

ANÁLISIS DEL DOCUMENTO

ANÁLISIS COMPLETO DEL DOCUMENTO

1. TIPO Y PROPÓSITO DEL DOCUMENTO

Tipo: Contrato de Anualidad de Contribución Única (Single Contribution Annuity Contract)

Emisor: Best Meridian International Insurance Company I.I.

• **Ubicación:** Calle Reverendo Domingo Marrero 5, Suite 4, San Juan, Puerto Rico 00925

• **Marco legal:** Organizada bajo el Capítulo 61 del Código de Seguros de Puerto Rico

• **Formulario:** No. 325 Rev. 05/25

Propósito principal:

- Producto de anualidad que requiere un **pago único** (single contribution)
- Acumula valor durante la vida del Anuitante
- Paga beneficios al fallecimiento del Asegurado o en caso de rescate del contrato

2. CARACTERÍSTICAS PRINCIPALES DEL PRODUCTO

****Tipo de Contrato:****

- **No participante** (non-participating): No comparte utilidades ni ganancias excedentes de la compañía
- **Sin dividendos** (no-dividends)
- Pago único de contribución

****Características clave:****

- **Idioma controlante:** Inglés (prevalece en caso de interpretación)
- **Período de examen:** 10 días para cancelar sin penalización
- **Forma de pago de beneficios:** Suma única (lump sum)
- **Cupones:** Posibles pagos cada 5 años (quinquenales) a discreción del Consejo de Directores

****ADVERTENCIA CRÍTICA:****

> ■■■ "Ninguna cobertura del Asegurador está protegida por ninguna garantía o fondo de insolvencia en Puerto Rico"

3. ESTRUCTURA DE COSTOS Y ASPECTOS FINANCIEROS

****A. Cargos Iniciales:****

Cargo por Gastos (Expense Charge):

- 6.25% deducido de la contribución única inicial

****B. Cargos Mensuales:****

Cargo Administrativo (Administrative Charge):

- **Máximo:** \$0.00 por mes
- Monto actual mostrado en la Página de Datos del Contrato

Cargo de Gestión de Inversiones (Investment Management Charge):

- **Máximo:** 0.10417% mensual (aproximadamente **1.25% anual**)
- Se deduce del valor de la cuenta mensualmente

****C. Tasa de Interés:****

Tasa Garantizada:

- **Mínimo garantizado:** 0.16516% mensual
- Equivalente a **2.0% anual** compuesto
- La Compañía puede acreditar interés adicional a su discreción

Interés Excedente:

- Si se rescata dentro de los **primeros 10 años**, se **pierde el interés excedente** acreditado durante los 12 meses previos al rescate

****D. Cargos por Rescate (Surrender Charges):****

Cargo por Rescate Total:

- Porcentajes mostrados en tabla en la Página de Datos del Contrato
- Se aplica sobre el Valor de Cuenta
- Pérdida de interés excedente si se rescata dentro de 10 años

Cargo por Rescate Parcial:

- **Máximo \$5** por cada rescate parcial

Cargo adicional sobre Cupones Igualados (Matched Coupons):

| Años transcurridos | Cargo sobre Matched Coupon |

|-----|-----|

| 0 – 1 años | 100% |

| 1 – 2 años | 80% |

| 2 – 3 años | 60% |

| 3 – 4 años | 40% |

| 4 – 5 años | 20% |

4. BENEFICIOS Y COBERTURAS INCLUIDAS

****Beneficio por Muerte:****

Al fallecimiento del Anuitante, se paga al Beneficiario el **MAYOR** de:

- Total de contribuciones realizadas, **O**
- Valor de Cuenta (Account Value)

****Valor de Rescate (Surrender Value):****

- Disponible en cualquier momento
- **Cálculo:** Valor de Cuenta - Cargos por Rescate - Interés Excedente Perdido

****Rescates Parciales:****

Disponibles **después del primer año contractual** con las siguientes condiciones:

- **Monto mínimo:** \$50
- **Valor remanente mínimo:** \$50 + cargos mensuales del mes siguiente
- **Frecuencia:** Solo **1 rescate parcial por año contractual**
- **Cargo:** Máximo \$5 por rescate parcial

****Cupones (Coupons):****

- Declarados a discreción del Consejo de Directores cada **5 años**
- Pueden pagarse directamente o acreditarse al Valor de Cuenta
- Si se acreditan, pueden incluir un **"Matched Coupon"** adicional

****Reporte Anual:****

Incluye información sobre:

1. Período del reporte
2. Valor de cuenta (inicio y fin del período)
3. Valor de rescate
4. Contribuciones pagadas
5. Interés acreditado
6. Rescates parciales
7. Cargos deducidos
8. Cupones declarados

5. EXCLUSIONES Y LIMITACIONES IMPORTANTES

****Limitaciones de Rescate:****

- **Aplazamiento:** La Compañía puede posponer el pago de rescate hasta **6 meses** (excepto si se usa para pagar prima/contribución a la Compañía)

****Restricciones de Pago:****

- **No se aceptan pagos en efectivo**
- Si un cheque no es honrado, la contribución permanece impaga
- Debe recibirse recibo oficial de la Compañía

****Penalizaciones por Rescate Temprano:****

- **Dentro de 10 años:** Pérdida de interés excedente de los últimos 12 meses
- Cargos por rescate según tabla
- Cargos adicionales sobre Matched Coupons (100% en el primer año)

****Protección Limitada:****

> ■■ **CRÍTICO:** No hay protección por fondos de garantía o insolvencia en Puerto Rico

****Modificaciones:****

- Solo un oficial autorizado de la Compañía puede cambiar los términos
- Cualquier cambio debe ser **por escrito**

6. DERECHOS Y OBLIGACIONES DE LAS PARTES

****DERECHOS DEL PROPIETARIO (Owner):****

Mientras el Anuitante esté vivo:

- Asignar el Contrato
- Rescatar el Contrato (total o parcialmente)
- Ejercer todos los derechos otorgados por el Contrato
- Transferir la propiedad
- Designar Propietario Contingente
- Cambiar Beneficiario
- Solicitar proyecciones de valores futuros (con cargo)

Sujeto a:

- Consentimiento de cualquier cesionario registrado
- Consentimiento de Beneficiario nombrado irrevocablemente

****OBLIGACIONES DEL PROPIETARIO:****

Cumplimiento AML/KYC (Anti-Money Laundering / Know Your Customer):

- Proporcionar identificación, verificación y documentación completa y precisa
- Cooperar con solicitudes adicionales de información
- **Consecuencias por incumplimiento:**
- Demora, suspensión o terminación de la Póliza
- Rechazo de reclamaciones o transacciones
- Bloqueo de actividades relacionadas con la Póliza

Procedimiento de Reclamación:

- Notificar por escrito lo antes posible
- Presentar prueba de reclamación dentro de **90 días** del fallecimiento
- Proporcionar evidencia satisfactoria (a discreción de la Compañía)

****DERECHOS DE LA COMPAÑÍA:****

- Verificar identidad, edad, sexo de Beneficiarios
- Posponer pagos de rescate hasta 6 meses
- Determinar cargos administrativos y de gestión anualmente (dentro de límites)
- Acreditar interés adicional a discreción
- Declarar cupones a discreción del Consejo
- Cobrar tarifas por proyecciones de valores
- Suspende, retrasar o terminar la Póliza por incumplimiento AML/KYC

****OBLIGACIONES DE LA COMPAÑÍA:****

- Pagar beneficios según los términos
- Enviar reporte anual
- Proporcionar formularios para reclamaciones
- Mantener registros actualizados
- Solo cambios escritos son válidos

7. REQUISITOS Y PROCEDIMIENTOS CLAVE

****A. Para Poner el Contrato en Vigor:****

1. Pago de la primera contribución en la fecha de emisión
2. Recibo oficial de la Compañía
3. **No se aceptan pagos en efectivo**

****B. Para Rescate Parcial:****

Requisitos:

- Debe ser después del primer año contractual
- Anuitante debe estar vivo
- Solicitud por escrito
- Monto mínimo: \$50
- Valor remanente mínimo: \$50 + cargos mensuales siguientes
- Solo 1 rescate parcial por año

****C. Para Rescate Total:****

Condiciones:

1. Solicitud por escrito en formulario aceptable
2. Devolver Contrato original a la Oficina Administrativa
3. Anuitante debe estar vivo en la fecha efectiva
4. Compañía puede posponer pago hasta 6 meses

****D. Para Reclamación por Muerte:****

Paso 1: Notificación por escrito lo antes posible

Paso 2: Compañía proporciona formularios

Paso 3: Presentar prueba dentro de **90 días** incluyendo:

- Evidencia de muerte del Anuitante y causa
- Evidencia del derecho del reclamante a recibir pago
- Cualquier otra información requerida

****E. Para Transferencia de Propiedad:****

- Aviso por escrito
- Efectivo desde la fecha de firma del Propietario
- Revoca cualquier Propietario Contingente previo

****F. Para Cambio de Beneficiario:****

- Aviso por escrito a la Compañía
- Efectivo desde la fecha de firma de la solicitud
- Si Beneficiario es irrevocable: requiere consentimiento escrito

****G. Para Asignación:****

- Debe ser por escrito
- Registrada por la Compañía en su Oficina Administrativa
- Compañía no es responsable de la validez

****H. Comunicaciones:****

Consideradas entregadas cuando:

- Se envían por correo a última dirección conocida, **O**
- Se envían por e-mail a dirección en registros, **O**
- Se envían por comunicación electrónica registrada

8. CONDICIONES DE TERMINACIÓN

****El contrato termina en la PRIMERA de las siguientes:****

1. Fecha de rescate del contrato
2. Fecha de muerte del Anuitante

****Consecuencias de la Terminación:****

Por Muerte del Anuitante:

- Pago al Beneficiario del mayor entre:
- Total de contribuciones, o
- Valor de Cuenta
- Pago en suma única

Por Rescate:

- Pago del Valor de Rescate
- **Cálculo:** Valor de Cuenta - Cargo por Rescate - Interés Excedente Perdido
- Pago en suma única
- Posible aplazamiento hasta 6 meses

****Período de "Free Look" (10 días):****

- Dentro de **10 días** de recibir la Póliza
- Cancelación sin penalización
- Notificar por e-mail a: **bmiphs@bmicos.com**
- Devolución completa de contribución

9. CLÁUSULAS LEGALES RELEVANTES

****A. ARBITRAJE OBLIGATORIO:****

Jurisdicción:

- **Ubicación:** San Juan, Puerto Rico (jurisdicción exclusiva)
- **Ley aplicable:** Federal Arbitration Act, 9 U.S.C. §§1-16, 201-208, 301-307
- **Idioma:** Inglés únicamente (documentos, argumentos, testimonio)
- **Formato:** Presencial (todos en misma ubicación física)

Composición del Panel:

- **3 árbitros:** Cada parte elige uno; los dos eligen el tercero
- **Plazo:** 30 días hábiles para nombrar árbitros
- **Apelación:** Posible a 4º árbitro si:
 - Laudo \geq \$50,000
 - Alegación de error claro de ley
- Árbitro apelación: mínimo 20 años experiencia

Procedimiento:

- Intercambio de documentos en buena fe (60 días)
- Descubrimiento limitado si reclamación > \$50,000:
- 2 deposiciones de hechos por parte
- 1 deposición de experto
- 14 días antes de audiencia: intercambio de testigos y exhibiciones
- Registro estenográfico obligatorio

Daños y Costos:

- **NO se permiten:** Daños punitivos o ejemplares (renunciados expresamente)
- **Solo:** Daños compensatorios + interés (a discreción)
- **Costos de árbitros:** Compartidos 50/50
- **Honorarios de abogados:** Cada parte paga los suyos
- **Traductor:** Costo exclusivo de la parte que lo requiere

Confidencialidad:

- Existencia, contenido, registro y resultados son confidenciales
- Excepto: si requerido por ley o para desafío judicial/ejecución

Prohibiciones:

- **NO acciones de clase** (class actions)
- **NO consolidación** con otros procedimientos
- Propietario acepta expresamente no unirse a clases propuestas

****B. JURISDICCIÓN Y LEY APLICABLE:****

Ley Gobernante:

- Leyes de Puerto Rico (Commonwealth of Puerto Rico)
- **Excepción:** Disposiciones del Código de Seguros de PR excepto Capítulo 61
- Sin consideración de conflicto de leyes

Idioma Controlante:

- **Inglés** prevalece en interpretación

****C. CONTRATO COMPLETO:****

Documentos incluidos:

- Este contrato
- Riders adjuntos
- Enmiendas
- Endosos
- Aplicaciones

Declaraciones:

- Emitido basándose en que todas las respuestas en aplicaciones/exámenes médicos son correctas y completas

****D. MODIFICACIONES:****

- Solo oficial autorizado de la Compañía puede cambiar o renunciar términos
- **Debe ser por escrito**
- No válido de otra forma

****E. INTERPRETACIÓN EQUITATIVA:****

- Términos, condiciones, provisiones y exclusiones se interpretan de manera equilibrada
- **No se aplica:**
- Doctrina de expectativa razonable
- Presunción a favor de ninguna parte
- Interpretación arbitraria
- Se resuelve según intención de las partes

****F. PROYECCIÓN DE VALORES:****

- Disponible a solicitud escrita
- **Compañía cobrará tarifa** (determinada por la Compañía)

RESUMEN EJECUTIVO: ASPECTOS CRÍTICOS**■ **RIESGOS Y ADVERTENCIAS PRINCIPALES:****

1. **SIN PROTECCIÓN DE FONDOS DE GARANTÍA** en Puerto Rico
2. **Cargos iniciales significativos:** 6.25% de la contribución única
3. **Penalización severa por rescate temprano:** Pérdida total del interés excedente en primeros 10 años
4. **Matched Coupons:** Cargos confiscatorios del 100% a 20% si se rescata antes de 5 años
5. **Arbitraje obligatorio** con costos compartidos 50/50
6. **No hay daños punitivos** disponibles (renuncia expresa)
7. **Tasa garantizada baja:** Solo 2.0% anual
8. **Aplazamiento de pagos:** Hasta 6 meses posible a discreción de la Compañía

■ **BENEFICIOS Y PROTECCIONES CLAVE:**

1. **Derecho de examen:** 10 días para cancelación sin penalización
2. **Garantía de muerte:** Mínimo entre total de contribuciones o Valor de Cuenta
3. **Cupones potenciales:** Cada 5 años a discreción del Consejo
4. **Rescates parciales:** Disponibles después del año 1 (1 por año)
5. **Flexibilidad:** Transferencia, asignación, cambio de beneficiario permitidos
6. **Reporte anual:** Transparencia en movimientos y cargos

■ **PERFIL DEL PRODUCTO:**

Ideal para:

- Inversores de largo plazo (10+ años)
- Personas que buscan acumulación conservadora
- Quienes no necesitarán liquidez inmediata
- Planificación patrimonial

NO recomendado para:

- Necesidades de liquidez a corto plazo
- Personas adversas a cargos iniciales altos
- Inversores que buscan altos rendimientos
- Quienes necesiten rescates frecuentes

Documento analizado: Single Contribution Annuity Contract - Form No. 325 Rev. 05/25

Compañía: Best Meridian International Insurance Company I.L., Puerto Rico

Fecha de análisis: 25 de octubre de 2025



SINGLE CONTRIBUTION ANNUITY CONTRACT

Best Meridian International Insurance Company I.I.

Calle Reverendo Domingo Marrero 5, Suite 4, San Juan, Puerto Rico 00925

In this Policy “you” and “your” refers to the Owner of the Policy. “We, “us”, “our”, “Insurer”, and “Company” refer to the Best Meridian International Insurance Company I.I.

If the Insured dies while this Policy is in force, we will pay the proceeds to the Beneficiary, subject to the provisions of the Policy. The Insured is named on the Policy Data Page.

Read your policy carefully. It is a legal contract between the Owner and Best Meridian International Insurance Company I.I.

English as the Controlling Language

With regard to any questions of Policy Contract language and interpretation, the English version shall take precedence and be controlling.

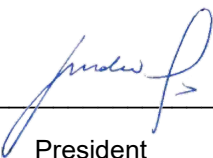
Ten (10) Day Right to Examine Policy

If you are not fully satisfied with this Policy, you may notify us by e-mail at bmiphs@bmicos.com of your decision to cancel the Policy within ten (10) days following the date on which you received it.

Contributions payable during the life of the Annuitant as indicated on the Contract Data Page.

1. Non-participating
2. No-dividends

The undersigned hereby confirms that this Policy has been issued by Best Meridian International Insurance Company I.I., organized under Chapter 61 of the Puerto Rico Insurance Code. No coverage by the Insurer is protected by any guarantee or insolvency fund in Puerto Rico.



President



TABLE OF CONTENTS

GENERAL PROVISIONS	4
The Contract	4
Issue Date	4
Termination of coverage	4
Proceeds	4
Non-participating	4
Claims Procedure	4
Jurisdiction and Venue	4
Annual Report	4
Notices and Reports	5
Projection of benefits and values	5
Compliance	5
Arbitration	5
OWNERSHIP, ASSIGNMENT, AND BENEFICIARY	7
Owner	7
Transfer of Ownership	7
Contingent Owner	7
Assignment	7
Beneficiary	7
Change of Beneficiary	7
CONTRIBUTION PROVISIONS	8
Single contribution	8
Payment of contributions	8
CONTRACT VALUES	8
Account Value	8
Surrender Value	8
Surrender Charge	8
Expense Charge	8
Administrative Charge	8
Investment Management Charge	8
Interest Rate	8
Partial Surrender	9
Surrender	9
Coupons	9



SINGLE CONTRIBUTION ANNUITY CONTRACT

Best Meridian International Insurance Company I.I.

Calle Reverendo Domingo Marrero 5, Suite 4, San Juan, Puerto Rico 00925

In this Policy "you" and "your" refers to the Owner of the Policy. "We, "us", "our", "Insurer", and "Company" refer to the Best Meridian International Insurance Company I.I.

If the Insured dies while this Policy is in force, we will pay the proceeds to the Beneficiary, subject to the provisions of the Policy. The Insured is named on the Policy Data Page.

Read your policy carefully. It is a legal contract between the Owner and Best Meridian International Insurance Company I.I.

English as the Controlling Language

With regard to any questions of Policy Contract language and interpretation, the English version shall take precedence and be controlling.

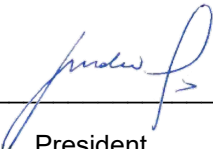
Ten (10) Day Right to Examine Policy

If you are not fully satisfied with this Policy, you may notify us by e-mail at bmiphs@bmicos.com of your decision to cancel the Policy within ten (10) days following the date on which you received it.

Contributions payable during the life of the Annuitant as indicated on the Contract Data Page.

1. Non-participating
2. No-dividends

The undersigned hereby confirms that this Policy has been issued by Best Meridian International Insurance Company I.I., organized under Chapter 61 of the Puerto Rico Insurance Code. No coverage by the Insurer is protected by any guarantee or insolvency fund in Puerto Rico.



President



TABLE OF CONTENTS

GENERAL PROVISIONS	4
The Contract	4
Issue Date	4
Termination of coverage	4
Proceeds	4
Non-participating	4
Claims Procedure	4
Jurisdiction and Venue	4
Annual Report	4
Notices and Reports	5
Projection of benefits and values	5
Compliance	5
Arbitration	5
OWNERSHIP, ASSIGNMENT, AND BENEFICIARY	7
Owner	7
Transfer of Ownership	7
Contingent Owner	7
Assignment	7
Beneficiary	7
Change of Beneficiary	7
CONTRIBUTION PROVISIONS	8
Single contribution	8
Payment of contributions	8
CONTRACT VALUES	8
Account Value	8
Surrender Value	8
Surrender Charge	8
Expense Charge	8
Administrative Charge	8
Investment Management Charge	8
Interest Rate	8
Partial Surrender	9
Surrender	9
Coupons	9



GENERAL PROVISIONS

The Contract

The entire contract consists of this contract, any attached riders, amendments, endorsements, and applications (the "Contract"). We issue the Contract in return for the original application and the payment of the first contribution. This Contract has been issued on the basis that the answers to all questions and all information shown in any applications and/or medical examinations are correct and complete. Only an authorized officer of the Company can change or waive any of the terms of this contract. No such change or waiver will be valid unless we make it in writing.

Issue Date

The Issue Date is the effective date for all benefits provided in the Contract, as shown on the Contract Data Page, subject to payment of the first contribution as required below. It is the date we measure Contract Months and Contract Years. This Contract's anniversary occurs each year at the same month and day as the Issue Date. A Contract Month begins in each calendar month on the day in that month which is the same as the day of the Issue Date.

Termination of coverage

All coverage provided by this contract will end on the earliest of the following:

1. the date the contract is surrendered;
2. the date of death of the annuitant.

Proceeds

The term "Proceeds" refers to the amount payable by the Company under the following circumstances:

1. Upon the death of the Annuitant; or
2. In the event of a contract surrender.

Upon the death of the Annuitant, we will pay the greater of the total contributions made or the Account Value.

In the case of a contract surrender, we will pay the Surrender Value. All Proceeds will be paid in a single lump sum.

Non-participating

Your contract is non-participating. It will not share in our profits or surplus earnings.

Claims Procedure

The Beneficiary or the legal representative of the Annuitant's estate must notify us in writing to make a claim for Proceeds payable upon the death of the Annuitant. Notice should be provided as soon as possible following the Annuitant's death. Upon receiving notice, we will supply the necessary forms for filing proof of loss. Proof of claim should be submitted and received by the Company within ninety (90) days following the death of the Annuitant. The Proceeds of this Contract will be payable only after we receive satisfactory proof of claim, in our sole discretion, which shall include evidence of the death of the Annuitant and the cause of death; evidence of the claimant's right to receive payment; and any other information we may reasonably require to establish the validity of the claim.

Jurisdiction and Venue

This Policy shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico, with the exception of any provisions of the Puerto Rico Insurance Code other than those contained in Chapter 61, without regard to any conflict of laws principles thereof.

Annual Report

We will send you a report once each year. The delivery of the Annual Report shall be in accordance with the Notices and Reports provision below. It will include the following:



Reports provision below. It will include the following:

1. the current report period;
2. the account value at the end of the previous report period and at the end of the current period;
3. the surrender value at the end of the current period;
4. contributions paid since the last report;
5. interest credited since the last report;
6. partial surrenders made since the last report;
7. charges deducted since the last report;
8. coupons and matched coupons declared since the last report.

Notices and Reports

All notices and reports we send shall be deemed delivered and received by the person(s) entitled to receive them, upon the earliest to occur:

1. On the day the notice or report is sent via mail to the person's last known address, as contained in our records.
2. On the day the notice or report is sent via e-mail to the person's email address, as contained in our records; and
3. On the day the notice or report is sent by any other means of recorded electronic communication.

Projection of benefits and values

We will provide you with a projection of future values at any time upon written request by you. We will charge you a fee for this service as determined by us.

Compliance

The Owner hereby agrees and acknowledges his or her responsibility to assist and cooperate with the Company in complying with all applicable laws and regulations related to Anti-Money Laundering ("AML") as well as Know Your Customer ("KYC") requirements mandated by the relevant authorities. The Owner shall: provide complete, accurate, and up-to-date identification, verification, and documentation as required by the Company for the purpose of satisfying AML and KYC obligations; and comply with any requests made by the Company for additional information, documentation, or clarification pertaining to AML and KYC requirements related to the Policy as well as any person related to the Policy. Understand that the Company reserves the right to delay, suspend, or terminate the Policy, or to refuse any claim or transaction, if the Owner fails to comply with the AML and KYC obligations outlined in this provision. In case of suspension, the Company will cease, reject, or block certain activities or transactions related to the Policy until such time when the Company determines the cause of the suspension has been corrected.

Arbitration

Any and all disputes, claims, and/or controversies arising out of or relating to this Policy must be submitted to binding arbitration in San Juan, Puerto Rico. The arbitration proceedings must and shall be conducted in the English language including the submission of all documents and filings related to the arbitration proceeding, including any and all exhibits and oral arguments. English is the only allowed and controlling language of the arbitration proceedings. The parties agree that the arbitration final hearing shall take place in person, with all witnesses and arbitrators present in the same physical location in San Juan, Puerto Rico, unless the parties agree otherwise in writing. The arbitration shall be solely governed by the Federal Arbitration Act, 9 U.S.C. §§1-16, 201-208, and 301-307, to the exclusion of state or any other applicable laws inconsistent therewith or that would produce a different result. Judgment on the award rendered by the arbitrator may be entered by any court having jurisdiction thereof.

Notwithstanding the foregoing, the Owner and the Company agree that the terms, conditions, provisions, and exclusions of this Policy are to be construed in an evenhanded fashion as between the parties, including without limitation, where the language of this Policy may be alleged to be ambiguous or otherwise unclear, said issue(s) which shall be resolved in the matter most consistent with the relevant terms, conditions, provisions or exclusions of the Policy (without regard to the authorship of the language or the doctrine of reasonable expectation of the parties and any presumption or arbitrary



interpretation or construction in favor of either party or parties) and in accordance with the intent of the parties. The arbitrators' award shall not include punitive or exemplary damages, such damages which are specifically exempted and excluded.

The expense of Arbitration shall be shared and borne equally between the Owner and the Company, and each party will pay and bear their own respective legal and attorney fees and costs incurred in the arbitration.

The Owner and the Company will submit their dispute to three (3) arbiters. Each party will choose one arbiter, and the third arbiter will be chosen by the two arbiters chosen by the parties. Either party can initiate arbitration by written notice to the other party naming an arbiter and demanding arbitration. The other party shall have thirty (30) business days once such written notice is received to name its arbiter. The two chosen arbiters will choose the third arbiter within thirty (30) business days, and the arbitration will move forward as above, after the selection of the third arbiter. Arbitration will take place in San Juan; Puerto Rico wherein exclusive jurisdiction lies and is hereby agreed to by the Owner and the Company.

Except as may be required by law or to the extent necessary in connection with a judicial challenge, or enforcement of an award, neither a party nor the arbitrators may disclose the existence, content, record or results of an arbitration. A stenographic record shall be made of all testimony in any arbitration said cost/expense which shall be paid for and borne equally by Owner and the Company, and a final arbitration award shall be accompanied by a short-written statement of the reasoning on which the award rests.

In the event a party believes there is a clear error of law, and within thirty (30) calendar days of receipt of an award of US\$250,000.00 or more, which shall not be binding if an appeal is taken, a Party may notify the other party of its intention to appeal the award to a fourth arbitrator (the "Appeal Arbitrator") who shall have no less than twenty (20) years of experience in the active practice of law or as a former judge, and to which the parties must agree upon. If the parties cannot agree upon an Appeal Arbitrator, then the third arbitrator that was mutually selected by the first two arbiters shall select the Appeal Arbitrator. The award, as confirmed, modified or replaced by the Appeal Arbitrator shall be final and binding, and judgment thereon may be entered by any court having jurisdiction thereof. No other arbitration appeals may be made.

The parties will cooperate in good faith in the voluntary, prompt and informal exchange of all documents and information (that are neither privileged nor proprietary) relevant to the dispute or claim, which are to include all documents in their possession, custody or control on which they will rely on to support of their positions or which they intend to introduce as exhibits at the final hearing, the identities of all individuals with knowledge about the dispute or claim and a brief description of such knowledge, and the identities, qualifications and anticipated testimony of all experts who may be called to testify or whose report may be introduced at the hearing. The Parties and arbiters will make commercially reasonable efforts to conclude the document and information exchange within sixty (60) calendar days after all pleadings or notices of claims have been received and the arbitration has been officially commenced. At the request of a party in any arbitration proceeding in which a disclosed claim or counterclaim exceeds US\$250,000.00, the arbiters may also order pre-final hearing discovery by deposition only upon good cause shown, to be limited to two (2) fact depositions per party and one expert deposition. As they become aware of new documents or information (including experts who may be called upon to testify), all parties remain under a continuing obligation to provide relevant, nonprivileged documents to supplement their identification of witnesses and experts, and to honor any understandings between the parties regarding documents or information to be exchanged. Documents that have not been previously exchanged, or witnesses and experts not previously identified, will not be considered by the arbitrators at the final hearing. Fourteen (14) calendar days before the final hearing, the parties shall exchange and provide to the arbitrators: (a) a list of all witnesses they intend to call (including any experts) with a short description of the anticipated direct testimony of each witness and an estimate of the length of testimony thereof, and (b) pre-marked copies of all exhibits they intend to use at the hearing.

The arbitrators may only award monetary relief and are not empowered to award damages other than compensatory damages and, in the arbitrators' discretion, interest. The arbitrators' award shall not include punitive or exemplary damages which are specifically waived by the parties. The award shall be in satisfaction of all claims by all parties. Arbitrator fees and



expenses shall be borne equally by the parties. Postponement or cancellation fees or expenses due to postponement or cancellation shall be exclusively borne by the party causing the postponement or cancellation. Except as otherwise provided in this Policy, each party shall bear its own fees and expenses incurred, including but not limited to all filing fees, witness fees, expert witness fees, transcript costs, translator and translation costs, and its attorney's fees. Any party requiring a translator exclusively bears the sole cost of the translator including all fees and expenses related thereto.

The parties agree that any arbitration proceeding related to a dispute arising under this Policy shall be conducted solely between them. Neither party shall request, nor consent to any request, that their dispute be joined or consolidated for any purpose, including without limitation, to any class action or similar procedural device, with any other proceeding between such party and any third party. Owner specifically agrees that it will not be joined to any proposed class or class action for any reason related to the Policy.

OWNERSHIP, ASSIGNMENT, AND BENEFICIARY

Owner

The Owner is named in the application. While the Annuitant is alive, the Owner may: assign the Contract; surrender the Contract; make a Partial Surrender; and/or exercise all other rights granted by the Contract. All rights of the Owner are subject to the consent of any assignee of record and any Beneficiary named irrevocably.

Transfer of Ownership

The Owner may transfer ownership of the Contract to another party, who will have, on the effective date of transfer, all rights of the Owner. The transfer must be made by written notice. Once received by the Company, the transfer will be effective as of the date the Owner signed the notice. Any payment made or action taken by the Company before receipt of such notice will not be affected.

Contingent Owner

If the Annuitant is not the Owner, the Owner may designate a "Contingent Owner," who will become the Owner if the Original Owner dies while this Contract is in force. If a Contingent Owner is not named, the Owner's estate will own the Contract. Any transfer of ownership will revoke any previously named Contingent Owner.

Assignment

No assignment will be binding on the Company unless it is made in writing and recorded by the Company at its Administrative Office. Any payment made or action taken by the Company before recording an assignment will not be affected. The Company is not responsible for the validity of any assignment. The rights of the Owner and any Beneficiary may be impacted by an assignment.

Beneficiary

The Beneficiary will receive the Proceeds of this Contract payable upon the death of the Annuitant. Unless a new Beneficiary is named, the Beneficiary designated in the application will receive the Proceeds. If no Beneficiary is named, or if all designated Beneficiaries predecease the Annuitant, the Proceeds will be paid to the Owner or the Owner's legal successor. The Company reserves the right to verify the identity, age, sex, or any other factor of any Beneficiary. Unless otherwise directed, if two or more persons are designated as Beneficiaries, those who survive the Annuitant will be paid in equal shares.

Change of Beneficiary

While the Annuitant is alive, the Owner may change the Beneficiary by providing written notice to the Company. Once recorded by the Company, the change will be effective as of the date the request was signed, even if the Annuitant is no longer alive. Any payment made or action taken by the Company before recording the change will not be affected. If the Owner has designated an irrevocable Beneficiary in writing, no change may be made without the written consent of that Beneficiary.



CONTRIBUTION PROVISIONS

Single contribution

The first contribution must be paid as of the issue date. It is required to put this contract in force.

Payment of contributions

If any check or other instrument given in payment is not honored when presented for payment, the contribution will remain unpaid. Cash payments will not be accepted. The payment must be actually received by the Company and you must have received an official receipt by the Company in order for your contribution to be considered paid.

CONTRACT VALUES

Account Value

The Account Value on the Issue Date is equal to the contribution paid, less the Expense Charge, Administrative Charge, and Investment Management Charge for the first Contract Month. The Account Value on the first day of any Contract Month, other than the Issue Date, is equal to (a) plus (b) minus (c) minus (d) minus (e), where:

- a. is the Account Value on the first day of the previous Contract Month, plus one month's interest;
- b. is all contributions received since the first day of the previous Contract Month, less Expense Charges, plus interest on the net amounts from the date of receipt;
- c. is all Partial Surrenders made since the first day of the previous Contract Month, plus interest from the date of surrender;
- d. is the Administrative Charge for the current Contract Month;
- e. is the Investment Management Charge for the current Contract Month.

The Account Value on any other day is calculated in a consistent manner.

Surrender Value

The Surrender Value is the Account Value, less any Surrender Charges, less any excess interest forfeited. The amount of excess interest forfeited equals the excess interest credited during the twelve months prior to the date of surrender if surrender occurs within ten years of the Issue Date.

Surrender Charge

Surrender Charge percentages are shown in the table on the Contract Data Page. The Surrender Charge is that percentage multiplied by the Account Value.

Expense Charge

An Expense Charge of 6.25% is deducted from the single contribution.

Administrative Charge

A monthly administrative charge not to exceed \$5.00 per month may be levied. We will determine the monthly administrative charge for each year. The current Administrative Charge is shown on the Contract Data Page.

Investment Management Charge

A monthly investment management charge not to exceed 0.10417% will be deducted from the account value. We will determine the monthly investment management charge for each year. The current Investment Management Charge is shown on the Contract Data Page.

Interest Rate

The interest rate used in calculating the Account Value during each Contract Month shall be equal to or greater than 0.16516% per month, compounded monthly, which corresponds to a guaranteed rate of 2.0% per year, compounded



annually. Interest in excess of this rate may be credited to the Account Value at the Company's discretion, based on its expectations regarding future interest rates.

If the Contract is surrendered within ten years of the Issue Date, excess interest credited during the twelve months preceding the date of surrender will be subtracted from the Surrender Value.

Partial Surrender

After the first Contract Year and while the Annuitant is alive, the Owner may request, in writing, to surrender part of the Surrender Value. Partial Surrenders are subject to the following terms:

1. The minimum amount of any Partial Surrender is \$250;
2. The Surrender Value remaining after any Partial Surrender must equal at least \$250 plus the monthly charges for the Contract Month following the Partial Surrender;
3. A Partial Surrender Charge of no more than \$25 will be deducted for each Partial Surrender;
4. Only one Partial Surrender may be made in a Contract Year;
5. The Company reserves the right to postpone payment of the Partial Surrender for up to six months, unless it is used to pay a premium or contribution to the Company.

Surrender

The Owner may surrender this Contract at any time. The Cash Surrender Value is equal to the Surrender Value. The following conditions must be met:

1. Any request to surrender must be submitted in writing on a form acceptable to the Company;
2. The original Contract must be returned to the Company at its Administrative Office;
3. The Annuitant must be alive on the effective date of surrender.
4. The Company may postpone payment of the Cash Surrender Value for up to six months, unless it is used to pay a premium or contribution to the Company. If a request to surrender is made within 30 days after a Contract Anniversary, the Cash Surrender Value will not be less than the Cash Surrender Value on that anniversary, less any Partial Surrender made on or after that anniversary.

Coupons

On every quinquennial (five-year) anniversary of this Contract, the Board of Directors may declare a coupon payment to the Owner. Coupons may be paid directly to the Owner or credited to the Account Value. If the coupon is credited to the Account Value, the Board of Directors may also declare an additional matching amount, referred to as the "Matched Coupon."

If the Contract is surrendered, an additional Surrender Charge will be applied to the Matched Coupon based on the years elapsed since the date of the Matched Coupon, as follows:

Years Elapsed	Percentage of Matched Coupon Charged
0 – 1 Years	100%
1 – 2 Years	80%
2 – 3 Years	60%
3 – 4 Years	40%
4 – 5 Years	20%



GENERAL PROVISIONS

The Contract

The entire contract consists of this contract, any attached riders, amendments, endorsements, and applications (the "Contract"). We issue the Contract in return for the original application and the payment of the first contribution. This Contract has been issued on the basis that the answers to all questions and all information shown in any applications and/or medical examinations are correct and complete. Only an authorized officer of the Company can change or waive any of the terms of this contract. No such change or waiver will be valid unless we make it in writing.

Issue Date

The Issue Date is the effective date for all benefits provided in the Contract, as shown on the Contract Data Page, subject to payment of the first contribution as required below. It is the date we measure Contract Months and Contract Years. This Contract's anniversary occurs each year at the same month and day as the Issue Date. A Contract Month begins in each calendar month on the day in that month which is the same as the day of the Issue Date.

Termination of coverage

All coverage provided by this contract will end on the earliest of the following:

1. the date the contract is surrendered;
2. the date of death of the annuitant.

Proceeds

The term "Proceeds" refers to the amount payable by the Company under the following circumstances:

1. Upon the death of the Annuitant; or
2. In the event of a contract surrender.

Upon the death of the Annuitant, we will pay the greater of the total contributions made or the Account Value.

In the case of a contract surrender, we will pay the Surrender Value. All Proceeds will be paid in a single lump sum.

Non-participating

Your contract is non-participating. It will not share in our profits or surplus earnings.

Claims Procedure

The Beneficiary or the legal representative of the Annuitant's estate must notify us in writing to make a claim for Proceeds payable upon the death of the Annuitant. Notice should be provided as soon as possible following the Annuitant's death. Upon receiving notice, we will supply the necessary forms for filing proof of loss. Proof of claim should be submitted and received by the Company within ninety (90) days following the death of the Annuitant. The Proceeds of this Contract will be payable only after we receive satisfactory proof of claim, in our sole discretion, which shall include evidence of the death of the Annuitant and the cause of death; evidence of the claimant's right to receive payment; and any other information we may reasonably require to establish the validity of the claim.

Jurisdiction and Venue

This Policy shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico, with the exception of any provisions of the Puerto Rico Insurance Code other than those contained in Chapter 61, without regard to any conflict of laws principles thereof.

Annual Report

We will send you a report once each year. The delivery of the Annual Report shall be in accordance with the Notices and Reports provision below. It will include the following:



1. the current report period;
2. the account value at the end of the previous report period and at the end of the current period;
3. the surrender value at the end of the current period;
4. contributions paid since the last report;
5. interest credited since the last report;
6. partial surrenders made since the last report;
7. charges deducted since the last report;
8. coupons and matched coupons declared since the last report.

Notices and Reports

All notices and reports we send shall be deemed delivered and received by the person(s) entitled to receive them, upon the earliest to occur:

1. On the day the notice or report is sent via mail to the person's last known address, as contained in our records.
2. On the day the notice or report is sent via e-mail to the person's email address, as contained in our records; and
3. On the day the notice or report is sent by any other means of recorded electronic communication.

Projection of benefits and values

We will provide you with a projection of future values at any time upon written request by you. We will charge you a fee for this service as determined by us.

Compliance

The Owner hereby agrees and acknowledges his or her responsibility to assist and cooperate with the Company in complying with all applicable laws and regulations related to Anti-Money Laundering ("AML") as well as Know Your Customer ("KYC") requirements mandated by the relevant authorities. The Owner shall: provide complete, accurate, and up-to-date identification, verification, and documentation as required by the Company for the purpose of satisfying AML and KYC obligations; and comply with any requests made by the Company for additional information, documentation, or clarification pertaining to AML and KYC requirements related to the Policy as well as any person related to the Policy. Understand that the Company reserves the right to delay, suspend, or terminate the Policy, or to refuse any claim or transaction, if the Owner fails to comply with the AML and KYC obligations outlined in this provision. In case of suspension, the Company will cease, reject, or block certain activities or transactions related to the Policy until such time when the Company determines the cause of the suspension has been corrected.

Arbitration

Any and all disputes, claims, and/or controversies arising out of or relating to this Policy must be submitted to binding arbitration in San Juan, Puerto Rico. The arbitration proceedings must and shall be conducted in the English language including the submission of all documents and filings related to the arbitration proceeding, including any and all exhibits and oral arguments. English is the only allowed and controlling language of the arbitration proceedings. The parties agree that the arbitration final hearing shall take place in person, with all witnesses and arbitrators present in the same physical location in San Juan, Puerto Rico, unless the parties agree otherwise in writing. The arbitration shall be solely governed by the Federal Arbitration Act, 9 U.S.C. §§1-16, 201-208, and 301-307, to the exclusion of state or any other applicable laws inconsistent therewith or that would produce a different result. Judgment on the award rendered by the arbitrator may be entered by any court having jurisdiction thereof.

Notwithstanding the foregoing, the Owner and the Company agree that the terms, conditions, provisions, and exclusions of this Policy are to be construed in an evenhanded fashion as between the parties, including without limitation, where the language of this Policy may be alleged to be ambiguous or otherwise unclear, said issue(s) which shall be resolved in the matter most consistent with the relevant terms, conditions, provisions or exclusions of the Policy (without regard to the authorship of the language or the doctrine of reasonable expectation of the parties and any presumption or arbitrary interpretation or construction in favor of either party or parties) and in accordance with the intent of the parties. The



arbitrators' award shall not include punitive or exemplary damages, such damages which are specifically exempted and excluded.

The expense of Arbitration shall be shared and borne equally between the Owner and the Company, and each party will pay and bear their own respective legal and attorney fees and costs incurred in the arbitration.

The Owner and the Company will submit their dispute to three (3) arbiters. Each party will choose one arbiter, and the third arbiter will be chosen by the two arbiters chosen by the parties. Either party can initiate arbitration by written notice to the other party naming an arbiter and demanding arbitration. The other party shall have thirty (30) business days once such written notice is received to name its arbiter. The two chosen arbiters will choose the third arbiter within thirty (30) business days, and the arbitration will move forward as above, after the selection of the third arbiter. Arbitration will take place in San Juan; Puerto Rico wherein exclusive jurisdiction lies and is hereby agreed to by the Owner and the Company.

Except as may be required by law or to the extent necessary in connection with a judicial challenge, or enforcement of an award, neither a party nor the arbitrators may disclose the existence, content, record or results of an arbitration. A stenographic record shall be made of all testimony in any arbitration said cost/expense which shall be paid for and borne equally by Owner and the Company, and a final arbitration award shall be accompanied by a short-written statement of the reasoning on which the award rests.

In the event a party believes there is a clear error of law, and within thirty (30) calendar days of receipt of an award of US\$250,000.00 or more, which shall not be binding if an appeal is taken, a Party may notify the other party of its intention to appeal the award to a fourth arbitrator (the "Appeal Arbitrator") who shall have no less than twenty (20) years of experience in the active practice of law or as a former judge, and to which the parties must agree upon. If the parties cannot agree upon an Appeal Arbitrator, then the third arbitrator that was mutually selected by the first two arbiters shall select the Appeal Arbitrator. The award, as confirmed, modified or replaced by the Appeal Arbitrator shall be final and binding, and judgment thereon may be entered by any court having jurisdiction thereof. No other arbitration appeals may be made.

The parties will cooperate in good faith in the voluntary, prompt and informal exchange of all documents and information (that are neither privileged nor proprietary) relevant to the dispute or claim, which are to include all documents in their possession, custody or control on which they will rely on to support of their positions or which they intend to introduce as exhibits at the final hearing, the identities of all individuals with knowledge about the dispute or claim and a brief description of such knowledge, and the identities, qualifications and anticipated testimony of all experts who may be called to testify or whose report may be introduced at the hearing. The Parties and arbiters will make commercially reasonable efforts to conclude the document and information exchange within sixty (60) calendar days after all pleadings or notices of claims have been received and the arbitration has been officially commenced. At the request of a party in any arbitration proceeding in which a disclosed claim or counterclaim exceeds US\$250,000.00, the arbiters may also order pre-final hearing discovery by deposition only upon good cause shown, to be limited to two (2) fact depositions per party and one expert deposition. As they become aware of new documents or information (including experts who may be called upon to testify), all parties remain under a continuing obligation to provide relevant, nonprivileged documents to supplement their identification of witnesses and experts, and to honor any understandings between the parties regarding documents or information to be exchanged. Documents that have not been previously exchanged, or witnesses and experts not previously identified, will not be considered by the arbitrators at the final hearing. Fourteen (14) calendar days before the final hearing, the parties shall exchange and provide to the arbitrators: (a) a list of all witnesses they intend to call (including any experts) with a short description of the anticipated direct testimony of each witness and an estimate of the length of testimony thereof, and (b) pre-marked copies of all exhibits they intend to use at the hearing.

The arbitrators may only award monetary relief and are not empowered to award damages other than compensatory damages and, in the arbitrators' discretion, interest. The arbitrators' award shall not include punitive or exemplary damages which are specifically waived by the parties. The award shall be in satisfaction of all claims by all parties. Arbitrator fees and expenses shall be borne equally by the parties. Postponement or cancellation fees or expenses due to postponement or cancellation shall be exclusively borne by the party causing the postponement or cancellation. Except as otherwise provided



in this Policy, each party shall bear its own fees and expenses incurred, including but not limited to all filing fees, witness fees, expert witness fees, transcript costs, translator and translation costs, and its attorney's fees. Any party requiring a translator exclusively bears the sole cost of the translator including all fees and expenses related thereto.

The parties agree that any arbitration proceeding related to a dispute arising under this Policy shall be conducted solely between them. Neither party shall request, nor consent to any request, that their dispute be joined or consolidated for any purpose, including without limitation, to any class action or similar procedural device, with any other proceeding between such party and any third party. Owner specifically agrees that it will not be joined to any proposed class or class action for any reason related to the Policy.

OWNERSHIP, ASSIGNMENT, AND BENEFICIARY

Owner

The Owner is named in the application. While the Annuitant is alive, the Owner may: assign the Contract; surrender the Contract; make a Partial Surrender; and/or exercise all other rights granted by the Contract. All rights of the Owner are subject to the consent of any assignee of record and any Beneficiary named irrevocably.

Transfer of Ownership

The Owner may transfer ownership of the Contract to another party, who will have, on the effective date of transfer, all rights of the Owner. The transfer must be made by written notice. Once received by the Company, the transfer will be effective as of the date the Owner signed the notice. Any payment made or action taken by the Company before receipt of such notice will not be affected.

Contingent Owner

If the Annuitant is not the Owner, the Owner may designate a "Contingent Owner," who will become the Owner if the Original Owner dies while this Contract is in force. If a Contingent Owner is not named, the Owner's estate will own the Contract. Any transfer of ownership will revoke any previously named Contingent Owner.

Assignment

No assignment will be binding on the Company unless it is made in writing and recorded by the Company at its Administrative Office. Any payment made or action taken by the Company before recording an assignment will not be affected. The Company is not responsible for the validity of any assignment. The rights of the Owner and any Beneficiary may be impacted by an assignment.

Beneficiary

The Beneficiary will receive the Proceeds of this Contract payable upon the death of the Annuitant. Unless a new Beneficiary is named, the Beneficiary designated in the application will receive the Proceeds. If no Beneficiary is named, or if all designated Beneficiaries predecease the Annuitant, the Proceeds will be paid to the Owner or the Owner's legal successor. The Company reserves the right to verify the identity, age, sex, or any other factor of any Beneficiary. Unless otherwise directed, if two or more persons are designated as Beneficiaries, those who survive the Annuitant will be paid in equal shares.

Change of Beneficiary

While the Annuitant is alive, the Owner may change the Beneficiary by providing written notice to the Company. Once recorded by the Company, the change will be effective as of the date the request was signed, even if the Annuitant is no longer alive. Any payment made or action taken by the Company before recording the change will not be affected. If the Owner has designated an irrevocable Beneficiary in writing, no change may be made without the written consent of that Beneficiary.



CONTRIBUTION PROVISIONS

Single contribution

The first contribution must be paid as of the issue date. It is required to put this contract in force.

Payment of contributions

If any check or other instrument given in payment is not honored when presented for payment, the contribution will remain unpaid. Cash payments will not be accepted. The payment must be actually received by the Company and you must have received an official receipt by the Company in order for your contribution to be considered paid.

CONTRACT VALUES

Account Value

The Account Value on the Issue Date is equal to the contribution paid, less the Expense Charge, Administrative Charge, and Investment Management Charge for the first Contract Month. The Account Value on the first day of any Contract Month, other than the Issue Date, is equal to (a) plus (b) minus (c) minus (d) minus (e), where:

- a. is the Account Value on the first day of the previous Contract Month, plus one month's interest;
- b. is all contributions received since the first day of the previous Contract Month, less Expense Charges, plus interest on the net amounts from the date of receipt;
- c. is all Partial Surrenders made since the first day of the previous Contract Month, plus interest from the date of surrender;
- d. is the Administrative Charge for the current Contract Month;
- e. is the Investment Management Charge for the current Contract Month.

The Account Value on any other day is calculated in a consistent manner.

Surrender Value

The Surrender Value is the Account Value, less any Surrender Charges, less any excess interest forfeited. The amount of excess interest forfeited equals the excess interest credited during the twelve months prior to the date of surrender if surrender occurs within ten years of the Issue Date.

Surrender Charge

Surrender Charge percentages are shown in the table on the Contract Data Page. The Surrender Charge is that percentage multiplied by the Account Value.

Expense Charge

An Expense Charge of 6.25% is deducted from the single contribution.

Administrative Charge

A monthly administrative charge not to exceed \$5.00 per month may be levied. We will determine the monthly administrative charge for each year. The current Administrative Charge is shown on the Contract Data Page.

Investment Management Charge

A monthly investment management charge not to exceed 0.10417% will be deducted from the account value. We will determine the monthly investment management charge for each year. The current Investment Management Charge is shown on the Contract Data Page.

Interest Rate

The interest rate used in calculating the Account Value during each Contract Month shall be equal to or greater than 0.16516% per month, compounded monthly, which corresponds to a guaranteed rate of 2.0% per year, compounded



annually. Interest in excess of this rate may be credited to the Account Value at the Company's discretion, based on its expectations regarding future interest rates.

If the Contract is surrendered within ten years of the Issue Date, excess interest credited during the twelve months preceding the date of surrender will be subtracted from the Surrender Value.

Partial Surrender

After the first Contract Year and while the Annuitant is alive, the Owner may request, in writing, to surrender part of the Surrender Value. Partial Surrenders are subject to the following terms:

1. The minimum amount of any Partial Surrender is \$250;
2. The Surrender Value remaining after any Partial Surrender must equal at least \$250 plus the monthly charges for the Contract Month following the Partial Surrender;
3. A Partial Surrender Charge of no more than \$25 will be deducted for each Partial Surrender;
4. Only one Partial Surrender may be made in a Contract Year;
5. The Company reserves the right to postpone payment of the Partial Surrender for up to six months, unless it is used to pay a premium or contribution to the Company.

Surrender

The Owner may surrender this Contract at any time. The Cash Surrender Value is equal to the Surrender Value. The following conditions must be met:

1. Any request to surrender must be submitted in writing on a form acceptable to the Company;
2. The original Contract must be returned to the Company at its Administrative Office;
3. The Annuitant must be alive on the effective date of surrender.
4. The Company may postpone payment of the Cash Surrender Value for up to six months, unless it is used to pay a premium or contribution to the Company. If a request to surrender is made within 30 days after a Contract Anniversary, the Cash Surrender Value will not be less than the Cash Surrender Value on that anniversary, less any Partial Surrender made on or after that anniversary.

Coupons

On every quinquennial (five-year) anniversary of this Contract, the Board of Directors may declare a coupon payment to the Owner. Coupons may be paid directly to the Owner or credited to the Account Value. If the coupon is credited to the Account Value, the Board of Directors may also declare an additional matching amount, referred to as the "Matched Coupon."

If the Contract is surrendered, an additional Surrender Charge will be applied to the Matched Coupon based on the years elapsed since the date of the Matched Coupon, as follows:

Years Elapsed	Percentage of Matched Coupon Charged
0 – 1 Years	100%
1 – 2 Years	80%
2 – 3 Years	60%
3 – 4 Years	40%
4 – 5 Years	20%