

**State:** Arkansas **Filing Company:** Royal Neighbors of America  
**TOI/Sub-TOI:** L09I Individual Life - Flexible Premium Adjustable Life/L09I.001 Single Life  
**Product Name:** Flexible Premium Adjustable Life Insurance Certificate  
**Project Name/Number:** 2012 FPAL/1211-2-AR

## Filing at a Glance

Company: Royal Neighbors of America  
Product Name: Flexible Premium Adjustable Life Insurance Certificate  
State: Arkansas  
TOI: L09I Individual Life - Flexible Premium Adjustable Life  
Sub-TOI: L09I.001 Single Life  
Filing Type: Form  
Date Submitted: 09/12/2012  
SERFF Tr Num: RNOA-128683649  
SERFF Status: Closed-Approved-Closed  
State Tr Num:  
State Status: Approved-Closed  
Co Tr Num: 1211-2-AR  
  
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:

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## General Information

Project Name: 2012 FPAL Status of Filing in Domicile: Pending  
Project Number: 1211-2-AR Date Approved in Domicile:  
Requested Filing Mode: Review & Approval Domicile Status Comments: Illinois has been submitted and pending approval through the Interstate Insurance Compact.  
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: 1211-2-AR

### Filing Description:

The form in this submission is intended to replace Certificate Form 1211-AR which was approved by your office under SERFF Tracking Number RNOA-128175019. PLEASE NOTE, except for the form number, the only difference between Form 1211-2-AR and the original, Form 1211-AR is the language contained in the Basis of Values provision regarding the reserve calculations. This submission is intended to comply with the regulatory requirements regarding reserve calculations that become effective on January 1, 2013.

This flexible premium adjustable life (universal life) certificate is new and has never been issued by Royal Neighbors of America, nor has either form ever been available for attachment to any life insurance or annuity certificate issued by Royal Neighbors at, or subsequent to issue.

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, and no assumptions or provisions contained in the forms unfairly discriminate in the availability of rates or benefits for applicants of the same class, equal expectation of life, and degree of risk or hazard.

Royal Neighbors will be marketed with an illustration that includes guaranteed and non-guaranteed elements. A specimen illustration is included in this submission.

This universal life certificate will be marketed by the use of commissioned independent agents; commissioned agents of an Agency; and by our call center agents who will solicit applications by telephone. All agents will be under contract and appointed, as applicable with Royal Neighbors, and duly licensed by the state in which the certificate will be sold.

The certificate will be fully underwritten. Available issue ages will be: 0-75 for standard non-tobacco; 18-75 for preferred and super-preferred non-tobacco; and 19-75 for preferred and standard tobacco.

The universal life insurance certificate allows the owner to change the amount and frequency of the premiums payments and change the death benefit option, subject to defined limits. Minimum face amounts for this certificate will be \$100,000 for Super Preferred, Preferred and Preferred SM classes, and \$50,000 for Standard and Standard SM classes. Minimum face amounts will be \$50,000 for standard, and \$100,000 for preferred and super preferred. The life insurance certificate will be used with the application captioned above.

The certificate contains a no lapse guarantee feature. If the minimum cumulative premium requirements are met for the certificate, Royal Neighbors agrees to pay the certificate's death benefit if the insured dies during the first 20 certificate years. The minimum premium necessary to keep the no lapse guarantee in force is determined at issue.

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This new certificate will be used with the applications approved by your office under SERFF Tracking Number RNOA-128175019. Riders intended to be used with the new universal life certificate are listed in the Supporting Documentation Forms List.

## Company and Contact

### Filing Contact Information

Philip Blankenfeld, Compliance Manager [blankepk@royalneighbors.org](mailto:blankepk@royalneighbors.org)  
 230 16th Street 800-627-4762 [Phone] 8232 [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:

## 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	09/12/2012	62635619

SERFF Tracking #:

RNOA-128683649

State Tracking #:

Company Tracking #:

1211-2-AR

State:

Arkansas

Filing Company:

Royal Neighbors of America

TOI/Sub-TOI:

L09I Individual Life - Flexible Premium Adjustable Life/L09I.001 Single Life

Product Name:

Flexible Premium Adjustable Life Insurance Certificate

Project Name/Number:

2012 FPAL/1211-2-AR

## 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		Yes
Supporting Document	Application		No
Supporting Document	Health - Actuarial Justification		No
Supporting Document	Outline of Coverage		No
Supporting Document	Actuarial Demonstration		No
Supporting Document	Compliance Rule and Regulation		Yes
Supporting Document	rider forms intended to be used		Yes
Supporting Document	Illustration Specimen		Yes
Supporting Document	Specimen Annual Report		Yes
Supporting Document	Specimen Statement of Cost and Benefit Information		Yes
Supporting Document	1211-AR Certification		Yes
Supporting Document	Compliant with Regulation 34		Yes
Form	FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE CERTIFICATE		Yes

State: Arkansas

Filing Company:

Royal Neighbors of America

TOI/Sub-TOI: L09I Individual Life - Flexible Premium Adjustable Life/L09I.001 Single Life

Product Name: Flexible Premium Adjustable Life Insurance Certificate

Project Name/Number: 2012 FPAL/1211-2-AR

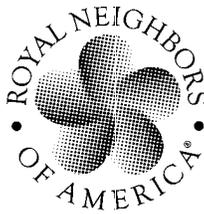
## Form Schedule

Lead Form Number: 1211-2-AR

Item No.	Schedule Item Status	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments
1		1211-2-AR	CER	FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE CERTIFICATE	Initial:	65.400	1211-2-AR.pdf

### Form Type Legend:

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



INSURING LIVES • SUPPORTING WOMEN • SERVING COMMUNITIES™

## AGREEMENT

AGREES, subject to the provisions of this Certificate, to pay a Death Benefit in accordance with the calculations for the Death Benefit as defined in the death benefit provision on page 6 to the Beneficiary upon receipt at its Home Office of (1) Proof of death of the Insured, such as a certified copy of a death certificate, or a certified decree from a court of competent jurisdiction as to the finding of death, that the Insured died prior to the Maturity Date, and while this Certificate was in force, and (2) Proof of the claimant's right to the proceeds, or (3) The Cash Surrender Value to the Owner, if the Insured is living on the first anniversary of the Issue Date after the Insured's 121st birthday, while this Certificate is in force. Full payment of the Certificate's proceeds to the person designated as being entitled to receive such proceeds will fully discharge Royal Neighbors of America (Royal Neighbors) from all claims under the Certificate.

Interest will be paid on (1) The proceeds payable upon death of the Insured and; (2) The refund of unearned premiums at a rate of 8% per annum on all claims not paid within 30 days after all required proofs are received at the Home Office.

This Certificate is issued in consideration of the application and the payment of premiums. The initial premium must be received in order for the Certificate to be effective. Certificate Years, months, and Anniversaries will be determined from the Issue Date. The Rating Age of the Insured is the age last birthday on the Issue Date. The Attained Age of the Insured is the Rating Age plus the number of complete Certificate Years which have elapsed 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 riders and are subject to the provisions of the riders.

### THIS CERTIFICATE IS A LEGAL CONTRACT BETWEEN THE OWNER AND ROYAL NEIGHBORS PLEASE READ IT CAREFULLY

The premiums, benefits, values, and periods of coverage provided by this Certificate are indeterminate and may vary according to the terms of the Certificate, and the initial interest rate, if more than the Guaranteed Credited Interest, may be adjusted at any time at the discretion of Royal Neighbors. A partial or full withdrawal of the Account Value made during the Surrender Charge period may result in a loss of the portion of the total premiums paid into this Certificate. A TABLE OF NONFORFEITURE VALUES AND SURRENDER CHARGES IS LOCATED ON PAGE 3A. 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 write to the Home Office at: Royal Neighbors of America, 230 16th Street, Rock Island, IL 61201, or e-mail us at [contact@royalneighbors.org](mailto:contact@royalneighbors.org).

#### RIGHT TO EXAMINE CERTIFICATE

Carefully review this certificate for limitations. The Owner may void this Certificate by returning it to the Home Office at 230 16th Street, Rock Island, IL 61201; or to the agent who sold the Certificate; or to any representative of Royal Neighbors before midnight of the 30th day after the date it was delivered to the Owner. Return 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. **After 30 days, cancellation may result in a substantial penalty known as a surrender charge.**

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

*Bruce R. Peterson*

Secretary and General Counsel

*Cynthia A. Tidwell*

President and CEO

**FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE CERTIFICATE** – Death Benefit payable at death prior to Maturity Date – Cash Surrender Value payable to Owner if Insured is living on Maturity Date – Flexible Premiums – Certificate expires prior to Maturity Date if premiums paid and credited interest are not sufficient to continue Certificate in-force – Participating.



## INDEX OF CERTIFICATE PROVISIONS

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**Additional benefit(s) provided by riders or endorsements, if any, are listed on Page 3A.**

**FLEXIBLE PREMIUMS** – All premiums are payable at the Home Office. Premiums, except the first, may be paid at any time and in any amount. An amount at least equal to the Planned Premium is due on the Issue Date. Royal Neighbors reserves the right to limit payments in excess of the Planned Premium.

Any deposit received for this Certificate, if no designation is received as to how to be applied, will be treated as a premium payment even if there is an outstanding loan.

Premiums in excess of \$100,000 are not allowed without prior Home Office approval unless the amount of premium received is necessary to keep this Certificate in force.

**PLANNED PREMIUM** – The initial Planned Premium and mode are shown on Page 3. Premium payment reminder notices will be for the Planned Premium amount and mode unless otherwise directed by the Owner in writing. Royal Neighbors reserves the right to approve the initial Planned Premium and any changes to the Planned Premium.

**MINIMUM PREMIUM** – The amount, as shown on Page 3, necessary to keep the No Lapse Guarantee in-force for the modal period shown on Page 3.

**MINIMUM CUMULATIVE PREMIUM** – The Minimum Premium times the number of modal period from the Issue Date to the date of calculation during the first 20 Certificate Years. The Modal period is shown on Page 3.

**REFUND OF EXCESS PREMIUMS** – The Internal Revenue Code (IRC) provides for the exclusion of death benefits from gross income for flexible premium life insurance contracts. There is a maximum limitation on premiums which may not be exceeded if this Certificate is to qualify for the exclusion. The portion of any premium payment received in excess of that limitation will be refunded, with any interest, unless such premium is necessary to continue coverage. The refund will be made within 60 days after the end of the Certificate Year in which the excess premium is received.



**CERTIFICATE DATA**

Name of Insured..... John Doe  
 Rating Age and Sex..... 35 – Male  
 Certificate Number..... 000010000008  
 Chapter Number..... 00002  
 Issue Date..... January 1, 2012  
 Maturity Date..... January 1, 2097  
 Name of Owner..... As stated in the Application unless changed by Assignment

**This Certificate provides life insurance coverage to the death of the Insured if sufficient premiums are paid. The duration of coverage will depend upon the amount, timing, and frequency of premium payments, credited interest, Monthly Deductions, and any Loans or Withdrawals.**

**This Certificate will expire prior to the Maturity Date if the premium paid and interest credited is not sufficient to continue this Certificate in force to the Maturity Date. Premiums paid for this life insurance may need to be increased to keep this Certificate in force.**

Face Amount..... \$100,000.00  
 Minimum Face Amount..... \$50,000.00  
 Risk Class..... SubStandard Non-Tobacco  
 Class Factor..... Option A  
 Planned Premium and Mode..... \$1,000.00 – Annually  
 Minimum Premium (no lapse guarantee)..... \$515.00 – Annually  
 No Lapse Guarantee Period..... 20-years  
 Guaranteed Credited Interest..... 2% Per Annum  
 Minimum Partial Withdrawal Amount..... \$500.00  
 Maximum Expense Charges:  
     General Charge..... \$7.50 per month  
     Expense Charge..... 5% of any Premium payment collected  
     Administrative Charge..... \$0.50 per \$1,000 of face amount annually for years 1-5; \$0.00 for years 6 +

**DIVIDENDS – Dividends are not expected or anticipated to be paid.**  
 The Longevity Bonus described on Page 10 is not guaranteed and may only be paid after the Certificate has been in force a minimum of 20 years.

**Description of additional benefit, if any:**

FORM NO.	DESCRIPTION OF ADDITIONAL BENEFIT	PREMIUMS PAYABLE UNTIL	RIDER CHARGES			MONTHLY PAC
			ANNUAL	SEMIANNUAL	QUARTERLY	
None						

Your State Department of Insurance Phone Number is: (XXX) XXX-XXXX



**TABLE OF NONFORFEITURE VALUES AND SURRENDER CHARGES**

The values shown below assume that (1) the Planned Premiums have been paid when due; (2) the Guaranteed Maximum Monthly Cost of Insurance Rates have been applied; (3) the Face Amount has not been changed; (4) the Guaranteed Interest Rate has been credited; and (5) no Withdrawals or Loans have been made.

**NOTE: If the assumptions above are realized exactly, the Certificate will expire in Certificate Year 44.**

END OF CERTIFICATE YEAR	ACCOUNT VALUE	CASH SURRENDER VALUE	SURRENDER* CHARGE DURING YEAR
1	\$715.36	\$0.00	\$2,324.00
2	\$1,440.88	\$0.00	\$2,296.00
3	\$2,174.88	\$0.00	\$2,268.00
4	\$2,915.67	\$677.67	\$2,238.00
5	\$3,664.50	\$1,456.50	\$2,208.00
6	\$4,469.41	\$2,292.41	\$2,177.00
7	\$5,279.23	\$3,133.23	\$2,146.00
8	\$6,091.44	\$3,977.44	\$2,114.00
9	\$6,903.56	\$4,822.56	\$2,081.00
10	\$7,714.03	\$5,666.03	\$2,048.00
11	\$8,521.32	\$6,685.32	\$1,836.00
12	\$9,325.73	\$7,702.73	\$1,623.00
13	\$10,131.09	\$8,720.09	\$1,411.00
14	\$10,941.49	\$9,743.49	\$1,198.00
15	\$11,753.67	\$10,767.67	\$986.00
16	\$12,562.65	\$12,562.65	\$0.00
17	\$13,362.69	\$13,362.69	\$0.00
18	\$14,148.01	\$14,148.01	\$0.00
19	\$14,913.71	\$14,913.71	\$0.00
20	\$15,649.77	\$15,649.77	\$0.00
Age 65	\$20,332.41	\$20,332.41	\$0.00
Age 66	\$20,321.13	\$20,321.13	\$0.00
Age 67	\$20,184.64	\$20,184.64	\$0.00
Age 68	\$19,912.05	\$19,912.05	\$0.00
Age 69	\$19,489.77	\$19,489.77	\$0.00
Age 70	\$18,892.86	\$18,892.86	\$0.00

The Cash Values of this Certificate are based on the Commissioners' 2001 Standard Ordinary (CSO), ultimate, tobacco/non-tobacco mortality table; age last birthday, male/female, and 4.0% interest. The Cash Values of this Certificate are not less than the minimum values and benefits required by or pursuant to the NAIC Universal Life Insurance Regulation, Model #585, and the method of computation of the values and benefits have been filed with the state in which this certificate is delivered.

\*Beginning in the 11th Certificate Year, the Owner may make a Partial Withdrawal in an amount not to exceed 2% of the Account Value without incurring a Surrender Charge.



**TABLE OF GUARANTEED MAXIMUM MONTHLY COST OF INSURANCE RATES PER \$1,000**

Male

Non-Tobacco

Based on Guaranteed 100% 2001 Commissioners' Standard Ordinary (CSO)  
 Ultimate ALB, gender and smoker distinct mortality table.

<u>ATTAINED AGE</u>	<u>MONTHLY COST PER \$1,000</u>	<u>ATTAINED AGE</u>	<u>MONTHLY COST PER \$1,000</u>	<u>ATTAINED AGE</u>	<u>MONTHLY COST PER \$1,000</u>
35	0.09333	75	3.50333	115	64.46916
36	0.09750	76	3.87166	116	67.89666
37	0.10333	77	4.30000	117	71.51083
38	0.11083	78	4.79750	118	75.31666
39	0.11750	79	5.35500	119	79.30583
40	0.12666	80	5.97666	120	83.33333
41	0.13750	81	6.65250		
42	0.15083	82	7.36833		
43	0.16666	83	8.15000		
44	0.18416	84	9.01916		
45	0.20333	85	9.98583		
46	0.22250	86	11.04916		
47	0.23833	87	12.19833		
48	0.25083	88	13.42000		
49	0.26666	89	14.70166		
50	0.28750	90	15.97833		
51	0.31416	91	17.23500		
52	0.34666	92	18.55166		
53	0.38416	93	19.94000		
54	0.43166	94	21.40250		
55	0.48500	95	22.85083		
56	0.54000	96	24.26500		
57	0.59333	97	25.77166		
58	0.64666	98	27.37833		
59	0.70916	99	29.09250		
60	0.78500	100	30.73000		
61	0.87750	101	32.18250		
62	0.98500	102	33.72750		
63	1.10250	103	35.37000		
64	1.22500	104	37.10583		
65	1.35250	105	38.93416		
66	1.48166	106	40.87500		
67	1.61666	107	42.93416		
68	1.75916	108	45.11916		
69	1.91916	109	47.43500		
70	2.10583	110	49.88750		
71	2.33250	111	52.48583		
72	2.59750	112	55.23583		
73	2.87666	113	58.14583		
74	3.17666	114	61.22083		



**GRACE PERIOD** – A Grace Period of 60 days will begin following the first Monthly Deduction date for which: (1) the Account Value, reduced by indebtedness, is insufficient to provide an entire additional month of insurance; or (2) the Certificate fails to satisfy the Cumulative Minimum Premium as defined in the Certificate, whichever is later. This Certificate will continue in force during the Grace Period. This Certificate will lapse without value at the end of the Grace Period if no further premiums are paid. The amount required to avoid lapse is the lesser of the amount required to pay all outstanding Monthly Deductions or the amount necessary to keep the No Lapse Guarantee in-force, if the No Lapse Guarantee has not terminated by election of the Certificate Owner. A notice will be mailed to the last known address of the Owner and any Assignee of record at least 30 days prior to lapse. Upon death of the Insured during the Grace Period, an amount equal to any unpaid Monthly Deduction through the end of the month in which death occurs will be deducted from the Death Benefit.

**REINSTATEMENT** – This Certificate may be reinstated within 3 years after the Grace Period has expired unless the Cash Surrender Value has been paid. To reinstate this Certificate, Royal Neighbors will require (in the case of Reinstatement where a No Lapse Guarantee is no longer available or the Owner elects not to reinstate with a No Lapse Guarantee):

1. Evidence of insurability satisfactory to Royal Neighbors; and
2. Payment of any unpaid Monthly Deductions for the Grace Period; and
3. Payment of a sufficient amount to keep this Certificate in force for at least 2 months.

(In the case where the Owner wishes and is allowed to reinstate the No Lapse Guarantee):

1. Evidence of insurability satisfactory to Royal Neighbors; and
2. Payment of all amounts necessary to meet the requirements for the Minimum Cumulative Premium through the date of reinstatement;
3. Payment of two Minimum Premiums as shown on Page 3 (assuming monthly modal premium was selected) if not, then the payment of the Minimum Premium as shown on Page 3 divided by the number of months in the premium mode selected times 2.

Any Reinstatement will take effect on the first day of the month following 5 days after the date the application for Reinstatement is approved.

**ACCOUNT VALUE** – The retrospective accumulation of premiums, reduced by specified charges, including the Cost of Insurance and expenses, at no less than the guaranteed minimum interest rate.

**CASH VALUE** – The Account Value less any Surrender Charge.

**CASH SURRENDER VALUE** – The Cash Value reduced by indebtedness.

**CASH SURRENDER** – The Owner may surrender this Certificate for its Cash Surrender Value by sending a proper request to the Home Office. Royal Neighbors may defer the payment of the Cash Surrender Value for a period up to 6 months after the request is received. The deferral shall be contingent upon Royal Neighbors' receipt of written approval of the deferral from the State Insurance Commissioner's Office. If payment of the Cash Surrender Value is not paid or placed into another contract within 30 days of receipt of the 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.

**SURRENDER CHARGE** – Royal Neighbors will impose a Surrender Charge on any amounts withdrawn in excess of any Dividends which are then included in the Account Value. A schedule of Surrender Charges is shown on Page 3 A. Surrender Charges listed on Page 3 A will be adjusted based on any changes to the Face Amount of the Certificate.

**MATURITY DATE** – The anniversary of the Issue Date nearest the Insured's 121st birthday, while the Insured is alive and this Certificate is in force. Provided, however, the Certificate might not mature even if Planned Premiums are paid due to the fact that current cost of insurance and interest rates are not guaranteed, policy loans and partial withdrawals may be taken, and there may be requested changes to the specified Face Amount. Even if coverage continues to the Maturity Date, there may be, in fact, little or no Cash Surrender Value to be paid.



**CREDITED INTEREST** – Interest at a rate of not less than 2% per annum, as authorized by Royal Neighbors at least once each year, will be credited to the Account Value. That portion of the Account Value used as security for a Loan will earn interest at 2% per annum.

**BASIS OF VALUES** – Guaranteed values and reserves for this Certificate are not less than the minimum values required by any statute of the state in which this Certificate is delivered. A detailed statement of the method of computing cash values and reserves has been filed with that state's Insurance Department.

**NET AMOUNT AT RISK** – The Net Amount at Risk on the first day of each month is the result of:

1. The Death Benefit on that day divided by 1.02 to the power of 1/12; less
2. The Account Value on that day reduced by the Monthly Deduction other than the Cost of Insurance for this Certificate.

**MONTHLY DEDUCTION** – A Monthly Deduction will be made from the Account Value on the first day of each month and will include the following:

1. The Cost of Insurance for this Certificate; and
2. The Cost of Insurance for any benefit rider, excluding any annuity rider, made a part of this Certificate; and
3. Substandard extra mortality charges, if any; and
4. The expense charge.

The monthly Cost of Insurance for this Certificate will be the product of A times B times C where:

- A is the Cost of Insurance Rate based on the Attained Age of the Insured as shown in the table on Page 4; and
- B is the Class Factor shown on Page 3; and
- C is the risk amount.

The monthly Cost of Insurance for any benefit rider, other than any annuity rider, will be the premium charged for the rider. As long as the Account Value, less any debt, is large enough to meet the Monthly Deduction on the first day of any month, this Certificate will remain in force. Experience factors mean a factor experienced by Royal Neighbors that is variable in nature and impacts the profitability of the certificate. Experience factors include investment earnings, mortality, persistency, and expenses. Based on experience factors, Royal Neighbors may adjust the Cost of Insurance for this Certificate subject to the Maximum Guaranteed Monthly Cost of Insurance rates shown on Page 4.

**MAXIMUM EXPENSE CHARGE AND COST OF INSURANCE RATES** – The Maximum Expense Charge is shown on Page 3. The Guaranteed Maximum Monthly Cost of Insurance Rates per \$1,000 are shown on Page 4. Royal Neighbors may declare expense charges and monthly Cost of Insurance rates which are less than the guaranteed maximum.

**DEATH BENEFIT** – The Death Benefit is the larger of (a) the Face Amount minus any liens or loans, or (b) the amount determined by multiplying the Account Value by the appropriate percentage shown under the Table of Percentages, minus any liens or loans.

**NO LAPSE GUARANTEE** – This Certificate has a No Lapse Guarantee Period, as shown on Page 3. If the Minimum Cumulative Premium requirements are met for this Certificate, Royal Neighbors agrees to pay the Death Benefit should the Insured die, and any benefits under a rider, if any, during the Minimum No Lapse Guarantee Period as shown on Page 3. The No Lapse Guarantee will not apply to any flexible premium annuity rider attached to this Certificate. The Certificate value on a guaranteed basis may be insufficient to keep the Certificate in force after the end of the Minimum No Lapse Guaranteed Period unless additional premiums are paid at that time.

**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.

**ILLUSTRATION OF FUTURE VALUES** – The Owner may request an Illustration of Future Values at any time. One such report will be furnished annually without charge. Any additional reports will be charged an amount not to exceed \$25.



**TABLE OF PERCENTAGES** – To qualify as life insurance and be excluded from income taxation, the Internal Revenue Code requires the Death Benefit to equal or exceed a stipulated percentage of the Account Value, as shown in the table on the right. Age is the age of the Insured on the Certificate Anniversary preceding the date of death.

**Table of Percentages**

Age	Percent	Age	Percent
0-40	250	61	128
41	243	62	126
42	236	63	124
43	229	64	122
44	222	65	120
45	215	66	119
46	209	67	118
47	203	68	117
48	197	69	116
49	191	70	115
50	185	71	113
51	178	72	111
52	171	73	109
53	164	74	107
54	157	75-90	105
55	150	91	104
56	146	92	103
57	142	93	102
58	138	94	101
59	134	95 &	
60	130	above	100

**MISSTATEMENT OF AGE AND SEX** – If the Age or Sex of the Insured is misstated, the Death Benefit will be adjusted. The amount of the Death Benefit will be equal to the larger of the Account Value, plus the Net Amount at Risk which would be purchased by the most recent Cost of Insurance deduction:

1. At the correct Age and Sex; or
2. The amount determined by multiplying the Account Value (at the correct Age and Sex) by the appropriate percentage shown under the Table of Percentages.

The Account Value will be adjusted to reflect the current Age and Sex.

**ANNUAL REPORT** – For each year during which this Certificate is in force, Royal Neighbors will provide the Owner of this Certificate an Annual Report without charge. The Annual Report will contain at least the following information:

- (i) The beginning and end dates of the current report period.
- (ii) The Account Value, if any, at the beginning of the current report period and at the end of the current report period.
- (iii) The amounts that have been credited or debited to the Account Value during the current report period. The credited and debited amounts must be identified by type; for example, premium payments, interest credits, bonus credits, persistency credits, Cost of Insurance charges, expense charges, withdrawal amounts, withdrawal charges, and cost of rider(s).
- (iv) The current Death Benefit at the end of the current report period on each life covered by the Certificate.
- (v) The Cash Value, if any, at the end of the current report period.
- (vi) The amount of outstanding loans, if any, at the end of the current report period.
- (vii) If assuming guaranteed interest, mortality and expense loads, the Certificate's Cash Surrender Value will not maintain insurance in force until the end of the next reporting period unless further premium payments are made, a notice to this effect must be included in the report.
- (viii) If assuming guaranteed interest, mortality and expense loads and continued scheduled premium payments, the Certificate's Cash Surrender Value is such that it would not maintain insurance in force until the end of the next reporting period, a notice to this effect must be included in the report.

**ASSIGNMENT/OWNERSHIP** – No assignment or change of ownership of the Certificate is binding upon Royal Neighbors unless it is on file with Royal Neighbors at the Home Office. An assignment that is on file is valid for the purpose of vesting in the assignee all of the incidents of ownership assigned, and entitles Royal Neighbors to deal with the assignee as the Owner in accordance with this Certificate, but without prejudice to Royal Neighbors on account of any payment(s) made prior to receipt by Royal Neighbors of such notice of assignment. Royal Neighbors has no obligation as to the validity of an assignment. Unless otherwise specified by the Owner, the assignment shall take effect on the date the notice of assignment is signed by the Owner.

**BENEFICIARY** – The Beneficiary is as stated in the application attached to this Certificate, unless changed. Unless the designation of the Beneficiary is explicitly irrevocable, the Owner may change the Beneficiary without the consent of any such Beneficiary. Proper written request will be required. No such change will take effect unless recorded by Royal Neighbors. When recorded, the change will take effect on the date the request was signed unless otherwise specified by the Owner, but without prejudice to Royal Neighbors on account of any payment made by it before receipt of the request. If the Beneficiary dies before the Insured and no other Beneficiary has been named, payment of the proceeds shall be made as provided by the Royal Neighbors bylaws in effect at the time of the Insured's death.

**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.



**CHANGE IN FACE AMOUNT** – The Owner may apply to increase the Face Amount at any time provided the Insured’s age is less than age 86, or to reduce the Face Amount any time after the first Certificate Year, but may not change the Face Amount more often than 2 times each Certificate Year. The effective date of a change will be the first day of the month after 5 days following approval of the change. The minimum increase in Face Amount that will be allowed is \$10,000. The Face Amount may not be reduced below the Minimum Face Amount shown on Page 3.

To increase the Face Amount, Royal Neighbors will require a proper application and satisfactory evidence of insurability of the Insured. Any such change in Face Amount will not affect the No Lapse Guarantee Period. However, it will adjust the Minimum Premium, as shown on Page 3.

To reduce the Face Amount, Royal Neighbors will require a written request from the Owner.

In addition, if the Face Amount is reduced below the minimum required for the Risk Class at which the Certificate is currently rated, then the Certificate Risk Class will be changed to the best risk class available for the adjusted Face Amount. Notification of such change will be made prior to reduction in the Face Amount.

The Maximum Cost of Insurance rates will not change for any increase in Face Amount unless the Insured’s Risk Class has changed.

Royal Neighbors reserves the right to request evidence of insurability and/or reserves the right to refuse the premium for any Certificate adjustment requested by the Certificate Owner involving payment of additional premium or increase in the Planned Premium that result in an increase in the Net Amount at Risk.

The Certificate will be amended to reflect the adjustment and its effect upon Certificate features, including any increase, decrease, or other adjustment to the amount or type of coverage, expense charges, Surrender Charges, and/or Cost of Insurance rates, if applicable.

**DIVIDENDS** – Starting at the end of the second Certificate Year, Royal Neighbors shall annually ascertain and apportion any divisible surplus to be paid as a Dividend. Royal Neighbors reserves the right in declaring Dividends to set such classes and allocate such costs as it determines is appropriate based on, but not limited to, the Certificate Face Amount, the amount of the Dividend, and the Dividend option selected. The available dividend options are:

- Dividend Option 1 – Added to the Account Value
- Dividend Option 2 – Paid in cash
- Dividend Option 3 – Left on deposit to accumulate with interest as authorized by Royal Neighbors, but not less than 2% per annum.

Dividends will be added to the Account Value unless otherwise requested by the Owner. Royal Neighbors does not expect that any Dividends will be declared on this Certificate.

Dividend accumulations may be withdrawn. If this Certificate lapses before a Cash Value is available, any Dividend accumulations will be paid in cash. Any Dividend accumulations existing at the maturity of this Certificate will be paid with the other proceeds of this Certificate.

**LOANS** – The Owner may obtain a Loan on this Certificate while it is in force and while there is positive Cash Value by complying with the procedures as established by Royal Neighbors from time to time. Such Loan, plus any existing indebtedness on the Certificate, may not exceed the Cash Surrender Value, plus the Cash Value of any Dividend additions. The sole security for a Loan shall be this Certificate. During the first 10 Certificate Years, the Loan will bear interest at the rate of 6% per annum.

Beginning in the 11th Certificate Year, the Owner may obtain a loan for up to 100% of the Cash Surrender Value not to exceed 50% of the Cash Value. Such Loan will bear interest at the rate of 2% per annum (Preferred Loan). In no event may the total of all outstanding Preferred Loans exceed 50% of the Cash Value. Any Loan in excess of 50% of the Cash Value, and equal to the Cash Surrender Value will be charged interest at the rate of 6% per annum. Only the non-Preferred Loan interest rate will be charged on any lien created by the acceleration of the Death Benefit.

Interest credited on any loaned value will be earned at the end of the Certificate Year. Interest on Loans is payable at the end of the Certificate Year. Interest not paid when due will be added to the Loan. The existing debt at any time shall include accrued interest.

If the existing debt equals or exceeds the Cash Value plus the Cash Value of any Dividend additions, then, this Certificate shall enter the Grace Period. Unless the debt in excess of the loan value is paid during the Grace Period, the Certificate will terminate and no longer be in effect 31 days after notice has been mailed to the Owner and the Assignee of record, if any, at the address last known to Royal Neighbors. The debt or any part of it may be repaid at any time while this Certificate is in force prior to its maturity or termination, whichever occurs first.

Royal Neighbors may defer the granting of a Loan for a period up to 6 months after the request is received. The deferral of granting a Loan is contingent upon Royal Neighbors’ receipt of written approval of the deferral from the State Insurance Commissioner’s Office.



**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 5% per annum. In lieu of the foregoing, or in combination with it, the Owner may consent to a corresponding decrease of the Death Benefit. Such decrease shall be in the same proportion as the amount of such payment bears to the reserve immediately before such decrease.

**REPRESENTATIONS** – In the absence of fraud, 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 material to the risk accepted or the hazard assumed by Royal Neighbors, and is contained in the application and a copy of the application is endorsed upon or attached to the Certificate when issued.

**SUICIDE** – If the Insured commits Suicide, while sane or insane within 2 years from the Issue Date, the only amount payable shall be the amount of premiums paid, less any debt and less any prior withdrawals. If the Insured commits Suicide, while sane or insane within 2 years after the effective date of any increase in the Face Amount, the only amount payable with respect to such increase shall be the Cost of Insurance for that period.

**CERTIFICATE YEAR** – A yearly period that begins on the Issue Date of this Certificate.

**INTERNAL REVENUE CODE** – In the event of any conflict between Section 7702 of the Internal Revenue Code and the provisions of this Certificate, the Internal Revenue Code section will govern so as to maintain treatment of the Certificate as a life insurance contract under the Internal Revenue Code.

**CERTIFICATE ANNIVERSARY** – The first day of each Certificate Year, beginning with the second Certificate Year.

**PETITIONER** – If the age of the Insured at the time of issue was less than 16 at the Insured’s nearest birthday, the Insured is the Owner of this Certificate, but may not exercise Ownership rights until control of this Certificate is transferred to the Insured. An adult individual meeting the standards set forth by the rules of Royal Neighbors (Petitioner) will exercise control over this Certificate until control of this Certificate is transferred to the Insured. For purposes of this provision, control means the ability to exercise all Ownership rights of the Insured in the Certificate, except the Petitioner may not assign and/or transfer, in any form, the Ownership in the Certificate. Subject to Royal Neighbors’ approval, control may be transferred to a substitute Petitioner.

If the Petitioner dies before the Certificate Anniversary nearest the Insured’s 16th birthday, a substitute Petitioner satisfactory to Royal Neighbors shall be named.

After the Certificate Anniversary nearest the Insured’s 16th birthday, the Petitioner may transfer the control of this Certificate to the Insured by sending a written request to Royal Neighbors. If the Petitioner dies after the Certificate Anniversary nearest the Insured’s 16th birthday, control will transfer to the Insured on the date of the Petitioner’s death. If control has not transferred to the Insured as of the Certificate Anniversary nearest the Insured’s 21st birthday, control will be transferred to the Insured on that date.

**CLAIM FORMS** – Upon receipt of a notice of claim, Royal Neighbors will send the claimant such forms as are usually furnished for filing proof of loss within 15 business days after receiving such notice.

**CONTINUATION OF INSURANCE** – If premium payments are stopped, this Certificate and any benefits provided by riders or endorsements except for benefits under a flexible premium deferred annuity rider will continue in force until the later of (A) Contract Value, less any debt, is less than the Monthly Deduction for 1 month; or (B) The Cumulative Minimum Premium requirements are not met. This provision will not continue this Certificate beyond the Maturity Date nor will it continue a rider, if any, beyond the date of its termination, as provided in the rider.



**MEMBERSHIP** – The Insured shall be a member of a chapter of Royal Neighbors on the Issue Date.

**SUSPENSION OR EXPULSION** – If the member should be expelled or suspended from Membership with Royal Neighbors for any reason, except for nonpayment of premium or for misrepresentation in the application for insurance or application for Membership during the contestable period, the Owner shall have the privilege of maintaining this Certificate in force by payment of the required premium.

**LONGEVITY BONUS** – An additional .35% interest may be added to the current credited interest rate beginning in the 21st Certificate Year and may continue throughout the life of the Certificate. The Longevity Bonus is not guaranteed or included in the Guaranteed Credited Interest Rate and is subject to payment at the discretion of Royal Neighbors. Any amounts actually credited by Royal Neighbors as a Longevity Bonus are non-forfeitable except indirectly due to Surrender Charges. If a decision to pay a Longevity Bonus is made, the Longevity Bonus will be credited no less frequently than annually.

**INCONTESTABILITY** – This Certificate shall be incontestable after it has been in force during the lifetime of the Insured for 2 years from:

1. The Issue Date of this Certificate;
2. The effective date of Reinstatement with regard to statements made in an application for Reinstatement; and
3. The effective date of any increase in Face Amount as to statements made in the application for increase and shall be limited to the amount of the increase.

**OWNERSHIP** – The Insured is the Owner of this Certificate unless another Owner is named in the application or Ownership is transferred by an Assignment. While the Insured is living, the Owner may exercise all rights set out in this Certificate except as otherwise provided in this Certificate.

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

**PARTIAL WITHDRAWALS** – The Owner may make a Partial Withdrawal from the Account Value while this Certificate is in force, except during the first Certificate Year. Proper request for a withdrawal is required. The amount of a Partial Withdrawal must not exceed the Cash Surrender Value, but may not be less than the Minimum Partial Withdrawal amount shown on Page 3. Beginning in certificate year 11, the Owner may make a Partial Withdrawal in an amount not to exceed 2% of the Account Value without incurring a Surrender Charge. However, such Partial Withdrawal may not exceed the amount of the Cash Surrender Value. Any Partial Withdrawal will reduce the Face Amount of the Certificate by the amount of the Partial Withdrawal. A Partial Withdrawal will not be permitted if the Face Amount would be reduced below the Minimum Face Amount shown on Page 3.

The Face Amount of the Certificate will be reduced by the net amount of the withdrawal. The net amount of the withdrawal is the Gross Partial Withdrawal (GPW) amount, minus the Surrender Charge.

The amount of the initial Surrender Charge in any Certificate Year is the ratio of the Gross Partial Withdrawal amount divided by the Account Value (AV); times the applicable Surrender Charge (SC) for a full withdrawal. Example:  $GPW/AV \times SC$ .

Any subsequent withdrawals in the same Certificate Year will take the ratio of the gross amount withdrawn divided by the Account Value times the remainder of the difference between the original Surrender Charge and the amount of the Surrender Charge previously paid on the Partial Withdrawal. Example:  $New\ GPW/New\ AV \times (original\ SC - previously\ paid\ SC)$ .

In subsequent Certificate Years, the Surrender Charge will not be reduced by any Surrender Charges paid in previous Certificate Years.



**SETTLEMENT OPTIONS**

Shown below are options available 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. An election, change, or revocation of an 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 while the Insured is living and before this Certificate matures. No payee under an 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.

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.

Within 6 months after the death of the Insured, the Beneficiary may elect an option if the Owner has not made an irrevocable election prior to the Insured's death.

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 may be left with Royal Neighbors to earn periodic interest payments. The interest rate will be set by Royal Neighbors from time to time. Each payment will be based on an interest rate of not less than 2% per annum.

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 Insured.

**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,

semi-annual, 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	2.78	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	5.34	70	4.70	4.59
75	6.66	6.25	75	4.90	4.85
80	7.54	7.27	80	5.00	4.98

Values in the table under Settlement Option 3 are based on the Annuity 2000 male/female, ultimate, age last birthday, Individual Mortality Table with interest at 2% per annum. Values for ages or frequencies not shown will be furnished upon request.

**EXCESS OF 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 a Settlement 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.



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**ROYAL NEIGHBORS OF AMERICA**

*A Fraternal Benefit Society*

230 Sixteenth Street, Rock Island, Illinois 61201

[www.royalneighbors.org](http://www.royalneighbors.org)

**FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE CERTIFICATE** – Death Benefit payable at death prior to Maturity Date – Cash Surrender Value payable to Owner if Insured is living on Maturity Date – Flexible Premiums – Certificate expires prior to Maturity Date if premiums paid and credited interest are not sufficient to continue Certificate in-force – Participating.



SERFF Tracking #:

RNOA-128683649

State Tracking #:

Company Tracking #:

1211-2-AR

State: Arkansas

Filing Company:

Royal Neighbors of America

TOI/Sub-TOI: L09I Individual Life - Flexible Premium Adjustable Life/L09I.001 Single Life

Product Name: Flexible Premium Adjustable Life Insurance Certificate

Project Name/Number: 2012 FPAL/1211-2-AR

## Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Flesch Certification		
Comments:			
Attachment(s):			
AR Flesch Certification.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Compliance Rule and Regulation		
Comments:			
Attachment(s):			
AR Rule and Regulation 19.pdf			

		Item Status:	Status Date:
Satisfied - Item:	rider forms intended to be used		
Comments:	The rider forms intended to be used, as appropriate with the new universal life certificate are listed in the attached document		
Attachment(s):			
Riders Available with Form 1211 AR.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Illustration Specimen		
Comments:			
Attachment(s):			
Form 1771 Rev 3- 2012 UL Illustration Specimen.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Specimen Annual Report		
Comments:			
Attachment(s):			

SERFF Tracking #:

RNOA-128683649

State Tracking #:

Company Tracking #:

1211-2-AR

State: Arkansas

Filing Company: Royal Neighbors of America

TOI/Sub-TOI: L09I Individual Life - Flexible Premium Adjustable Life/L09I.001 Single Life

Product Name: Flexible Premium Adjustable Life Insurance Certificate

Project Name/Number: 2012 FPAL/1211-2-AR

Form 981-U3 Rev 3-2012 Annual Report.pdf

Item Status:

Status Date:

Satisfied - Item: Specimen Statement of Cost and Benefit Information

Comments:

Attachment(s):

Form 2113; Rev. 3-2012 Statement of Certificate Policy Cost and Benefit Information.pdf

Item Status:

Status Date:

Satisfied - Item: 1211-AR Certification

Comments: Bulletin 11-83.

Attachment(s):

AR Bulletin 11-83.pdf

Item Status:

Status Date:

Satisfied - Item: Compliant with Regulation 34

Comments: The Society is compliant with Regulation 34.



230 16<sup>th</sup> Street | Rock Island, IL 61201

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

E-mail: [contact@royalneighbors.org](mailto:contact@royalneighbors.org) | Web site: [www.royalneighbors.org](http://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>
<b>1211-AR</b>	<b>Flexible Premium Adjustable Life Insurance Certificate</b>	<b>65.4</b>

- 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 12<sup>th</sup> day of September 2012

BY   
Philip K. Blankenfeld – Compliance Manager

## Certificate of Compliance with Arkansas Rule and Regulation 19

Insurer: ROYAL NEIGHBORS OF AMERICA

Form Number(s): 1211-2-AR

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

9-12-2012

---

Date

<b>Form Number</b>	<b>Title of Form</b>	<b>Date of Prior Approval</b>
112090	Child Term Rider	12/6/2011
2082	Accidental Death Rider	7/14/2008
2083	Guaranteed Insurability Rider	7/14/2008
2085	Flexible Premium Deferred Annuity Rider	9/16/2008
1766	Accelerated Living Benefit Rider	8/9/2009



INSURING LIVES • SUPPORTING WOMEN • SERVING COMMUNITIES™

230 Sixteenth St., Rock Island, IL 61201-8645  
www.royalneighbors.org

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## A Life Insurance Certificate Illustration

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### A Flexible Premium Universal Life Certificate SecureLife DB UL Certificate Form Series 1211

*Designed for*  
**John Doe**  
**Any City, State 12345**

*Agent*  
**Joe Agent**  
**123 Any Street**  
**Any City, State 12345**

*Date Prepared*  
**January 1, 2012**

# Royal Neighbors of America

Designed For: John Doe  
Sex & Issue Age: Male, Age 35  
Face Amount: \$100,000.00  
Premium: \$1,000.00 annually

## Certificate Illustration Explanation SecureLife DB UL – A Flexible Premium Universal Life Certificate Certificate Form Series – 1211

<b>Universal Life Insurance</b>	The life insurance certificate you are considering allows flexible premium payments to age 120. The Death Benefit is adjustable and the Certificate can build Cash Value. The Cash Value is based on the amount of your premium payments, monthly deduction charges, and monthly interest credited to the Certificate. Interest rates and cost factors are subject to change. The interest rate is guaranteed never to go below 2.00% and costs are guaranteed not to exceed the maximums listed in the Certificate contract. The non-guaranteed elements of this Certificate are described in the following pages.
<b>Underwriting Class: Male, Standard, Non-Tobacco</b>	The premium options and monthly deduction charges calculated for this illustration assume a Certificate is issued with the underwriting listed at left. Actual amounts will depend on the outcome of the underwriting process, and may vary from what is shown on this illustration. If so, you will receive a revised illustration with your insurance contract.
<b>Initial Death Benefit: \$100,000</b>	The Death Benefit assumed at issue is shown at left. The actual amount payable at death may be decreased by loans or withdrawals, or increased by additional insurance benefits. The insurance certificate will specify how to determine the benefit.
<b>Death Benefit: Level</b>	The Certificate provides a level death benefit. The cost of insurance is based on the difference between the death benefit and the Cash Value. If the Cash Value decreases, the death benefit will also decrease.
<b>First-Year Premium: \$1,000.00</b>	Total premiums expected to be paid during the first Certificate Year are at left. The planned premium outlays are shown in the yearly detail of this illustration. Please be sure to note when coverage would cease based on guaranteed or non-guaranteed assumptions.
<b>Minimum Premium: \$515.00</b>	The premium amount necessary to keep the No Lapse Guarantee in force for the premium modal period selected by the owner of the Certificate.
<b>Annual Premium to Maximize Benefits: \$1,125.61</b>	By paying the maximum annual premium, the Certificate will maximize its values and long-term benefits. This premium changes if you change the Certificate Face Amount. You can also prepay this premium during the early years of the Certificate.
<b>Minimum Cumulative Premium</b>	The Minimum Premium times the number of the applicable modal periods from the issue date of the Certificate to the date of calculation during the first 20 Certificate Years.
<b>Non-Guaranteed Elements of the Certificate</b>	<p>Many aspects of the life insurance contract will be guaranteed, including the minimum interest and maximum charges. However, other aspects of the Certificate cannot be predicted. For example, the interest rate credited may exceed the guaranteed rate and monthly charges may be less than the maximum guaranteed charges.</p> <p>The non-guaranteed elements can improve the value of the life insurance Certificate in one of two ways: by increasing the Certificate's Cash Value and/or Death Benefit, or by reducing the out-of-pocket cost of the Certificate. Variations in these factors could affect: death benefits, Cash Values, cash flow taken out of the Certificate, or total out-of-pocket payments over the lifetime of the Certificate.</p>

*Continued on page 3*

# Royal Neighbors of America

Designed For: *John Doe*  
 Sex & Issue Age: *Male, Age 35*  
 Face Amount: *\$100,000.00*  
 Premium: *\$1,000.00 annually*

**Certificate Illustration Explanation (Continued)**  
*SecureLife DB UL – A Flexible Premium Universal Life Certificate*  
*Certificate Form Series – 1211*

**Non-Guaranteed Elements of the Certificate (cont'd)**

The non-guaranteed pages provide snapshots of the Certificate assuming higher interest and lower charges than those that are guaranteed. Since these elements cannot be predicted, a range of results are illustrated. The actual Certificate values will be more or less favorable than these illustrated results.

**Cash Value**

The Account Value less any surrender charges.

**Certificate Year**

A yearly period that begins on the issue date of the Certificate.

**Cash Surrender Value**

The Cash Value reduced by indebtedness.

**Account Value**

The retrospective accumulation of premiums, reduced by specified charges, including the cost of insurance and expenses, at no less than the guaranteed minimum interest rate.

**Loans**

The owner may obtain a loan on the Certificate while it is in force and while there is positive Cash Value. Loans, plus any existing indebtedness on the Certificate, may not exceed the Cash Surrender Value.

**Loan Interest**

During the first 10 Certificate Years, outstanding loans will bear interest at the rate of 6% per annum. Beginning in the 11th Certificate Year, the owner may obtain a loan for up to 100% of the Cash Surrender Value, not to exceed 50% of the Cash Value. Such loan will bear interest at the rate of 2% per annum (Preferred Loan). Preferred Loans may not exceed 50% of the Cash Value. Any loan in excess of 50% of the Cash Value, and less than or equal to the Cash Surrender Value, will be charged interest at 6% per annum.

**Dividends**

Dividends are not expected or anticipated to be paid in the Certificate.

**Tax Guidelines**

In order to receive favorable tax treatment of distributions (including loans) under the Internal Revenue Code, a life insurance certificate must satisfy a 7-Pay Premium limitation during the first 7 years and 7 years after certain certificate changes. Failure to satisfy this limitation would cause distributions to be taxable to the extent that there is a gain in the contract. In addition, there is a penalty of 10% of taxable income for distributions from such certificates before age 59 1/2 with certain exceptions. In any case, a gain in the contract is taxable upon full surrender of the Certificate.

Initial 7-Pay Premium:           \$3,317.94

Certain changes to the Certificate's benefits (whether illustrated or not) will alter the premium limitation, and could cause the Certificate to lose its favorable status. Please consult your insurance representative or tax advisor for more information.

There is a limitation on the total premium paid for a certificate based on the guideline premiums. The initial guideline premiums for this illustration are:

Guideline Single Premium:   \$12,956.45

Guideline Annual Premium:   \$1,125.61

*Continued on the next page*

# Royal Neighbors of America

Designed For: John Doe  
Sex & Issue Age: Male, Age 35  
Face Amount: \$100,000.00  
Premium: \$1,000.00 annually

An Individual Life Insurance Certificate illustration Explanation  
Certificate Form Series – 1211

*This is an Illustration only, not an Offer or Contract*

## **Taxation of Life Insurance Regarding 7702A Guidelines**

These values may change for later years based on Certificate changes. The maximum premium limit is the greater of the single premium or the sum of the annual premium.

Section 7702A of the Internal Revenue Code places a limitation on the amount and timing of premium payments for a life insurance contract. If this limit is exceeded, the contract becomes a Modified Endowment Contract (MEC).

Death benefits under a MEC are income tax-free to the beneficiary. Any other value received from a MEC is referred to as a "distribution" and may result in an income tax liability. Distributions include cash withdrawals, cash surrender of the contract, loans, and assignment of the contract to another person or institution.

Distributions are first considered to be any gain under the contract and the gain is taxable in the year it is received. In addition, a taxable distribution is subject to a 10% tax penalty if the taxpayer has not attained age 59 1/2, subject to certain exceptions contained in the tax code. Also, distributions received in the two-year period prior to the date the contract becomes a MEC may be taxable.

Distributions that exceed the gain under the contract are not taxable. Tax laws are subject to change.

# Royal Neighbors of America

Designed For: John Doe  
 Sex & Issue Age: Male, Age 35  
 Face Amount: \$100,000.00  
 Premium: \$1,000.00 annually

**Certificate Illustration Summary**  
*SecureLife DB UL – A Flexible Premium Universal Life Certificate*  
 Certificate Form Series – 1211

Underwriting Class:  
**Male,  
 Standard,  
 Non-Tobacco**

Interest and  
Cost Scenarios:

**Guaranteed**  
 2.00% interest  
 rate and  
 maximum  
 charges

**Midpoint**  
 Interest rate and  
 charges halfway  
 between current  
 and guaranteed

**Non-Guaranteed  
 Current**  
 3.35% interest rate  
 and current charges

This illustration  
 presumes the non-  
 guaranteed  
 elements will  
 continue as  
 assumed for all  
 years shown. This is  
 not likely to occur,  
 and actual results  
 may be more or less  
 favorable.

Summary Year	Guaranteed	Non-Guaranteed Midpoint	Non-Guaranteed Current
Year 5			
Premium	1,000.00	1,000.00	1,000.00
Cash Value	1,456.50	1,682.66	1,908.82
Death Benefit	100,000.00	100,000.00	100,000.00
Year 10			
Premium	1,000.00	1,000.00	1,000.00
Cash Value	5,666.03	6,285.19	6,904.35
Death Benefit	100,000.00	100,000.00	100,000.00
Year 20			
Premium	1,000.00	1,000.00	1,000.00
Cash Value	15,649.77	18,065.05	20,480.32
Death Benefit	100,000.00	100,000.00	100,000.00
Age 70			
Premium	1,000.00	1,000.00	1,000.00
Cash Value	18,892.86	31,022.10	43,151.33
Death Benefit	100,000.00	100,000.00	100,000.00
Last Year of Death Benefit	43*	52*	62*
All Years – Total Premium	43,000.00	52,000.00	\$62,000.00
Cash from Policy	\$0	\$0	\$0

**\*No Lapse Guarantee** – The Certificate has a No Lapse Guarantee Period. If the Minimum Cumulative Premium requirements are met for the Certificate, Royal Neighbors agrees to pay the Certificate's Death Benefit if the insured dies during the first 20 Certificate Years. The Certificate value on a guaranteed basis may be insufficient to keep the Certificate in force after the end of the No Lapse Guaranteed Period unless additional premiums are paid at that time.

I have received a copy of this illustration and understand that actual results for any non-guaranteed elements illustrated are subject to change and could be more or less favorable than those illustrated. The agent has told me they are not guarantee.

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Date

I certify that this illustration has been presented to the Applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no representations that are inconsistent with the illustration.

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Date

# Royal Neighbors of America

Designed For: *John Doe*  
 Sex & Issue Age: *Male, Age 35*  
 Face Amount: *\$100,000.00*  
 Premium: *\$1,000.00 annually*

**Important Notes**  
*SecureLife DB UL – A Flexible Premium Universal Life Certificate*  
*Certificate Form Series – 1211*

**Cost Indices**

Interest Adjusted Indices on the Insured

	Net Payment		Surrender Cost	
	<u>10-Year</u>	<u>20-Year</u>	<u>10-Year</u>	<u>20-Year</u>
Guaranteed	\$10.00	\$10.00	\$5.71	\$5.49
Midpoint	\$10.00	\$10.00	\$5.24	\$4.80
Current	\$10.00	\$10.00	\$4.77	\$4.10

Net Payment Cost Index – The interest-adjusted payment represents the average annual payment for the Certificate per \$1,000 equivalent level death benefit and is calculated using only premiums and dividends.

Surrender Cost Index – The interest-adjusted cost represents the average annual cost of the Certificate per \$1,000 equivalent level death benefit and is calculated using premiums, dividends, and Cash Values.

Cost Indices provide a way to compare similar insurance contracts. In general, the smaller the cost index number, the better the value. Cost comparisons should only be made between similar life insurance contracts that provide the same basic benefits and require approximately the same premiums for the same amount of time.

The Surrender Cost Index is useful if you consider the level of the cash value to be of primary importance to you. This index helps you compare costs if, at some point in the future, such as 10 or 20 years, you were to surrender the life insurance contract for its cash value.

The Net Payment Cost Index is useful if your main concern is the benefits that are to be paid at your death and if the level of the cash value is of secondary importance to you. This index helps you compare future costs at some point in time, such as 10 or 20 years, if you continue paying premiums on your life Insurance contract and do not surrender it for its cash value.

# Royal Neighbors of America

Designed For: John Doe  
 Sex & Issue Age: Male, Age 35  
 Face Amount: \$100,000.00  
 Premium: \$1,000.00 annually

**Life Insurance Certificate Illustration**  
*SecureLife DB UL – A Flexible Premium Universal Life Certificate*  
 Certificate Form Series – 1211

	Mode: A = Annual; S = Semi-Annual; Q = Quarterly; M = Monthly PAC							
<b>Underwriting Class:</b> <b>Male, Standard Non-Tobacco</b>					<b>Guaranteed</b>		<b>Non-Guaranteed Current</b>	
End of Year	Age	Premium Outlay	Mode	Cash Value	Death Benefit	Cash Value	Death Benefit	
Premiums are paid at the beginning of the period for the mode noted.	1	36	1,000	A	0	100,000	0	100,000
	2	37	1,000	A	0	100,000	0	100,000
	3	38	1,000	A	0	100,000	157.29	100,000
Values and benefits are as of the end of the year.	4	39	1,000	A	677.67	100,000	1,024.69	100,000
	5	40	1,000	A	1,456.50	100,000	1,908.82	100,000
	6	41	1,000	A	2,292.41	100,000	2,864.34	100,000
This illustration presumes the non-guaranteed elements will continue as assumed for all years shown.	7	42	1,000	A	3,133.23	100,000	3,841.18	100,000
	8	43	1,000	A	3,977.44	100,000	4,839.71	100,000
This is not likely to occur, and actual results may be more or less favorable.	9	44	1,000	A	4,822.56	100,000	5,861.60	100,000
	10	45	<u>1,000</u> 10,000	A	5,666.03	100,000	6,904.35	100,000
Non-guaranteed values illustrated include an additional 0.35% longevity bonus interest rate added to the current crediting interest rate beginning the 21st Certificate Year throughout the life of the Certificate. The longevity bonus is not guaranteed or included in the Guaranteed Credited Interest Rate and is subject to payment at the discretion of Royal Neighbors.	11	46	1,000	A	6,685.32	100,000	8,145.78	100,000
	12	47	1,000	A	7,702.73	100,000	9,406.03	100,000
	13	48	1,000	A	8,720.09	100,000	10,682.51	100,000
	14	49	1,000	A	9,743.49	100,000	11,978.76	100,000
	15	50	1,000	A	10,767.67	100,000	13,297.02	100,000
	16	51	1,000	A	12,562.65	100,000	15,467.47	100,000
	17	52	1,000	A	13,362.69	100,000	16,680.29	100,000
	18	53	1,000	A	14,148.01	100,000	17,921.97	100,000
	19	54	1,000	A	14,913.71	100,000	19,190.35	100,000
	20	55	<u>1,000</u> 20,000	A	15,649.77	100,000	20,480.32	100,000
	21	56	1,000	A	16,350.45	100,000	21,861.59	100,000
	22	57	1,000	A	17,013.97	100,000	23,266.18	100,000
	23	58	1,000	A	17,641.95	100,000	24,694.99	100,000
	24	59	1,000	A	18,234.22	100,000	26,148.49	100,000
	25	60	1,000	A	18,781.55	100,000	27,624.98	100,000
	26	61	1,000	A	19,270.38	100,000	29,104.04	100,000
	27	62	1,000	A	19,683.76	100,000	30,603.69	100,000
	28	63	1,000	A	20,005.71	100,000	32,120.28	100,000
	29	64	1,000	A	20,224.47	100,000	33,655.42	100,000
	30	65	<u>1,000</u> 30,000	A	20,332.41	100,000	35,212.74	100,000

Certificate charges continue for all years. Depending on actual results, premiums may need to be resumed or increased to maintain the Certificate. Actual non-guaranteed factors will change based on the insurer's experience with benefit payments, investment results, and operating expenses.

# Royal Neighbors of America

Designed For: John Doe  
 Sex & Issue Age: Male, Age 35  
 Face Amount: \$100,000.00  
 Premium: \$1,000.00 annually

**Life Insurance Certificate Illustration**  
*SecureLife DB UL – A Flexible Premium Universal Life Certificate*  
 Certificate Form Series – 1211

Underwriting  
 Class:  
**Male, Standard  
 Non-Tobacco**

Mode: A = Annual; S = Semi-Annual; Q = Quarterly; M = Monthly PAC

Premiums are paid at the beginning of the period for the mode noted.

Values and benefits are as of the end of the year.

This illustration presumes the non-guaranteed elements will continue as assumed for all years shown.

This is not likely to occur, and actual results may be more or less favorable.

Non-guaranteed values illustrated include an additional 0.35% longevity bonus interest rate added to the current crediting interest rate beginning the 21st Certificate Year throughout the life of the Certificate. The longevity bonus is not guaranteed or included in the

Guaranteed Credited Interest Rate and is subject to payment at the discretion of Royal Neighbors.

End of Year	Age	Premium Outlay	Mode	Guaranteed		Non-Guaranteed Current	
				Cash Value	Death Benefit	Cash Value	Death Benefit
31	66	1,000	A	20,321.13	100,000	36,777.66	100,000
32	67	1,000	A	20,184.64	100,000	38,353.53	100,000
33	68	1,000	A	19,912.05	100,000	39,941.10	100,000
34	69	1,000	A	19,489.77	100,000	41,541.56	100,000
35	70	1,000	A	18,892.86	100,000	43,151.33	100,000
36	71	1,000	A	18,084.97	100,000	44,763.20	100,000
37	72	1,000	A	17,012.58	100,000	46,363.05	100,000
38	73	1,000	A	15,617.67	100,000	47,939.31	100,000
39	74	1,000	A	13,859.61	100,000	49,492.43	100,000
40	75	<u>1,000</u> 40,000	A	11,683.94	100,000	51,020.68	100,000
41	76	1,000	A	9,020.45	100,000	52,519.24	100,000
42	77	1,000	A	5,769.31	100,000	53,979.00	100,000
43	78	1,000	A	1,789.75	100,000	55,383.37	100,000
44	79	1,000	A	0	0	56,713.45	100,000
45	80	1,000	A	0	0	57,953.87	100,000
46	81	1,000	A	0	0	59,087.23	100,000
47	82	1,000	A	0	0	60,098.57	100,000
48	83	1,000	A	0	0	60,976.88	100,000
49	84	1,000	A	0	0	61,699.13	100,000
50	85	<u>1,000</u> 50,000	A	0	0	62,231.96	100,000
51	86	1,000	A	0	0	62,532.40	100,000
52	87	1,000	A	0	0	62,548.31	100,000
53	88	1,000	A	0	0	62,218.21	100,000
54	89	1,000	A	0	0	61,466.22	100,000
55	90	1,000	A	0	0	60,196.81	100,000
56	91	1,000	A	0	0	58,305.93	100,000
57	92	1,000	A	0	0	55,519.64	100,000
58	93	1,000	A	0	0	51,553.21	100,000
59	94	1,000	A	0	0	45,997.91	100,000
60	95	<u>1,000</u> 60,000	A	0	0	38,266.66	100,000

Certificate charges continue for all years. Depending on actual results, premiums may need to be resumed or increased to maintain the Certificate. Actual non-guaranteed factors will change based on the insurer's experience with benefit payments, investment results, and operating expenses.

# Royal Neighbors of America

Designed For: John Doe  
 Sex & Issue Age: Male, Age 35  
 Face Amount: \$100,000.00  
 Premium: \$1,000.00 annually

**Life Insurance Certificate Illustration**  
*SecureLife DB UL – A Flexible Premium Universal Life Certificate*  
 Certificate Form Series – 1211

Underwriting  
 Class:  
**Male, Standard  
 Non-Tobacco**

Mode: A = Annual; S = Semi-Annual; Q = Quarterly; M = Monthly PAC

Premiums are paid at the beginning of the period for the mode noted.

Values and benefits are as of the end of the year.

This illustration presumes the non-guaranteed elements will continue as assumed for all years shown.

This is not likely to occur, and actual results may be more or less favorable.

Non-guaranteed values illustrated include an additional 0.35% longevity bonus interest rate added to the current crediting interest rate beginning the 21st Certificate Year throughout the life of the Certificate. The longevity bonus is not guaranteed or included in the

Guaranteed Credited Interest Rate and is subject to payment at the discretion of Royal Neighbors.

				Guaranteed		Non-Guaranteed Current	
End of Year	Age	Premium Outlay	Mode	Cash Value	Death Benefit	Cash Value	Death Benefit
61	96	1,000	A	0	0	27,562.19	100,000
62	97	1,000	A	0	0	12,748.05	100,000
63	98	0	A	0	0	0	0
64	99	0	A	0	0	0	0
65	100	0	A	0	0	0	0
66	101	0	A	0	0	0	0
67	102	0	A	0	0	0	0
68	103	0	A	0	0	0	0
69	104	0	A	0	0	0	0
70	105	0	A	0	0	0	0
		62,000					
71	106	0	A	0	0	0	0
72	107	0	A	0	0	0	0
73	108	0	A	0	0	0	0
74	109	0	A	0	0	0	0
75	110	0	A	0	0	0	0
76	111	0	A	0	0	0	0
77	112	0	A	0	0	0	0
78	113	0	A	0	0	0	0
79	114	0	A	0	0	0	0
80	115	0	A	0	0	0	0
		62,000					
81	116	0	A	0	0	0	0
82	117	0	A	0	0	0	0
83	118	0	A	0	0	0	0
84	119	0	A	0	0	0	0
85	120	0	A	0	0	0	0
		62,000					

Certificate charges continue for all years. Depending on actual results, premiums may need to be resumed or increased to maintain the Certificate. Actual non-guaranteed factors will change based on the insurer's experience with benefit payments, investment results, and operating expenses.

# Royal Neighbors of America

Designed For: John Doe  
 Sex & Issue Age: Male, Age 35  
 Face Amount: \$100,000.00  
 Premium: \$1,000.00 annually

**Life Insurance Certificate Illustration**  
*SecureLife DB UL – A Flexible Premium Universal Life Certificate*  
 Certificate Form Series – 1211

Underwriting Class: <b>Male, Standard Non-Tobacco</b>	Mode: A = Annual; S = Semi-Annual; Q = Quarterly; M = Monthly PAC								
End of Year	Age	Certificate Outlay			Guideline Premiums				
Year	Age	Premium Outlay	With- drawal	Annual Loan	Single	Annual	Total	7-Pay	
Premiums are paid at the beginning of the period for the mode noted.	1	36	1,000	0	0	12,956.45	1,125.61	12,956.45	3,317.94
	2	37	1,000	0	0	0	1,125.61	12,956.45	3,317.94
	3	38	1,000	0	0	0	1,125.61	12,956.45	3,317.94
	4	39	1,000	0	0	0	1,125.61	12,956.45	3,317.94
	5	40	1,000	0	0	0	1,125.61	12,956.45	3,317.94
Values and benefits are as of the end of the year.	6	41	1,000	0	0	0	1,125.61	12,956.45	3,317.94
	7	42	1,000	0	0	0	1,125.61	12,956.45	3,317.94
	8	43	1,000	0	0	0	1,125.61	12,956.45	0
This illustration presumes the non-guaranteed elements will continue as assumed for all years shown.	9	44	1,000	0	0	0	1,125.61	12,956.45	0
This is not likely to occur, and actual results may be more or less favorable.	10	45	<u>1,000</u>	<u>0</u>	0	<u>0</u>	<u>1,125.61</u>	12,956.45	0
			10,000			12,956.45	11,256.10		
	11	46	1,000	0	0	0	1,125.61	12,956.45	0
	12	47	1,000	0	0	0	1,125.61	13,507.32	0
	13	48	1,000	0	0	0	1,125.61	14,632.93	0
	14	49	1,000	0	0	0	1,125.61	15,758.54	0
	15	50	1,000	0	0	0	1,125.61	16,884.15	0
	16	51	1,000	0	0	0	1,125.61	18,009.76	0
	17	52	1,000	0	0	0	1,125.61	19,135.37	0
	18	53	1,000	0	0	0	1,125.61	20,260.98	0
	19	54	1,000	0	0	0	1,125.61	21,386.59	0
	20	55	<u>1,000</u>	<u>0</u>	0	<u>0</u>	<u>1,125.61</u>	22,512.20	0
			20,000			12,956.45	22,512.20		
	21	56	1,000	0	0	0	1,125.61	23,637.81	0
	22	57	1,000	0	0	0	1,125.61	24,763.42	0
	23	58	1,000	0	0	0	1,125.61	25,889.03	0
	24	59	1,000	0	0	0	1,125.61	27,014.64	0
	25	60	1,000	0	0	0	1,125.61	28,140.25	0
	26	61	1,000	0	0	0	1,125.61	29,265.86	0
	27	62	1,000	0	0	0	1,125.61	30,391.47	0
	28	63	1,000	0	0	0	1,125.61	31,517.08	0
	29	64	1,000	0	0	0	1,125.61	32,642.69	0
	30	65	<u>1,000</u>	<u>0</u>	0	<u>0</u>	<u>1,125.61</u>	33,768.30	0
			30,000			12,956.45	33,768.30		

# Royal Neighbors of America

Designed For: *John Doe*  
 Sex & Issue Age: *Male, Age 35*  
 Face Amount: *\$100,000.00*  
 Premium: *\$1,000.00 annually*

**Life Insurance Certificate Illustration**  
*SecureLife DB UL – A Flexible Premium Universal Life Certificate*  
*Certificate Form Series – 1211*

	Mode: A = Annual; S = Semi-Annual; Q = Quarterly; M = Monthly PAC								
Underwriting Class: <b>Male, Standard                      Non-Tobacco</b>	Certificate Outlay					Guideline Premiums			
	End of Year	Age	Premium Outlay	With- drawal	Annual Loan	Single	Annual	Total	7-Pay
Premiums are paid at the beginning of the period for the mode noted.	31	66	1,000	0	0	0	1,125.61	34,893.91	0
	32	67	1,000	0	0	0	1,125.61	36,019.52	0
	33	68	1,000	0	0	0	1,125.61	37,145.13	0
	34	69	1,000	0	0	0	1,125.61	38,270.74	0
	35	70	1,000	0	0	0	1,125.61	39,396.35	0
Values and benefits are as of the end of the year.	36	71	1,000	0	0	0	1,125.61	40,521.96	0
	37	72	1,000	0	0	0	1,125.61	41,647.57	0
	38	73	1,000	0	0	0	1,125.61	42,773.18	0
	39	74	1,000	0	0	0	1,125.61	43,898.79	0
	40	75	<u>1,000</u>	<u>0</u>	0	<u>0</u>	<u>1,125.61</u>	45,024.40	0
This illustration presumes the non-guaranteed elements will continue as assumed for all years shown.			40,000			12,956.45	45,024.40		
	41	76	1,000	0	0	0	1,125.61	46,150.01	0
	42	77	1,000	0	0	0	1,125.61	47,275.62	0
	43	78	1,000	0	0	0	1,125.61	48,401.23	0
	44	79	1,000	0	0	0	1,125.61	49,526.84	0
This is not likely to occur, and actual results may be more or less favorable.	45	80	1,000	0	0	0	1,125.61	50,652.45	0
	46	81	1,000	0	0	0	1,125.61	51,778.06	0
	47	82	1,000	0	0	0	1,125.61	52,903.67	0
	48	83	1,000	0	0	0	1,125.61	54,029.28	0
	49	84	1,000	0	0	0	1,125.61	55,154.89	0
		50	85	<u>1,000</u>	<u>0</u>	0	<u>1,125.61</u>	56,280.50	0
				50,000		12,956.45	56,280.50		
		51	86	1,000	0	0	1,125.61	57,406.11	0
		52	87	1,000	0	0	1,125.61	58,531.72	0
		53	88	1,000	0	0	1,125.61	59,657.33	0
		54	89	1,000	0	0	1,125.61	60,782.94	0
		55	90	1,000	0	0	1,125.61	61,908.55	0
		56	91	1,000	0	0	1,125.61	63,034.16	0
		57	92	1,000	0	0	1,125.61	64,159.77	0
		58	93	1,000	0	0	1,125.61	65,285.38	0
		59	94	1,000	0	0	1,125.61	66,410.99	0
		60	95	<u>1,000</u>	<u>0</u>	0	<u>1,125.61</u>	67,536.60	0
				60,000		12,956.45	67,536.60		

# Royal Neighbors of America

Designed For: *John Doe*  
 Sex & Issue Age: *Male, Age 35*  
 Face Amount: *\$100,000.00*  
 Premium: *\$1,000.00 annually*

**Life Insurance Certificate Illustration**  
*SecureLife DB UL – A Flexible Premium Universal Life Certificate*  
*Certificate Form Series – 1211*

Underwriting  
 Class:  
**Male, Standard  
 Non-Tobacco**

Mode: A = Annual; S = Semi-Annual; Q = Quarterly; M = Monthly PAC

Premiums are paid  
 at the beginning of  
 the period for the  
 mode noted.  
  
 Values and benefits  
 are as of the end  
 of the year.  
  
 This illustration  
 presumes the  
 non-guaranteed  
 elements will  
 continue as  
 assumed for all  
 years shown.  
 This is not likely to  
 occur, and actual  
 results may be more  
 or less favorable.

Certificate Outlay					Guideline Premiums			
End of Year	Age	Premium Outlay	With- drawal	Annual Loan	Single	Annual	Total	7-Pay
61	96	1,000	0	0	0	1,125.61	68,662.21	0
62	97	1,000	0	0	0	1,125.61	69,787.82	0
63	98	1,000	0	0	0	1,125.61	70,913.43	0
64	99	1,000	0	0	0	1,125.61	72,039.04	0
65	100	1,000	0	0	0	1,125.61	73,164.65	0
66	101	1,000	0	0	0	1,125.61	74,290.26	0
67	102	1,000	0	0	0	1,125.61	75,415.87	0
68	103	1,000	0	0	0	1,125.61	76,541.48	0
69	104	1,000	0	0	0	1,125.61	77,667.09	0
70	105	<u>1,000</u>	<u>0</u>	0	<u>0</u>	<u>1,125.61</u>	78,792.70	0
		70,000			12,956.45	78,792.70		
71	106	1,000	0	0	0	1,125.61	79,918.31	0
72	107	1,000	0	0	0	1,125.61	81,043.92	0
73	108	1,000	0	0	0	1,125.61	82,169.53	0
74	109	1,000	0	0	0	1,125.61	83,295.14	0
75	110	1,000	0	0	0	1,125.61	84,420.75	0
76	111	1,000	0	0	0	1,125.61	85,546.36	0
77	112	1,000	0	0	0	1,125.61	86,671.97	0
78	113	1,000	0	0	0	1,125.61	87,797.58	0
79	114	1,000	0	0	0	1,125.61	88,923.19	0
80	115	<u>1,000</u>	<u>0</u>	0	<u>0</u>	<u>1,125.61</u>	90,048.80	0
		80,000			12,956.45	90,048.80		
81	116	1,000	0	0	0	1,125.61	91,174.41	0
82	117	1,000	0	0	0	1,125.61	92,300.02	0
83	118	1,000	0	0	0	1,125.61	93,425.63	0
84	119	1,000	0	0	0	1,125.61	94,551.24	0
85	120	<u>1,000</u>	0	0	<u>0</u>	<u>1,125.61</u>	95,676.85	0
		85,000			12,956.45	95,676.85		



**Listed below are items currently in effect:**

Billed Premium: \$1,000.00 annually

Death Benefit Option: Level

Certificate Loan Interest Rate is 6% per annum, payable in arrears. Beginning in the 11th certificate year, all new loans, when combined, which do not exceed the lesser of 100% of the cash surrender value or 50% of the cash value (Preferred Loans) will be charged interest at the rate of 2% per annum.

Additional Benefit Riders: None

**Did you know?**

Your life insurance certificate is a very valuable asset to you that continues to increase in value. The longer your coverage remains in force, the more it works for you. If someone suggests you cancel or replace it, you should immediately contact your Royal Neighbors insurance professional listed on this report or our Home Office. In order to keep our records accurate, it is important to alert us when you wish to change your Certificate information.

**IMPORTANT CERTIFICATEOWNER NOTICE:** You should consider requesting more detailed information about your certificate to understand how it may perform in the future. You should not consider replacement of your certificate or make changes in your coverage without requesting a current illustration. You may annually request, without charge, such an illustration by calling (800) 627-4762, or writing to Royal Neighbors of America at 230 16th Street, Rock Island, Illinois, 61201. If you do not receive a current illustration of your certificate within 30 days from your request, you should contact your state insurance department.

**Current Beneficiary Designation**

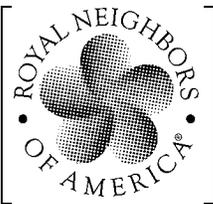
JANE DOE, WIFE, 1234 MAIN STREET, ANYWHERE USA  
12345

Please let us know if you wish to change your beneficiary designation and keep us informed of the current name and address of each beneficiary. The "Request for Change of Beneficiary" is available on our Website at [www.royalneighbors.org](http://www.royalneighbors.org). For your convenience, you may download it, complete it, and return it to our Home Office. Or, call **(800) 627-4762** for assistance.

Insurance coverage should be reviewed periodically to ensure that it continues to be appropriate for you and your family. We would like to provide a no-obligation review of your present coverage and tell you about our other life insurance and annuity certificates, as well as our valuable member benefits available to you at no additional cost.

For service or additional information, please contact: Home Office  
230 16th Street  
Rock Island, Illinois 61201  
(800) 627-4762

Royal Neighbors of America has been proudly serving our members for over 100 years. We appreciate your business and look forward to serving you during the coming year.



## Statement of Certificate – Policy – Cost and Benefit Information

### Name and Address of Insured

JOHN DOE  
 ROCK ISLAND IL 61201

### Name and Address of Insurance Agent

HOME OFFICE  
 230 SIXTEENTH ST  
 ROCK ISLAND IL 61201  
 (309) 788-4561

**Certificate No.:** [000010000008]  
**Plan:** Flexible Premium Adjustable Life  
**Chapter No.:** [00002]  
**Death Benefit Option:** [Level]  
**Planned Premium:** [ \$1,000.00]  
**Mode:** [Annual]  
**Minimum Premium (No Lapse Guarantee):** [\$515.00]  
**No Lapse Guarantee Period:** 20 years

**Certificate Face Amount:** [ \$100,000.00]  
**Rating Age:** [35]  
**Risk Class:** [Standard]  
 [Non-Tobacco]  
**Class Factor:** [1.00]  
**Initial Lump Sum Payment:** [\$0.00]

**Issue Date:** [01/01/2012]  
**Date Prepared:** [01/01/2012]  
**Riders:**  
 [None]

### GUIDELINE PREMIUMS

Single	Level	7-Pay
[ \$12,956.45]	[ \$1,125.61]	[ \$3,317.94]

### GUARANTEED VALUES

GUARANTEED INTEREST RATE [2.00%]

Account Value	Cash Surrender Value	Death Benefit	End of Year
\$715.36	\$0.00	\$100,000.00	1
\$1,440.88	\$0.00	\$100,000.00	2
\$2,174.88	\$0.00	\$100,000.00	3
\$2,915.67	\$677.67	\$100,000.00	4
\$3,664.50	\$1,456.50	\$100,000.00	5
\$4,469.41	\$2,292.41	\$100,000.00	6
\$5,279.23	\$3,133.23	\$100,000.00	7
\$6,091.44	\$3,977.44	\$100,000.00	8
\$6,903.56	\$4,822.56	\$100,000.00	9
\$7,714.03	\$5,666.03	\$100,000.00	10
\$8,521.32	\$6,685.32	\$100,000.00	11
\$9,325.73	\$7,702.73	\$100,000.00	12
\$10,131.09	\$8,720.09	\$100,000.00	13
\$10,941.49	\$9,743.49	\$100,000.00	14
\$11,753.67	\$10,767.67	\$100,000.00	15
\$12,562.65	\$12,562.65	\$100,000.00	16
\$13,362.69	\$13,362.69	\$100,000.00	17
\$14,148.01	\$14,148.01	\$100,000.00	18
\$14,913.71	\$14,913.71	\$100,000.00	19
\$15,649.77	\$15,649.77	\$100,000.00	20
\$20,332.41	\$20,332.41	\$100,000.00	Age 65
\$18,892.86	\$18,892.86	\$100,000.00	Age 70
\$11,683.94	\$11,683.94	\$100,000.00	Age 75

### ILLUSTRATED VALUES

CURRENT INTEREST RATE [3.35%]\*\*\*

Premiums During Year	Account Value	Cash Surrender Value	Death Benefit
\$1,000.00	\$795.28	\$0.00	\$100,000.00
\$1,000.00	\$1,603.27	\$0.00	\$100,000.00
\$1,000.00	\$2,425.29	\$157.29	\$100,000.00
\$1,000.00	\$3,262.69	\$1,024.69	\$100,000.00
\$1,000.00	\$4,116.82	\$1,908.82	\$100,000.00
\$1,000.00	\$5,041.34	\$2,864.34	\$100,000.00
\$1,000.00	\$5,987.18	\$3,841.18	\$100,000.00
\$1,000.00	\$6,953.71	\$4,839.71	\$100,000.00
\$1,000.00	\$7,942.60	\$5,861.60	\$100,000.00
\$1,000.00	\$8,952.35	\$6,904.35	\$100,000.00
\$1,000.00	\$9,981.78	\$8,145.78	\$100,000.00
\$1,000.00	\$11,029.03	\$9,406.03	\$100,000.00
\$1,000.00	\$12,093.51	\$10,682.51	\$100,000.00
\$1,000.00	\$13,176.76	\$11,978.76	\$100,000.00
\$1,000.00	\$14,283.02	\$13,297.02	\$100,000.00
\$1,000.00	\$15,467.47	\$15,467.47	\$100,000.00
\$1,000.00	\$16,680.29	\$16,680.29	\$100,000.00
\$1,000.00	\$17,921.97	\$17,921.97	\$100,000.00
\$1,000.00	\$19,190.35	\$19,190.35	\$100,000.00
\$1,000.00	\$20,480.32	\$20,480.32	\$100,000.00
\$1,000.00	\$35,212.74	\$35,212.74	\$100,000.00
\$1,000.00	\$43,151.33	\$43,151.33	\$100,000.00
\$1,000.00	\$51,020.68	\$51,020.68	\$100,000.00

Guaranteed values are based on the guaranteed interest rate, the maximum expense charge, and the maximum cost of insurance rates.

Illustrated values are based on the current interest rate (not guaranteed), the current expense charge, and the current cost of insurance rates. The Society may change such rates. However, the new rates will never be less favorable to the Owner than those guaranteed in the Certificate. Illustrated values are neither guarantees nor estimates of future values.

Both guaranteed and illustrated values assume the timely payment of each Planned Premium and no Loans, Withdrawals, or other contract changes. Cash Surrender Values are the contract values after adjustment for any Surrender Charge. \*\*\*An additional 0.35% interest may be added to the Current Credited Interest Rate beginning in the 21st Certificate Year and may continue throughout the life of the Certificate (Longevity Bonus). This bonus is not guaranteed or included in the Guaranteed Credited Interest Rate and is subject to payment at the discretion of Royal Neighbors.



**DEATH BENEFIT – LEVEL** – The Certificate provides a level Death Benefit. The Cost of Insurance is based on the difference between the Death Benefit and the Cash Value. If the Cash Value decreases, the Death Benefit will also decrease.

**GUIDELINE PREMIUMS** – The Internal Revenue Code of 1986, as amended, provides for the exclusion of Death Benefits from gross income for flexible premium life insurance contracts. There is a maximum limitation on premiums which may not be exceeded if the Certificate is to qualify for the exclusion. The limitation has not been considered in this “Statement of Certificate-Policy-Cost and Benefit Information.” The portion of any premium payment received in excess of that limitation will be refunded.

**PREMIUMS DURING YEAR** – If an initial-lump sum payment was made in addition to the Planned Premium, the amount of the lump-sum payment has been included in the amount for year one. For purposes of calculating guaranteed and illustrative values, it has been assumed that successive payments of the Planned Premium will be made on the Mode of payment shown. The amounts shown in this column are the sum of such payments for the year shown.

**MINIMUM PREMIUM** – The amount shown on Page 3 of the Certificate that is necessary to keep the No Lapse Guarantee in force for the applicable modal period shown on Page 3 of the Certificate.

**MINIMUM CUMULATIVE PREMIUM** – The Minimum Premium times the number of modal periods from the Issue Date to the date of calculation during the first 20 Certificate Years.

**EXPENSE CHARGE, WITHDRAWALS, LOANS, AND DIVIDENDS** – The Guaranteed Maximum Expense Charges are shown on Page 3 of the Certificate. The Certificate Loan Interest Rate is shown below. The contract is participating; however, dividends have not been included in the calculation of illustrated values. Dividends are not expected or anticipated to be paid.

**LOAN INTEREST RATE** – During the first 10 Certificate Years, outstanding Loans will bear interest at the rate of 6% per annum. Beginning in the 11th Certificate Year, the owner may obtain a loan for up to 100% of the Cash Surrender Value, not to exceed 50% of the Cash Value. Such loan will bear interest at the rate of 2% per annum (Preferred Loan). Preferred Loans may not exceed 50% of the Cash Value. Any Loan in excess of 50% of the Cash Value, and is less than or equal to the Cash Surrender Value will be charged interest at 6% per annum.

**NO LAPSE GUARANTEE** – The Certificate has a No Lapse Guarantee Period (shown on Page 3 of the Certificate). If the Minimum Cumulative Premium requirements are met for the Certificate, Royal Neighbors agrees to pay the Death Benefit if the Insured dies during the No Lapse Guarantee Period. The Certificate value on a guaranteed basis may be insufficient to keep the Certificate in force after the end of the No Lapse Guaranteed Period unless additional premiums are paid at that time.

**MATURITY DATE** – Insurance may continue to the Maturity Date shown below. The Cash Surrender Value will be paid to the Owner in one sum on that date. Coverage may expire prior to that date if premiums paid are not sufficient to continue coverage to that date. Duration of coverage may also be affected by changes to the Face Amount.

**MATURITY DATE** – [October 23, 2094]

**MAXIMUM EXPENSE CHARGES:**

General Charge.....\$7.50 per month  
 Expense Charge.....5% of any premium payment collected  
 Administrative Charge..... [\$0.50] per \$1,000 of face amount annually for years 1-5; \$0.00 for years 6 +

**LIFE INSURANCE INTEREST ADJUSTED COST COMPARISON INDICES**

	Net Payment Cost Index		Surrender Cost Index	
	10 years	20 years	10 years	20 years
<b>Guaranteed Values</b>	[ 10.00]	[ 10.00]	[ 5.71]	[ 4.77]
<b>Illustrated Values</b>	[ 10.00]	[ 10.00]	[ 5.49]	[ 4.10]

Cost indices provide a way to compare similar insurance contracts. In general, the smaller the cost index number, the better the value. Cost comparisons should only be made between similar life insurance contracts that provide the same basic benefits and require approximately the same premiums for the same amount of time. The actual cost may increase or decrease depending upon changes in future mortality charges, credited interest rates, and the time when surrender occurs.

The **Surrender Cost Index** is useful if you consider the level of the cash value to be of primary importance to you. This index helps you compare costs if, at some point in the future, such as 10 or 20 years, you were to surrender the life insurance contract for its cash value.

The **Net Payment Cost Index** is useful if your main concern is the benefits that are to be paid at your death and if the level of cash value is of secondary importance to you. This index helps you compare costs at some future point in time, such as 10 or 20 years, if you continue paying premiums on your life insurance contract and do not surrender it for its cash value.

**THIS STATEMENT IS GENERAL. A COMPLETE DESCRIPTION OF BENEFITS IS FOUND ONLY IN THE CONTRACT.**



**BULLETIN 11-83**

**EXHIBIT A (REVISED)**

**CONSENT TO SUBMIT RATES AND/OR  
COST BASES FOR APPROVAL**

The Royal Neighbors of America ("Company") of Rock Island IL does hereby  
(Company Name) (City and State)  
consent and agree

A) that all premium rates and/or cost bases both "maximum" and "current or projected," used in relation to policy form number 1211-2-AR must be filed with the Insurance Commissioner for the State of Arkansas ("Commissioner") at least sixty (60) days prior to their proposed effective date. Such rates and/or cost bases shall be deemed effective sixty (60) days after they are filed with the Commissioner, unless the Commissioner shall approve or disapprove such rates and/or cost bases prior to the expiration of sixty (60) days.

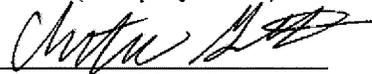
or

B) that where the policy is a flexible or indeterminate premium whole life policy which provides for frequent changes in interest rates based on financial market conditions, the company may file a range of rates it will stay within and will notify the Department at least sixty (60) days prior to any change in the range of rates. The company must also document the method used to calculate its premium and range of rates.

Royal Neighbors of America

(Company Name)

By



(Name)

Illustration Actuary

(Title or Position)