

DISCLOSURE STATEMENT FOR TERMINAL ILLNESS ACCELERATED BENEFITS RIDER

DEATH BENEFITS WILL BE REDUCED IF AN ACCELERATED BENEFIT IS PAID. PAYMENT OF AN ACCELERATED BENEFIT MAY BE TAXABLE, YOU SHOULD CONSULT YOUR PERSONAL TAX ADVISOR.

With the attachment of the Terminal Illness Accelerated Benefit Rider, your policy includes an accelerated benefit feature. This feature provides that a benefit payment of up to 50% of the Eligible Death Benefit of the policy, less certain deductions, will be paid to you, the policyowner, if the Insured develops a Terminal Illness. You choose the percentage of the Eligible Death Benefit to be paid. In no event will the amount payable for all policies with the rider exceed \$250,000 per Insured. In addition, the accelerated benefit is payable only once. No benefits will be paid for self-inflicted injuries.

DEFINITIONS

Benefit Ratio – the result of dividing the requested portion of the Eligible Death Benefit by the Death Benefit or current Face Amount of insurance under the policy to which the rider is attached.

Eligible Death Benefit – the Death Benefit or current Face Amount of insurance on the life of the Insured provided by the policy.

Terminal Illness – a noncorrectable medical condition, which will result in the death of the Insured within 6 months or less from the date of a Physician Statement.

REDUCTIONS AND ADJUSTMENTS

The requested portion of the Eligible Death Benefit will be reduced by:

1. An actuarial discount based on an annual interest rate declared by us and the then current premium or cost of insurance rate. The maximum interest rate used will be the greater of the yield on 90 day treasury bills or the maximum

statutory adjustable policy loan interest rate in effect upon the date of request;

2. The amount of any outstanding policy loan multiplied by the Benefit Ratio;
3. Any premiums due within the policy’s grace period and are unpaid at the time we approve your request; and
4. An Administrative Expense Charge.

After we pay the accelerated benefit, your policy and all riders will continue in force subject to the following adjustments:

1. The policy’s Death Benefit or current Face Amount, its current and Guaranteed Cash Value, if any, its Fund Account or Accumulation Value, if any, and its required Premium, if any, will be reduced by the Benefit Ratio; and,
2. Any outstanding policy loan will be reduced by the portion of the policy loan repaid when calculating the benefit.

Below is an example of how the payment of the maximum accelerated benefit would affect a level premium policy with cash values, a policy loan and \$100,000 face amount.

	Premium	Cash Value	Face Amount	Outstanding Loan
Example: Before accelerated payment	\$1,200.00	\$16,000.00	\$100,000.00	\$4,000.00
After accelerated payment	600.00	8,000.00	50,000.00	2,000.00

If this benefit is paid, we will mail you, for attachment to your policy, a new policy data page showing the decrease in policy values resulting from the payment.

I ACKNOWLEDGE RECEIPT OF THIS DISCLOSURE.

Signature of Agent Date

Signature of the Proposed Insured Date

Signature of Owner (If other than Proposed Insured) Date