

ACCELERATED DEATH BENEFIT RIDER DISCLOSURE STATEMENT

This Rider provides for an acceleration of the death benefit of the Policy, payable to the Policy Owner during the lifetime of the Insured, if the Insured is diagnosed as Terminally Ill after the Rider effective date.

This Rider is not long-term care insurance and does not provide long-term care benefits. There is no restriction on the use of the Accelerated Death Benefit proceeds.

The benefits paid under this Rider may or may not be taxable. You should seek advice from a qualified tax advisor about the circumstances under which you could receive Accelerated Death Benefit payments excludable from income under federal law.

The receipt of Accelerated Death Benefit payments may affect your eligibility for Medicaid or other government benefits or entitlements.

Rider Benefits

- The Rider Benefit is available as a lump sum of up to 100% of the Death Benefit, and is triggered if the Insured is diagnosed as Terminally Ill.

Effect of Benefit Payments on Policy Values

When an Accelerated Death Benefit is paid under this Rider:

- The Death Benefit of the Policy will be reduced by the Accelerated Death Benefit; and
- The Face Amount, Accumulation Value, the Minimum Accumulation Value, and the Guaranteed Tabular Cash Value will all be reduced in proportion to the Accelerated Death Benefit; and
- If there is a Policy loan, a payment will be made on the Loan Balance from the proceeds. The amount of this payment will be in the same proportion to the Loan Balance as the amount of the Accelerated Death Benefit is to the Death Benefit.

Charges and Fees

- There is no premium charge for this Rider.
- If benefits are elected under this Rider, a one-time \$100 administrative fee will be deducted from the Accelerated Death Benefit.

Payment of Benefits

- The Policy and Rider must be In Force for 12 months before the Policy Owner is eligible to receive any Accelerated Death Benefit payments.
- You may elect to receive benefits only once.
- The payment will be multiplied by the Discount Factor.
- If you elect to accelerate less than 100% of the Death Benefit, any Death Benefit less Loan Balance remaining will be payable upon death of the Insured.

Definitions

Death Benefit means, for the purposes of the Rider, the greater of the following two amounts:

- 1) The Face Amount on the date that the Accelerated Death Benefit is processed less any Loan Balance; or
- 2) The greater of the Accumulation Value or the Minimum Guaranteed Cash Value on the date that the Accelerated Death Benefit is processed, multiplied by the Minimum Required Death Benefit Percentage for the Insured's attained Age, sex and Premium Class, less any Loan Balance.

Terminally III means an individual who has been certified by a Physician as having an illness or physical condition which can reasonably be expected to result in death in 12 months or less after the date of certification.

Discount Factor means an interest adjustment for the advanced payment of elected proceeds. The factor will be based on an annual interest rate that will be no more than the greater of the current yield on 90 day Treasury Bills or the current maximum statutory adjustable policy loan interest rate. The discount factor is 95%.

Example 1: Without policy loan

<u>Prior to acceleration:</u>	<u>After \$25,000 (25% of Death Benefit) acceleration:</u>	
Death Benefit \$100,000	Remaining Death Benefit	\$75,000
Cash Value \$80,000	Remaining Cash Value	\$60,000

Example 2: With policy loan

<u>Prior to acceleration:</u>	<u>After \$25,000 (25% of Death Benefit) acceleration:</u>	
Death Benefit \$100,000	Remaining Death Benefit	\$75,000
Cash Value \$80,000	Remaining Cash Value	\$60,000
Policy Loan \$20,000	Remaining Policy Loan	\$15,000

Proposed Insured Signature

Date

Owner's Signature (if other than Proposed Insured)

Date

Agent's Signature

Date

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Agent's Signature

Date

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