



May 11, 2011

MARIA DOE
5555 MEMORY LANE DR
HOUSTON, TX 77777

Re: Application Number: **FL7000000**
Insured: **MARIA DOE**

Dear **MARIA DOE**:

Thank you for choosing Family Life Insurance Company to fulfill your insurance needs. Family Life will provide the valuable security and financial protection that you deserve now and into the future. Our strong commitment to providing a superior service experience is one reason Family Life is a consistent leader in the insurance industry.

Family Life Insurance Company offers personalized, responsive service to all of our policyholders. Although, your agent and our bilingual customer service representatives are always available to answer your questions, we encourage you to access policy information on our website. The website is available 24 hours a day and 7 days a week. Our web address is www.FamilyLifeInsurance.com.

Once you arrive at our home page, locate the Policy Holder Service menu and click the Policy Inquiry log-in. The system will then request that you enter your Policy Number and Password. Your password has been set to the date of birth of the policyowner (YYYYMMDD). However, for security reasons, we do ask that you change your password after logging into your website for the first time.

If you are unable to log in successfully or need additional information, you may contact your servicing agent or our Customer Service Department at 1-800-877-7705.

Sincerely,

A handwritten signature in black ink that reads "Lee Ann Blakey". The signature is written in a cursive, flowing style.

Lee Ann Blakey
Vice President, Operations

Family Life Insurance Company
10700 Northwest Freeway
Houston, TX 77092

Toll Free: 800-877-7705
www.familylifeins.com





MANHATTAN
INSURANCE GROUPSM

Family Life Insurance Company
Manhattan Life Insurance Company
Central United Life Insurance Company
Investors Consolidated Insurance Company

Life Customer Service: 888-222-0843 • Health Customer Service: 800-669-9030
Life Fax Number: 713-821-6447 • Health Fax Number: 713-821-6445

10700 Northwest Freeway, Houston, Texas 77092

LEVEL AND CONVERTIBLE TERM LIFE INSURANCE POLICY RENEWABLE UNTIL AGE 95

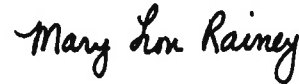
Insurance payable in event of death before the Expiration Date. Premiums payable as shown in the Policy Schedule. Nonparticipating-No Dividends. Renewable until age 95 as provided in the Policy. Initial premium guaranteed as shown in the Policy Schedule. Convertible during the first ten policy years, but not beyond age 70, as provided in Policy.

Family Life Insurance Company ("we," "us," "our," and "company") promises to pay the Death Benefit within 60 days to the Beneficiary upon receipt, at our Home or Administrative Office of due proof of the Insured's death, surrender of the policy, and interest of the claimant. The Company will also require the completion of its claims forms. All payments made are subject to the Policy provisions. The Owner ("you," "your") is the insured unless another person is named in the application or later becomes the Owner as allowed by this Policy.

Signed for us at Houston, Texas on the Date of Issue



Dan George, President



Mary Lou Rainey, Secretary

Registrar

NOTICE OF YOUR RIGHT TO EXAMINE POLICY FOR 20 DAYS

You may cancel this policy by delivering or mailing it with a written notice or telegram to Family Life Insurance Company, P.O. Box 4408, Houston, TX 77092-4408 or to the agent from whom you purchased it before midnight of the twentieth day after the date you receive the policy. Notice given by mail and return of the policy or contract by mail are effective on being postmarked, properly addressed and postage prepaid. The Company must return all payments made for this policy within ten days after it receives notice of cancellation and the returned policy -- and notification that the initial payment has cleared our bank. The policy will be void from the beginning.



FAMILY LIFE INSURANCE COMPANY

Administrative Office: 10700 Northwest Freeway, Houston, TX 77092 (800) 877-7705
A STOCK LIFE INSURANCE COMPANY

READ YOUR POLICY CAREFULLY

This is your life insurance policy. It is a legal contract between the policyowner ("you") and the Company ("us"). It lists your rights and duties, as well as ours. It is important that you read and understand it. If you have any questions, please contact us at our Home or Administrative Office.

All policy provisions are described in terms of our relationship to the Owner.

POLICY PROVISIONS

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To present inquiries or to obtain information about coverage and to obtain assistance in resolving complaints, please contact us at our administrative office at (800) 877-7705.

SCHEDULE PAGE

INSURED:

ISSUE AGE & SEX: FEMALE 30

POLICY NUMBER: FL7000

PREMIUM CLASS: STANDARD NON-NICOTINE

SCHEDULE OF PREMIUMS FOR THE BASE POLICY

Age	Current Annual Prem	Guaranteed Annual Prem	Age	Current Annual Prem	Guaranteed Annual Prem
30	\$194.00	\$194.00	62	\$1,887.00	\$1,887.00
31	\$194.00	\$194.00	63	\$2,085.50	\$2,085.50
32	\$194.00	\$194.00	64	\$2,298.50	\$2,298.50
33	\$194.00	\$194.00	65	\$2,521.00	\$2,521.00
34	\$194.00	\$194.00	66	\$2,770.00	\$2,770.00
35	\$194.00	\$194.00	67	\$3,041.00	\$3,041.00
36	\$194.00	\$194.00	68	\$3,349.50	\$3,349.50
37	\$194.00	\$194.00	69	\$3,705.50	\$3,705.50
38	\$194.00	\$194.00	70	\$4,121.00	\$4,121.00
39	\$194.00	\$194.00	71	\$4,595.50	\$4,595.50
40	\$194.00	\$194.00	72	\$5,122.00	\$5,122.00
41	\$194.00	\$194.00	73	\$5,689.00	\$5,689.00
42	\$194.00	\$194.00	74	\$6,291.00	\$6,291.00
43	\$194.00	\$194.00	75	\$6,923.50	\$6,923.50
44	\$194.00	\$194.00	76	\$7,591.50	\$7,591.50
45	\$194.00	\$194.00	77	\$8,316.00	\$8,316.00
46	\$194.00	\$194.00	78	\$9,121.50	\$9,121.50
47	\$194.00	\$194.00	79	\$10,029.00	\$10,029.00
48	\$194.00	\$194.00	80	\$11,058.00	\$11,058.00
49	\$194.00	\$194.00	81	\$12,203.50	\$12,203.50
50	\$647.00	\$647.00	82	\$13,445.50	\$13,445.50
51	\$704.00	\$704.00	83	\$14,758.50	\$14,758.50
52	\$766.50	\$766.50	84	\$16,127.50	\$16,127.50
53	\$835.50	\$835.50	85	\$17,537.00	\$17,537.00
54	\$910.00	\$910.00	86	\$18,982.00	\$18,982.00
55	\$988.00	\$988.00	87	\$20,480.50	\$20,480.50
56	\$1,073.50	\$1,073.50	88	\$22,052.00	\$22,052.00
57	\$1,169.50	\$1,169.50	89	\$23,732.50	\$23,732.50
58	\$1,277.50	\$1,277.50	90	\$25,585.00	\$25,585.00
59	\$1,399.50	\$1,399.50	91	\$27,775.00	\$27,775.00
60	\$1,542.00	\$1,542.00	92	\$30,678.00	\$30,678.00
61	\$1,702.50	\$1,702.50	93	\$32,187.00	\$34,975.00

2 • DEFINITIONS

2.1 POLICY

A legal contract of insurance

2.2 TERM INSURANCE

Insurance ending at a defined time.

2.3 RIDER

An added provision for supplemental insurance.

2.4 BENEFICIARY

The person to receive payment of the Death Benefit. See Section 6.1.

2.5 DEATH BENEFIT

The amount payable under the Policy on death of the Insured.

2.6 PREMIUMS

The money you pay for this Policy, including any rider. See Section 5.

2.7 GRACE PERIOD

Thirty-one days after the due date to pay any premium, except the first. See Section 5.3.

2.8 LAPSE

Loss of Policy rights because a premium is not paid. See Section 5.4.

2.9 REINSTATEMENT

Restoration of Policy rights after lapse. See Section 5.5.

2.10 OWNER

The person entitled to exercise all rights under the Policy; may be same as the person insured. (In this Policy, "you" refers to the Owner.) See Section 6.2.

2.11 CONTINGENT OWNER

A person who is to become owner after death of the prior owner. See Section 6.2.

2.12 CONTESTABLE PERIOD

The time during which an insurance company may dispute the validity of a Policy because of material

misstatements or omissions in the application. See Section 6.7.

3 • RIGHT TO RENEW

3.1 RENEWAL

Prior to the Insured's 95th birthday and upon expiry of the Initial Policy Term or the term of any renewal, this Policy may be renewed upon payment of the premium, which will be due on expiry of the prior term. The Maximum Premiums for each renewal term are shown in Section 1. See also Section 5.2. Any renewal will be for a one year term period without evidence of insurability. The Expiration Date of this Policy will be the Policy Anniversary at which the age of the insured is 95.

4 • CONVERSION OPTION

On or before the earlier of the tenth policy anniversary or the Insured's 70th birthday, this Policy may be exchanged for a new Policy on the life of the Insured. The new Policy may be on any form of life insurance, other than term insurance, then being issued by us. No evidence of insurability will be required.

Exchange will be made upon written request of the Owner and payment of premium for the new Policy. The premium for the new Policy will be at our rates in use at the date of exchange at the Insured's attained age; however, if this Policy was issued in a rated premium class, the new Policy will be issued in the same premium class.

The death benefit under the new Policy may not exceed the Death Benefit under this Policy at date of exchange. If this Policy limits benefits in event of death from specified causes, such limitation, at our option, may be continued in the new Policy. Any riders in this Policy may be continued only with our consent.

5 • PREMIUMS

5.1 PAYMENT

Premiums for this Policy are payable annually in advance. Subject to our minimum payment rules, you may pay at semiannual, quarterly or monthly intervals. The first premium is due on the Date of Issue. You must pay premiums to our Home Office. Premiums are payable for the Initial Policy Term and for the term of any renewal or until prior death. Checks for premium payments should be made payable to Family Life Insurance Company.

5.2 CHANGE OF PREMIUM

Section 1 shows the Current and Maximum Premium for this Policy and any riders, including any renewal term. The Current Premium is guaranteed for the period noted in the Policy Schedule. Thereafter, we reserve the right to change the Premium on any Policy anniversary. Any change in the Premium will be based on anticipated mortality and persistency experience and expenses unlike those expected at the Date of Issue. Such change will apply to all insureds of the same premium class, age and sex, whose policies have been in force the same length of time. No change will be based on a change in the Insured's health or occupation after the Date of Issue. The Premium may increase or decrease, but will never exceed the Maximum Premium shown in Section 1.

5.3 GRACE PERIOD

You have 31 days after the due date to pay any premium except the first. The Policy stays in force during that grace period.

5.4 LAPSE

The Policy will lapse if the premium is not paid by the end of the grace period. We will mail a notice to your last known address and that of any assignee on our records at least thirty days prior to lapse. If the Policy lapses, it will have no value.

5.5 REINSTATEMENT

You may reinstate the Policy up to five years after lapse. You must provide satisfactory evidence of insurability. Overdue premiums must be paid.

5.6 PREMIUM ADJUSTMENT AT DEATH

If death occurs in the grace period, we will subtract the overdue premium from the Death Benefit. If a premium has been paid for a period beyond the Policy month in which death occurs, such premium will be refunded when the Death Benefit is paid.

5.7 RE-CLASSIFICATION BASED ON TOBACCO USE CHANGE

The Insured may request a reclassification from a tobacco use class to a no tobacco use class by completing the Company's Policy Change form and by meeting the Company's underwriting criteria for reclassification in use at the time of this request.

6 • GENERAL PROVISIONS

6.1 BENEFICIARY

The Death Benefit payable on death of the Insured will be paid to the Beneficiary. The Beneficiary is named in the application unless later changed. If a Beneficiary does not survive the Insured, the estate or heirs of such Beneficiary have no rights under this Policy. If no Beneficiary survives the Insured, the Death Benefit will be paid to the Owner or the Owner's estate.

You may change the Beneficiary while the Insured is alive. Beneficiary changes must be requested in writing on a form satisfactory to the Company. It must be sent to our Home or Administrative Office. No change is valid until it is received and accepted by us at our Home or Administrative Office. Upon receipt and acceptance, it is effective as of the date that you signed the written request, subject to Company approval and any payments made or other action taken by us before we receive your written request.

You may name a Beneficiary irrevocably. If you do so, a change can be made later only with such Beneficiary's written consent.

6.2 OWNERSHIP OF POLICY

Unless another Owner is named in the application or an endorsement, the Insured is the Owner.

You may name a Contingent Owner unless the Insured is the Owner.

Upon written notice to us, you may transfer ownership of the Policy to a new owner. The transfer cancels a designation of Contingent Owner. It does not change the Beneficiary.

6.3 COLLATERAL ASSIGNMENT

Upon written notice to us, you may make a collateral assignment to a creditor as security for a debt. It does not change Policy ownership, but may affect certain ownership rights. The rights of an assignee have priority over the rights of a beneficiary.

6.4 NOTICE, CHANGES AND CHOICES

To be effective, all notices, changes and choices you may make under this Policy must be in writing, signed by you and received by us at our Home or Administrative Office. We are not responsible for the validity of changes. If acceptable to us, notices, changes and choices relating to

beneficiaries and ownership will take effect as of the date signed unless we have already acted in reliance on the prior status.

6.5 SUICIDE EXCLUSION

Suicide of the Insured, whether sane or insane, within two years of the Date of Issue or the date of any reinstatement is not covered. In such event, we will refund all premiums paid for the Policy.

6.6 MISSTATEMENT OF AGE OR SEX

If the age or sex of the Insured has been misstated, the Death Benefit will be adjusted. We will pay the amount that your premiums would have bought at the correct age and sex.

6.7 INCONTESTABILITY

We will not contest this policy after it has been in force during the lifetime of the Insured for two years from its Date of Issue. We will not contest any reinstatement after this Policy has been in force during the lifetime of the Insured for two years from the date of reinstatement.

6.8 THE CONTRACT

This Policy, any riders, any amendments and its attached application are the entire contract. No statement will be used in defense of a claim under this Policy unless it is a material misrepresentation contained in the application or an amendment to it.

All statements made by or on behalf of the Insured shall, in the absence of fraud, be deemed representations and not warranties. The policy is issued in consideration of the application and the payment of the initial premium. Only our President, a Vice President, Secretary or Assistant Secretary can agree to any change of the Policy. Any change must be in writing.

6.9 DATES

Policy years, months, anniversaries and the due dates of all premiums are measured from the Date of Issue. The Policy terminates at the end of the Initial Policy Term, unless renewed under Section 3.

6.10 PAYMENTS

All sums payable to or by us are payable at our home office. We may require return of this Policy prior to making payment.

6.11 RESERVE BASIS

The reserves on this Policy shall not be less than the minimum reserves required by the law of the state in

which this Policy is delivered. The method of computation has been filed with the insurance supervisory official of that state.

6.12 EFFECTIVE DATE

The effective date of coverage under this policy shall be as follows:

(1) For all coverage provided in the original application, the effective date shall be the Date of Issue. But, we must have received the initial minimum premium when due while the health and other conditions affecting the insurability of each person for whom insurance is requested stay the same as described in the application.

(2) For any insurance that has been reinstated, the effective date shall be the Monthly Anniversary Day that coincides with or next follows the date the application for Reinstatement is approved by us.

7 • BENEFIT PAYMENT OPTIONS

7.1 OPTIONAL METHODS OF PAYMENT OF DEATH BENEFIT

Instead of a lump sum payment, you may choose a payment option for all or part of the Death Benefit. (See Section 6.4 regarding how to make your choice.) If you have not made a choice while the Insured is alive, the Beneficiary may choose. If the Beneficiary is not an individual, options are available only with our consent.

The Death Benefit will be applied to the option chosen at our current rates, which will be furnished upon request. The rates will not be less favorable than those shown in Section 8. The tables show the guaranteed minimum amount of each payment for each \$1,000 so applied, according to the adjusted age and sex at the start of payments. The tables are based on 2000 Table A for Individual Annuity Valuation with interest at 3%.

The amount under each option must be \$2,000 or more or must yield installments of at least \$25. (For Option 1, the amount payable each year must be more than 5% of the amount under the option.) For Options 3, 4 and 5, we may require proof of the age or sex of the Beneficiary. If the age or sex of the Beneficiary has been misstated, appropriate adjustment will be made in the amount of any remaining installments. We may require proof on any installment due date that the Beneficiary is still alive.

7.2 OPTION 1 - PAYMENTS OF A FIXED AMOUNT

Equal payments in the amount chosen will be made until the Death Benefit applied under this option and credited interest is exhausted. Interest will be credited at our current rate for this option, determined at the start of payments. The rate will not be less than 3% per year.

7.3 OPTION 2 - PAYMENTS FOR A FIXED PERIOD

Payments will be made for the term chosen. Interest will be credited at our current rate for this option, determined at the start of payments. The rate will not be less than 3% per year.

7.4 OPTION 3 - LIFE INCOME

Payments will be made for the life of the Beneficiary. Payments will cease with the last payment due prior to the Beneficiary's death.

7.5 OPTION 4 - LIFE INCOME WITH PAYMENTS GUARANTEED FOR 10 OR 20 YEARS

Payments will be made for the guarantee period chosen (10 or 20 years) and as long thereafter as the Beneficiary lives.

7.6 OPTION 5 - LIFE INCOME WITH GUARANTEED RETURN OF DEATH BENEFIT

Payments will be made until the sum of the payments equals the Death Benefit applied under this option, and as long thereafter as the Beneficiary lives.

7.7 OPTION 6 - JOINT AND SURVIVOR LIFE INCOME

Payments will be made during the lifetimes of the Beneficiary (payee 1) and designated second person. (payee 2) Upon the death of one, payments for the life of the other will be made in the same amount.

7.8 OPTION 7 - WITHDRAWABLE DEPOSIT AT INTEREST

Proceeds may be left with us on deposit. Interest will be at least 3% per year. Interest may be paid annually, semiannually, quarterly or monthly. Any withdrawal must be at least \$100.

7.9 DEATH OF BENEFICIARY

If a Beneficiary dies while guaranteed amounts remain unpaid, the present value will be paid in a lump sum to the Beneficiary's estate.

Present values will be computed at the interest rate or rates that were used to compute the payments under the option.

7.10 TRANSFER BETWEEN OPTIONS

A Beneficiary under Option 1, 2, 4, 5 or 7 may transfer the present value of guaranteed amounts remaining unpaid to another option. If transfer is made to Option 4 or 5, the amounts and terms will be those in policies we are issuing at that time.

7.11 PAYMENT

Payments will be made on the first day of each month, but prior to the start of payments, you may choose a less frequent payment interval instead. The amount of each payment on an annual, semiannual or quarterly basis will not be less than the monthly payment computed from the applicable table multiplied by the appropriate factor:

<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>
11.787	5.951	2.990

4. CASH VALUES

This rider provides for a cash value benefit for the policy to which this rider is attached, subject to the terms of this rider. The cash value is equal to the Return of Premium benefit of this rider.

5. NON-FORFEITURE OPTIONS

If the policy lapses while this rider is in effect and a cash value is shown as applicable on the date of such lapse, one of two options will be available.

5.1 CASH SURRENDER: The policy may be surrendered for its cash value. The cash value is equal to the Return of Premium benefit. We will require your Written Request and return of the policy or a certification (on a form we accept) stating that the policy has been lost or destroyed.

5.2 EXTENDED LEVEL TERM INSURANCE: If no option is selected, this option will be automatic. Under this option, you may continue the policy as nonparticipating extended level term insurance. The term period will start on the due date of the unpaid premium. That period will be determined by applying the cash value as a net single premium for such insurance. At the end of that period, the insurance will terminate and there will be no cash value remaining.

6. SURRENDER OF INSURANCE UNDER EXTENDED LEVEL TERM INSURANCE OPTION

Any insurance provided under the Extended Level Term Insurance Option may be surrendered for its cash value. The cash value will equal the net single premium for the insurance remaining. If such surrender occurs within 30 days after a policy anniversary, the value will not be less than the cash value on that anniversary.

WE WILL REQUIRE:

- Your written request; and
- Return of the policy or a certification (on a form we accept) stating that the policy has been lost or destroyed.

7. DEFERRAL OF CASH VALUE PAYMENT

We reserve the right to defer payment of the cash value for up to 6 months after we receive your written request. We will pay interest at a rate not less than the minimum rate required by state law, if the deferral period is 30 days or more.

8. BASIS OF POLICY VALUES

The non-forfeiture values under this rider are at least equal to those required by law of the state in which the policy and this rider are delivered. All values equal or exceed those required by the state in which the policy and this rider are issued. A detailed statement of the method of computing these values has been filed with the insurance supervisory official of the state in which the policy and this rider are issued. Minimum values are based on the 2001 CSO mortality table at an interest rate of 5.0%.

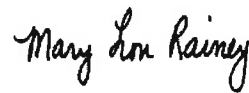
9. NON PARTICIPATING

Dividends are not payable.

10. RIDER TERMINATION

THIS RIDER WILL END AT THE EARLIEST OF THE FOLLOWING EVENTS:

- 10.1 Expiration Date of the initial term period;
- 10.2 Any Non-Forfeiture Option goes into effect;
- 10.3 Your written request to terminate this rider;
- 10.4 The policy terminates; or
- 10.5 The death of the Insured, the Insured Spouse or any Additional Insureds.



Mary Lou Rainey, Secretary



Dan George, President

Application

To:



P.O. Box 924408 • Houston, Texas 77292-4408 • 1-800-877-7705 • www.familylifeins.com

FL7000

Policy #

Billing #

PROPOSED INSURED: Last Name		First	M.I.	Sex	Age	Birth Date	Ht.	Wt.	Occupation
Address:				City Louisville			State	Zip	
Social Security #		Home Phone #		Work Phone # ()					
E-mail:					Marital Status: S				
BENEFICIARY AND RELATIONSHIP TO PROPOSED INSURED:									
Beneficiary:			Social Security #			Relationship to Insured:			
Contingent Beneficiary:			Social Security #			Relationship to Insured:			
OWNER: (Unless noted, Owner will be Proposed Insured.) Name: Ross, Amanda							Social Security #		
Address:				Phone # ()			Relationship to Insured:		
BASE POLICY INFORMATION: Plan: Critical Protection Plus Term: 20 Year									
<input type="checkbox"/> Plan A Life Insurance \$25,000 <u>Critical Illness Rider \$12,500</u> Return of Premium			<input type="checkbox"/> Plan B Life Insurance \$35,000 <u>Critical Illness Rider \$17,500</u> Return of Premium			<input checked="" type="checkbox"/> Plan C Life Insurance \$50,000 <u>Critical Illness Rider \$25,000</u> Return of Premium			

BILLING MODE: Monthly Bank Draft (PAC form) Draft Date _____ (no 29, 30 or 31) Annual Semi-Annual Quarterly

MODAL PREMIUM AMOUNT: \$ _____ Financial Institution: Checking Savings

Is this insurance intended to replace any other life insurance now in force? Yes No If Yes, give name of Company and Policy Number: _____

COMPLETE THE FOLLOWING: (Check the box with the correct answer)

1. Has any proposed insured used tobacco in any form within the past 12 months? Yes No
2. In the past seven (7) years, has any person to be insured received medical care for or had treatment for or been diagnosed by a doctor as having heart trouble, stroke, cancer, lung disease or disorder, diabetes, liver or kidney disease, organ transplant, paralysis, loss of 2 or more limbs, blindness, AIDS, AIDS related complex, or immune deficiency, mental illness requiring medication, treatment for alcoholism or drug abuse or has been hospitalized or advised to have any diagnostic tests or surgery for any condition? Yes No
3. In the last seven (7) years have any of the proposed insured's used narcotics, cocaine, hallucinogens, barbiturates, heroin, marijuana or any other drugs not prescribed by a physician? Yes No
4. Have you ever been denied insurance due to health reasons? Yes No

AUTHORIZATION TO OBTAIN AND DISCLOSE INFORMATION: Family Life Insurance Company and its reinsurers may obtain medical and other information in order to evaluate my application for insurance. This may be disclosed by any physician, practitioner, hospital, clinic, medically related facility, the Veterans Administration, the Medical Information Bureau, Inc., or any consumer reporting agency, or any insurance company. The information may involve me, or any care, treatment or advice of me. This includes information relating to alcohol or drug abuse, mental disease or information which may be considered a communicable or venereal disease which may include, but are not limited to, diseases such as Hepatitis, Syphilis, Gonorrhea and the Human Immunodeficiency Virus, also known as Acquired Immune Deficiency Syndrome (AIDS). Family Life may report such information to the Medical Information Bureau or to other insurance companies to which I have or may apply. This authorization will be valid for 2 years. A photocopy of this will be as valid as the original. I, or my authorized representative may receive a copy of this authorization upon request. If applicable, I also have the right to receive notice of the reason for any adverse underwriting decision.

FRAUD WARNING: Any person who knowingly presents a false or fraudulent claim for payment of a loss or knowingly makes a false statement in an application for insurance may be guilty of criminal offense under state law. I agree that no insurance shall be in effect until: (a) a policy has been issued; and (b) the first premium is paid while my insurability remains unchanged and then only if I am actually in the state of health represented in this application. I state that the answers set forth above, are full, complete and true to the best of my knowledge and belief. The answers are to be the basis of any insurance issued. I also acknowledge that I have received the Investigative Consumer Reports notification and MIB Notice attached to this application. All statements made by or on behalf of the insured or annuitant shall be deemed to be representations and not warranties.

X _____ Proposed Insured JOmGhj4zW3F7epf _____ Date _____ Signed at (City and State) _____

X _____ Owner(s) (if not Proposed Insured or if they are under age 18) _____ Date _____

**LEVEL AND CONVERTIBLE TERM
LIFE INSURANCE POLICY
RENEWABLE UNTIL
AGE 95**

Insurance payable in event of death before the Expiration Date. Premiums payable as shown in the Policy Schedule. Nonparticipating-No Dividends. Renewable until age 95 as provided in the Policy. Initial premium guaranteed as shown in the Policy Schedule. Convertible during the first ten policy years, but not beyond age 70, as provided in Policy.



FAMILY LIFE INSURANCE COMPANY
Administrative Office: 10700 Northwest Freeway, Houston, TX 77092, (800) 877-7705
A STOCK LIFE INSURANCE COMPANY



10700 Northwest Freeway
Houston, TX 77092

FOR MORE INFORMATION ABOUT
THIS POLICY, PLEASE CONTACT:
PHONE 1-800-877-7708

DELIVERY RECEIPT FOR POLICY

POLICYHOLDER'S NAME: MARIA DOE

POLICY NUMBER: FL7000000

THIS POLICY WAS DELIVERED TO ME ON: _____
DATE

AGENT'S SIGNATURE

POLICYHOLDER'S SIGNATURE

by taking a policy loan. If you don't pay back the loan and the interest on it, the amount you owe will be subtracted from the benefits when you die, or from the cash value if you stop paying premiums and take out the remaining cash value. You can also use your cash value to keep insurance protection for a limited time or to buy a reduced amount without having to pay more premiums. You also can use the cash value to increase your income in retirement or to help pay for needs such as a child's tuition without canceling the policy. However, to build up this cash value, you must pay higher premiums in the earlier years of the policy. Cash value life insurance may be one of several types; whole life, universal life and variable life are all types of cash value insurance.

Whole Life Insurance covers you for as long as you live if your premiums are paid. You generally pay the same amount in premiums for as long as you live. When you first take out the policy, premiums can be several times higher than you would pay initially for the same amount of term insurance. But they are smaller than the premiums you would eventually pay if you were to keep renewing a term policy until your later years.

Some whole life policies let you pay premiums for a shorter period such as 20 years, or until age 65. Premiums for these policies are higher since the premium payments are made during a shorter period.

Universal Life Insurance is a kind of flexible policy that lets you vary your premium payments. You can also adjust the face amount of your coverage. Increases may require proof that you qualify for the new death benefit. The premiums you pay (less expense charges) go into a policy account that earns interest. Charges are deducted from the account. If your yearly premium payment plus the interest your account earns is less than the charges, your account value will become lower. If it keeps dropping, eventually your coverage will end. To prevent that, you may need to start making premium payments, or increase your premium payments, or lower your death benefits. Even if there is enough in your account to pay the premiums, continuing to pay premiums yourself means that you build up more cash value.

Variable Life Insurance is a kind of insurance where the death benefits and cash values depend on the investment performance of one or more separate accounts, which may be invested in mutual funds or other investments allowed under the policy. Be sure to get the prospectus from the company when buying this kind of policy and **STUDY IT CAREFULLY**. You will have higher death benefits and cash value if the underlying investments do well. Your benefits and cash value will be lower or may disappear if the investments you chose didn't do as well as you expected. You may pay an extra premium for a guaranteed death benefit.

Life Insurance Illustrations

You may be thinking of buying a policy where cash values, death benefits, dividends or premiums may vary based on events or situations the company does not guarantee (such as interest rates). If so, you may get an illustration from the agent or company that helps explain how the policy works. The illustration will show how the benefits that are not guaranteed will change as interest rates and other factors change. The illustration will show you what the company guarantees. It will also show you what *could* happen in the future. Remember that nobody knows what will happen in the future. You should be ready to adjust your financial plans if the cash value doesn't increase as quickly as shown in the illustration. You will be asked to sign a statement that says you understand that some of the numbers in the illustration are not guaranteed.

Finding a Good Value in Life Insurance

After you have decided which kind of life insurance is best for you, compare similar policies from different companies to find which one is likely to give you the best value for your money. A simple comparison of the premiums is not enough. There are other things to consider. For example:

- Do premiums or benefits vary from year to year?
- How much do the benefits build up in the policy?
- What part of the premiums or benefits is not guaranteed?

- What is the effect of interest on money paid and received at different times on the policy?

Once you have decided which type of policy to buy, you can use a cost comparison index to help you compare similar policies. Life insurance agents or companies can give you information about several different kinds of indexes that each work a little differently. One type helps you compare the costs between two policies if you give up the policy and take out the cash value. Another helps you compare your costs if you don't give up your policy before its coverage ends. Some help you decide what kind of questions to ask the agent about the numbers used in an illustration. Each index is useful in some ways, but they all have shortcomings. Ask your agent which will be most helpful to you. Regardless of which index you use, compare index numbers only for similar policies - those that offer basically the same benefits, with premiums payable for the same length of time.

Remember that no one company offers the lowest cost at all ages for all kinds and amounts of insurance. You should also consider other factors:

- How quickly does the cash value grow? Some policies have low cash values in the early years that build quickly later on. Other policies have a more level cash value build-up. A year-by-year display of values and benefits can be very helpful. (The agent or company will give you a policy summary or an illustration that will show benefits and premiums for selected years.)
- Are the special policy features that particularly suit your needs?
- How are nonguaranteed values calculated? For example, interest rates are important in determining policy returns. In some companies increases reflect the average interest earnings on all of that company's policies regardless of when issued. In others, the return for policies issued in a recent year, or a group of years, reflects the interest earnings on that group of policies; in this case, amounts paid are likely to change more rapidly when interest rates change.

Life Insurance Buyer's Guide

This guide can help you when you shop for life insurance. It discusses how to:

- Find a Policy That Meets Your Needs and Fits Your Budget
- Decide How Much Insurance You Need
- Make Informed Decisions When You Buy a Policy

Prepared by the
National Association of Insurance
Commissioners

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Reprinted by:

**FAMILY LIFE
INSURANCE COMPANY**
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Houston, Texas 77092



FLIC-07-1033-0407

Important Things To Consider

1. Review your own insurance needs and circumstances. Choose the kind of policy that has benefits that most closely fit your needs. Ask an agent or company to help you.
2. Be sure that you can handle premium payments. Can you afford the initial premium? If the premium increases later and you still need insurance, can you still afford it?
3. Don't sign an insurance application until you review it carefully to be sure all the answers are complete and accurate.
4. Don't buy life insurance unless you intend to stick with your plan. It may be very costly if you quit during the early years of the policy.
5. Don't drop one policy and buy another without a thorough study of the new policy and the one you have now. Replacing your insurance may be costly.
6. Read your policy carefully. Ask your agent or company about anything that is not clear to you.
7. Review your life insurance program with your agent or company every few years to keep up with changes in your income and your needs.

Buying Life Insurance

When you buy life insurance, you want coverage that fits your needs.

First, decide how much you need - and for how long - and what you can afford to pay. Keep in mind the major reason you buy life insurance is to cover the financial effects of unexpected or untimely death. Life insurance also can be one of many ways you plan for the future.

Next, learn what kinds of policies will meet your needs and pick the one that best suits you.

Then, choose the combination of policy premium and benefits that emphasizes protection in case of early death, or benefits in case of long life, or a combination of both. It makes good sense to ask a life insurance agent or company to help you. An agent can help you review your insurance needs and give you information about the available policies. If one kind of policy doesn't seem to fit your needs, ask about others.

This guide provides only basic information. You can get more facts from a life insurance agent or company or from your public library.

What About the Policy You Have Now?

If you are thinking about dropping a life insurance policy, here are some things you should consider:

- If you decide to replace your policy, don't cancel your old policy until you have received the new one. You then have a minimum period to review your new policy and decide if it is what you wanted.
- It may be costly to replace a policy. Much of what you paid in the early years of the policy you have now, paid for the company's cost of selling and issuing the policy. You may pay this type of cost again if you buy a new policy.
- Ask your tax advisor if dropping your policy could affect your income taxes.
- If you are older or your health has changed, premiums for the new policy will often be higher. You will not be able to buy a new policy if you are not insurable.
- You may have valuable rights and benefits in the policy you now have that are not in the new one.
- If the policy you have now no longer meets your needs, you may not have to replace it. You might be able to change your policy or add to it to get the coverage or benefits you now want.
- At least in the beginning, a policy may pay no benefits for some causes of death covered in the policy you have now.

In all cases, if you are thinking of buying a new policy, check with the agent or company that issued you the one you have now. When you bought your old policy, you may have seen an illustration of the benefits of your policy. Before replacing your policy, ask your agent or company for an updated illustration. Check to see how the policy has performed and what you might expect in the future, based on the amounts the company is paying now.

How Much Do You Need?

Here are some questions to ask yourself:

- How much of the family income do I provide? If I were to die early, how would my survivors, especially my children, get by? Does anyone else depend on me financially, such as a parent, grandparent, brother or sister?
- Do I have children for whom I'd like to set aside money to finish their education in the event of my death?
- How will my family pay final expenses and repay debts after my death?
- Do I have family members or organizations to whom I would like to leave money?
- Will there be estate taxes to pay after my death?
- How will inflation affect future needs?

As you figure out what you have to meet these needs, count the life insurance you have now, including any group insurance where you work or veteran's insurance. Don't forget Social Security and pension plan survivor's benefits. Add other assets you have: savings, investments, real estate and personal property. Which assets would your family sell or cash in to pay expenses after your death?

What is the Right Kind of Life Insurance?

All policies are not the same. Some give coverage for your lifetime and others cover you for a specific number of years. Some build up cash values and others do not. Some policies combine different kinds of insurance, and others let you change from one kind of insurance to another. Some policies may offer other benefits while you are still living. Your choice should be based on your needs and what you can afford.

There are two basic types of life insurance: term insurance and cash value insurance. Term insurance generally has lower premiums in the early years, but does not build up cash values that you can use in the future. You may combine cash value life insurance with term insurance for the period of your greatest need for life insurance to replace income.

Term Insurance covers you for a term of one or more years. It pays a death benefit only if you die in that term. Term insurance generally offers the largest insurance protection for your premium dollar. It generally does not build up cash value.

You can renew most term insurance policies for one or more terms even if your health has changed. Each time you renew the policy for a new term, premiums may be higher. Ask what the premiums will be if you continue to renew the policy. Also ask if you will lose the right to renew the policy at some age. For a higher premium, some companies will give you the right to keep the policy in force for a guaranteed period at the same price each year. At the end of that time you may need to pass a physical examination to continue coverage, and premiums may increase.

You may be able to trade many term insurance policies for a cash value policy during a conversion period - even if you are not in good health. Premiums for the new policy will be higher than you have been paying for the term insurance.

Cash Value Life Insurance is a type of insurance where the premiums charged are higher at the beginning than they would be for the same amount of term insurance. The part of the premium that is not used for the cost of insurance is invested by the company and builds up a cash value that may be used in a variety of ways. You may borrow against a policy's cash value