§ 3 CONTRACT PROVISIONS

I. DEATH BENEFIT PROCEEDS

(1) The contract shall describe how the death benefit proceeds are determined and shall describe all death benefit options available under the contract. For purposes of this section, the individual whose death triggers the death benefit proceeds is the measuring life.

(2) The contract shall contain a provision for the payment of interest on the death benefit, as follows:

(a) Interest shall accrue and be payable as follows:

(i) for variable annuity contracts subject to the Securities and Exchange Commission’s (SEC) rules governing the liquidation of account values at the death of the measuring life, from the eighth day following the date that due proof of death is received by the company; and

(ii) for all other annuity contracts, from the date of death of the measuring life, unless the contract specifies that the contract remains in force until the date that due proof of death is received by the company;

(b) Interest shall accrue at the rate or rates applicable to the contract for funds left on deposit or, if the company has not established a rate for funds left on deposit, at the Two Year Treasury Constant Maturity Rate as published by the Federal Reserve. In determining the effective annual rate or rates, the company shall use the rate in effect on the date that due proof of death is received by the company or the date of death, as determined in Item (a) above; and

(c) Interest shall accrue at the effective annual rate determined in Item (b) above, plus additional interest at a rate of 10% annually beginning with the date that is 31 calendar days from the latest of Items (i), (ii) and (iii) to the date the claim is paid, where it is:

(i) The date that due proof of death is received by the company;
(ii) The date the company receives sufficient information to determine its liability, the extent of the liability, and the appropriate payee legally entitled to the proceeds; and

(iii) The date that legal impediments to payment of proceeds that depend on the action of parties other than the company are resolved and sufficient evidence of the same is provided to the company. Legal impediments to payment include, but are not limited to (a) the establishment of guardianships and conservatorships; (b) the appointment and qualification of trustees, executors and administrators; and (c) the submission of information required to satisfy a state and federal reporting requirements.

(3) The death benefit proceeds paid shall be at least equal to the death benefit of the contract and any riders that are payable, plus any dividend values in the contract at the time of death, less any indebtedness.

(4) The contract may require that due proof of the death of the measuring life will consist of:

(a) a certified copy of the death certificate of the measuring life, or other lawful evidence providing equivalent information;

(b) a completed claim form;

(c) a completed request for redemption form; and

(d) proof of the claimant’s interest in the proceeds.