

State: Arkansas **Filing Company:** Royal Neighbors of America
TOI/Sub-TOI: A021 Individual Annuities- Deferred Non-Variable/A021.002 Flexible Premium
Product Name: 1221 Flexible Premium Deferred Annuity Certificate
Project Name/Number: Flexible Premium Deferred Annuity Certificate /1221

Filing at a Glance

Company: Royal Neighbors of America
Product Name: 1221 – Flexible Premium Deferred Annuity Certificate
State: Arkansas
TOI: A021 Individual Annuities- Deferred Non-Variable
Sub-TOI: A021.002 Flexible Premium
Filing Type: Form
Date Submitted: 09/17/2012
SERFF Tr Num: RNOA-128659891
SERFF Status: Closed-Approved-Closed
State Tr Num:
State Status: Approved-Closed
Co Tr Num: 1221 RNOA-128659891

Implementation: On Approval
Date Requested:
Author(s): John Friederich, Philip Blankenfeld, Deb Zemo
Reviewer(s): Linda Bird (primary)
Disposition Date: 09/20/2012
Disposition Status: Approved-Closed
Implementation Date:

State Filing Description:

State: Arkansas **Filing Company:** Royal Neighbors of America
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General Information

Project Name: Flexible Premium Deferred Annuity Certificate Status of Filing in Domicile: Pending
 Project Number: 1221 Date Approved in Domicile:
 Requested Filing Mode: Review & Approval Domicile Status Comments: Illinois is the domicile state and is pending approval.
 Explanation for Combination/Other: Market Type: Individual
 Submission Type: New Submission Individual Market Type:
 Overall Rate Impact: Filing Status Changed: 09/20/2012
 State Status Changed: 09/20/2012
 Deemer Date: Created By: Deb Zemo
 Submitted By: Deb Zemo Corresponding Filing Tracking Number: 1221

Filing Description:

Enclosed for your review and approval is a specimen copy of the flexible premium deferred annuity certificate. This certificate is new, and has never been issued by Royal Neighbors of America (Royal Neighbors), nor has it ever been available for attachment to any life insurance certificate issued by Royal Neighbors.

To the best of my knowledge and belief, no part of this submission contains any unusual or possibly controversial items contrary to normal industry standards. No assumptions or provisions contained in the certificate unfairly discriminate in the availability of annuity benefits to individuals of the same class, equal expectation of life, and degree of hazard.

This annuity provides for flexible premiums, which may vary in amount and frequency and a monthly income commencing on the maturity date. Issue ages for this annuity are 16 to 75 for the owner and 0 to 75 for the annuitant. The primary target market will be individuals' age 30 to 55 years, and the certificate will be marketed by the use of commissioned independent agents, commissioned agents of an Agency, and by non-commissioned agents of the Royal Neighbors call center. All agents will be under contract, duly licensed by the state and appointed (as applicable) by Royal Neighbors.

The annuity will be used with application form 101721 Rev. 3-2010, approved by your department on 4/15/2010 and, as appropriate, with form 111025; Rev. 11-2010 entitled Traditional Individual Retirement Annuity Endorsement, approved by your department on 10/20/2011, or form 116025; Rev. 4-2011 entitled Roth Individual Retirement Annuity Endorsement, approved by your department on 10/20/2011.

Company and Contact

Filing Contact Information

Debra Zemo, Compliance Assistant/Legal Secretary zemodm@royalneighbors.org
 230 16th Street 800-627-4762 [Phone] 8233 [Ext]
 Rock Island, IL 61201 309-788-3887 [FAX]

Filing Company Information

Royal Neighbors of America	CoCode: 57657	State of Domicile: Illinois
230 16th Street	Group Code:	Company Type: Life, Health,
Rock Island, IL 61201	Group Name: Royal Neighbors	Annuity
(309) 732-8232 ext. 8232[Phone]	FEIN Number: 36-1711198	State ID Number:

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Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? Yes
Fee Explanation: 1 form x \$50 = \$50
Per Company: No

Company	Amount	Date Processed	Transaction #
Royal Neighbors of America	\$50.00	09/17/2012	62745810

SERFF Tracking #: RNOA-128659891

State Tracking #:

Company Tracking #:

1221 RNOA-128659891

State: Arkansas

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Royal Neighbors of America

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	09/20/2012	09/20/2012

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Disposition

Disposition Date: 09/20/2012

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		No
Supporting Document	Application		No
Supporting Document	Life & Annuity - Acturial Memo		No
Form	Flexible Premium Deferred Annuity Certificate		No

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Form Schedule

Lead Form Number: 1221

Item No.	Schedule Item Status	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments
1		1221	CER	Flexible Premium Deferred Annuity Certificate	Initial:		1221 Flexible Premium Deferred Annuity Certificate.pdf

Form Type Legend:

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

**A Fraternal Benefit Society
Incorporated in 1895**



Royal Neighbors of America
Home Office
230 Sixteenth St.
Rock Island, IL 61201
(800) 627-4762
(309) 788-4561
www.royalneighbors.org

PAYMENT OF BENEFITS

AGREES, subject to the provisions of this Certificate, to pay (1) to the Owner, if the Owner is living on the Maturity Date, a monthly income, commencing on the Maturity Date, in accordance with the Monthly Income provision on Page 2 of the Certificate or (2) while this Certificate is in force, and prior to the Maturity Date, to pay a death benefit upon the death of the Owner. The Death Benefit Proceeds will be paid to the person designated as being entitled to receive such proceeds not later than 30 days after receipt of due proof of the claimant's right to the proceeds and proof of death of the Owner, such as a certified copy of a certificate of death or a certified finding by a court of competent jurisdiction, that the Owner died prior to the Maturity Date, and while this Certificate was in force. If the Certificate proceeds are not paid in one lump sum within 30 days after Royal Neighbors of America (Royal Neighbors) has received due proof of the right to the proceeds, Royal Neighbors will pay interest on the unpaid proceeds from the date it receives written proof of death at a rate not less than that required by law. Interest will accrue from the date of death to the date of payment. The full payment of the Certificate's proceeds to the person designated as being entitled to receive such proceeds shall fully discharge Royal Neighbors from all claims under this Certificate. Any debt on the Certificate will be deducted at the time of final payment.

This Certificate is issued in consideration of the application and the payment of the first premium. Certificate years, months, and anniversaries will be determined from the Issue Date. The Certificate Data on Page 3 and the provisions on this and the following pages are part of this Certificate. Any additional benefits, if any, are provided by rider or endorsement and are subject to the provisions of the rider or endorsement. All sums payable by Royal Neighbors under the terms of this Certificate are payable at the Home Office in Rock Island, Illinois. The Owner may elect to receive the Cash Surrender Value as of the Maturity Date in one sum in lieu of a monthly income for life, or any other settlement option. Royal Neighbors will require proper written request on or before the Maturity Date.

READ THIS CERTIFICATE CAREFULLY

The premiums, values, and benefits provided by this annuity are indeterminate and may vary according to the terms of the Certificate. A partial or full withdrawal made during the Surrender Charge period may result in a loss of the portion of the total premiums paid into this annuity certificate. A Table of Values and Surrender Charges is located on Page 3A of this Certificate. This annuity Certificate is a legal contract between the Owner and Royal Neighbors. To present an inquiry, obtain information, or assistance in resolving a complaint regarding this Certificate, you may telephone Royal Neighbors at (800) 627-4762 or you may write to Royal Neighbors' Home Office at: Royal Neighbors of America, 230-16th Street, Rock Island, IL 61201, or email us at: contact@royalneighbors.org. Upon request, Royal Neighbors will provide, within 10 business days, comprehensive information regarding the benefits and provisions of this Certificate to the Owner.

RIGHT TO EXAMINE CERTIFICATE

The Owner may void this Certificate by delivering or mailing it to the Home Office at 230 16th Street, Rock Island, IL 61201; or to the agent through whom it was purchased; or to any representative of Royal Neighbors before midnight of the 20th day (30th day if purchased as a replacement or through our call center or by direct mail) after the date it was delivered to the Owner. Return of the Certificate by mail is effective on being postmarked, properly addressed, and postage prepaid. Royal Neighbors will return all premiums paid on this Certificate, less any benefits paid, within 10 business days after receiving the Certificate. Such return will void this Certificate from the beginning.

OPTIONAL MATURITY DATE

At any time while this Certificate is in force, the Owner may select an Optional Maturity Date that is later than the Original Maturity Date shown on Page 3, but the Optional Maturity Date may not be later than the first Certificate anniversary after the Annuitant's 115th birthday. If the Owner does not notify Royal Neighbors in writing, at least 31 days prior to the Original Maturity Date, that the Owner has either selected an Optional Maturity Date, or wishes to receive this annuity's benefit on the Original Maturity Date, it will be assumed that the Owner selected an Optional Maturity Date of the first Certificate anniversary after the Annuitant's 115th birthday, provided however, that the Owner may subsequently amend the Optional Maturity Date at anytime, while this Certificate is in force.

Executed at the Home Office in Rock Island, Illinois, on the Issue Date.


Secretary and General Counsel


President and CEO

FLEXIBLE PREMIUM DEFERRED ANNUITY CERTIFICATE – Monthly Income payable at Maturity Date or Death Benefit payable at prior death - Optional Maturity Date - Flexible Premium payments - Waiver of Surrender Charges Benefit - Participating.



INDEX OF CERTIFICATE PROVISIONS

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Additional benefits provided by riders or endorsements, if any, are listed on Page 3.

FLEXIBLE PREMIUMS – All premiums are payable at the Home Office. The Initial Premium is due on the Issue Date and is shown on Page 3. Subsequent premiums may vary in amount and frequency at the option of the Owner.

ISSUE AGE AND SEX – Issue Age means the age of the Annuitant on the birthday prior to the Issue Date of this Certificate. If the Issue Age or Sex of the Annuitant has been misstated, the amount payable on the Maturity Date will be such as the premiums paid would have purchased at the correct age and sex. If Royal Neighbors makes or has made any overpayment or underpayment on account of a misstatement of age or sex, the amount thereof, with interest at a rate of 6% per annum shall, in the case of underpayment, be paid by Royal Neighbors or, in the case of overpayment, may be charged against the current or next succeeding payment or payments made by Royal Neighbors under the provisions of this Certificate.

ORIGINAL MATURITY DATE – The Original Maturity Date is shown on Page 3. This Certificate matures on the anniversary of the Issue Date after the Annuitant's 70th birthday, or 10 years after the Issue Date, whichever is later, unless an Optional Maturity Date has been elected by the Owner as provided in this Certificate.

MATURITY DATE – Maturity Date means the Original Maturity Date, unless an Optional Maturity Date is elected, in which case the Optional Maturity Date becomes the Maturity Date.

MONTHLY INCOME – The amount of Monthly Income will be determined by applying the Cash Surrender Value on the Maturity Date, or Optional Maturity Date, if elected, under the provisions of Option 3 of the Settlement Options with a 10-year period certain. The reserves and net single premiums for Settlement Option 3 are based on the Annuity 2000 Mortality Table with interest at 2% per annum. Provided, however, in no event will the Monthly Income be less than the benefit that would be provided by the application of the Cash Surrender Value to purchase a single premium immediate annuity certificate at purchase rates offered by Royal Neighbors at the commencement of monthly payments to the same class of annuitants. Upon request prior to the Maturity Date, or Optional Maturity Date, if elected, the Owner may elect to receive the Cash Surrender Value in lieu of the Monthly Income.

MINIMUM VALUES – The Cash Surrender Values, Death Benefit Proceeds, or Paid-up Annuity that may be available under this Certificate are not less than the minimum benefits required by the NAIC Standard Nonforfeiture Law for Individual Deferred Annuities Model #805. The minimum nonforfeiture parameters are shown and calculated in accordance with Minimum Guaranteed Credited Interest Rate shown on Page 3.



CERTIFICATE DATA

Certificate Number.....[000010095007]
Chapter Number.....[2003]
Issue Date.....[August 20, 2012]
Name of Annuitant.....[John J. Doe]
Name of Owner.....As Stated in the Attached Application, Unless Changed by Assignment
Issue Age and Sex of Annuitant.....[35] - [Male]
Plan Type.....[Flexible Premium Deffered Annuity]
Plan of Annuity.....[Non-qualified]
Original Maturity Date**.....[October 9, 2043]

*NOTE: This Certificate matures on the anniversary of the Issue Date after the Annuitant's 70th birthday or 10 years after the Issue Date of this Certificate, whichever is later, unless an Optional Maturity Date has been elected by the Owner, as provided in this Certificate.

Initial Premium Amount.....[\$10,000]
Maximum Annual Premium.....[\$25,000]
Minimum Additional Premium.....[\$50]
Annual Administration Fee.....[\$15]
Minimum Partial Withdrawal Amount.....[\$500]
Minimum Guaranteed Credited Interest Rate**.....[1.00%]

Maximum Waiver of Surrender Charge Benefit..... 100% of applicable Surrender Charge
Waiver of Surrender Charge Benefit Eligibility date..... One year after the Issue Date

**The Minimum Guaranteed Credited Interest Rate (Minimum Nonforfeiture Rate) is established on the Issue Date and will not change. The rate is determined by the average of the 5-year Constant Maturity Treasury Rate reported by the Federal Reserve over a 12-week period beginning on the first day of the Calendar Quarter that is two Calendar Quarters prior to the first day of the Calendar Quarter in which this Certificate was issued, as determined by the Issue Date of this Certificate; rounded to the nearest 1/20th of one percent; and reduced by an expense charge of 1.25%. Provided however, in no case will the Minimum Guaranteed Credited Interest Rate exceed 3.0%, not be less than 1.0%. For purposes of this provision, a Calendar Quarter is a three-month period commencing on January 1, April 1, July 1, and October 1, as applicable.

The nonforfeiture rate will be the minimum guaranteed rate.

Table with 2 columns: FORM NO. and DESCRIPTION OF ADDITIONAL BENEFITS PROVIDED BY ENDORSEMENT. Row 1: None, There are no additional benefits provided under this certificate.

Your state Department of Insurance phone number is [(217) 782-4515]



TABLE OF VALUES AND SURRENDER CHARGES

The Account Value and Cash Surrender Values shown below are for the end of the Certificate Year shown. The values assume an initial premium of [\$10,000.00] has been received at the beginning of the first Certificate Year; an Annual Certificate Fee, as applicable, has been deducted; interest has been credited at the Guaranteed Minimum Interest Rate shown below; there are no withdrawals; and the Certificate has not matured. Values for Certificate years not shown below will be furnished upon request.

The surrender values shown below do not include applicable taxes or tax penalties. There may be tax consequences and penalties resulting from a cash surrender or partial withdrawal. You are advised to consult with a qualified tax professional or your attorney regarding possible tax consequences and/or penalties.

END OF CERTIFICATE YEAR	GUARANTEED MINIMUM INTEREST RATE	END OF YEAR ACCOUNT VALUE	CASH SURRENDER VALUE	SURRENDER CHARGE PERCENTAGE
1	1.00%	\$10,100.00	\$9,191.00	10%
2	1.00%	\$10,201.00	\$9,375.00	9%
3	1.00%	\$10,303.00	\$9,561.00	8%
4	1.00%	\$10,406.00	\$9,750.00	7%
5	1.00%	\$10,510.00	\$9,943.00	6%
6	1.00%	\$10,615.00	\$10,138.00	5%
7	1.00%	\$10,721.00	\$10,335.00	4%
8	1.00%	\$10,829.00	\$10,536.00	3%
9	1.00%	\$10,937.00	\$10,740.00	2%
10	1.00%	\$11,046.00	\$10,947.00	1%
[70]	1.00%	\$14,166.00	\$14,166.00	0

NOTE: Under the Internal Revenue Code, annuity certificates that are issued as an Individual Retirement Annuity (IRA) or under a Simplified Employee Pension (SEP) plan are subject, in general, to Required Minimum Distributions (RMDs) by April 1 of the year following the year in which the Owner attains age 70½. This Table of Values and Surrender Charges does not account for any RMDs. RMDs are more fully explained in the IRA endorsement, if any, attached to this Certificate. Also refer to the IRA endorsement, if any, for additional provisions which may change provisions contained in this Certificate. You are advised to consult with a qualified tax professional for tax information applicable to your personal situation.



ACCOUNT VALUE – The Account Value as of the end of any Certificate Year will be determined as follows:

1. The Account Value as of the end of the preceding Certificate Year; plus
2. The amount of Premiums paid, plus;
3. Credited Interest, less;
4. Withdrawals, (including any applicable surrender charges), if any, less;
5. The Annual Administration Fee, if applicable.

The Account Value at any time during a Certificate Year will be determined as stated above but with credited interest to the date of the calculation. The Account Value immediately prior to the Issue Date is zero.

CASH VALUE – The Cash Value of this Certificate on any day is the Account Value less any Surrender Charge.

CASH SURRENDER VALUE – The Owner of this Certificate may surrender this Certificate for its Cash Surrender Value at any time on or before the Maturity Date. If the Cash Surrender Value is to be paid, the Certificate must first be surrendered to Royal Neighbors. The Cash Surrender Value on any day is the Cash Value on the date of calculation, less any indebtedness. **There may be tax consequences and penalties resulting from a cash surrender. You are advised to consult with a qualified tax professional or attorney regarding possible tax consequences and penalties associated with a cash surrender of this Certificate.**

If payment of the Cash Surrender Value is not made or placed within 30 days of receipt of this Certificate and the request for surrender, Royal Neighbors will pay interest on the Cash Surrender Value at a rate not less than that required by law. Royal Neighbors may defer the payment of the Cash Surrender Value for a period up to six months after the request is received. The deferral shall be contingent upon Royal Neighbors' written request for such deferral and its receipt of written approval of the deferral from the State Commissioner's Office.

CREDITED INTEREST EARNINGS – Interest at a rate not less than The Minimum Guaranteed Credited Interest Rate shown on Page 3 of this certificate, as authorized by the Society at least once each year, will be used in determining the Account Value.

SURRENDER CHARGE – If the total amount withdrawn in a Certificate Year exceeds 10% of the Account Value (such Account Value to be determined at the time of the first withdrawal in such Certificate Year), at the time of the first withdrawal in such Certificate Year, the excess will be subject to a Surrender Charge as calculated by taking such excess amount multiplied by the applicable Surrender Charge Percentage as shown on Page 3A. The Surrender Charge will be deducted from the amount withdrawn before payment to the Owner.

PARTIAL WITHDRAWALS – At any time prior to the Maturity Date, the Owner may withdraw a portion of the Account Value upon proper request to Royal Neighbors. The amount of any withdrawal may not be less than the Minimum Partial Withdrawal Amount shown on Page 3 of this Certificate unless the Certificate is surrendered for its entire Cash Surrender Value. If the entire Cash Surrender Value is to be withdrawn, the Certificate must first be surrendered to Royal Neighbors.

Withdrawals reduce the Account Value. In addition to any applicable Surrender Charge that may be deducted from the amount withdrawn, there may be tax consequences and penalties resulting from a withdrawal. You are advised to consult with a qualified tax professional or your attorney regarding possible tax consequences and/or penalties.

If payment of a Partial Withdrawal is not made within 30 days of receipt of the request, Royal Neighbors will pay interest on the Partial Withdrawal value at a rate not less than that required by law. Royal Neighbors may defer the payment of any withdrawal for a period up to 6 months after the request is received. The deferral shall be contingent upon Royal Neighbors' written request for such deferral and its receipt of written approval of the deferral from the State Insurance Commissioner's Office.

DIVIDENDS – This Certificate will share in the divisible surplus of Royal Neighbors as determined annually by the Society and declared as a dividend. Dividends may be paid in cash, unless the contract is intended to qualify under the Internal Revenue Code, but will be applied as additional interest unless a cash payment is requested by the Owner. **Royal Neighbors does not expect that any Dividends will be declared on this Certificate.**

ANNUAL REPORT – For each year during which this Certificate is in force, Royal Neighbors will provide the Owner an Annual Report without charge. Additional Annual Reports will be available to the Owner upon request for a fee not to exceed \$25 during a Certificate Year. The Annual Report will provide the current status of the contract along with any other information required under state or federal law, not more than four months prior to the date of the mailing. The Annual Report will contain (a) the beginning and end dates of the current report period; (b) the Account Value, if any, at the beginning of the current report period; (c) the amounts that have been credited or debited to the Account Value during the current report period by type; (d) the Cash Surrender Value, if any, at the end of the current report period; (e) the amount of outstanding loans, if any; and (f) the amount of the death benefit at the end of the reporting period.

CERTIFICATE YEAR – A 1-year period, with the first Certificate Year commencing on the Issue Date of this Certificate.



WAIVER OF SURRENDER CHARGES – The Surrender Charge will be waived for a withdrawal in the following circumstances:

1. After the competition of the Benefit Eligibility Date, the Owner has been confined to a Nursing Home and/or Hospital for at least 90 consecutive days (Qualifying Period) and the confinements are for related causes, provided:
 - a. The confinement commences after the Certificate Issue Date.
 - b. The withdrawal request and proof satisfactory to Royal Neighbors of confinement are received at the Home Office either while the Owner is confined after the Qualifying Period or within 90 days after such confinement; provided however, if proof cannot be provided such proof shall be provided as soon as reasonably possible provided such proof must be provided within one year after proof is required and;
 - c. Confinement in a Nursing Home and/or Hospital is prescribed by a licensed Physician and is Medically Necessary.
2. The Owner has a terminal condition and not expected to live more than 12 months, provided:
 - a. The Owner provides a certification by a Physician as to the limited life expectancy.
3. Death of the Owner.

HEALTHCARE FACILITY – For purposes of the Waiver of Surrender Charges provision, a healthcare facility is either:

1. Hospital – A facility which:

- a. Is located in the United States or its territories;
- b. Is licensed as a Hospital by the jurisdiction in which it is located;
- c. Is supervised by a staff of licensed physicians;
- d. Provides nursing services 24 hours a day by, or under the supervision of a registered nurse (R.N.);
- e. Is operated primarily for the care and treatment of sick and injured persons as inpatients for a charge; and
- f. Has access to medical diagnostic facilities.

2. Intermediate Care Facility – A facility which:

- a. Is located in the United States;
- b. Is licensed and operated as an Intermediate Care Facility according to the laws of the jurisdiction in which it is located;
- c. Provides continuous 24 hours a day nursing service by, or under the supervision of a registered nurse (R.N.) or a licensed practical nurse (L.P.N.); and
- d. Maintains a daily medical record of each patient.

3. Nursing Home – A facility that is a Skilled Nursing Facility, an Intermediate Care Facility, or Residential Care Facility. Nursing Home does not mean:

- a. A home for the aged, a community living center, or place that primarily provides domiciliary, residency, or retirement care; or
- b. A place owned or operated by a member of the Owner's Immediate Family.

4. Residential Care Facility – A facility which:

- a. Is located in the United States or its territories;
- b. Is licensed and operated as a Residential Care Facility according to the laws of the jurisdiction in which it is located; and
- c. Provides nursing care under the supervision of a registered nurse (R.N.).

5. Skilled Nursing Facility – A facility which:

- a. Is located in the United States or its territories;
- b. Is licensed and operated as a Skilled Nursing Facility according the laws of the jurisdiction in which it is located;
- c. Provides skilled nursing care under the supervision of a licensed physician;
- d. Provides continuous 24 hours a day nursing services by, or under the supervision of a registered nurse (R.N.); and
- e. Maintains a daily medical record of each patient.

PHYSICIAN – Any person duly licensed and legally qualified to diagnose and treat sickness and injuries. A Physician must be providing services within the scope of her or his license. A Physician may not be a member of the Owner's Immediate Family.

MEDICALLY NECESSARY – Appropriate and consistent with the diagnosis in accordance with accepted standards of practice and which could not have been omitted without affecting the individual's condition.

IMMEDIATE FAMILY – Includes the Owner's spouse, children, parents, grandparents, grandchildren, siblings, and in-laws.

DENIAL OF WAIVER CLAIM – If the waiver is denied by the Society, the surrender proceeds shall not be dispersed until the Owner is notified of the denial and provided with the opportunity to accept or reject the surrender proceeds, including any surrender charges.



BENEFICIARY – The Beneficiary is as stated in the application, unless changed. Unless the designation of the Beneficiary is explicitly irrevocable, the Owner may change the Beneficiary without the consent of any such Beneficiary. The primary Beneficiary will receive the Death Benefit Proceeds if the Owner dies while this Certificate is in force. Proper written request designating the Beneficiary will be required. When recorded, the change will take effect on the date the request was signed, but without prejudice to Royal Neighbors on account of any payment made by it before receipt of the request.

REPRESENTATIONS – All statements in the application shall be deemed representations and not warranties. No statement shall be used to void this Certificate, or used in defense of a claim, unless it is contained in the application and a copy of the application is attached to the Certificate when issued or delivered.

MAINTENANCE OF RESERVE – If Royal Neighbors' reserves become impaired, the Owner shall pay Royal Neighbors this Certificate's equitable proportion of the deficiency. However, there shall be no personal liability for such payment except against this Certificate's reserve. The amounts of such payment and deficiency shall be determined by Royal Neighbors' Board of Directors. If such payment is not made in cash, it shall stand as a debt against the Certificate. Such debt shall bear interest at a rate not to exceed the lesser of the rate used for computing reserves or 5% per annum. In lieu of the foregoing, or in combination with it, the Owner may consent to a corresponding decrease of the annuity benefits. Such decrease shall be in the same proportion as the amount of such payment bears to the reserve immediately before such decrease.

APPLICABLE STATE LAW – The rights or obligations of the Owner or any person claiming under this Certificate shall be governed by the laws of the state in which this Certificate is delivered.

ENTIRE CONTRACT – This contract is between Royal Neighbors and the Owner. It includes the Articles of Incorporation and the Bylaws of Royal Neighbors; this Certificate, including any attached riders or endorsements; the application, a copy of which is attached; and all present or future amendments or endorsements to each. However, no future amendment to the Articles of Incorporation or the Bylaws of Royal Neighbors shall reduce the benefits contracted for as of the Issue Date.

CHAPTER MEMBERSHIP – The Owner, if a natural person, is a member of a chapter of Royal Neighbors on the Issue Date, otherwise the Beneficial Owner under the Trust, if the Owner is the Trust, will be the member of a chapter of Royal Neighbors.

SUSPENSION OR EXPULSION – If the member of Royal Neighbors under this Certificate should be expelled or suspended from membership in Royal Neighbors for any reason, except within the contestable period for misrepresentation in the application for membership, the Owner shall have the privilege of maintaining this Certificate in force.

MODIFICATIONS – No agent of Royal Neighbors has the authority to make changes to this Certificate. Only authorized officers of Royal Neighbors have the authority to waive any terms of or make any changes to this Certificate. All changes must be in writing.

OWNERSHIP AND CONTROL – The Owner shall be as shown in the application unless later changed by Assignment. Prior to the Maturity Date, the Owner may exercise any rights and receive all benefits described in this Certificate. Please review the provisions contained within this Certificate for an explanation of the options and rights provided under the Certificate.

DEATH OF OWNER – Proceeds paid on the death of the Owner shall equal the Account Value. The death proceeds shall be paid within 5 years after the Owner's death, unless: (1) the proceeds will be paid to a natural person; (2) such payments begin within one year after the Owner's death, and; (3) such payments are to be made over a period not exceeding the life expectancy of the person entitled to payment. This provision shall not apply if the Owner's surviving spouse is the sole Beneficiary and the person entitled to payment. In such event, the Owner's surviving spouse, as the sole Beneficiary, may elect by written request to Royal Neighbors, to continue this Certificate in the name of the surviving spouse, as Owner. There may be tax consequences and penalties as a result of this election. You are advised to consult with a qualified tax professional or your attorney regarding possible tax consequences and/or penalties.

INCONTESTABILITY – This Certificate shall be incontestable after it has been in force for 2 years from the Issue Date during the lifetime of the Owner, except for fraud in the procurement of the Certificate if otherwise permitted by state law.

RESERVES – The reserve method and amount held by Royal Neighbors will be at least equal to the minimum required by the state in which this Certificate is delivered.



DEATH OF ANNUITANT – If the Annuitant is other than the Owner and dies before the Maturity Date; then unless the Owner designates a substitute annuitant (Annuitant) within 60 days from the date of the death of the Annuitant (or immediately upon Owner's death if the Owner dies before designating an Annuitant), the Owner shall become the Annuitant provided, however, if the Owner is not a natural person, then upon the death of the Annuitant, the Account Value will be paid to the Owner.

DEATH ON OR AFTER MATURITY DATE – If the Owner of this Certificate dies on or after the Maturity Date and before the entire interest in this Certificate is distributed, the remaining portion of such interest will be distributed at least as rapidly as under the method of distribution used as of the date of the Owner's death.

ASSIGNMENT – Because the Owner is a member of Royal Neighbors, ownership of this Certificate may not be assigned absolutely to a non-member of Royal Neighbors, except; (1) to a trust or other entity as agent for the beneficial Owner under the trust who is a member of Royal Neighbors, or; (2) for purposes of making an allowable exchange under Section 1035 (or any successor provision) of the Internal Revenue Code. No Assignment of this Certificate is binding upon Royal Neighbors unless it is accepted and placed on file at the Home Office.

Unless otherwise specified by the Owner, an Assignment shall take effect on the date the notice of Assignment is signed, provided however, Royal Neighbors will not be liable for any payments made prior to receipt of such notice of Assignment.

An Assignment that is on file is valid for the purpose of vesting in the assignee all the incidents of ownership assigned and entitles Royal Neighbors to deal with the assignee as the Owner as to all incidents of ownership assigned in accordance with the provisions of this Certificate.

INTERNAL REVENUE CODE – Certificates issued as an Individual Retirement Annuity (IRA), Roth IRA, or Simplified Employee Pension (SEP) are intended to qualify under the Internal Revenue Code (IRC) for tax-favored status. Language in this Certificate referring to federal tax statutes or rules is informational and instructional. In the event of any conflict between Section 72 of the IRC and the provisions of this Certificate, the IRC section will govern so as to maintain the treatment of this Certificate as an annuity contract under the IRC. The Owner's qualifying status, rather than the annuity Certificate, is the controlling factor as to whether the funds will receive tax-favored treatment. Please consult with a qualified tax advisor or your attorney if you have any questions as to whether or not you qualify.

ANNUAL ADMINISTRATIVE FEE – An Annual Administration Fee of \$15 will be charged at the end of each Certificate Year. The Administrative Fee will be waived if the Account Value is equal to, or greater than an amount shown in the Table of Threshold for Annual Administrative Fees on the right.

Table of Threshold for Annual Administrative Fees

Certificate Year	Accumulation Value at the End of Certificate Year
1	\$600
2	\$1,200
3	\$1,800
4	\$2,400
5+	\$3,000

TERMINATION – This Certificate will terminate on the earliest of the following:

1. The Maturity Date, or;
2. Termination of the Certificate; or
3. Upon request of the Owner.

In the event of the termination of this Certificate, the Cash Surrender Value will be paid to the Owner in one sum or on such basis as Royal Neighbors may agree.

If no premiums have been received under this Certificate for a period of 2 full Certificate Years and the portion of the paid-up annuity benefit at maturity under Option 3 of the Settlement Options with a 10-year period certain would be less than \$20 monthly, Royal Neighbors, at its option, will terminate this Certificate by paying the present value of such portion of the paid-up annuity benefit, calculated on the basis of the Annuity 2000 Mortality Table with interest at 2% per annum, and by that payment shall be relieved of any further obligation under this Certificate.



SETTLEMENT OPTIONS – The Owner may elect any of the Settlement Options shown below for the payment of any part of the proceeds of this certificate in lieu of a lump sum. The Owner may change or revoke any previous election prior to the Maturity Date. An election, change, or revocation of a Settlement Option must be made by proper written notice to Royal Neighbors. No such election, change, or revocation by the Owner shall take effect until endorsed on this certificate and before this certificate matures. No payee under a Settlement Option elected by the Owner shall have the right to change the manner of payment in any way unless the right has been given by the Owner in the election.

Within 6 months after the death of the Owner, the Beneficiary may elect a Settlement Option if the Owner has not done so before such death. Royal Neighbors agrees to pay the greater of the amounts payable under options 2 and 3 or the amount payable under any single premium immediate annuity then offered by Royal Neighbors for the same term and premium.

The options are available and operative for a payee only if:

1. The amount to be applied is \$5,000 or more; and
2. The payments under the option are \$100 or more unless payments are made only annually; and
3. Payments are to be made to a natural person.

Option 1 – Proceeds at Interest – The proceeds at interest option is not available under this Certificate, except in the event of the payment of the death benefit proceeds to a Beneficiary following the death of the Owner. The Beneficiary may elect the proceeds at interest option. Each payment will be based on an interest rate of not less than 2% per annum.

Option 2 – Payments for a Fixed Period – The proceeds may be paid in equal annual, semiannual, quarterly, or monthly payments for a fixed period of from 5 to 30 years. The amount of each payment for \$1,000 of proceeds will be in accordance with the following table:

Number Of Years Payable	AMOUNT OF EACH PAYMENT			
	Annual	Semiannual	Quarterly	Monthly
5	\$208.00	\$104.51	\$52.39	\$17.49
6	175.03	87.95	44.08	14.72
7	151.48	76.12	38.15	12.74
8	133.83	67.25	33.71	11.25
9	120.11	60.35	30.25	10.10
10	109.14	54.84	27.49	9.18
15	76.30	38.34	19.22	6.42
20	59.96	30.13	15.10	5.04
25	50.22	25.23	12.65	4.22
30	43.77	22.00	11.03	3.68

Option 3 – Life Income with Payments for a Period Certain – The proceeds will be paid in equal annual, semiannual, quarterly, or monthly payments for a period of 10 or 20 years certain and thereafter for the lifetime of the payee. The amount of each payment will depend upon the age last birthday of the payee at the time of the first payment. Proof of age of the payee may be required. The amount of each payment for \$1,000 of proceeds will be in accordance with the following table:

MONTHLY PAYMENTS					
10 Years Certain			20 Years Certain		
Age of Payee	Male	Female	Age of Payee	Male	Female
20	\$2.38	\$2.30	20	\$2.38	\$2.30
25	2.49	2.39	25	2.48	2.39
30	2.62	2.51	30	2.61	2.50
35	2.76	2.65	35	2.76	2.64
40	2.98	2.81	40	2.95	2.80
45	3.22	3.02	45	3.17	3.00
50	3.52	3.28	50	3.43	3.24
55	3.90	3.62	55	3.74	3.53
60	4.39	4.04	60	4.07	3.87
65	5.02	4.60	65	4.41	4.24
70	5.79	5.35	70	4.70	4.59
75	6.66	6.25	75	4.90	4.85
80	7.54	7.25	80	5.00	4.98

Values in the table under Option 3 are based on the Annuity 2000 Mortality Table with interest at 2% per annum.

Values for ages or frequencies not shown will be furnished upon request.

Excess Interest – The payments certain under Settlement Options 2 and 3 are based on an interest rate of 2% per annum. Each payment certain will be increased by interest in excess of 2% per annum, if any, as may be set by Royal Neighbors from time to time.

Dates of Payment – The first payment under Settlement Option 1 shall be payable at the end of the period selected, measured from the date on which the proceeds would have been due had such option not been elected. The first payment under Settlement Option 2 or 3 shall be payable as of the date on which the proceeds would have been due had such option not been elected.

Death of Payee – Any amount payable at the death of the payee under an option shall be paid in one sum to the estate of the payee, unless other provision has been made. The amount payable under Settlement Option 1 shall be the remaining principal and accrued interest. The amount payable under Settlement Option 2 or 3 shall be the value commuted at 2% per annum of the remaining payments certain based on interest at 2% per annum.

Supplementary Contract – If a Settlement Option is elected in lieu of a lump-sum payment, a supplementary contract will be issued when the option is operative. The supplementary contract will provide for the manner of payment elected.



ROYAL NEIGHBORS OF AMERICA

A Fraternal Benefit Society

230 Sixteenth Street, Rock Island, Illinois 61201

www.royalneighbors.org

FLEXIBLE PREMIUM DEFERRED ANNUITY CERTIFICATE – Monthly Income payable at Maturity Date or Death Benefit payable at prior death - Optional Maturity Date - Flexible Premium payments - Waiver of Surrender Charges Benefit - Participating.



SERFF Tracking #:

RNOA-128659891

State Tracking #:

Company Tracking #:

1221 RNOA-128659891

State: Arkansas

Filing Company: Royal Neighbors of America

TOI/Sub-TOI: A021 Individual Annuities- Deferred Non-Variable/A021.002 Flexible Premium

Product Name: 1221 Flexible Premium Deferred Annuity Certificate

Project Name/Number: Flexible Premium Deferred Annuity Certificate /1221

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Flesch Certification		
Comments:			
Attachment(s):			
Compliance Rule and regulation.pdf			
Certification of Flesch.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Application		
Comments:	101721 Rev. 3-2010, approved by your department on 4/15/2010		

Certificate of Compliance with Arkansas Rule and Regulation 19

Insurer: ROYAL NEIGHBORS OF AMERICA

Form Number(s): 1221

I hereby certify that the filing above meets all applicable Arkansas requirements including the requirements of Rule and Regulation 19.

Bruce R. Peterson

Signature of Company Officer

BRUCE R PETERSON

Name

SECRETARY AND GENERAL COUNSEL

Title

9-17-2012

Date



230 16th Street | Rock Island, IL 61201

Phone: (309) 788-4561 | Toll-free: (800) 627-4762

E-mail: contact@royalneighbors.org | Web site: www.royalneighbors.org

CERTIFICATION OF FLESCH READING EASE SCORE

Royal Neighbors of America does hereby certify that the following certificate forms and application, specimen copies of which are submitted herewith, are in its judgment readable based on the factors specified in Arkansas Regulations.

<u>FORM</u>	<u>TITLE</u>	<u>FLESCH SCALE READABILITY ANALYSIS AND TEST SCORE</u>
1221	Flexible Premium Deferred Annuity Certificate	61

- A Flesch reading ease test scores of the above forms is as indicated above.
- The forms are printed, except for specification pages, schedules and tables, in not less than ten point, one point leaded.
- The forms listed above were analyzed in their entirety both to the method and formula as specified in Arkansas Regulations.

Dated this 17th day of September 2012

BY 
Philip K. Blankenfeld – Compliance Manager