



SETTLEMENT OPTIONS

Upon written request, the Company will pay the net policy proceeds in accordance with the options shown below. Surrender proceeds may be settled under the options, too. Subject to Company rules, more than one settlement option may be elected. The Owner may elect or change any settlement option in the same manner as a change of beneficiary during the lifetime of the Insured. The payee may elect any settlement option when the proceeds are payable if the proceeds are payable in one sum. If the payee is an estate, corporation, partnership or trust, only options A, B or C may be elected.

OPTION A. INTEREST

The Company will retain the proceeds while the payee is alive or for 30 years, whichever is shorter. Interest will be paid at the rate declared yearly by the Company, but not less than the percentage stated in the contract per year. The proceeds may be withdrawn at any time by the payee in whole or in part (not less than the amount stated in the contract) upon written request.

OPTION B. FIXED PAYMENTS

Installments of specified amounts will be payable until the proceeds with any interest thereon are exhausted. The installment amount must be at least \$75 per year per \$1,000 of proceeds retained. Interest will be paid at the rate declared yearly by the Company, but not less than the percentage stated in the contract per year. The proceeds may be withdrawn at any time by the payee in whole or in part (not less than the amount stated in the contract each time) upon written request.

OPTION C. FIXED PERIOD

The proceeds will be used to provide installment payments during a specified period of 30 years or less. The Option C table included in the contract shows the minimum monthly payments for each \$1,000 of proceeds applied.

OPTION D. LIFE INCOME WITH GUARANTEED PERIOD

The proceeds will be paid in installments for a guaranteed period of 10 or 20 years, as elected, and for life thereafter. The Option D table shows minimum monthly payments for each \$1,000 of proceeds applied. Payments are based on the payee's age nearest birthday on the date the first payment becomes due. When the monthly payments for a guaranteed period of 10 years equal those for a guaranteed period of 20 years, the Company will automatically deem the longer guaranteed period.

OPTION E. JOINT INCOME TWO-THIRDS TO THE SURVIVOR

The proceeds will be paid in monthly installments during the joint lifetime of two payees. Two-thirds of the installment amount shall continue to be paid for the remaining lifetime of the survivor. Option table E included in the contract shows the minimum monthly payments for each \$1,000 of proceeds applied. Payments are based on the ages nearest birthday of the payees on the date the first payment becomes due. This option is only available to payees at least 40 years of age.

At the time the proceeds become payable under a settlement option, a Settlement Certificate will be issued. This certificate shall bear the date of the Insured's death if the proceeds settled are death proceeds and the Insured elected the option while alive. Otherwise the certificate shall bear the date the proceeds are payable. The first installment under options B, C, D and E will be payable on the date of the Settlement Certificate. If there are amounts due the Company to be deducted from the proceeds, the beneficiary may repay the amount due when filing proof of claim. If any installment or interest payment under an option is less than \$20, the Company may change the payment interval so that payments will be at least \$20 each. If the annual payment is less than \$20, the Company may pay any unpaid amount in one sum. The Settlement Certificate's share of the surplus of the Company will be determined annually.

Settlement option benefits may not be assigned or commuted before they are due unless the payee has the right to do so under the elected option. As far as allowed by law, such benefits are not subject to claims of creditors or legal process. If the policy is subject to a collateral assignment on the date proceeds are payable, the amount due the assignee will be paid in one sum and not according to the option elected.

A payee under a settlement option may, by written notice filed with the company, name and change a contingent payee(s) to receive any amount that would otherwise be payable to the payee's estate. If no contingent payee survives the payee, any unpaid amount will be paid in a single sum to the last payee's estate. Any settlement under Options A, B, C or D will then terminate. Under Option A and B, the single sum will include interest to date of death. Under Options C and D, the single sum will be the present value of any guaranteed payments remaining at that time, commuted using the interest rate applied in determining these payments, compounded each year.

If payments depend upon the survival of one or more payees, the Company may require proof of age or survival of each payee. If a business has the right to elect a settlement option but transfers this right to the Insured's surviving spouse or children, the transferee(s) may elect one of the above options as if named as beneficiary under this policy.

The underlying bases used for computing the Settlement Option Tables are included in the contract's Annuity Mortality Table and specified interest.