office.

### **GRACE PERIOD**

There is no Grace Period for the Initial Premium. After You pay Your Initial Premium, We allow a Grace Period of thirty-one (31) days for payment of any subsequent Premiums. This Policy remains in force during the Grace Period. If death occurs during the Grace Period, any unpaid Premium up to the end of the month of death will be deducted from the Death Benefit. If You fail to pay the premium due by the end of the Grace Period, the policy will terminate as of the last premium due date.

**LAPSE**

If a premium is not paid by the end of the Grace Period, this Policy will lapse.

All insurance will end when the Policy lapses, unless the Policy has a Surrender Value. If there is a Surrender Value, You may choose to:

- a) Continue coverage under the Automatic Premium Loan (APL) provision; or
- b) Surrender your Policy for cash; or
- c) Continue it for a reduced amount of paid-up insurance; or
- d) Continue it as Extended Term Insurance.

Details of these options are described in the NON-FORFEITURE provision. You have thirty-one (31) days after the premium due date in which to choose an option. If no option is chosen, We will continue coverage under the Automatic Premium Loan provision.

**REINSTATEMENT**

While the Insured is living, You may request to reinstate this Policy at any time within three (3) years from the last premium due date and prior to Age 100, unless it has been surrendered for cash. We will reinstate the Policy once We receive:

- a) Your written request within three years after the last premium due date;
- b) Payment of all overdue premiums with interest at an annual rate of 6% per annum; and
- c) Payment, in advance, of two (2) additional monthly premiums; and
- d) Repayment or reinstatement of all Debt at a rate of 6% per annum.

**CONTINUATION OF INSURANCE**

Insurance coverage under this Policy and any Benefits provided by Rider will be continued in force until terminated as provided in the Grace Period provision.

**SURRENDER**

You may Surrender this Policy for its Surrender Value at any time while it is in force. The request must be in writing.

We may postpone payment of the Surrender Value for up to six (6) months after We receive Your request unless the Surrender is to pay premiums on Policies with Us.

If You request a Surrender within thirty (30) days after a Policy Anniversary, the Surrender Value will not be less than the Surrender Value on that Anniversary less any Debt.

**SURRENDER VALUE**

The Surrender Value of this Policy is the cash value of this Policy (as shown in the TABLE OF POLICY VALUES) adjusted to the surrender date, as provided in the Basis of Values, less any Debt.

**NON-FORFEITURE OPTIONS**

You may choose a non-forfeiture option within thirty-one (31) days after an unpaid premium was due, provided the Insured is living. During this thirty-one (31) day period, the Surrender Value will stay the same as on the first day of the period. If You do not choose an option, the APL provision will apply.

Any benefit from an attached Rider will not be included in the coverage provided by the following Non-Forfeiture options.

### **CASH SURRENDER OPTION**

Policy Surrender is the permanent cancellation of the Policy. Only the Owner can surrender the Policy, subject to the right of any assignee or irrevocable Beneficiary. The Policy can be surrendered within thirty-one (31) days of any premium due date, or any time while in effect as Extended Term Insurance or Reduced Paid-Up Insurance. The Cash Value of Extended Term Insurance or Reduced Paid-Up Insurance is the net single premium for the remaining insurance benefits less debt. If surrender occurs within thirty-one (31) days after a Policy Anniversary, the cash value shall be the cash value as of such Anniversary.

We will pay the Surrender Value on the date of surrender. We have the right to delay a cash surrender for up to six (6) months.

### **EXTENDED TERM INSURANCE SURRENDER OPTION**

You may continue this Policy as paid-up extended term insurance. The amount of coverage will be the present insurance amount less any Debt.

The Surrender Value will be used as a net single premium to determine the length of coverage. The net single premium will be based on the Attained Age of the Insured on the unpaid premium's due date. Coverage will start from the unpaid premium's due date. You may surrender the Extended-Term Policy for the then current Surrender Value.

### **REDUCED PAID-UP INSURANCE**

Subject to Our minimum requirements, You may continue this Policy as Reduced Paid-Up Insurance with no further Premium due. The Reduced Paid-Up Insurance is determined by applying the Surrender Value as a net single premium based on the Insured's Attained Age on the date the Reduced Paid-Up Insurance coverage starts. Coverage will start from the unpaid premium's due date. The Cash Value will first be used to pay off the loan. You may surrender this Reduced Paid-Up Insurance later for the then current Surrender Value.

## **BASIS OF VALUES**

Values for Your surrender options are shown in the TABLE OF POLICY VALUES. A description of the method used to compute the cash values has been filed with the Department of Insurance in the state that this Policy is issued in. The values provided meet or exceed the minimum requirements of the standards set forth by the state. The cash value of any paid-up insurance is the net single premium for such insurance based on the Insured's Attained Age on the surrender date.

Our computations assume:

- a) Interest as shown on the TABLE OF POLICY VALUES; and
- b) Death Benefits payable immediately on the death of the Insured; and
- c) Premiums payable annually.

Cash values, paid-up insurance values, and extended term insurance values are based on the 2001 Commissioners Standard Ordinary (Age last birthday) Gender distinct Mortality Table.

## **LOANS**

You may use the Cash Value without ending the insurance coverage by asking Us for a loan provided this Policy has not been continued as Extended Term Insurance as defined under the Non-Forfeiture Options section. This Policy is the only security We need.

## **OBTAINING A LOAN**

You may obtain a loan from Us if:

- a) this Policy is in force; and
- b) this Policy has enough loan value; and
- c) Premiums have been paid to the end of the Policy Year for which this Policy first has a cash value (as shown in the TABLE OF POLICY VALUES).

You may ask for a loan at any time. We have the right to wait six (6) months before making the loan, unless You will use it to pay premiums for this Policy.

## **AUTOMATIC PREMIUM LOAN (APL)**

Under the APL provision, We will automatically pay any premium not paid within a Grace Period by charging it as a loan against Your Policy. Interest on the loan will be charged at the loan interest rate (shown in the TABLE OF POLICY VALUES) from the due date of the premium. If the loan value is not large enough to pay the entire premium due, plus interest, the loan will be for the next smaller mode of payment the loan value allows, down to a pro rata portion of a monthly premium. An APL is subject to provisions of the LOANS provision.

However, if You do not want the APL provision to be used, You may inform Us by written request at any time provided this Policy has not lapsed. If You use the APL provision and later decide to cancel it, You may do so at any time by written request. A cancellation request will not affect any loan made before the cancellation took effect. We may require You to send Us this Policy for endorsement of an APL request.

## **AMOUNT OF LOAN AVAILABLE**

You may borrow any amount up to the loan value of this Policy. The loan value is equal to:

1. the cash value of this Policy on the loan date; less
2. any existing Debt; less
3. the interest to the next Policy Anniversary; less
4. any outstanding premium due.

## **POLICY LOAN INTEREST**

We will charge You interest each year on the amount of the loan principal. Interest will accrue daily at the daily equivalent of the effective annual rate. The effective annual rate of interest We will charge You is the Policy Loan Interest Rate shown on the TABLE OF POLICY VALUES. Any unpaid accrued interest will be due on each Policy Anniversary or upon the earlier of:

1. the surrender of this Policy;
2. the death of the Insured; or
3. the date this Policy terminates.

Any interest not paid when due will be:

1. added to the loan principal; and
2. charged interest as any other loan.

## **REPAYMENT OF LOANS**

You may repay all or part of a loan while the Insured is alive and this Policy is in force.

## **EXPIRATION**

Whenever the loan amount, with interest, is more than the Cash Value, We will give you thirty-one (31) days to make a payment to make the loan value positive. If payment is not received, Your policy will lapse thirty-one (31) days after We have mailed notice to Your last known address, and to that of any recorded assignee.

## **GENERAL PROVISIONS**

### **ENTIRE CONTRACT**

This Policy is a legal contract. The whole contract consists of this Policy and any attached Riders or Endorsements. This Policy may not be changed unless an Officer of the Company agrees to the change in writing.

### **TERMINATION**

This coverage will terminate when any one of the following occurs:

- a) thirty-one (31) days after we mail You notice that the total Debt equals or exceeds the cash value;
- b) the Grace Period ends without payment of a required premium;
- c) the Policy is surrendered;
- d) the Insured dies.

### **ELECTIONS, DESIGNATIONS, CHANGES AND REQUESTS**

All elections, designations, changes and requests must be in a written form and will become effective only after they have been approved by Us. We reserve the right to require the Policy to be returned to Our Home Office for Endorsement of any change.

### **SUICIDE**

If the Insured dies by suicide, while sane or insane, within two (2) years after the Policy Effective Date, the Death Benefit will be limited to the premiums paid less any Debt.

### **INCONTESTABILITY**

We can contest this Policy at any time for fraud where permitted by the state where this Policy is delivered or issued for delivery.

### **MISSTATEMENT OF AGE OR GENDER**

If the Insured's Age or gender was misstated, their correct Age or gender at the Policy Effective Date will be used to determine:

1. The Effective, Renewal, or Expiration Dates of benefits provided by this Policy;
2. The Death Benefit; and
3. Any other rights or benefits under this Policy.

If the Insured's Age or gender was misstated, We will adjust the Death Benefit to be the amount that would be purchased by the Premium at the correct Age or gender.

### **NON-PARTICIPATING**

This Policy does not participate in Our earnings or surplus.

### **CONFORMITY WITH STATE STATUTES**

This Policy is subject to the laws of the state where the Policy was issued. If part of this Policy does not comply with those laws, it will be treated as if it did. Any provision of this Policy, which, on its Effective Date, is in conflict with the statutes of the state in which the You are located on such date is hereby amended to conform to the minimum requirements of such statutes.



(A Stock Company)

**Home Office:**

**[17900 N. Laurel Park Dr., Livonia, MI 48152**

**(800) 624-1662]**

**[[www.aalife.com](http://www.aalife.com)]**

**GUARANTEED ISSUE GRADED BENEFIT WHOLE LIFE POLICY**

Death Benefit limited during the first two Policy Years.

Beginning with the third (3<sup>rd</sup>) Policy Year, the face amount is payable as the death benefit.

Premiums are payable to age 100.

Non-participating.



(A Stock Company)

[17900 N. Laurel Park Drive, Livonia, MI 48152]

[(800) 624-1662]

[www.aaalife.com]

## TRAVEL ACCIDENT ENDORSEMENT

This Endorsement is a part of the Policy to which it is attached. It is subject to all provisions and definitions of the Policy unless stated otherwise in this Endorsement.

**EFFECTIVE DATE:** The Effective Date of this Endorsement is shown on the Policy Schedule Page. This Endorsement is in effect only while the Policy remains in effect.

If We reinstate coverage under this Endorsement, the Effective Date of the reinstated coverage will be shown on a new Policy Schedule Page.

**EXPIRY DATE:** The date coverage ends under this Endorsement is shown on the Policy Schedule Page.

**ACCIDENTAL DEATH:** Death which results directly from accidental bodily injury.

**INJURY:** An accidental bodily injury sustained by the Insured which is a direct result of an accident, independent of disease or bodily or mental illness or infirmity or any other cause, and which occurs while this Endorsement is in force.

**INSURED:** The person named as the Insured on the Policy Schedule Page.

**BENEFIT:** If the Insured dies due to a Covered Travel Accident, We will pay the Travel Accident Benefit amount shown on the Policy Schedule Page to the Beneficiary. The death must occur:

1. within 180 days after the accident; and
2. while this Endorsement is in force.

We must receive proof that the Insured's death was accidental. We will make payment after receiving this proof and the written claim notice. We will pay this amount as part of the total death benefit of the Policy.

We have the right, at Our own expense, to request an autopsy unless forbidden by law

## EXPOSURE AND DISAPPEARANCE

**EXPOSURE:** We will pay Benefits if You are unavoidably exposed to the elements because of a Covered Travel Accident which results in the disappearance, sinking or damaging of any conveyance covered by this Endorsement, in which You were riding, and You die as a result of such exposure.

**DISAPPEARANCE:** If Your body has not been found within 52 weeks after the date of a Covered Travel Accident, it will be presumed, provided there is no evidence to the contrary, that You died as a result of the accident.

## DEFINITIONS

**BICYCLE** - A non-motorized vehicle propelled manually by pedals, having two tandem wheels or two parallel wheels, and one or two forward or rear wheels. The vehicle must also have a seat, handlebars for steering, and manufacturer-installed brakes.

**COMMON CARRIER** - A public form of transportation, where a fee is usually paid to ride as a passenger, not as a member of the crew or driver of the vehicle for hire, which includes but is not limited to buses, trains, ships, subways, taxis, or ferries. Ambulances, medical transport vehicles or chartered vehicles are not considered Common Carriers.

**GOLF-CART** - A motorized vehicle used for carrying people and their golf equipment around on a golf course.

**PRIVATE PASSENGER AUTOMOBILE** - A motor vehicle intended for personal use and licensed by a state as a private vehicle. Included in the category of Private Passenger Automobile are:

1. self-propelled motor homes;
2. vans;
3. sport utility vehicles
4. trucks with a towing capacity of 17,000 pounds or less.

Private Passenger Automobile does not include:

1. automobiles licensed to carry passengers for hire;
2. automobiles or trucks primarily used for commercial purposes; or
3. motorcycles, mopeds, motor scooters, all-terrain vehicles, snowmobiles or jet skis.

**SCHEDULED AIRLINE** - An airplane licensed to operate as a public form of transportation on a regularly scheduled basis, where a fee is usually paid to ride as a passenger.

## COVERED TRAVEL ACCIDENTS

**SCHEDULED AIRLINE:** As a passenger and not as a pilot or crew member, while you are riding in an aircraft operated on a regularly scheduled flight by:

1. a Scheduled Airline of United States registry holding the proper license and certification issued by the United States Government;
2. a Scheduled Airline of foreign registry holding a Policy, license or similar authorization for scheduled air transportation by the governmental authorities having jurisdiction for civil aviation in the country of registry;
3. a transport type aircraft operated by the United States Armed Forces, the Department of National Defense (Canada), the Department of Transport (Canada) or the Royal Air Force Air Support Command of Great Britain.

**COMMON CARRIER:** While riding as a passenger in any public land or water conveyance provided by a Common Carrier primarily for passenger service. You cannot be an operator or member of the crew of the Common Carrier.

**AUTOMOBILE:** While driving or riding in a Private Passenger Automobile.

**PEDESTRIAN:** When, as a pedestrian, You are struck by any motor vehicle legally operated on the public streets and highways.

**BICYCLE:** When riding a Bicycle.

**GOLF-CART:** When driving or riding in a Golf-Cart on a golf course, or on any public or residential road where the law permits a Golf-Cart to be driven.

## EXCLUSIONS AND LIMITATIONS

This Endorsement does not provide benefits for death occurring as a result of any of the following:

1. any attempt at suicide, or intentionally self-inflicted injury, while sane or insane;
2. an act of war, declared or undeclared;
3. intoxication as defined by the jurisdiction where the Covered Accident occurred.
4. voluntary intake or use by any means of
  - a. any drug unless administered on the advice of a physician and taken in accordance with the physician's instructions;
  - b. poison, gas or fumes;
5. directly or indirectly from active participation in a riot, insurrection, or terrorist activity. An exclusion for riot or insurrection is limited to instigation and does not include civil commotion, disorder, injury as an innocent bystander, or injury for self defense;
6. committing or attempting to commit a felony;
7. disease or infirmity of mind or body, or medical or surgical treatment for such disease or infirmity;
8. an infection not occurring as a direct result or consequence of the accidental bodily injury;
9. operating, descending from or riding in any type of aircraft. This does not apply to a fare paying or pass holding passenger with no duties on board an aircraft commercially licensed to transport passengers for hire;
10. riding any motorized vehicle or bicycle:
  - a. in a competitive sport;
  - b. to race or test on any speedway, race track or proving ground;
  - c. for stunt riding, jumping, aerobatics or similar activity;
11. while the insured is incarcerated;
12. rock or mountain climbing;
13. parasailing, ballooning, soaring, ultralight, skydiving, parachuting, and (aeronautics) hang-gliding;
14. bungee jumping.

**INCONTESTABILITY:** We cannot contest this Endorsement after it has been in force during the lifetime of the Insured for two (2) years from its effective date. We can contest this Endorsement at any time for fraud, where permitted by the state where this Endorsement is delivered or issued for delivery.

**NONFORFEITURE VALUES:** This Endorsement does not have Cash Values or Loan Values.

### TERMINATION

This Endorsement will terminate on the earliest of:

1. its Expiry Date which is shown in the Policy Schedule Page;
2. the date when the Policy this Endorsement is attached to terminates; or
3. when the Owner requests that We cancel it by notifying Us in writing.

Termination of this Endorsement will not affect the payment of a claim submitted for a travel accident that occurred while this Endorsement was in force.

Signed for AAA Life Insurance Company at its Home Office in [Livonia, Michigan]



Harold W. Huffstetler, Jr., President



Diane L. Coudurier, Secretary



(A Stock Company)

**AAA Life Insurance Company**  
[17900 N. Laurel Park Drive  
Livonia, MI 48152  
(800) 624-1662]  
[www.aalife.com]

## LIFETIME MEMBERSHIP BENEFIT ENDORSEMENT FOR SURVIVING SPOUSE

This Endorsement is part of the Policy. It is in effect only while the Policy remains in force. The Effective Date is shown on the Policy Schedule Page. This Endorsement will not become effective until the beginning of the third Policy year.

**SPOUSE:** The spouse, Registered Domestic Partner, Civil Union Partner, or party to a domestic partnership between two adults, as recognized by state law, where the Policy is delivered.

**BENEFIT:** If the Insured's death benefit is payable, We will pay the cost of a lifetime basic American Automobile Association (AAA) membership for the surviving Spouse. No other benefit will be provided in lieu of the AAA membership.

If the surviving Spouse is an active AAA member, they must send their current membership number to Our Home Office. If the surviving Spouse is not currently an AAA member, they must send a completed membership application from their local AAA Club, to Our Home Office.

We must receive the application or membership number at Our Home Office. We must receive it within 180 days after the date of the Insured's death. If it is not reasonably possible to send the information within 180 days, the claim for this benefit will not be affected, if it is sent as soon as reasonably possible. But unless the surviving Spouse is legally incapacitated, we must receive the application or membership number no more than 2 years from the time it is otherwise required.

Signed for the AAA Life Insurance Company at its Home Office in [Livonia, Michigan].

  
Harold W. Huffstetler, Jr., President

  
Diane L. Coudurier, Secretary

SERFF Tracking Number: AAAL-128367076

State: Arkansas

Filing Company: AAA Life Insurance Company

State Tracking Number:

Company Tracking Number: GWL6201

TOI: L071 Individual Life - Whole

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

Product Name: GIWL 2012

Project Name/Number: /

## Supporting Document Schedules

**Item Status:** **Status Date:**

**Satisfied - Item:** Flesch Certification

**Comments:**

**Attachment:**

READABILITY CERTIFICATION - Non-Compact.pdf

**Item Status:** **Status Date:**

**Satisfied - Item:** Application

**Comments:**

**Attachments:**

6202.pdf

Statement of Variability - Enrollment Form - FINAL.pdf

**Item Status:** **Status Date:**

**Satisfied - Item:** Life & Annuity - Acturial Memo

**Comments:**

**Attachment:**

GIWL Actuarial Memorandum - 2012 AR 7.2.2012.pdf

**Item Status:** **Status Date:**

**Satisfied - Item:** Statement of Variability

**Comments:**

**Attachments:**

Statement of Variability - LPMB -Policy - NonCompact.pdf

Statement of Variability - TAR - NOnCompact.pdf

Statement of Variability -GWL6201AR.pdf

SERFF Tracking Number: AAAL-128367076

State: Arkansas

Filing Company: AAA Life Insurance Company

State Tracking Number:

Company Tracking Number: GWL6201

TOI: L071 Individual Life - Whole

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

Product Name: GIWL 2012

Project Name/Number: /

**Item Status:**

**Status  
Date:**

**Satisfied - Item:** Actuarial Memorandum

**Comments:**

**Attachment:**

GIWL Actuarial Memorandum - 2012 AR 7.2.2012.pdf

**Item Status:**

**Status  
Date:**

**Satisfied - Item:** Cover Letter

**Comments:**

**Attachment:**

Cover Letter - AR.pdf

## READABILITY CERTIFICATION

**COMPANY NAME:** AAA Life Insurance Company

I hereby certify that the forms listed below have achieved the following score as calculated by the Flesch Reading Ease Test.

<b>Form Number</b>	<b>Description</b>	<b>Score</b>
GWL6201	Guaranteed Issue Graded Benefit Whole Life Policy	50.1
GWLLMB	Lifetime Membership Benefit Endorsement for Surviving Spouse	52.5
GWL6204TA	Travel Accident Endorsement	55.9



Company Officer: Diane L. Coudurier

Title: Vice President and General Counsel

May 31, 2012

Date



**Statement of Variability – Enrollment Form  
6202**

Variable Data has been bracketed and the explanation of the bracketing appears below.

1. The title “Guaranteed Coverage” is bracketed to allow variance for marketing language such as “Guaranteed Acceptance” and words of that nature.
2. The instructions are bracketed to allow for changes based on payment options offered or other instructional material that we would need for a person to complete the enrollment form properly.
3. The term “Member Enrollment Form” is bracketed for the ease of changing Member to Insured or other terms of that nature. We may also in the future change “Enrollment Form” to “Participation or Acceptance Form”.
4. The AAA Member Name and associated information is bracketed. Some of this information may be pre-populated in the future or may appear in a different order. We may also choose to change “AAA Member” to Primary Insured or terms of similar nature.
5. The Member Coverage Amount Desired is bracketed to allow us to change base amounts being offered.
6. The term “member signature” is bracketed so that the term “member” may be changed to “primary insured” or terms of that nature.
7. “Spouse Enrollment Form” is bracketed for the ease of change “Spouse” to terminology applicable to Spouse in the appropriate state (Such as Registered Domestic Partner, CUP, etc) or to change it to “Secondary Insured” or terminology of that nature.
8. The Spouse Coverage Amount Desired is bracketed to allow us to change base amounts being offered.
9. The term “spouse signature” is bracketed so that the term “spouse” may be changed to “secondary insured” or terms of that nature or terms which mean “spouse” in the appropriate states such as “Registered Domestic Partner, CUP, etc”
10. The Payment section is bracketed to allow us the capabilities in the future to only offer certain methods of payment for the purposes of test marketing.

11. The \$3.00 fee for Direct Billing is bracketed to allow us the ease of changing the fee in the future.
12. The Address and Phone number at the bottom of the enrollment form are bracketed to allow for us to change them as needed.
13. The fraud notices are bracketed to allow us to be flexible with regulatory changes of the wording. We certify that the appropriate regulatory fraud warning for each state will appear.
14. The Address and Phone number at the bottom of the enrollment form are bracketed to allow for us to change them as needed.

**Memorandum of Variability**  
**Lifetime Membership Benefit Endorsement for Surviving Spouse**  
**GWLLMB**

Variable Data has been bracketed and the explanation of the bracketing appears below.

1. The Home office Address is bracketed to allow the ease of changing it in the future.
2. The toll-free number is bracketed to allow the ease of change if it changes in the future.
3. The Officer Signatures and names are bracketed so if we change in officers in the future, we are able to change this without refilling.

**Memorandum of Variability**  
**Travel Accident Endorsement**  
**GWL6204TA**

Variable Data has been bracketed and the explanation of the bracketing appears below.

1. The Home office Address is bracketed to allow the ease of changing it in the future.
2. The toll-free number is bracketed to allow the ease of change if it changes in the future.
3. The Officer Signatures and names are bracketed so if we change in officers in the future, we are able to change this without refilling.

**GWL6201AR – Guaranteed Issue Graded Benefit Whole Life Policy**  
**Statement of Variability**

**Page 1:**

Our Address and Website are bracketed to allow variance if we move offices or if our website address changes.

The officers signatures are bracketed to allow variance should the officers leave the company.

The toll-free complaint number is bracketed to allow variance if the number changes.

**Page 3:**

The Insured name will be populated based on the enrollee.

The Issue Age will be populated based on the issue age of the enrollee.

The Policy Effective Date will be populated based on the effective date of the coverage as defined in the Policy.

The Policy Number will be bracketed based on the Policy Number assigned by us.

The Initial Premium will be calculated based on all riders selected by the Enrollee and the premium rate for that coverage.

The Owner's name will be bracketed and populated with the Owner's name.

The Payable field will be populated with either Annual, Semi-Annual, Quarterly, or Monthly.

The Total Initial Model Premium will be populated with the initial modal premium, depending on the underwriting approval of the insured and the modal frequency selected by the Insured.

The Benefit Amount listed in the First and Second Policy Year, prior to the words "Accidental Death" will be the face amount of the policy selected by the enrollee.

The Benefit of the Third Policy Year and Thereafter will be populated with the face amount of the policy selected by the enrollee.

The Effective Date of the Lifetime Membership Benefit Endorsement for the Surviving Spouse is bracketed and will be populated with the effective date of the endorsement. This should always match the Policy Effective Date.

The Expiration Date of the Lifetime Membership Benefit Endorsement for the Surviving Spouse is bracketed and will be populated with the calculated expiration date of the coverage.

The Benefit Amount for the Travel Accident Endorsement is bracketed and will be populated with the benefit amount applicable.

The Modal premium amount for the Travel Accident Endorsement is bracketed and will be populated with the premium for that clients coverage.

The Effective Date of the Travel Accident Endorsement is bracketed and will be populated with the effective date of the rider.

The Expiration Date of the Travel Accident Endorsement is bracketed and will be populated with the calculated expiration date of the coverage.

The names of the Endorsements are all bracketed to allow variance if they are offered by us at time of purchase or not.

The \$3.00 monthly fee is bracketed to allow us the flexibility to change it in the future. The term monthly is bracketed to allow us the flexibility to add the fee to other premium modes.

### **Page 3a**

The Policy Number is bracketed and will be populated with the Policy Number.

The Insured's name is bracketed and will be populated with the Insured's name.

The values in the table (Calendar Year, End of Policy Year, Cash or Loan Value, Amount of Reduced Paid Up Insurance and Length of Extended Term Insurance Years and Days) have been bracketed to allow the data applicable to the insureds appear.

The Cash Value Interest Rate and Policy Loan Interest Rate are bracketed to allow us to change it in the future if needed.

### **Page 4**

Our home office address is bracketed to allow the flexibility in the future should the home office address change.

### **Final Page:**

Our home office address, phone number and website are bracketed to allow the flexibility in the future should the information change.



**AAA Life Insurance Company**

17900 N. Laurel Park Dr.

Livonia, MI 48152-3985

800-624-1662, ext. 2646 or 734-779-2646

Fax: 734-805-6282

E-mail: [jalucas@aaalife.com](mailto:jalucas@aaalife.com)

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June 6, 2012

Arkansas Department of Insurance

Re: AAA Life Insurance Company

NAIC # 71854, FEIN # 52-0891929

GWL6201AR – Guaranteed Issue Graded Benefit Whole Life Insurance Policy

GWL6204TA – Travel Accident Endorsement

GWLLMB – Lifetime Membership Benefit Endorsement

To Whom It May Concern:

Enclosed for your review and approval is Form GWL6201AR, a Guaranteed Issue Graded Benefit Whole Life Insurance Policy. This is a guaranteed issue product. In the first two policy years the benefit payable will be 3.5% of the third year benefit in the first policy year and 7% of the third year benefit in the 2<sup>nd</sup> Policy year. In the third year, the complete benefit amount will be paid. No part of this filing contains any unusual or possibly controversial items from our normal Company or industry standards. They are being submitted in final printed format; however, we reserve the right to change fonts, layouts, or company logo/address. We certify that the font size will never be less than the minimum 10-point as required by your state. Once approved, these forms will be marketed on a general basis electronically and via direct response through both our American Automobile Association Clubs and independent agents and directly to the individual members and non-members.

We've included a copy of the 6202 which may be used during the enrollment process by our members. They may also enroll over the phone or via the internet. The format of the Enrollment Form may change, the color and the fonts may vary, but the information gathered during the enrollment process will not stray from what is collected on the form. It will not be printed in less than 10 pt font size. This is a non-illustrated product. These forms will not replace anything currently for use by your state.

We are submitting a Travel Accident Benefit Endorsement (Form Number GWL6204TA. There are no additional rates for this Endorsement, it will be included for no charge with newly issued policies. This form is identical to form 5504TAR filed under SERFF Tracking number AAAL-126730786, approved in your state on 8/3/2010.

At Policy Effective Date, coverage will include the Lifetime Membership Benefit Endorsement for Surviving Spouse (Form # GWLLMB). This endorsement provides a Basic Lifetime membership in the American Automobile Association (AAA) to the Insured's surviving Spouse, as defined in the Endorsement. There is no additional premium for this endorsement, this benefit is only available upon death of the Member/Primary Insured. This form is identical, other than the language indicating it will not be available during the first two policy years as form LF-1210LMB approved by your state on 2/15/2011 under SERFF Tracking Number FRCS-126980406.

We have enclosed a statement of variability describing all bracketed information in the contract. Please feel free to contact me if you have any questions or concerns. I can be reached at 734-779-2646 or (800) 571-6582 or via email at [Jalucas@aaalife.com](mailto:Jalucas@aaalife.com)

Respectfully Submitted,

A handwritten signature in cursive script that reads 'Judy Lucas'.

Compliance Specialist III

AAA Life Insurance Company

SERFF Tracking Number: AAAL-128367076 State: Arkansas  
 Filing Company: AAA Life Insurance Company State Tracking Number:  
 Company Tracking Number: GWL6201  
 TOI: L071 Individual Life - Whole Sub-TOI: L071.201 Early Duration Reduced Benefit - Level  
 Premium - Any Policy Design  
 Product Name: GIWL 2012  
 Project Name/Number: /

## Superseded Schedule Items

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

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
06/01/2012	Form	Guaranteed Issue Whole Life Insurance Policy	06/26/2012	GWL6201AR - Policy - FINAL.pdf (Superseded)
05/16/2012	Supporting Document	Life & Annuity - Actuarial Memo	07/02/2012	GIWL Actuarial Memorandum - 2012 non-compact.pdf (Superseded)
06/06/2012	Supporting Document	Actuarial Memorandum	07/02/2012	GIWL Actuarial Memorandum - 2012 AR.pdf (Superseded)



Livonia, Michigan

Home Office:

**AAA Life Insurance Company**

[17900 N. Laurel Park Drive

Livonia, MI 48152

(800) 624-1662]

[www.aalife.com]

This is a Guaranteed Issue Graded Benefit Whole Life Insurance Policy. If the insured dies while this Policy is in force, We agree to pay the proceeds payable to the Beneficiary according to the provisions of this Policy.

**THIS POLICY HAS A LIMITED GRADED DEATH BENEFIT - PLEASE READ YOUR POLICY CAREFULLY.** This Policy is a legal contract between You and Us. We issue this Policy in return for Your completion of the enrollment process and payment of the first premium.

**IMPORTANT**

YOU HAVE PURCHASED A LIFE INSURANCE POLICY. PLEASE REVIEW IT CAREFULLY FOR LIMITATIONS.

THIS POLICY MAY BE RETURNED WITHIN 31 DAYS FROM THE DATE YOU RECEIVED IT FOR A FULL REFUND BY RETURNING IT TO THE COMPANY.

If You return the Policy within the above 31 day period, it will be considered void from the start and We will refund, within ten (10) days of its return, all premiums paid.

For additional information, You may contact the Arkansas Department of Insurance at:  
Arkansas Department of Insurance  
1200 W. 3<sup>rd</sup> Street  
Little Rock, Arkansas 72201-1904  
(800) 852-5494

As evidence of this agreement, this Policy has been signed by Officers of AAA Life Insurance Company at its Home Office.

A handwritten signature in black ink, enclosed in a large right-facing curly bracket. The signature appears to read 'Harold W. Huffstetler, Jr.'

Harold W. Huffstetler, Jr., President

A handwritten signature in black ink, enclosed in a large right-facing curly bracket. The signature appears to read 'Diane L. Coudurier'.

Diane L. Coudurier, Secretary

**TOLL FREE INFORMATION AND COMPLAINT NUMBER: [(800) 624-1662]**

**GUARANTEED ISSUE GRADED BENEFIT WHOLE LIFE POLICY**

Death Benefit limited during the first two Policy Years.

Beginning with the third (3<sup>rd</sup>) Policy Year, the face amount is payable as the death benefit.

Premiums are payable to age 100.

Non-participating.

## TABLE OF CONTENTS

<b>Page</b>	<b>Provision</b>
1	Important Notice
4	Definitions
5	Death Benefits
6	Beneficiary
7	Ownership & Assignment
7	Premium
8	Surrender
8	Non-Forfeiture Options
9	Basis of Values
9	Loans
11	General Provisions

Any Endorsements, Riders or related material follow the last page.



POLICY NUMBER: [00-00000-0]

INSURED NAME: [Jane C. Doe]

**TABLE OF POLICY VALUES**

CALENDAR YEAR	END OF POLICY YEAR	CASH OR LOAN VALUE	AMOUNT OF REDUCED PAID-UP INSURANCE	LENGTH OF EXTENDED TERM INSURANCE YEARS	DAYS
[2012]	[1]	[0]	[0]	[0]	[0]
[2013]	[2]	[340]	[818]	[1]	[279]
[2014]	[3]	[760]	[1,774]	[3]	[209]
[2015]	[4]	[1,200]	[2,717]	[5]	[46]
[2016]	[5]	[1,640]	[3,604]	[6]	[136]
[2016]	[6]	[2,100]	[4,480]	[7]	[155]
[2017]	[7]	[2,560]	[5,304]	[8]	[94]
[2018]	[8]	[3,040]	[6,120]	[8]	[354]
[2019]	[9]	[3,520]	[6,887]	[9]	[191]
[2020]	[10]	[4,000]	[7,610]	[9]	[348]
[2021]	[11]	[4,480]	[8,292]	[10]	[95]
[2022]	[12]	[4,980]	[8,972]	[10]	[180]
[2023]	[13]	[5,460]	[9,579]	[10]	[219]
[2024]	[14]	[5,960]	[10,189]	[10]	[246]
[2025]	[15]	[6,460]	[10,766]	[10]	[253]
[2026]	[16]	[6,980]	[11,347]	[10]	[253]
[2027]	[17]	[7,480]	[11,867]	[10]	[224]
[2028]	[18]	[7,980]	[12,363]	[10]	[178]
[2029]	[19]	[8,500]	[12,835]	[10]	[131]
[2030]	[20]	[9,000]	[13,316]	[10]	[66]
[AGE 60]		[0]	[0]	[0]	[0]
[AGE 62]		[340]	[818]	[1]	[279]
[AGE 65]		[1,640]	[3,604]	[6]	[136]

Cash Value Interest Rate: [4.5%]

Policy Loan Interest Rate: [6.00%]

The above values are reduced by the amount of any Debt. Upon Your request, We will supply values for any years not shown. When You have paid premiums for part of a Policy Year, We calculate the values to fit the amount paid.

## DEFINITIONS

As used in this Policy, the following terms mean:

**Age** - The Insured's age as of their last birthday.

**Attained Age** - On any given date, the Insured's Age on the most recent Policy Anniversary. During the first policy year, the Insured's Attained Age is his or her Issue Age.

**Beneficiary** - The person or entity named during the enrollment process, or in the most recent change recorded by Us, who may be entitled to receive the Death Benefit.

**Debt** - The amount of any unpaid Policy Loan, existing under this Policy at any given time, plus unpaid interest due and accrued.

**Death Benefit**- The amount We pay upon the death of the Insured while this Policy is in force.

**Endorsement** – A form attached to this Policy that provides additional benefits without additional charges.

**Home Office** –Our office located at [17900 N. Laurel Park Drive, Livonia, MI 48152].

**Insured** - The person whose life is insured under this Policy as shown on the Policy Schedule Page.

**Owner** - The person or entity that has full rights and privileges to the benefits of this Policy, while the Insured is living.

**Policy** – The document without any additional Riders. Policy also includes all attached endorsements.

**Policy Schedule Page** - The Policy Schedule Page issued with this Policy on the Policy Effective Date, as well as any subsequent modifications to the Policy Schedule Page for changes made after the Policy Effective Date.

**Policy Years, Policy Anniversaries, and Policy Months** – Dates that are measured from the Policy Effective Date.

**Rider** - A form attached to this Policy that provides additional benefits for an additional charge. Any Rider attached to this Policy is shown on the Policy Schedule Page.

**We, Our, and Us** - AAA Life Insurance Company at its Home Office.

**You and Your** - Refers to the Owner of the Policy.

## **POLICY EFFECTIVE DATE**

The Policy becomes effective when the following conditions are met:

1. You complete the enrollment process; **and**
2. We receive and deposit Your Initial Premium.

This Policy is void and there is no coverage if the Insured is not living on the Policy Effective Date.

## **DEATH BENEFITS**

The Death Benefit is the amount payable to the Beneficiary if the Insured dies while this Policy is in force. The Death Benefit is limited during the first two years of the Policy to the amount should on the Policy Schedule, unless the Insured dies by an Accidental Death (as explained below). After two years, the Death Benefit paid for any death is listed on the Policy Schedule Page. When We receive proof of the Insured's death at Our Home Office, We will pay the Death Benefit to the Beneficiary within two (2) months after receipt of Proof of Loss. Payment is subject to the provisions of the Policy. We will require surrender of this Policy.

If the Insured dies while this Policy is in force, We will pay the Death Benefit to the Beneficiary. We will calculate the amount payable as:

1. the Death Benefit; plus
2. any benefits provided by Rider or Endorsement which are payable upon the Insured's death; less
3. the amount needed to keep this Policy in force to the end of the Policy month of death, if the Insured dies within the Grace Period; less
4. any Debt; plus
5. any Premium paid past the Policy month of death (after the first two years of the Policy).

**Accidental Death** is death that results from an accidental bodily injury, occurs within one hundred eighty (180) days of the injury, is the sole cause of death, completely and wholly independent of any sickness or disease, suicide, and all other natural causes. The injury and death must occur while the Policy is in force.

We will not pay benefits, during the first two Policy Years, if the injury or death occurs as a result of any of the following:

1. any attempt at suicide, or intentionally self-inflicted injury;
2. disease or infirmity of mind or body, or medical or surgical treatment for such disease or infirmity;
3. an infection not occurring as a direct result or consequence of the accidental bodily injury.

## **METHOD OF PAYMENTS**

The Death Benefit will be paid in a lump sum-

A Beneficiary may not assign their interest prior to the death of the Insured or borrow against the benefit amount. A Beneficiary's creditors may not claim any of the benefit amount or interest, unless allowed by law.

## **FILING A DEATH CLAIM**

To claim the Death Benefit, We require a fully completed claim form and Proof of Loss.

Proof of Loss for purposes of a Death Benefit claim shall include:

- a certified copy of the Insured's death certificate; or
- other lawful evidence providing equivalent information, and
- proof of the claimant's interest in the proceeds.

We may refuse to pay any claim made if the claimant(s) or Beneficiaries fail or refuse to provide information we deem necessary to pay the claim. If You or Your Beneficiaries need help in the claim process, contact Our Home Office.

## **INTEREST ON PROCEEDS**

Interest accrues and is payable from the date of death. It accrues at the rate applicable to the Policy for funds left on deposit with Us as of the date of death, plus 10% annually beginning 31 calendar days from the latest of:

- (i) The date We receive due Proof of Loss, or
- (ii) The date We receive sufficient information to determine Our liability, the extent of Our liability and the appropriate payee legally entitled to the proceeds, or
- (iii) The date all legal impediments to payment of proceeds that are dependent on parties other than Us are resolved and sufficient evidence of such resolution is provided to Us. Legal impediments include, but are not limited to:
  - a. The establishment of guardianships and conservatorships;
  - b. The appointment and qualification of trustees, executors and administrators, and
  - c. The submission of information required to satisfy state and federal reporting requirements.

## **BENEFICIARY**

### **BENEFICIARY**

The Beneficiary will receive the Death Benefit. A Beneficiary has no rights under this Policy until the death of the Insured.

There are two Beneficiary classes:

1. Primary Beneficiary, or
2. Contingent Beneficiary.

If no Primary Beneficiary survives the Insured, We will pay the Death Benefit to the Contingent Beneficiary. If there is more than one Beneficiary in a class, each will share equally unless You specify otherwise. The share of any Beneficiary, who dies before the Insured, or within fifteen (15) days after, will pass equally to any surviving Beneficiaries in that class, unless You state otherwise. If no Beneficiary survives the Insured, the Death Benefit will be paid to the Owner or the Owner's estate.

However, we may pay any Death Benefit up to \$1,000 to any person We consider justly entitled if:

1. the Beneficiary is not competent to give a valid release,
2. the Beneficiary is a minor, or
3. the benefit is payable to the Owner's estate.

If We make payment in good faith, We will not be liable to anyone or any entity for the amount paid.

## **CHANGE OF BENEFICIARY**

The Owner may change the Beneficiary, except for an irrevocable Beneficiary, at any time while the Insured is living by sending written notice to Us at Our Home Office. The change is not valid unless it is received and recorded by Us. If You have named an irrevocable Beneficiary, We will require their written consent before processing any of Your requests.

## **OWNERSHIP AND ASSIGNMENT**

### **OWNER**

The Owner of this Policy is the person named in the enrollment process for this Policy and in the Policy Schedule Page. While the Insured is living, You have the rights as Policy Owner to:

1. transfer ownership rights and privileges by absolute assignment or collateral assignment, or
2. change any Beneficiary during the Insured's lifetime, or
3. receive any benefit, exercise any right, and use any privilege granted to You by Your Policy, or
4. agree with Us to change or amend Your Policy.

If You have named an irrevocable Beneficiary, We will require their written consent before processing any of Your requests. If the Owner dies before the Insured and no other arrangements have been made with Us, ownership will transfer to the Owner's estate.

### **ASSIGNMENT**

Assignment of this Policy will be binding on Us only after a copy of the assignment is received at Our Home Office prior to the death of the Insured. We are not responsible for the validity of any assignment. If the assignment is absolute, all rights of the Owner and any irrevocable Beneficiary are transferred to the assignee. If the assignment is collateral, rights are transferred only to the extent of the assignee's interest. No assignment can be made unless any irrevocable Beneficiary agrees to it in writing.

### **CHANGE OF OWNERSHIP**

If You name a new Owner, then any prior designation of an Owner will be void. You must make an ownership change while the Insured is living by sending satisfactory written notice to Us at Our Home Office.

## **PREMIUMS**

### **PAYING PREMIUMS**

The first (1<sup>st</sup>) premium is due and payable on or before the Policy Effective Date. The amounts and frequency of the Premium payments are shown in the Policy Schedule Page. Policy Anniversaries occur annually and are computed from the Policy Effective Date.

The Initial Premium is payable at Our Home Office. All other premiums are payable on the due date at Our Home Office.

### **GRACE PERIOD**

There is no Grace Period for the Initial Premium. After You pay Your Initial Premium, We allow a Grace Period of thirty-one (31) days for payment of any subsequent Premiums. This Policy remains in force during the Grace Period. If death occurs during the Grace Period, any unpaid Premium up to the end of the month of death will be deducted from the Death Benefit. If You fail to pay the premium due by the end of the Grace Period, the policy will terminate as of the last premium due date.

**LAPSE**

If a premium is not paid by the end of the Grace Period, this Policy will lapse.

All insurance will end when the Policy lapses, unless the Policy has a Surrender Value. If there is a Surrender Value, You may choose to:

- a) Continue coverage under the Automatic Premium Loan (APL) provision; or
- b) Surrender your Policy for cash; or
- c) Continue it for a reduced amount of paid-up insurance; or
- d) Continue it as Extended Term Insurance.

Details of these options are described in the NON-FORFEITURE provision. You have thirty-one (31) days after the premium due date in which to choose an option. If no option is chosen, We will continue coverage under the Automatic Premium Loan provision.

**REINSTATEMENT**

While the Insured is living, You may request to reinstate this Policy at any time within three (3) years from the last premium due date and prior to Age 100, unless it has been surrendered for cash. We will reinstate the Policy once We receive:

- a) Your written request within three years after the last premium due date;
- b) Payment of all overdue premiums with interest at an annual rate of 6% per annum; and
- c) Payment, in advance, of two (2) additional monthly premiums; and
- d) Repayment or reinstatement of all Debt at a rate of 6% per annum.

**CONTINUATION OF INSURANCE**

Insurance coverage under this Policy and any Benefits provided by Rider will be continued in force until terminated as provided in the Grace Period provision.

**SURRENDER**

You may Surrender this Policy for its Surrender Value at any time while it is in force. The request must be in writing.

We may postpone payment of the Surrender Value for up to six (6) months after We receive Your request unless the Surrender is to pay premiums on Policies with Us.

If You request a Surrender within thirty (30) days after a Policy Anniversary, the Surrender Value will not be less than the Surrender Value on that Anniversary less any Debt.

**SURRENDER VALUE**

The Surrender Value of this Policy is the cash value of this Policy (as shown in the TABLE OF POLICY VALUES) adjusted to the surrender date, as provided in the Basis of Values, less any Debt.

**NON-FORFEITURE OPTIONS**

You may choose a non-forfeiture option within thirty-one (31) days after an unpaid premium was due, provided the Insured is living. During this thirty-one (31) day period, the Surrender Value will stay the same as on the first day of the period. If You do not choose an option, the APL provision will apply.

Any benefit from an attached Rider will not be included in the coverage provided by the following Non-Forfeiture options.

### **CASH SURRENDER OPTION**

Policy Surrender is the permanent cancellation of the Policy. Only the Owner can surrender the Policy, subject to the right of any assignee or irrevocable Beneficiary. The Policy can be surrendered within thirty-one (31) days of any premium due date, or any time while in effect as Extended Term Insurance or Reduced Paid-Up Insurance. The Cash Value of Extended Term Insurance or Reduced Paid-Up Insurance is the net single premium for the remaining insurance benefits less debt. If surrender occurs within thirty-one (31) days after a Policy Anniversary, the cash value shall be the cash value as of such Anniversary.

We will pay the Surrender Value on the date of surrender. We have the right to delay a cash surrender for up to six (6) months.

### **EXTENDED TERM INSURANCE SURRENDER OPTION**

You may continue this Policy as paid-up extended term insurance. The amount of coverage will be the present insurance amount less any Debt.

The Surrender Value will be used as a net single premium to determine the length of coverage. The net single premium will be based on the Attained Age of the Insured on the unpaid premium's due date. Coverage will start from the unpaid premium's due date. You may surrender the Extended-Term Policy for the then current Surrender Value.

### **REDUCED PAID-UP INSURANCE**

Subject to Our minimum requirements, You may continue this Policy as Reduced Paid-Up Insurance with no further Premium due. The Reduced Paid-Up Insurance is determined by applying the Surrender Value as a net single premium based on the Insured's Attained Age on the date the Reduced Paid-Up Insurance coverage starts. Coverage will start from the unpaid premium's due date. The Cash Value will first be used to pay off the loan. You may surrender this Reduced Paid-Up Insurance later for the then current Surrender Value.

## **BASIS OF VALUES**

Values for Your surrender options are shown in the TABLE OF POLICY VALUES. A description of the method used to compute the cash values has been filed with the Department of Insurance in the state that this Policy is issued in. The values provided meet or exceed the minimum requirements of the standards set forth by the state. The cash value of any paid-up insurance is the net single premium for such insurance based on the Insured's Attained Age on the surrender date.

Our computations assume:

- a) Interest as shown on the TABLE OF POLICY VALUES; and
- b) Death Benefits payable immediately on the death of the Insured; and
- c) Premiums payable annually.

Cash values, paid-up insurance values, and extended term insurance values are based on the 2001 Commissioners Standard Ordinary (Age last birthday) Gender distinct Mortality Table.

## **LOANS**

You may use the Cash Value without ending the insurance coverage by asking Us for a loan provided this Policy has not been continued as Extended Term Insurance as defined under the Non-Forfeiture Options section. This Policy is the only security We need.

### **OBTAINING A LOAN**

You may obtain a loan from Us if:

- a) this Policy is in force; and
- b) this Policy has enough loan value; and
- c) Premiums have been paid to the end of the Policy Year for which this Policy first has a cash value (as shown in the TABLE OF POLICY VALUES).

You may ask for a loan at any time. We have the right to wait six (6) months before making the loan, unless You will use it to pay premiums for this Policy.

### **AUTOMATIC PREMIUM LOAN (APL)**

Under the APL provision, We will automatically pay any premium not paid within a Grace Period by charging it as a loan against Your Policy. Interest on the loan will be charged at the loan interest rate (shown in the TABLE OF POLICY VALUES) from the due date of the premium. If the loan value is not large enough to pay the entire premium due, plus interest, the loan will be for the next smaller mode of payment the loan value allows, down to a pro rata portion of a monthly premium. An APL is subject to provisions of the LOANS provision.

However, if You do not want the APL provision to be used, You may inform Us by written request at any time provided this Policy has not lapsed. If You use the APL provision and later decide to cancel it, You may do so at any time by written request. A cancellation request will not affect any loan made before the cancellation took effect. We may require You to send Us this Policy for endorsement of an APL request.

### **AMOUNT OF LOAN AVAILABLE**

You may borrow any amount up to the loan value of this Policy. The loan value is equal to:

1. the cash value of this Policy on the loan date; less
2. any existing Debt; less
3. the interest to the next Policy Anniversary; less
4. any outstanding premium due.

### **POLICY LOAN INTEREST**

We will charge You interest each year on the amount of the loan principal. Interest will accrue daily at the daily equivalent of the effective annual rate. The effective annual rate of interest We will charge You is the Policy Loan Interest Rate shown on the TABLE OF POLICY VALUES. Any unpaid accrued interest will be due on each Policy Anniversary or upon the earlier of:

1. the surrender of this Policy;
2. the death of the Insured; or
3. the date this Policy terminates.

Any interest not paid when due will be:

1. added to the loan principal; and
2. charged interest as any other loan.

### **REPAYMENT OF LOANS**

You may repay all or part of a loan while the Insured is alive and this Policy is in force.

### **EXPIRATION**

Whenever the loan amount, with interest, is more than the Cash Value, We will give you thirty-one (31) days to make a payment to make the loan value positive. If payment is not received, Your policy will lapse thirty-one (31) days after We have mailed notice to Your last known address, and to that of any recorded assignee.

## **GENERAL PROVISIONS**

### **ENTIRE CONTRACT**

This Policy is a legal contract. The whole contract consists of this Policy and any attached Riders or Endorsements. This Policy may not be changed unless an Officer of the Company agrees to the change in writing.

### **TERMINATION**

This coverage will terminate when any one of the following occurs:

- a) thirty-one (31) days after we mail You notice that the total Debt equals or exceeds the cash value;
- b) the Grace Period ends without payment of a required premium;
- c) the Policy is surrendered;
- d) the Insured dies.

### **ELECTIONS, DESIGNATIONS, CHANGES AND REQUESTS**

All elections, designations, changes and requests must be in a written form and will become effective only after they have been approved by Us. We reserve the right to require the Policy to be returned to Our Home Office for Endorsement of any change.

### **SUICIDE**

If the Insured dies by suicide, while sane or insane, within two (2) years after the Policy Effective Date, the Death Benefit will be limited to the premiums paid less any Debt.

### **INCONTESTABILITY**

We can contest this Policy at any time for fraud where permitted by the state where this Policy is delivered or issued for delivery.

### **MISSTATEMENT OF AGE OR GENDER**

If the Insured's Age or gender was misstated, their correct Age or gender at the Policy Effective Date will be used to determine:

1. The Effective, Renewal, or Expiration Dates of benefits provided by this Policy;
2. The Death Benefit; and
3. Any other rights or benefits under this Policy.

If the Insured's Age or gender was misstated, We will adjust the Death Benefit to be the amount that would be purchased by the Premium at the correct Age or gender.

### **NON-PARTICIPATING**

This Policy does not participate in Our earnings or surplus.

### **CONFORMITY WITH STATE STATUTES**

This Policy is subject to the laws of the state where the Policy was issued. If part of this Policy does not comply with those laws, it will be treated as if it did. Any provision of this Policy, which, on its Effective Date, is in conflict with the statutes of the state in which the You are located on such date is hereby amended to conform to the minimum requirements of such statutes.



(A Stock Company)

**Home Office:**

**[17900 N. Laurel Park Dr., Livonia, MI 48152**

**(800) 624-1662]**

**[[www.aalife.com](http://www.aalife.com)]**

**GUARANTEED ISSUE GRADED BENEFIT WHOLE LIFE POLICY**

Death Benefit limited during the first two Policy Years.

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